

FACT SHEET

April 2011

MASTERSIPP - PLATFORMS & BROKERS

Offering more investment choice for your client's money.

For adviser use only – not approved for use with clients

This factsheet is intended for information purposes only. Its contents are not to be used as legal, financial or tax advice. The tax treatment and tax benefits are based on our understanding of current tax and other legislation, and depend on a customer's individual circumstances. They may be subject to change in the future.

Platforms (fund supermarkets and wraps) and execution-only brokers are a popular choice where our clients invest their funds, generally offering a more streamlined and online-based service, allowing instant transactions and valuations.

Choice

The Suffolk Life MasterSIPP is designed to offer a high degree of flexibility to the investor in terms of the choice of investments. Unlike many alternative options, there is no restriction on having to select funds from a specific fund supermarket or platform; rather the investment choices are left entirely to you and your client.

Brokers and platforms have become a popular choice due to increasingly available functionality and ease of use.

Who?

We can deal with any platform or broker, providing they satisfy our due diligence requirements. We have a strict process to ensure all firms we deal with have appropriate rules in place and protection, in order to protect our investors as much as possible against loss.

However, due to the different set up of brokers and platforms our interaction with them can differ significantly and this can impact on our fees.

Shadowing of investment transactions

At Suffolk Life, we ensure that all transactions are tracked, or 'shadowed'. Many SIPP providers don't, but without investment tracking the provider won't be able to publish any up-to-date information for the portfolio, and if the client has any other investments (cash, property, hedge funds, trustee investment plans, etc) held by the same provider, the client won't get a consolidated view across the entire portfolio.

With non-shadowing, the SIPP provider will not be aware of any underlying transactions. There is no double checking of allowable investments, meaning that if an unacceptable stock is purchased it could be nearly a year until this is realised and corrected, thus resulting in a greatly increased risk of unnecessary and significant tax charges for the investor.

E-investment affiliates

We have a number of platforms and brokers that report to us electronically. There are named e-investment affiliates and provide an integrated, fee-saving option for our investors. These electronic data feeds provide automatic, daily updates to our systems – useful for active dealers and those regularly reviewing portfolios through our secure portal. See

www.suffolklife.co.uk/streained.

Global Agreements

Global agreements remove the need for individual investment agreements for each SIPP plan.

A number of brokers have established global agreements with us, resulting in lower SIPP administration costs for the investor. These types of agreements are not required for platforms.

Platforms

A platform enables easier investment management by providing a convenient, consolidated view of investments, whether in a pension or not.

When using a platform with a Suffolk Life MasterSIPP, your pension is still with us and your adviser will continue to advise you; but your funds will be invested with a third party platform.

We have deliberately taken an open architecture approach to platforms. This means leaving it to the experts to build the platforms so we can focus on being an unbiased and excellent quality SIPP provider.

The challenge for SIPP providers is to integrate the investment and SIPP infrastructure. For an open architecture SIPP provider, this means use of electronic data feeds and provision of secure web access; for advisers this means fast and accurate updates to portfolios and valuations, allowing them to actively monitor and manage their clients' portfolios.

Our default platform to work with is Cofunds. We have, in conjunction with Cofunds, set up a streamlined way of buying and selling collective investments via the platform, meaning investors have access to all 1,600+ funds on the platform. In addition there is no initial charge on funds invested, nor any fees for switches for transactions. The online portal allows buying, selling and switching of funds, giving you and your investor flexibility to trade as required.

FACT SHEET

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Execution-only Brokers

All investments traded via a stock exchange must be carried out by a duly appointed investment manager or execution-only stockbroker and then you/your client will deal directly with them.

Execution-only stockbrokers offer a dealing-only service, with no advice being given. This means the investor and/or their adviser bears all responsibility regarding instructions, often meaning dealing and transaction charges are fairly low.

Stocktrade is our default option for execution-only share dealing, unless instructed otherwise. We believe this service has a number of benefits as Stocktrade offers our plan holders discounts to their standard terms for SIPP transactions.

Stocktrade offers online functionality so transactions can be placed instantly and valuations and balances obtained.

Fees

Alongside standard MasterSIPP fees, there are dealing charges of £25 per transaction unless the company is an e-affiliate. There is also an initial fee of £100 unless we have a global investment agreement with them.

All brokers and platforms will have their own charges and these should be considered.

More information

If you have any queries please contact us at sippsupport@suffolklife.co.uk.