

# Schedule of Allowable Investments

for the Suffolk Life SIPP (Deed Poll scheme)

This is a legally binding document between you and Suffolk Life.  
It is part of a set all of which should be read together:

- » Key Features
- » Personal Illustration
- » Schedule of Fees
- » **Schedule of Allowable Investments**
- » Terms and Conditions
- » Policy Provisions



This document sets out the types of investments which may be held in the Suffolk Life SIPP. It applies only to the Suffolk Life SIPP. If you hold any other SIPP with Suffolk Life, please refer to the separate schedule issued for your SIPP.

## Schedule of Allowable Investments

The following details the types of investments allowed under the Suffolk Life SIPP. The right hand column indicates if the type of investment is allowed. All investments are subject to the general conditions outlined below, note 1 and any other specified note(s).

LEGAL OWNER OF THE UNDERLYING ASSETS	Suffolk Life Annuities Limited (as insurer) Allowed (Note 1)
<b>Stocks and shares (other than collective investment schemes, warrants, futures, options or derivatives)</b>	
Securities (other than collective investment schemes, warrants, futures, options or derivatives) listed on any stock exchange including company shares (other than Legal & General Group PLC ordinary shares) fixed interest securities, loan notes	Note 2
Legal & General Group PLC ordinary shares	No
UK government treasury bills	Note 2
Private company and unlisted public company shares	No
Unlisted fixed interest securities and loan notes	No
Depository interests (including CREST depository interests)	Note 2
Investment trust shares listed on any stock exchange	Note 2
<b>Collective investment schemes (includes unit trusts, OEICs, ETFs and hedge funds)</b>	
Undertakings for collective investments in transferable securities (UCITS) schemes falling within the EU's UCITS Directive 85/611	Yes
Exchange traded funds and commodities that comply with the UCITS directive	Yes
Exchange traded funds and commodities admitted to the London Stock Exchange or another list maintained by a competent authority in another EEA state (Official List) or HMRC recognised stock exchange	Note 2
Exchange traded funds not listed on an Official List or HMRC recognised stock exchange that do not comply with the UCITS directive	Notes 2 & 4
Authorised unit trusts UK resident and authorised under the Financial Services and Markets Act 2000 (FSMA)	Yes
Open ended investment companies (OEIC) and other similar collective investment schemes (regulated collective investment schemes) that are:	
» UK incorporated and authorised by the FSA;	Yes
» Constituted in an EEA member state and authorised by the appropriate authority and is an FSA recognised scheme under section 264 FSMA;	Yes
» Constituted outside the EEA but managed in a designated country or territory and the authorisation requirements under section 270 FSMA are satisfied	Yes
Non UCITS retail schemes	Yes
Unregulated collective investment schemes listed on an Official List or HMRC recognised stock exchange	Note 2
Real estate investment trusts (REITs) listed on an any stock exchange	Notes 2 & 3
Tax exempt property unit trusts and similar property collective investment schemes	Notes 2 & 3
Tax exempt unauthorised non-property unit trusts	Notes 2 & 4
Unregulated non-property collective investment schemes that are not listed on an Official List or HMRC recognised stock exchange	Notes 2 & 4

LEGAL OWNER OF THE UNDERLYING ASSETS	Suffolk Life Annuities Limited (as insurer) Allowed (Note 1)
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## Warrants, futures, options and other derivatives

Warrants and covered warrants listed on any exchange	No
Futures, options and derivatives listed on any stock exchange	No
Unlisted warrants and unlisted covered warrants	No
Unlisted futures, options and derivatives	No
Contracts for difference and spread betting	No

## Insurance company funds

Insurance company funds or policies (excluding with profit contracts)	Note 5
Traded endowment policies and with profit contracts with UK insurance companies	No

## Deposit accounts

Bank accounts:	
» Bank of Scotland account at Suffolk Life Branch	Yes
» Composite Suffolk Life account with Barclays, Clydesdale, HSBC, RBS or any other credit institution that we choose	Yes
» Fixed term, fixed rate deposits with a UK authorised deposit taker of no more than 5 year term and that can be broken early if the term is more than 1 year (note 6)	Yes
» US Dollar and Euro currency deposits at Bank of Scotland	Yes
» Deposit accounts in any currency with an EEA authorised deposit taker opened by an appointed investment manager	Yes
» All other accounts	No

## National Savings and Investments (NS&I)

All NS&I products	No
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## Direct property

UK direct commercial property	Note 7
Overseas direct commercial property	No

## General conditions

### A) Liquidity requirements

Investments (with the exception of direct property investments) must be:

- redeemable for cash within one year; or
- freely transferable to another person eligible to invest in that investment.

### B) Indirect holding of taxable property

An investment must not be purchased or held if it holds an interest in taxable property as defined in Schedule 29A to the Finance Act 2004 unless certain exceptions detailed in that schedule are met. This applies whether the interest in the taxable property is held directly or indirectly through another vehicle or vehicles.

In some cases, an investment may not currently hold taxable property but may not rule out doing so at some point in the future. We will consider such investments on a case by case basis (without any obligation to accept them) and may require the investor to sign a letter before proceeding indemnifying us against any tax liabilities which might arise in the future.

### C) Connected person transactions

If any transaction is to be carried out between the SIPP and the investor or any person connected with the investor, the transaction must take place at market value as defined in section 272(3) of the Taxation and Chargeable Gains Act 1992. For this purpose a person is connected with an investor if that person falls within the definition of a connected person as defined in Section 993 of the Income Tax Act 2007.

### D) Listed securities

Listed securities (ie shares, debt securities, fixed interest securities, debentures, loan stock, warrants, collective investment schemes, etc) must be held by a UK investment manager/stockbroker that is regulated by the FSA. Where the securities are investment trusts or REITs they can alternatively be held through an investment trust savings scheme.

# Schedule of Allowable Investments (continued)

## Note 1 The FSA's Handbook - linked insurance contract

All investments made by Suffolk Life Annuities Limited - being investments made under an insurance contract - must meet the requirements of the FSA's Handbook as amended from time to time. This includes the permitted link rules for linked long term insurance contracts set out in Chapter 21 of the FSA's Conduct of Business Sourcebook (COBS).

This column is based on our interpretation at 1 October 2008 of Chapter 21 of COBS.

## Note 2 Listed securities

These assets are allowed provided that the prices are updated at least quarterly and can be realised within 90 days either with the issuer/provider or freely transferable to another person eligible to invest in that investment. Please note that Legal & General Group PLC ordinary shares are not allowed to be held. The reason for this is that a subsidiary company (ie Suffolk Life Annuities Limited) is not allowed by the Companies Act 2006 to hold shares in a parent company. Other Legal & General securities are allowed.

## Note 3 Exempt property unit trusts and similar collective investment schemes

These property related collective investment schemes are allowed where the following are met:

- » a value can be ascertained at least yearly;
- » the underlying property investments do not breach general condition B) above; and
- » the underlying property investments are located in territories that have a properly functioning property market as required by Chapter 21 of COBS (the current territories which we allow for collective investments schemes are any country in the EEA, United States of America, Australia, New Zealand, Canada, Singapore, Hong Kong, Gibraltar, Channel Islands, Isle of Man – a decision on other countries will be made on a case by case basis when a request arises).

## Note 4 Unregulated non-property collective investment schemes not listed on an official list or HMRC recognised stock exchange

These collective investment schemes are allowed subject to a number of restrictions, in particular:

- » limited in aggregate to no more than 20% of the value of any one plan;
- » must publish its prices quarterly; and
- » we must look through to the assets held within the collective investment scheme to ensure that these comply with permitted links rules. For example, deposits with non EEA deposit takers, commodities and other non-financial assets such as wine & works of art are not permitted links.

## Note 5 Insurance company funds

We can only invest in insurance company funds or policies where:

- » the other insurance company is based in the EEA;
- » the funds are unit linked;
- » the funds are not with profits; and
- » the contract has no guarantee for payment of benefits over and above the value of the funds held by the insurance company.

## Note 6 Fixed term deposits

If the term is less than one year there will often be an option to break the term early but this can only be done at the discretion of the deposit taker. This will generally only be allowed in an emergency, eg to pay out death benefits.

Please note that where a fixed term deposit is broken before maturity there will be penalties which your SIPP will incur.

## Note 7 Commercial property

Before deciding to purchase commercial property please refer to our guide to SIPP property purchase, property insurance notes, property form and, where the property is to be held for more than one investor, group investment agreement.

## [www.suffolklife.co.uk](http://www.suffolklife.co.uk)

Suffolk Life is the trading name of Suffolk Life Annuities Limited (registered in England and Wales number 1011674) and Suffolk Life Pensions Limited (registered in England and Wales number 1180742). Both companies are authorised and regulated by the Financial Services Authority.

Suffolk Life Annuities Limited is an authorised insurance company and provider and operator of the Suffolk Life Self-Invested Personal Pension.

Suffolk Life Pensions Limited is the scheme administrator of the Suffolk Life Self-Invested Personal Pension.

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Telephone calls to Suffolk Life are recorded for training, monitoring and fact verification purposes.