

OPEN
PENSION

FEE BASIS BOOKLET

Take control of your pension



LONDON &
COLONIAL

INNOVATION YOU CAN TRUST

defaqto

2012



SIPP

All the fees described below will be collected as and when they fall due by deduction from the funds held by the Trustee.

Initial Set-Up Charge	£330 per member due upon receipt of funds
Maintenance Charge	£470 due on the commencement date and annually thereafter

Contributions / Transfers

Cash	No charge
In Specie	£75 per asset transferred in or out unless stated otherwise. N.B. A transfer of a property will follow the normal property purchase process and the property fees will apply.

Investment Charges

Regulated or authorised collectives	£30 per transaction (purchase and sale = 2)
Unregulated or unauthorised collectives	£60 per transaction (purchase and sale = 2)
Deposits with institutions other than the Scheme Bankers	£100 per account

Unquoted Share Charges

Purchase / in specie	£450 upon instruction
Annual fee	£100 per annum
Sale	£100 upon instruction

Loans

Purchase / in specie	£350 upon instruction
Annual fee	£100 per annum

Please note that legal fees may apply in addition if security for the loan is required.

Property Charges (UK)

Property Purchase / in specie	£550 upon instruction
New mortgage	£250 upon instruction
Standing investment with existing lease(s)	£100 per lease upon instruction
Property Sale	£200 upon instruction
Annual Property Holding Fee	£295, plus £100 if borrowing involved, per annum in arrears, upon anniversary of completion date
VAT Registration Charge if Applicable	£120 upon submission of registration
VAT Administration Charge	£25 at the end of each VAT period

Property Charges (Overseas)

Overseas property fees	£ time cost
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Please note that charges made by third parties including Valuers, Solicitors and Independent Property Managers fees are in addition to the above.

Portfolio with a Fund Manager (UK)

Appointment of Manager and Initial Transfer of Funds / in specie	£60 in year one, £30 per annum in advance thereafter
Subsequent Transfer and Returns of Funds	£30

Other Investments

Other investments	£ quoted upon application
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Please note that charges made by third parties including Investment Managers and Custodians are in addition to the above.

Benefits

Capped / Flexible Drawdown set up charge	£120 per tranche, in advance plus
Annual Drawdown fee (if income taken)	£120
Annual Drawdown payment	No Charge
Drawdown payments other than annually	£20 per payment annually in advance
Additional one-off payments	£30 per payment
Pension Commencement Lump Sum payment (not taking income)	£120
Pension Commencement Lump Sum payment (already taking income)	No charge

Other Charges

Transfer out	£75 (plus an In Specie charge if applicable)
Purchase of annuity from London & Colonial	no charge
Purchase of annuity from another insurer	£75
Payment of death benefits	£ according to work involved, minimum £150
Any fees not quoted	£ time cost

Time Cost Charges

Administrator rate	£75 per hour
Senior manager rate	£150 per hour

Statements

You will be able to view online all transactions together with the latest asset values held in your plan at any time. In addition we will send you a statement once a year showing all transactions, charges and cash balances.

Additional statements provided on request	£15 each
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These are the fees charged by London & Colonial effective from 6 April 2011 and do not provide for any payments to your financial adviser. Our fees are subject to VAT.

Notes:

1. All charges may be altered (for new and/or existing business) subject to at least 1-month notice.
2. All fees will be linked approximately to the index for NAE.
3. We reserve the right to make additional charges for exceptionally complex investments.

Glossary of terms

Administration: The process of looking after the SIPP on an ongoing basis. This includes but is not limited to such things as providing a reconciled annual statement, setting up any initial regular contributions or savings and reclaiming tax where appropriate and making reports to HMRC and other statutory bodies.

Crystallisation: The act of starting to take benefits (tax free cash and / or income) from the SIPP. It may also be called 'vesting'.

Tax reclaim: In most cases pension contributions receive tax relief and we reclaim 25p from HMRC for each £1 you contribute to your pension. This is added to your fund upon receipt.

Lifetime annuity: A policy issued by an insurance company which provides an income for life in exchange for a lump sum (your accumulated SIPP fund).

OEIC: Open ended Investment Company, also known as a 'collective' investment.

Investment firm: A firm appointed by the plan holder to manage the investments within the SIPP on their behalf or act on an execution only basis (i.e. upon instruction from the plan holder).

In specie transfer: The transfer of an asset other than cash from another pension scheme to another.

Transfer in: Transferring the value of pension benefits from an existing pension scheme to your SIPP either in cash or in specie

Frequently asked questions about Fees

Please note: references below to "we", "us" and "our" are to the SIPP administrator.

Pension administration

1. What are the establishment fee and annual fee for?
The establishment fee covers the creation of the SIPP, and verification that our application form is fully completed and signed (including correct anti-money laundering identification) and processing any initial contributions / transfers including the reclaim of tax where appropriate.

The annual fee includes the preparation of the reconciled annual statement, regular reconciliations during the year and fulfilling all regulatory requirements including all general communications. No fees will be refunded in part or full when a transfer out is initiated. This includes but is not limited to establishment, annual and borrowing, property and income facility fees.

2. How do the fees for contributions work?
There are no fees for any cash contributions made at the point of the SIPP being established, whether they are single or establishing a regular contribution by standing order.

3. How do the fees for the transfer of in specie assets work?
We will process the transfer discharge forms together with the SIPP application at a charge of £75 per asset. If handling multiple schemes transfers at the same time, this fee will be capped at £300. N.B. A transfer of a property will follow the normal property purchase process and the property fees will apply.

4. How do you charge for the transfer in of partially crystallised funds?
Normal full establishment and annual administration fees will apply to the SIPP. Each transfer containing crystallised benefits will attract annual income fees if income taken.

Crystallisation and income withdrawal

4. What do your charges cover for going into Capped / Flexible Drawdown
The fee covers the work required to reconcile and revalue the SIPP in accordance with legislation and then pay benefits.

If you choose to take income, an annual income facility fee will then be charged for each transfer from which income is taken in any year. This covers the administration of PAYE payroll, deduction of tax if required and making the appropriate returns to HMRC. Also included is the facility to vary the level and frequency of income payments.

Investment related fees

5. Is a single authorised unit trust/OEIC or TIP application for two funds one or two transactions?
We apply a single transaction fee for each application form we receive. So in the instance above you would only incur one charge.

6. Why are fees charged to set up some investment manager accounts and not others?
If you ask us to open an account with an investment manager with whom we have already been able to agree a global investment agreement, the account opening process is streamlined and so we do not charge an account opening fee. For other organisations we may need to enter into a new investment agreement.

7. Do your fees include the stockbroker's fees?
No, our investment transaction fees relate to the recording and reconciling of investment transactions and do not include stockbroker, investment manager or nominee fees and charges.

Property fees

8. How do you calculate fees for dealing with a property purchase?

We have a standard fee that we apply to most transactions. This is based on the average amount of time and expertise that we need to apply during the purchase process. If there are exceptional circumstances we may need to increase this fee but if this is the case we will let you know before we commit to the transaction.

Our fee covers the following items. We will appoint, subject to appropriate due diligence, a surveyor and a solicitor, consider the matters disclosed in the surveyor's report and in the report on title from the solicitor and decide any further investigations or actions that may be required. We will also note any matters that may need to be monitored or addressed on an ongoing basis including compliance with regulatory requirements and reporting. We will further consider and execute the contractual documents, agree suitable arrangements for completion, arrange for transmission of funds when required. We will similarly agree and execute the documentation of the lease as well as arranging suitable insurances, appointing the property manager and establishing proper records.

Please note that we will usually allow you the opportunity to nominate the surveyor and the solicitor that we appoint to act for us as and you may wish to negotiate rates with them. Their fees, together with all disbursements relating to the acquisition, sale or management of the property will be payable from your SIPP.

9. What does the property manager do for the management fee?

Your chosen property manager will deal with all general property management issues – these include invoicing the tenant for the rent due under the lease, chasing rent arrears, dealing with rent reviews, requests from the tenants to assign the lease or to sublet or to make alterations, to monitor compliance with the terms of the lease by the tenant and also to ensure observance of covenants relating to the property and compliance with fire, health and safety and all other regulations.

10. What do you do for your property holding fee?

We monitor periodic reports from the property manager and liaise on matters arising from those reports as well as agreeing any actions that may be necessary including the documentation of assignments and rent reviews. We also ensure that appropriate insurance cover is maintained, pay expenses falling due, credit rental income to your SIPP, reconcile all transactions and ensure continued compliance with regulatory requirements and reporting.

Borrowing

11. What are the fees if my SIPP borrows money?

If your SIPP borrows to purchase property, the initial costs of dealing with the mortgage will be £250. There is a fee for ongoing maintenance and monitoring of the loan of £100 per annum. Additional fees will be charged on a time-cost basis should the borrowing be varied, such as partly or fully repaid.

General

12. Do your fees increase?

We may increase fees annually by a percentage not materially exceeding the percentage increase in the monthly National Average Earnings index (the NAE) over the previous year. If the NAE ceases to be published or if the calculation of the NAE is altered we may substitute a comparable index. We may at any time increase or amend all or any of our fees or charges payable from your SIPP in such a manner as we may determine. We will give you three months' notice where we amend or increase any fees by an amount materially exceeding the percentage increase in NAE.

13. Do you receive any other income in relation to my SIPP?

Yes. The rate of interest earned by any SIPP bank account will not be less than that normally credited by the bank on individual accounts. However, if the bank makes payments to the administrator that exceed the total of the normal interest credited to all individual accounts then we may retain the difference. We will also make arrangements for insuring, on our block policy, property held for your SIPP. If any income is earned by us in respect of such arrangements, we will retain it. We do not receive income from investment transactions.

14. Additional fees

We reserve the right to charge for additional services on a time-cost basis relevant to the expertise and seniority of our staff involved.

15. Is there anything else I should know?

All expenses, charges and outgoings whether in respect of the investments contained in your SIPP (including the costs of purchase, sale, management, maintenance and valuation of freehold and leasehold properties, if any, and other investments) or other expenses however incurred will be charged to your SIPP.

In the event of a levy being made on us under the Financial Services Compensation Scheme or any levy or taxation being imposed on us or your SIPP under any statutory provision affecting the business of SIPP providers, operators, administrators or insurance companies, we may recover from your SIPP an amount equal to the proportion of such levy or taxation that we may reasonably determine. This will be on a basis similar to how the levy, tax, liability, charge or other payment has been calculated.

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