

INVESTMENT NOTES

Take control of your pension



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1. General points about Open Pension investments

The Open Pension Trustee and Administrator is London & Colonial Services Limited (London & Colonial).

You decide how your Fund is to be invested or, alternatively, you may use a suitably authorised Investment Manager to make investment decisions on your behalf.

All investments that you choose are held in the name of the Trustee(s) or in the name of its nominee.

2. Investment Manager

You may choose to direct the investment of the funds yourself or if you prefer you may nominate an Investment Manager. The Investment Manager you choose may or may not be the Independent Financial Adviser that originally advised you on applying for the Open Pension.

The Investment Manager may either be granted full discretion to manage your fund on your behalf, or simply offer advice, which you may or may not decide to act upon. Either way, the resulting investment instructions will be communicated to London & Colonial either via the nominated Investment Manager or yourself directly in all cases.

If you choose to have an Investment Manager then this person can be either nominated at the time you apply for the Open Pension, or later after the Open Pension contract has been established.

There is no requirement to invest the funds straight away and you and your Financial Adviser may wish to take time before deciding on your investment strategy or you may wish to delay investing for example if the market conditions are unfavourable.

If you choose to appoint an Investment Manager London & Colonial will ensure that the firm you select is a reputable and appropriately authorised investment management organisation. If the nomination of the Investment Manager is made after application then your Financial Adviser will be required to provide London & Colonial with a supporting letter from you confirming your choice.

It is your responsibility or that of any nominated Investment Manager to satisfy yourselves that the proposed investments are made within the permitted range (see section 4). If there is any doubt about the acceptability of the nature of the investment then you or your Investment Manager will need to seek the prior approval of London & Colonial before proceeding.

3. Selection of a Custodian

Any nominated Investment Manager must advise where they would like the underlying assets to be held and provide details accordingly. This choice will be subject to approval by London & Colonial. Once all arrangements and procedures have been agreed and confirmed between the Investment Manager and London & Colonial (see section 5) then London & Colonial will transmit funds to the Investment Manager to be invested on behalf of the Trustees for the member. In some instances funds may stay in the Trustees' bank account with each transaction being settled directly from that account.

4. Permitted investments

The Open Pension allows a wide range of permitted investments allowing most investors' risk/return profiles to be met. All investments are subject to the approval of London & Colonial.

For full details of all the permitted investments please see our Key Features document or visit our website www.londoncolonial.com. In the absence of any instruction to the contrary, all funds will be placed in the Trustee bank account.

5. The Investment Agreement

If an Investment Manager is to be appointed your Financial Adviser will obtain an Investment Agreement from the Investment Manager and will complete the relevant parts of the document relating to the investment strategy as agreed with you. When selecting your investment strategy you must ensure that each investment does not have any associated contingent liability.

Your Financial Adviser will then send the document to London & Colonial who will either confirm that the arrangements are being put in place or inform your Financial Adviser if there are any points that are inconsistent with the scheme requirements and need to be resolved.

London & Colonial will then complete the Investment Agreement and send it to the Investment Manager. If the agreement is in the standard form used by the Investment Manager it may be necessary to cover certain special instructions or procedures in a side letter.

6. Investment process

It is likely that you and your Financial Adviser will require funds to be invested as soon as possible. It is therefore advisable, if required, to nominate any Investment Manager at the outset in the application form.

We would also suggest that your Financial Adviser supply the Investment Agreement at the same time as the application in order to speed up the process. London & Colonial will then be able to initiate the investment arrangements at the same time as establishing the Open Pension to avoid any unnecessary delay in making the initial investments.

7. Investment valuations

We would normally require any nominated Investment Manager to produce an annual valuation. Valuations must detail each holding, as well as purchases, sales and fund switches during the period. Cash movements, unrealised gains, losses and other income and expenditure must also be included.

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