



Press Release

Adam Wrench, Head of Product and Business Development from London & Colonial, examines why advisers need to stop relying on low-cost, off-the-shelf SIPPs in the post-RDR landscape:

“The convenience of self-investment pension plan wrappers on fund platforms is widely viewed as a useful choice for advisers as they provide plenty of choice in fund section.

However, the advent of RDR has seen advisers going “back to basics” and having to refocus their attention on the core activity of giving advice, rather than concentrating on fund selection, with many advisers opting to outsource such activities to discretionary fund services. Moving forwards we will see mainstream fund platforms having to address this trend and better enable discretionary fund management functionality to their services as a result.

The issue of outsourced fund selection aside, mainstream platforms may also be limiting for pension clients in other respects, such as their lack of flexibility in offering exposure to investments outside of fund structures. As such advisers should look towards more specialist SIPP platforms to find a more rounded service, one that can meet the investment needs of all types of clients as well as travel with clients through their financial life.

Many financial advisers have clients who initially may not need anything other than a SIPP with a simplified investment selection, but whose needs could change over time as their wealth grows. In such cases, they may seek more suitable offerings, including wider and specialist investment choices. For example, clients who own their business may find it advantageous, tax wise or as an investment, to place their company’s premises within their retirement wrapper.

We believe advisers need a multi-platform pension proposition that has the flexibility to adapt with their clients’ needs and has the ability to access a broader range of investments and asset classes, when required. We consider such flexibility is important and aids advisers to satisfy the changing needs of clients.”

Table of investments that can be included in a SIPP – and those that are available via a mainstream fund platform

Some Of The Wide Range Of Investments Available Through A Full SIPP	Platform Products - Investment Selection
<ul style="list-style-type: none"> ○ Insurance funds ○ UK stocks and shares including shares listed on the Alternative Investment Market (AIM) ○ Overseas stocks and shares quoted on a Recognized Stock Exchange ○ Unquoted shares ○ Commercial property ○ Ground rents in respect of commercial property ○ Traded endowment policies ○ Permanent Interest Bearing Shares (PIBS) ○ Warrants ○ Futures and Options 	<ul style="list-style-type: none"> ○ All UK and select offshore open-ended, collective investment schemes. ○ Some offer access to ETFs ○ Some offer closed-ended funds, such as investment trusts ○ Some offer limited listed company access

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Notes to Editors

About London & Colonial

London & Colonial specialises in self-invested products for both UK residents and persons resident overseas.

The London & Colonial Group includes

- (1) London & Colonial Holdings Limited – UK parent company
- (2) London & Colonial Services Limited which is regulated by the UK Financial Services Authority and operates SIPPs and SSASs
- (3) London & Colonial Assurance PLC which is regulated by the Gibraltar Financial Services Commission (matching UK standards) and which offers Open Annuities, QROP Annuities and Open Offshore Bonds
- (4) L&C (Administration Services 2) Limited and London & Colonial (Trustee Services) Limited which are both based in Gibraltar and offer the EU SIPP.

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