



Investor Protection Booklet

Introduction

This document sets out information about London & Colonial, how the companies in the group are regulated and the statutory protection schemes that are available to clients.

About us:

The London & Colonial Group includes companies registered both in the UK and overseas.

London & Colonial Assurance plc

- Insurer established and regulated in the EU, (Gibraltar) providing Annuity, and other insured business

London & Colonial Services Limited

- UK administration and product distribution services for London & Colonial Assurance plc
- Trustee for UK SIPPs
- Administration services for both Self Invested Personal Pension (SIPP) and Small Self-Administered Scheme (SSAS) arrangements

London & Colonial (Trustee Services) Limited

- Gibraltar based Trustee and Administration Services for Qualifying Recognised Overseas Pension Scheme (QROPS); and Qualifying Non UK Pension Scheme (QNUPS) arrangements.

London & Colonial Holdings Limited

- UK registered parent company of London & Colonial Group

London & Colonial Assurance plc

Financial strength

London & Colonial Assurance plc is a financially strong company in relation to the business that it undertakes. It has no debt and its reserves significantly exceed the statutory minimum.

Regulation

London & Colonial Assurance plc is regulated by the Gibraltar Financial Services Commission (FSC).

The FSC is the independent supervisory authority in Gibraltar for the regulation of all financial services business within the jurisdiction. The FSC is required to implement all EU Directives relating to insurance supervision and, in any instances where the UK's regulatory regime is stricter than the EU's it must match UK standards.

Gibraltar

British Overseas Territory rated AAA by Moodys and has been named by the International Monetary Fund (IMF) as one of the top places in the world for complying with banking and insurance regulations.

Gibraltar meets all recommendations made by the Financial Action Task Force (FATF) on prevention of money laundering and nine special recommendations aimed at combating terrorist financing.

Gibraltar is also compliant with all applicable banking and insurance standards.

See IMF press release on the FSC's website at <http://www.fsc.gi/fsclists/pressrelease.aspx?PressReleaseID=71>

The full report is also available from London & Colonial on request.

Compensation Arrangements

- UK Financial Services Compensation Scheme (FSCS)

The Financial Services Compensation Scheme (FSCS) was established to provide compensation to customers of authorised financial services firms which are unable to satisfy claims against them.

When an FCA authorised firm is unable or is unlikely to be able to pay claims against it, the FSCS will generally declare the firm as being 'in default' and only after this time will they consider any claims. While a firm is still trading or still has sufficient assets to meet claims, the FSCS will not consider a claim and you will need to reclaim any money you are due from the firm itself or the firm's administrators.

Under EU legislation, providing for what are known as "passporting rights", EU registered insurers outside the UK wishing to sell their products to UK residents are able to do so by passporting their products and services into the UK.

London & Colonial Assurance plc however is Gibraltar (British Overseas Territory) based and while it has passported into the UK under the appropriate EU legislation FSCS cover still applies for UK residents as Gibraltar does not have a similar compensation scheme.

In the unlikely event that LCA were to default on claims under its policies, sales of its products conducted in the UK, to UK residents at the time the contract commenced, are covered by the 'protected contracts of insurance' part of the FSCS (see limits below).

The FSCS can pay compensation only to eligible claimants. Eligible claimants are usually consumers but different rules apply to different types of claim; you should contact the FSCS for further details.

It is possible that this may not be able to be taken as a precedent; consequently we still take a cautious view of the scope of the FSCS. Therefore, if the benefits under a policy are directly related to the value of a particular asset and if the value of that asset is not realised in full then the policy value may not benefit from a claim under the FSCS.

London & Colonial Services Limited

Financial strength

London & Colonial Services Limited is a well established brand with a 25 year track record; one of the first to offer SIPPs in 1995; a balance sheet of £1,060,000; and an annual turnover of £1,029,000 in relation to the business that it undertakes.

The company acts as Trustee and Scheme Administrator for the London & Colonial Self Invested Personal Pension (SIPP) arrangements; and provides administration services for the London & Colonial Qualifying Recognised Overseas Pension Scheme (QROPS); Qualifying Non UK Pension Scheme (QNUPS); and Annuity products and services in support of London & Colonial Assurance plc.

If for any reason the company were to stop trading the services that it provides would be fulfilled by replacement trustees and administrators.

Regulation

The Financial Conduct Authority (FCA) is the independent supervisory authority that regulates the conduct of all financial services business in the UK.

London & Colonial Services Limited is authorised and regulated by the Financial Conduct Authority for the establishment, operation and winding-up of personal pension schemes, including SIPPs.

Compensation Arrangements

- UK Financial Services Compensation Scheme (FSCS)

The Financial Services Compensation Scheme (FSCS) was established to provide compensation to customers of authorised financial services firms which are unable to satisfy claims against them.

When an FCA authorised firm is unable or is unlikely to be able to pay claims against it, the FSCS will generally declare the firm as being 'in default' and only after this time will they consider any claims. While a firm is still trading or still has sufficient assets to meet claims, the FSCS will not consider a claim and you will need to reclaim any money you are due from the firm itself or the firm's administrators.

Sales of SIPP arrangements offered by London & Colonial Services Limited are covered by the FSCS.

Although the scheme assets legally belong to the Trustee they are required to be kept separate from other assets belonging to the Trustee. This is because the Trustee does not hold the scheme assets for its own benefit but on trust for the benefit of the scheme members. The assets would therefore not be on the Trustee's own balance sheet nor available to its creditors.

In the unlikely event of a failure of the Trustee (or, if a different entity, failure of the administrator) there would normally be no need for any claim to be considered, whether against the FSCS or otherwise, as the assets are ring-fenced and still available to provide benefits under the scheme rules as before. If necessary, a replacement Trustee or Administrator would be appointed to continue with the operation of the scheme.

The FSCS can pay compensation only to eligible claimants. Eligible claimants are usually consumers but different rules apply to different types of claim; you should contact the FSCS for further details.

The FSCS currently includes the following compensation limits:

Deposits	100% of £75,000 (limited to £75,000 per person per regulated entity)*
Contracts of Insurance	100% of all types of protection insurance with no upper limit (all other types of insurance cover is 90% with no upper limit)
Investment business	100% of the first £50,000 (limited to £50,000 per person per firm)

In general any eligible claimant who buys a product from a UK authorised firm will be protected by the Financial Services Compensation Scheme (FSCS) if that authorised firm becomes unable to meet its liabilities.

If deposits/investments or other accounts are held in jurisdictions other than the UK then the availability of compensation will depend on the arrangements in place in that jurisdiction.

*FSCS will provide a £1 million protection limit for temporary high balances held with a bank, building society or credit union if it should fail.

The above limits are for guidance only - please see the FSCS web-site www.fscs.org.uk for full details.

Important notes:

Other overseas jurisdictions

Please note that other compensation arrangements may vary depending upon the jurisdiction of the client's residence; in which country the adviser is based; and within which country the investment (product) is based.

For example; the application of the UK FSCS for 'protected contracts of insurance' currently depends on where the risk or commitment is determined to be when the contract is taken out.

Please check with your financial adviser which compensation arrangements apply as these will be determined by not only where you are habitually resident but within which jurisdiction the product was sold.

Compensation available in the event of failure of investments held within a SIPP

The level of protection available will depend upon the investments that are held.

If the provider of an investment product held within the SIPP Arrangement is covered by the FSCS, the member should be able to make a claim directly to the FSCS in respect of their investment.

Please note: not all investments held within the SIPP Arrangement are covered by the FSCS.

London & Colonial (Trustee Services) Limited

Financial strength

London & Colonial (Trustee Services) Limited is financially sound in relation to the business that it undertakes.

The company acts as Trustee for the London & Colonial Qualifying Recognised Pension Scheme (QROPS) and Qualifying Non-UK Pension Scheme (QNUPS) arrangements in support of London & Colonial Assurance plc.

Regulation

London & Colonial (Trustee Services) Limited is regulated by the Gibraltar Financial Services Commission (FSC) as a 'Professional Trustee'.

The FSC is the independent supervisory authority in Gibraltar for the regulation of all financial services business within the jurisdiction. The FSC is required to implement all EU Directives relating to insurance supervision and, in any instances where the UK's regulatory regime is stricter than the EU's it must match UK standards.

Compensation arrangements

London & Colonial understand that only limited compensation arrangements are available in Gibraltar and the maximum payment is limited to €20,000. However, if for any reason London & Colonial (Trustee Services) Limited were to stop trading, the services that it provides would be fulfilled by replacement trustees.

For your further information:

The Investor Compensation Scheme Act 2002 was passed by the Gibraltar House of Assembly on 14 June 2002 to give effect to EU Directive 97/9/EC which requires Member States to establish investor compensation schemes. The Act came into operation on the 24th July 2003.

Please visit the Gibraltar Investor Compensation Scheme (GICS) for further details: www.gics.gi

Other overseas jurisdictions

Please note that other compensation arrangements will vary depending upon the jurisdiction of the client's residence; in which country the adviser is based; and within which country the investment (product) is based.

For example; the application of the UK FSCS for 'protected contracts of insurance' currently depends upon where the risk or commitment is determined to be when the contract is taken out.

Please check with your financial adviser which compensation arrangements apply as these will be determined by not only where you are habitually resident but within which jurisdiction the product was sold.

In general any eligible claimant who buys a product from a UK authorised firm will be protected by the Financial Services Compensation Scheme (FSCS) should that authorised firm become unable to meet its liabilities.

If deposits/investments or other accounts are held in jurisdictions other than the UK then the availability of compensation will depend upon the arrangements in place within that jurisdiction.

Further information

UK regulated fund managers

UK regulated fund managers are required by the FCA to appoint a 'depository' who is responsible for the safekeeping of the assets. The depository will normally appoint a 'custodian' to act on their behalf. One of the custodian's primary functions is the safekeeping of securities and cash in deposit accounts, held in the name of the depository. This has the effect of segregating the funds from the fund manager's own assets.

Discretionary Fund Managers (DFMs)

Discretionary Fund Managers (DFMs) are obliged to keep client assets separate from their own assets. If the DFM defaults, there is normally no need to make a claim on the FSCS as the assets are still owned by the Trustee and can therefore be recovered in full.

If on the other hand the investment provider chosen by the DFM defaults and the assets are covered by the FSCS it should be possible to make an FSCS claim in respect of those underlying assets.

Cash deposits

Cash deposits held in SIPP Arrangements with UK banks are normally protected under the FSCS rules. This means that each SIPP member should be entitled to make an FSCS claim up to £75,000* in the event of an FCA regulated bank defaulting. Please see above 'Compensation arrangements' for full details of cover provided by FSCS.

*FSCS will provide a £1 million protection limit for temporary high balances held with a bank, building society or credit union if it should fail.

Contact Us:

For further information please contact:

London & Colonial
38 - 42 Perrymount Road
Haywards Heath
West Sussex
RH16 3DN

Tel: +44 (0)203 479 5505

Fax: +44 (0)203 479 5506

Email: salesupport@londoncolonial.com

Web: www.londoncolonial.com



**LONDON &
COLONIAL**
INNOVATION IN PENSIONS

For more information about any of our products please scan the QR code or use one of the contact details below:

Tel: 0203 479 5505

Fax: 0203 479 5506

Web: www.londoncolonial.com

E-mail: SalesSupport@londoncolonial.com



London & Colonial Holdings Limited, London & Colonial Services Limited, London & Colonial Central Services Limited and London & Colonial Trustees Limited are registered in England and Wales. Registered numbers 4093489, 2966313, 7966194, 2275364 respectively. Registered office at 38-42 Perrymount Road, Haywards Heath, West Sussex RH16 3DN. London & Colonial Services Limited is authorised and regulated by the Financial Conduct Authority. London & Colonial Assurance plc and London & Colonial (Trustee Services) Limited are registered in Gibraltar. Registered numbers 80650 and 102550 respectively. Registered office PO Box 199, 57-63 Line Wall Road, Gibraltar. London & Colonial Assurance plc and London & Colonial (Trustee Services) Limited are authorised by the Gibraltar Financial Services Commission.

