

LONDON & COLONIAL SUITABILITY CLAUSES

SIMPLE INVESTMENT SIPP

(This document contains sample clauses to assist Financial Advisers in completing individual client suitability letters and is not intended to be used as a suitability letter in itself. London & Colonial cannot accept liability for any action taken by any individual or firm as a result of the contents of this document. Whilst we have made every effort to ensure the accuracy of this material we cannot accept responsibility for these clauses meeting your own regulatory requirements. If you have doubts, you should take advice from your Compliance Dept).

London & Colonial Profile

The London & Colonial (L&C) group of companies is an independent, privately owned pension provider, specialising in trust based self invested pensions and pension annuities. Established 25 years ago, it has businesses based within the UK and Gibraltar, and has developed some of the most pioneering and innovative pension products available in today's market place. Further details about L&C are available in their Corporate Brochure, which can be found on their website www.londoncolonial.com.

Financial Strength

London & Colonial Services Ltd is a financially strong company in relation to the business that it undertakes. It has cash reserves that substantially exceed the amount required by the regulator.

Investor Protection

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

The company acts primarily as a trustee and scheme administrator. If, for any reason, the company were to stop trading, the services that it provides would be carried out by replacement trustees and administrators.

London & Colonial also pays a levy to the Financial Services Compensation Scheme (FSCS), the independent body set up by the UK Government in order to provide financial protection, for both individuals and small businesses, in the event of the failure of their authorised financial services provider.

Service Standards

London & Colonial are committed to providing high levels of service on all of their products. They have specific timescales associated with each stage of their administration process and they will always try to work within those timescales whenever possible.

Simple Investment SIPP

The Simple Investment SIPP (self invested personal pension) was launched by L&C in April 2015, as a development of its Multi-Platform SIPP, to offer you greater investment opportunities and access to the full range of pension freedoms. The Simple Investment SIPP is a UK Registered Pension Scheme and is administered in accordance with HMRC rules and regulations. The minimum initial investment in the plan is £10,000.

Simple Investment SIPP Structure

The plan has been designed on a multi component basis, allowing you to choose which components are appropriate to your needs as well as paying only for the components that you actually use. It is a competitively priced product, and full details of the charges are set out in the Schedule of Fees.

Core Component: - provides you with the services that you need to set up and run your SIPP. It also gives you access to L&C's panel of investment partners.

Additional Investment Component: - gives you 'whole of market' access to use an investment provider not included in L&C's panel of investment partners.

Specialist Investment Component: - provides access to investments that are non standard and / or more complex investments.

Benefits & Income Components: - this component offers the full range of pension freedoms, when you wish to take benefits from your SIPP. These include Phased Retirement (taking benefits in stages), taking a tax free lump sum and buying a Pension Annuity, Uncrystallised Funds Pension Lump Sum (taking your benefits as a single or series of lump sums) and Flexi-Access Drawdown. This last option allows you to take a tax free lump sum and as much or as little income (including nil) as you wish, directly from your investment portfolio.

Investment Choice

The Simple Investment SIPP allows you to choose the investment provider(s) within your pension portfolio. These can be taken from the panel of investment partners available within the Core Component or alternatively, should you wish to choose a non panel investment partner, you can add the Additional Investment Component to benefit from a "Whole of Market" choice of additional investment providers.

Acceptable investments that can be held include: - quoted shares and fixed interest securities, unit trusts, open-ended investment companies and other forms of collective investments. Cash deposits and Peer-to-Peer lending are also acceptable. Full details of all of the permitted and prohibited investments are set out in the Simple Investment SIPP Permitted Investments fact sheet. A copy of this can be found on their website at www.londoncolonial.com.

Investment Management

The Simple Investment SIPP provides you with the flexibility and choice of who will manage the investments held within your pension portfolio. You can choose to manage the investments yourself or you can nominate an investment adviser or a Discretionary Investment Manager to act on your behalf.

Contributions and Transfers

The plan accepts personal, employer and third party contributions, all of which can be paid annually, half-yearly, quarterly or monthly. You can also pay single contributions if you wish.

Transfers can be accepted from other UK Register Pension Schemes, as well as Qualifying Recognised Overseas Pension Schemes. Contributions and Transfers can be paid in both cash or on an 'in-specie' basis.

Should you wish to transfer your pension fund away from L&C into an alternative UK Registered Pension Scheme, or Qualifying Recognised Overseas Pension Scheme, then this can be done at any time.

Death Benefits

Upon your death, the value of your pension fund can be used to provide your family and / or other nominated beneficiaries with either a lump sum benefit and / or a pension income. Under the new pension freedoms, any unused pension fund can be passed down through different generations of beneficiaries.

Currently if you die before the age of 75, and death benefits are designated to a beneficiary within two years of your death, then both lump sum and pension income benefits are tax free. Where death occurs at age 75 or older, or if death benefits are not designated to a beneficiary within two years of your death, then the lump sum will be taxed at 45% and pension income benefits will be taxed at the recipients' marginal rate of income tax.

Simple Investment SIPP Product Details

Full details of the Simple Investment SIPP can be found in the Product Brochure, Key Features Document, Permitted Investments sheet and Schedule of Fees, all of which are available on the L&C website at www.londoncolonial.com