

PSG SIPP Limited Investment Policy and Guide

This policy and guide provides you with an overview of the types of investment that a SIPP can hold in accordance with the UK pension tax law. We don't allow investments that may attract an HM Revenue and Customs tax charge.

This policy and guide is subject to change in order to maintain compliance with the evolving expectations of the UK Financial Conduct Authority.

Investments and tax can get complicated and we are not permitted to provide financial or tax advice so we strongly recommend you seek professional independent advice. Please feel free to call us on +44 1249 280020 or email info@psgsipp.co.uk if you have a general investment question; we're here to help.

Introduction

We are committed to protecting our clients and, to do this, we must ensure compliance with all relevant pension and financial services regulations that govern Self Invested Personal Pensions (SIPPs). Although regulation tends to only ever get tighter, we are still able to offer a high degree of flexibility in the types of investments available to SIPP members.

We review all investments case by case, and in line with our investment policy. We need to ensure each investment meets the definition of a standard asset, that it complies with UK pension tax law, and take reasonable steps to mitigate the possibility of an investment scam. An investment may still be declined even if it meets the criteria set out below, and we will not always provide a reason for such decisions. Our decision to allow an investment to be admitted to our SIPP products has no bearing whatsoever on whether an investment is appropriate or suitable for our members and, by permitting an investment, we are not advocating or recommending it. It is the responsibility of the client to understand the asset class, risk, costs, penalties, structures, investor protection and suitability of any given investment, in respect of their own circumstances and their attitude to risk. We always recommend that a client takes appropriate independent financial advice.

Though not an exhaustive list, this table looks at some investment options and provides a guide to some basic requirements that must be met for an investment to be considered for our SIPP products:

Investment types	Requirements
<ul style="list-style-type: none"> • Deposits • Cash • Cash Funds • Exchange Traded Commodities • Government and local authority bonds and other fixed interest stocks • Physical gold bullion • Investment notes (structured products) • Shares in investment trusts • Permanent Interest-Bearing Shares • Real Estate Investment Trusts • Securities admitted to trading on a recognised stock exchange • Units in Regulated Collective Investment Schemes 	<p>Any asset must be capable of being accurately and fairly valued on an ongoing basis and readily realised within 30 days, whenever required, to meet the FCA's definition of a standard asset.</p> <p>It is expected that a portfolio will be appropriately diversified in line with the member's attitude to risk.</p> <p>In respect of securities, the recognised stock exchange must be on HMRC lists.</p> <p>An asset should be listed on a recognised exchange for a period of 12 months or more. Where it has not, we reserve the right to reject that investment.</p> <p>Any investment must not give rise to tax charges or penalties from HMRC.</p> <p>The investment must not allow any form of direct or indirect benefit to the member.</p>

Please note that although we will try our best to provide as much guidance as we can, there may be instances where we will need to decline investments despite them meeting the specified criteria, and we reserve the right to do this at any time. Such instances are rare and we will always look to engage with clients and their financial advisers to explain how we reached that decision where we can.

Additional conditions

In the table below, we go into more detail about the conditions attached to certain key elements:

Subject	Conditions
<p>Discretionary Fund Managers (DFMS)</p>	<p>DFMs and managed funds are allowed to invest on behalf of any PSG SIPP Limited member, where authorised to do so by the member, and must abide by all terms and conditions within the Investment Policy. DFMs must have been subject to our due diligence process and have received confirmation that they have been included on our approved list. We will not allow investment in structured products where a DFM is in place.</p>
<p>Fund due diligence</p>	<p>Before we permit any investment, we will complete due diligence on those that we have not already approved, and any approved investments are subject to periodic review.</p> <p>If we have not already reviewed the investment, we will try to find the necessary information to do so. Where we are unable to locate that information, we will need the following before we can review the investment:</p> <ul style="list-style-type: none"> • fund factsheet/key (investor) information document/term sheet; • prospectus; • proof of a secondary market for sale; • details of any charges or commissions (if applicable); • confirmation of entry and exit charges to be taken. <p>We reserve the right to put the investment process on hold or reject investments for investments we have not yet approved so that we can carry out the necessary checks and due diligence required by the FCA, and this may lead to delays for which we will not be held responsible. It is therefore important that you check before instructing us to make an investment if you are in doubt as to whether we have approved it.</p>
<p>Complex investments</p>	<p>The only complex investments we will permit are structured products, subject to the following:</p> <ul style="list-style-type: none"> • no more than 50% of a member's portfolio can be invested in this investment type; • confirmation that the member understands the particulars of the product as well as the risks and has signed the PSG SIPP Limited Structured Product Declaration of Understanding. We will need this each time a client invests in a structured product; • the amount of commission that the adviser will receive in relation to the investment in the structured product must be disclosed on the Structured Product Declaration of Understanding; • we will check the clients age at the end of the term of the investment and where the proposed term continues beyond the member's 75th birthday, the instruction will be rejected; • where a client's investments are held on a platform, the adviser must check that the structured product is on our approved list and must also send a completed Structured Product Declaration of Understanding prior to any trades being placed; • DFMs must not invest in structured products. <p>A breach of this Policy is a breach of our Adviser Terms of Business between an adviser firm and PSG SIPP Limited and may lead to suspension or termination of the relationship.</p>

Subject	Conditions
Investment entry/exit fees	<p>Entry, exit and management charges should not exceed 5%. Any investments attracting these fees are permitted at our discretion and we may reject them.</p> <p>Where, in exceptional circumstances, we agree to allow an investment where the total charges are in excess of 5%, we will need written confirmation from the member that they wish to proceed and that they understand the impact this will have on their fund value.</p>
Fees and charges	<p>Provided an adviser fee agreement is in place, an adviser can take fees or charges from our SIPP products in one of two ways:</p> <ul style="list-style-type: none"> • directly from the SIPP, as an adviser charge on production of an invoice; • from an investment provider or a direct investment. <p>Initial Charges and Commissions (where permissible):</p> <ul style="list-style-type: none"> • initial adviser charges and commissions must not exceed 5% (excluding pension transfer specialist reporting costs); • any additional charges and commissions paid must be included in calculating the maximum charges and commissions; • it is not permitted to exceed these maximums. <p>Ongoing Charges and Commissions (where permissible):</p> <ul style="list-style-type: none"> • ongoing charges and commissions must not exceed 2.5%; • for all cases, PSG SIPP Limited must receive written confirmation from a member that they are fully aware of all fees that they are being asked to pay regardless of their form and all fees must be accurately disclosed to us by clients and advisers for inclusion in our SIPP new business illustrations. • A breach of this Policy is a breach of our Adviser Terms of Business between an adviser firm and PSG SIPP Limited, and may lead to suspension or termination of the relationship. • A breach of this Policy is a breach of our SIPP member Terms and Conditions.
Investment providers	<p>Advisers must ensure that Investment providers confirm the following to members and that these details are included in the advice they give to members:</p> <ul style="list-style-type: none"> • any charges or commissions being paid to their adviser from their pension; • any costs to set up/establish their investment; • the initial term of their investment; • any penalties that may be incurred should the investment be redeemed within the agreed term
Charging fees and maximum investment product contractual term	<p>The maximum contractual term of any charging period that can be applied over any investment in our SIPPs will be 10 years.</p> <p>Where members are investing in an offshore bond (or other investment accounts with a minimum contractual term), we will not accept applications for clients where the proposed term continues beyond the member's 75th birthday.</p>
Adviser charging - UK residents	<p>Where the client is resident in the UK, all FCA regulated financial advisers may only use share classes with the minimum initial and ongoing fees (Clean Share Classes - often "A" class), and take remuneration in line with the parameters of RDR. This precludes the ability for any commissions to be paid to the financial adviser, or any introducer, including marketing allowances, by any funds, investments or investment providers in any way. These rules will also affect overseas clients who come to live in the UK.</p>

IMPORTANT NOTICE: Approving or declining an investment does not endorse or promote any investment, nor is it intended to make comment on the suitability, credibility or quality of any investment in any way. PSG SIPP Limited is not regulated to provide financial advice and does not assess the appropriateness or suitability of an investment for any client. At no point will advice be given by PSG SIPP Limited on the suitability of an investment. Where it is deemed that a holding currently held no longer complies with this investment policy or where a holding ceases to be a standard investment, we may require the immediate liquidation of that asset and take no responsibility for any penalties or losses which may be incurred as a result of this decision. **A breach of this Policy will a breach of the Terms of Business between the adviser firm and PSG SIPP Limited. It will also be a breach of the SIPP member Terms and conditions.**