

Portfolio Pension

Key Features

The Financial Conduct Authority (FCA) is the independent financial services regulator. It requires us, Talbot and Muir SIPP LLP (TM), to give you this important information to help you decide whether this product is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

This document is designed to highlight the key features of the Portfolio Pension. It does not include full terms and conditions. The Portfolio Pension is a personal pension established under trust and approved as a registered pension scheme by HM Revenue and Customs (HMRC). It is governed by a Trust Deed and rules. Your application for membership will be subject to the Trust Deed and rules, the Terms and Conditions, the Fee Schedule and the Permitted Investments List, each as amended from time to time and should be read in conjunction with these documents which are available by writing to Talbot and Muir SIPP LLP, 22-26 Clarendon Street, Nottingham NG1 5HQ.

MYSIPP Trustees Limited is the trustee of the Portfolio Pension (the "Plan") and Talbot and Muir SIPP LLP is the scheme's operator.

If there is anything you do not understand, or if you would like further advice on any aspect of this document, please contact your financial adviser.

Its Aims

The Plan is designed to provide you with the following:

- access to a tax efficient environment in which to save for your retirement.
- flexibility and control over your investments with the help of your financial adviser.
- an income in later life with the option of taking part of your fund as a tax free cash lump sum.
- a lump sum, income or pension for your dependant(s) or other beneficiaries on your death.
- the ability to transfer your existing pension benefits into your Plan.
- flexibility as to the amount of pension you receive each year, allowing you to tailor this to suit your own circumstances.

Your Commitment

When investing in the Plan:

- You will appoint and seek advice from your financial adviser prior to becoming a member of the Plan and on an ongoing basis you must take advice on additional contributions, transfers, investments and taking benefits from your Plan.
- You will make a contribution or a transfer payment into the Plan, or have an employer make a contribution on your behalf.
- You will review the Plan regularly with your financial adviser to ensure it remains suitable to meet your needs.
- You will appoint Attivo Investment Management Limited (Attivo Investment) or another investment manager approved by TM to manage your investments.
- You agree that all monies received will automatically be allocated to your cash account for investment.
- On an ongoing basis, you must pay the charges due on the Plan, to include but not limited to:
 - a) Adviser charge.
 - b) Custodian charge.
 - c) Fund manager charge.
 - d) Annual administration charge.
 - e) Annual drawdown charge (where applicable).
- You will provide us with the information we need to administer your Plan and any changes to this, including any changes to your eligibility for tax relief i.e. if all contributions to all of your pension schemes exceed your available Annual Allowance or your personal contributions exceed your relevant UK earnings.

Risk Factors

Please read these carefully as they may affect your decision to apply.

Many things could happen which would have an impact on the level of benefit you or your dependants or beneficiaries receive from your Plan. You should therefore review your pension arrangements regularly with your financial adviser to check whether they are suitable and to ascertain whether your Plan will continue to meet your future pension needs. In particular you should note that you cannot normally take your benefits until you have reached your 55th birthday except in limited circumstances e.g. when you retire due to ill health or you have an occupation that HMRC determines has a lower minimum retirement age.

You should also be aware of the following general risks:

- Your existing pension arrangement may ultimately provide greater benefits than those which you would receive under the Plan. This will however depend on investment performance, the charges it applies and annuity rates applicable when benefits are taken, together with some or all of the risks described here.
- Your existing pension arrangements may offer valuable guarantees that would not be matched by your Plan e.g. if your existing arrangement is a final salary pension scheme offered by your current or former employer, then this may include a right to a particular level of benefit on retirement. If you transfer benefits from this arrangement you will lose any such rights or guarantees that may have been offered.
- You may be able to receive a larger pension commencement lump sum (tax free cash) from your existing arrangements than would be available if you transferred those benefits to your Plan.
- Taking an income from your Plan at a rate higher than the Plan's investment growth rate is likely to result in the value of your Plan being greatly reduced and this will reduce the amount of pension that you can subsequently purchase via an annuity.
- Taking an income from your Plan while leaving holdings invested can be less certain than purchasing a pension via an annuity.
- Exercising your cancellation rights may result in you getting back less than you paid in.
- Past performance is not a reliable indicator of future results and some investments may carry a much greater risk in order to try to provide greater potential returns.
- If you wish to transfer any existing pension arrangements to your Plan you must consult your financial adviser before deciding to do so.
- Pension tax rules may change in the future and this could result in changes to the options available to you when taking benefits from your Plan.
- TM as the operator does not offer advice on the suitability of the Plan for your needs.
- We may increase our charges on notice to you for a variety of reasons including;
 - Taking account of any changes in our practice.
 - Changes in law or a code of practice.
 - Taking account of any regulation or recommendations of the FCA or any other regulatory body or decisions or guidance of any relevant ombudsman.
 - To take account of any changes or unexpected change in the service we provide.
 - To take account of any new or improved service or facilities which we may provide.
 - To take account of any ruling by a court or similar body.
 - To correct any errors which might be discovered.
 - To enable us to maintain our financial strength in the collective interests of all our customers.

Risks associated with drawing money

The risks include, but are not limited to the following:

- The actual benefits you receive may be lower than illustrated. This may be because:
 - investment performance is not guaranteed and might be lower than expected;
 - interest rates and exchange rates might be lower than those illustrated;
 - annuity rates may fall;
 - you might decide to withdraw a higher level of income;
 - you might reduce your contributions to your Plan;
 - you might decide to start to take benefits earlier than shown on your illustration;
 - certain tax charges can reduce the value of your Plan; and/or
 - you might transfer your Plan to another pension arrangement which may achieve a lower investment return or have higher charges.
- You are entitled to take 25% of your fund tax free but the remainder will be taxed as income.
- You may have to pay a large amount of tax if you take all your benefits in one go or large withdrawals over a short period of time.
- You should be aware of potential scams when deciding to withdraw funds from your Plan.
- Taking funds from your pension may affect your eligibility for means tested benefits.
- If you are in debt, your creditors may have a call on any funds you withdraw from your pension.
- Any income paid from your Plan is not secure.
- If you remove all of the funds from your Plan there may be nothing remaining to be paid to your dependants in the event of your death.
- Funds withdrawn from your pension fund will no longer benefit from the tax advantages of money held in a pension fund.

Questions & Answers

What is the Portfolio Pension Plan?

The Plan is a personal pension. The Plan is a tax efficient investment vehicle designed to help you save for later life and allow you to make decisions about how your funds are invested within a range of investment options.

Is the Portfolio Pension a Stakeholder pension?

No. Stakeholder Plans must meet minimum standards set by the Government in relation to terms and conditions, payment levels and charges. The Portfolio Pension is not a Stakeholder Plan as the charges are likely to be higher than the limits set by the Government.

A Stakeholder Plan may meet your needs at least as well as the Portfolio Pension. Your financial adviser will be able to advise which pension plan is better for you.

Am I eligible to contribute to the Portfolio Pension?

To become a member of the Plan you must normally fall into one of the following categories;

- You are a UK Resident for tax purposes.
- You have relevant UK earnings.
- You are a non UK resident (but were a UK resident when you set up your Plan and have been a UK resident at sometime in the past 5 years).
- You are a Crown servant (or spouse or civil partner of a Crown servant) with earnings subject to UK tax.

How much can I contribute?

There are upper limits on the amount that you or a third party can contribute to your Plan in a tax year. This is known as the Annual Allowance. Please speak to your financial adviser for confirmation of the Annual Allowance.

The Annual Allowance takes into account contributions made from all sources.

Any contributions you make or benefit accrual you have with any other pension arrangements will also count towards the Annual Allowance and will be aggregated with the contributions to your Plan when determining whether you have exceeded the Annual Allowance in a particular tax year.

Contributions in excess of the Annual Allowance will be subject to a tax charge. This will be payable by you and is dealt with as part of your self-assessment tax return and it will be your responsibility to monitor this. You should consult with your financial adviser regarding any remaining annual allowance within a particular tax year.

You are able to carry forward your Annual Allowance that you have not used from the previous 3 tax years, but you must have been a member of a registered pension scheme in order to do this.

If you have taken any taxable benefits from a Flexi Access Drawdown fund from this or any other pension scheme or if you have taken an Uncrystallised Funds Pension Lump Sum from this or any other pension scheme, then a reduced £10,000 Money Purchase Annual Allowance will apply instead.

You are not able to carry forward any annual allowance once you have flexibly accessed your pension rights.

Contributions can be made in cash and in some circumstances can be in the form of an asset. There are specific requirements to make an in-specie contribution so please contact us if you wish to do this.

What about tax?

If you are a UK resident you will be eligible for tax relief on the higher of

- £3,600 gross per annum; or
- 100% of relevant UK earnings, subject to the annual allowance.

This excludes any contributions made by your employer as these are paid gross.

Your contributions to the Plan will be net of basic rate tax. We will claim the basic rate tax relief from HMRC and will credit it to your Cash Account.

If you are a higher or additional rate tax payer then you may be able to claim tax relief at the higher rate through your self-assessment tax return. We recommend you seek tax advice if you are in any doubt about the tax implications of contributing to your Plan.

Your fund will grow free of capital gains tax and UK income tax except that tax cannot be reclaimed on UK dividends.

How do I invest my contributions?

Contributions are placed into a pooled account provided by such bank or building society as we from time to time designate and are identified in our records as belonging to you.

Interest may be paid on monies held in your Cash Account but is subject to the terms and conditions of the cash account established by the Trustees.

Any other investment manager we may allow will arrange and manage the investments within your Plan.

No other investments are allowed in your plan

Can I transfer other plans into my Portfolio Pension?

You may transfer other existing pension arrangements you may have into your Plan, this includes an arrangement that is already in income drawdown. You must provide details of the transferring scheme to TM using a transfer form and we will contact the transferring scheme to arrange for the transfer of your fund. We will inform you when the transfer is complete.

We can accept transfers from other schemes in cash and in some circumstances we can accept assets in-specie from other pension schemes. If you wish to transfer your assets in-specie, you will need to contact us to discuss your requirements and to ensure that we can accept the assets.

Can I transfer out of the Portfolio Pension?

You can transfer your Plan out to another UK Registered Pension Scheme or a Qualifying Recognised Overseas Pension Scheme (QROPS). Your new chosen provider will contact us to initiate the transfer.

If you wish to transfer your Plan to an overseas pension provider, we will establish whether the overseas scheme is a QROPS. If it is, the transfer can go ahead as an authorised payment. The transfer to a QROPS qualifies as a Benefit Crystallisation Event and the amount to be transferred will be tested against your Lifetime Allowance. If the transfer value exceeds your available Lifetime Allowance, then you will be charged tax on the excess amount.

If your plan is in drawdown you must transfer all of the benefits to the receiving scheme, we cannot make partial transfers of funds in drawdown.

Transfers will be made in cash unless you have requested that the assets in your Plan are to be transferred in specie and the receiving scheme agrees to accept the assets.

What choices will I have when I decide to take benefits from my Portfolio Pension?

You can decide to take benefits from your Plan at any time from the age of 55.

You are entitled to receive guidance on your retirement options from the Government's Pension Wise service. Pension Wise is a free, impartial service available online at www.pensionwise.gov.uk, over the phone or face to face.

The Pension Wise service is not a substitute for regulated financial advice and you must usually take regulated financial advice before you take benefits from your Plan.

When you choose to take benefits, the value of your Plan will be tested against your Lifetime Allowance.

When you choose to take benefits you have the option to take an Uncrystallised Funds Pension Lump Sum, Flexi-Access Drawdown or crystallise further funds into an existing capped drawdown arrangement.

Uncrystallised Funds Pension Lump Sum

- You can take all or part of your funds as an Uncrystallised Funds Pension Lump Sum (UFPLS) payment. You can only use funds that have not previously been designated to provide benefits in order to do this. The first 25% of the fund will be paid tax free and the remainder will be taxed as income.
- You should consider the amount of tax that you will have to pay before you decide to take an UFPLS payment.
- You must have sufficient Lifetime Allowance available to take an UFPLS payment from your Plan.
- Your funds must be held in your Cash Account before we can process your UFPLS payment. Your payment will be made as soon as all of your funds have been encashed and the funds have been credited to your Cash Account.
- UFPLS payments will be paid by BACS to your bank account.

Flexi-access Drawdown

- You can designate some or all of your fund to Flexi-Access Drawdown. You can usually take 25% of the designated fund tax free with the remainder being available to take a taxable income, purchase an annuity or leave invested.
- If you decide to take an income, you can take a regular income payment monthly, quarterly, half-yearly or annually. You can also request to receive an adhoc payment at any time.
- Regular and adhoc payments will be made by BACS once a month and will credit your bank account on the 1st working day of the month.
- You must ensure that you have sufficient cash available in your Cash Account by the 25th day of the month to ensure that a regular or adhoc payment will be made on the first of the following month.

Capped Drawdown

- If you had a capped drawdown plan on 6th April 2015, you may be able to crystallise further funds into this plan. You cannot take out a new capped drawdown plan after 6th April 2015.
- Funds in capped drawdown can be used to provide a taxable income or can remain invested.
- The maximum income that you can take from a capped drawdown plan is currently 150% of the Government Actuary's Department relevant annuity rate (GAD rate) each year. If you exceed this limit you will automatically be switched to a Flexi-Access Drawdown plan.
- Regular income payments from a capped drawdown plan can be paid monthly, quarterly, half-yearly or annually.
- Adhoc payments can be made but are limited to 150% of the maximum GAD rate per year.
- The maximum income that you can take from your capped drawdown plan is reviewed every 3 years on the anniversary of you commencing drawdown before age 75 and annually after age 75.

Annuity Purchase

- You have the option to purchase an annuity from an insurance company once you reach age 55.
- You may take up to 25% of your fund as a pension commencement lump sum (tax free cash).
- All income payments to you will be paid net of income tax under PAYE. You may wish to contact HMRC if you feel that an adjustment is required.
- Please note that the inheritance tax (IHT) position can be complex. Although normally there are some exceptions benefits taken will escape IHT. Please remember that the tax rules can change at any time in the future. You should always take legal or professional advice on the impact of the tax rules on your pension benefit.

What is the Lifetime Allowance?

The Lifetime Allowance is the amount of your accumulated pension arrangements (including your Portfolio Pension and any other pension arrangement that you may have) that can be used to provide benefits without incurring a tax charge.

The Standard Lifetime Allowance is set by HMRC and details are available from your financial adviser. In certain circumstances the Lifetime Allowance may be increased and you may have a personal Lifetime Allowance higher than the Standard Lifetime Allowance. You will have registered with HMRC to protect your savings against the Lifetime Allowance charge and you will have received a certificate or reference number from HMRC confirming your level of protection. You need to supply us with this certificate or reference number before we process any Benefit Crystallisation Event (see below).

When benefits are taken from your Plan, this is known as a Benefit Crystallisation Event (BCE). The BCEs that will affect your Plan are:

- Taking a pension commencement lump sum
- Taking income
- Purchasing an annuity
- Death benefit payments on uncrystallised funds under age 75
- Transfers to a qualifying recognised overseas pension scheme
- When you reach age 75

When benefits are crystallised the value of the benefits being taken is tested against your Lifetime Allowance

Any benefits taken in excess of your available Lifetime Allowance will be subject to the following tax charges:

- 25% if taken as income, or
- 55% if taken as a lump sum

What happens to my Portfolio Pension when I die?

When you join the Plan, you have the option to complete a Nomination of Beneficiaries form.

Legally, any benefits payable are at the Trustees' discretion.

The death benefit options depend on whether the plan holder was aged under 75 or over when they died.

- If the plan holder was aged under 75 then the benefits can be paid as a tax free lump sum or as a pension.
- If the plan holder was aged over 75 when they died, the benefits can be paid as a lump sum or pension but the payments will be taxed at the recipient's marginal rate (where paid first after 6th April 2016).

What are the charges?

All TM administration charges applicable to the Plan are detailed in the Fee Schedule.

Your Plan will incur the following:

Fund Manager charges:

Attivo Investment or another permitted investment manager will charge you for their services

Custodian charges:

Attivo Investment or another permitted investment manager will appoint a Custodian under your Plan, who will also apply a charge

Financial adviser charges:

Your financial adviser may take initial and ongoing adviser charges for advice given in relation to the Plan. Your financial adviser can provide details of these charges.

You can agree to have an initial adviser charge deducted from any individual contribution or transfer payment that you make into your Plan. This will be deducted from your Plan on the day that the contribution or transfer payment becomes available in your Cash Account.

You can agree that an ongoing charge can be deducted from your Plan to be paid to your financial adviser.

Plan closure and transfer charge:

We will charge a fee of £250 if you decide to transfer all or part of your Plan to another provider, or you fully realise your benefits

Your right to cancel

You will have 30 calendar days to exercise your cancellation rights commencing once you receive a cancellation notice. You should send the cancellation notice to:

Talbot and Muir SIPP LLP
22-26 Clarendon Street
Nottingham
NG1 5HQ

You will have the right to cancel any transfers from other Registered Pension Schemes, whether they are received at the same time as your Plan is set up or at a later date. Registered Pension Schemes can refuse to take the cancellation money back in which case you will need to transfer to another provider.

Depending on when you decide to exercise your right to cancel you may not get back your original investment if it has fallen in value.

Cancellation rights in respect of the underlying investments will depend on their nature.

During your 30 calendar day cancellation period we will proceed with your Plan application and you may give us investment instructions during this period. If you choose to cancel your Plan during this 30 day period, any investment held in your Plan will be sold and we will return to the original source any contributions that were made into the Plan. We will also arrange to transfer any funds that have been received from previous pension plans to another provider chosen by you.

Please note, any funds returned to you may not include a refund of any adviser charges agreed between you and your financial adviser.

Can I change my mind when electing to take benefits?

If you decide to take income withdrawals from your Plan we will send you a cancellation notice. You then have 30 calendar days during which time you can exercise your right to change your mind and return the

cancellation notice, together with any pension commencement lump sum (tax-free cash) and any income you may have received. Providing you take this action during the 30 day period your election to take income withdrawals will be cancelled. If your decision to cancel results in your funds being out of the market when unit prices increase, the new units we purchase for you may cost more if you ask us to re-invest your funds in the same investments. Any decision you make not to go ahead with income withdrawals will not affect your right to take income withdrawals in the future, nor will it affect your right to cancel.

Contact information

This document is a brief guide to the Key Facts of the Portfolio Pension. For more detailed information about your Plan, please refer to the Trust Deed and Rules, the Terms and Conditions and the Fee Schedule.

If you require further information or have any queries, please contact

Talbot and Muir SIPP LLP

22-26 Clarendon Street

Nottingham

NG1 5HQ:

0115 841 5000

www.talbotmuir.co.uk

Complaints

If you are not happy with the service you have received from Talbot and Muir SIPP LLP please contact us in writing at the address provided above.

Your complaint will be dealt with in accordance with our internal complaint handling procedures which are available on request.

We will do everything we can to resolve your complaint. However, if you are not satisfied with our response you can refer the matter to either the Financial Ombudsman Service (FOS) or to the Pensions Ombudsman (PO). The FOS and PO are both independent statutory bodies that investigate and adjudicate on certain types of complaints and disputes relating to pension schemes and their members.

The FOS can be contacted at:

Financial Ombudsman Service

Exchange Tower

London

E14 9SR

0800 023 4567

www.financial-ombudsman.org.uk

The PO can be contacted at:

Pensions Ombudsman Service

11 Belgrave Road

London

SW1V 1RB

020 7630 2200

www.pensions-ombudsman.org.uk

If your complaint concerns the running of your Plan, you may be referred to The Pensions Advisory Service (TPAS) which is available to assist members and beneficiaries in connection with any difficulties they may have in relation to their pension scheme. TPAS can be contacted at:

The Pensions Advisory Service

11 Belgrave Road
London
SW1V 1RB
0300 123 1047
www.pensionsadvisoryservice.org.uk

Making a complaint will not prejudice your right to take legal proceedings.

Any complaint regarding the advice given to you by your financial adviser should be referred to them for review under their own complaints process.

Law

The terms of your membership are governed by the laws of England and Wales and in becoming a member of the Portfolio Pension you shall submit to the exclusive jurisdiction of the English courts.

Compensation

Talbot and Muir SIPP LLP is covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Please ask your financial adviser to explain to you how the FSCS compensation scheme works in relation to your investments. More information about this scheme is available on request or from the FSCS, who can be contacted at:

Financial Services Compensation Scheme
10th Floor Beaufort House
15 St Botolph Street
London
EC3A 7QU
0800 678 1100
www.fscs.org.uk

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22-26 Clarendon Street
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www.talbotmuir.co.uk

Talbot and Muir Limited provides administration to Small Self Administered Pension Schemes.

Talbot and Muir SIPP LLP provides administration to Self Invested Personal Pensions and is authorised and regulated by the Financial Conduct Authority.

Talbot and Muir is the trading name for Talbot and Muir Limited (company number 2869547) and Talbot and Muir SIPP LLP (company number OC306490), both registered in England, registered address 22 Clarendon Street, Nottingham, NG1 5HQ. A list of directors/members is available upon request.

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