



Pershing Self Invested Personal Pension (SIPP)

Key Features Document



The Financial Conduct Authority is the independent financial services regulator. It requires us, Pershing Securities Limited, to give you this important information to help you to decide whether the Pershing SIPP (Self Invested Personal Pension) 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.

The Pershing SIPP is a type of registered pension scheme known as a Self-Invested Personal Pension (SIPP). It provides a tax efficient way of saving for retirement. Pershing Securities Limited is the Provider and Operator of the SIPP; BNY Mellon Pershing Trustees Limited is the SIPP Trustee.

This document provides you with the main features of the SIPP and should be read in conjunction with the Pershing SIPP Terms & Conditions, Charges Schedule and Permitted Investments Schedule, which provide more detailed information. For your own benefit and protection you should read all of these documents carefully before you complete your application to join the SIPP. Before making any investment in your SIPP, you should also read any separate key features supplied in relation to that investment.

If you have any questions or if there is anything you don't understand, please speak to your introducer.

*Introducer and Adviser definitions and a glossary of terms are included at the end of the Pershing SIPP Terms & Conditions. Depending on the service that you have elected to receive from your introducer or adviser(s), this will determine the level of advice, if any, that you receive in respect of the SIPP and/or the underlying investments.



Its Aims

- › To offer you a tax efficient and flexible way of saving for your retirement
- › To allow you access to a wide range of investments; giving you the flexibility to choose your investments from this range
- › To allow you to transfer your existing pension benefits into your SIPP
- › To provide you with pension benefits at retirement
- › To provide you with the option of taking a tax free lump sum at retirement
- › To give you the option of taking regular income from your SIPP, while still remaining invested
- › To provide benefits for your dependants, nominees and successors on your death
- › To allow a parent or legal guardian to set up a SIPP for a child under the age of 18 (or under 16 if in Scotland)

Your Commitment

- › To ensure that you understand the features, benefits and risks of the SIPP, as described in this Key Features document and in your personal illustration where provided. You should also read and agree to the Pershing SIPP Terms & Conditions, the Pershing SIPP Charges Schedule and the Pershing SIPP Permitted Investments Schedule before you make an application to join the SIPP
- › To make at least one payment into your SIPP. This can be a contribution or transfer-in from another registered pension scheme
- › To determine how to invest your SIPP from the range of permitted investments
- › To keep your investment in a pension scheme until you decide to take benefits. The earliest age at which you can normally take benefits is age 55
- › To regularly review whether the SIPP remains appropriate for your circumstances
- › To provide us with the information we need in order to set up your SIPP, pay benefits or claim tax relief
- › To notify us of any changes to your personal circumstances which might affect your SIPP, including eligibility for tax relief or payment of benefits
- › To notify us if you appoint an adviser

Risks

This section is designed to tell you about the key product risks that you need to be aware of.

- › The value of the pension you receive when you retire is not guaranteed. It will be dependent upon the value of the investments held within your SIPP
- › The value of the investments held within your SIPP can fall as well as rise and you may get back less than you originally invested

- › There are risks associated with the various types of investment which you can hold within your SIPP. You should ensure that you understand the level of risk you are taking with your chosen investment
- › If you do not keep your commitments, your benefits may be lower than expected or tax charges may apply
- › If your total pension contributions within a pension input period ending in any one tax year are more than the applicable annual allowance or alternative annual allowance and any unused allowance which has been carried forward from a previous year, you will be personally liable to pay a tax charge
- › Your SIPP may incur tax charges where you make contributions and you have relied on enhanced protection or fixed protection
- › If you are transferring benefits from another pension scheme, there is no guarantee that the benefits payable from your SIPP will be greater than the benefits you are giving up
- › Before transferring any existing pension benefits, you should consult a suitably qualified adviser who will provide you with all the necessary information, including a Transfer Value Analysis report if the transfer is from a previous employer's defined benefit scheme
- › Your SIPP may incur tax charges, for example where an investment is or becomes taxable property or your SIPP value is in excess of your personal lifetime allowance when you take benefits
- › If you start taking benefits earlier than originally intended, the amount you receive could be less than expected
- › You may be better off and receive a higher income buying an annuity rather than drawing an income directly from your SIPP. You should speak to a suitably qualified adviser before making any decisions on the type of retirement benefits to take
- › If you choose to draw an income directly from your SIPP you should be aware that:
 - Taking an income will reduce the value of your SIPP, especially if investment returns are poor and a high level of income is being taken. In extreme circumstances, the value of your SIPP could reduce to zero
 - How your investments perform can have an impact on the amount of income you can take. If you are in capped drawdown your maximum income limit will normally be recalculated at least every three years and will be based on a number of factors including the value of your investments, current HMRC limits and your age
 - HMRC maximum income limits are subject to change

Questions and Answers

This section will help answer questions you may have on the SIPP. We start with some general questions and then cover contributions, transfers, investments, retirement benefits and death benefits.

General

Will you give me advice about my SIPP?

No, Pershing does not provide financial advice.

Is the Pershing SIPP a Stakeholder pension?

No, the Pershing SIPP is not a Stakeholder pension. A Stakeholder pension may meet your needs as well as the Pershing SIPP. An adviser will be able to advise you which pension is most suitable.

Am I eligible?

Most people under age 75 and resident in the UK are eligible. The SIPP is not available to US persons.

If you are age 75 or over you can only join the SIPP if you are transferring in benefits from another registered pension scheme.

What are the charges?

An adviser can provide advice to you regarding your pension planning. The adviser will notify you of the costs associated with giving advice.

Pershing charges for the administration of your SIPP and full details of our charges are provided in the Pershing SIPP Charges Schedule.

The investments which you choose for your SIPP may also have their own charges. Your introducer will be able to provide you with information on this.

How do I apply?

Applications may be made through an introducer that has established terms of business with Pershing.

Contributions

Who can make contributions into my SIPP?

If you are under age 75, we can receive contributions from you or any other individual on your behalf.

We are unable to receive contributions once you have reached age 75, although you may transfer in existing pension arrangements.

Contributions, other than from your employer, count as personal contributions and will attract tax relief as if they were made by you.

How much can I pay in each year?

There is no limit on how much you can contribute to your SIPP. There is however a limit on the amount of tax relief you receive and in some circumstances excess contributions may trigger a tax charge.

The maximum amount of personal contributions on which you can claim tax relief is the greater of £3,600 and the amount of your relevant UK earnings for the tax year.

There is also a limit on the amount of contributions (including employer contributions) which may be paid to your pension plans during a pension input period without

triggering a tax charge. This limit is known as the annual allowance. Please check the HMRC website or ask your introducer for the current annual allowance.

The alternative annual allowance will restrict pensions tax relief by introducing a tapered reduction in the amount of the annual allowance for individuals with income (including the value of any pension contributions) of over £150,000 and who have an income (excluding pension contributions) in excess of £110,000. The alternative annual allowance will be reduced by £1 for every £2 by which their income exceeds £150,000, subject to a maximum reduction of £30,000. The carry forward of unused annual allowance will continue to be available, but the amount available will be based on the unused tapered annual allowance.

If you have unused annual allowance in any of the previous three tax years, it may be possible to carry forward your unused amount to the current tax year. You must have been a current member of a UK registered pension scheme in the year from which any unused relief is being carried forward.

What tax benefits are available on contributions?

Personal contributions paid by you, or a third party on your behalf, are paid net of basic rate tax. On receipt of a personal contribution, Pershing will credit your SIPP with basic rate tax relief, which we later reclaim from HMRC (for example, if you pay £80, we will credit your SIPP with £20, meaning that your SIPP has received a total of £100. We will then reclaim the £20 tax relief from HMRC).

If you pay higher rate tax, you should reclaim the higher rate tax relief via your self-assessment tax return.

Any contributions made by your employer will be paid gross and will be added to your own for testing against the annual allowance. Your employer may be able to obtain tax relief on the contributions paid, which will count as a business expense.

What form can contributions take?

Contributions should be in cash form, in sterling. We may agree that a contribution can be satisfied by a transfer to us of assets (in specie). This is subject to HMRC requirements. We recommend that you speak to an adviser if you require more information on in specie contributions.

Transfers

Can I transfer an existing pension arrangement into my SIPP?

Yes, with our agreement, you can transfer existing pension arrangements into your SIPP. Certain transfers from occupational pension schemes may not be accepted without appropriate authorised financial advice being evidenced.

Can I transfer my SIPP to another provider?

Yes, you can transfer all or part of your SIPP to another pension scheme, which has been registered with HMRC or is a Recognised Overseas Pension Scheme. We charge for the work involved to arrange the transfer, so please refer to the Pershing SIPP Charges Schedule for further details.

We strongly suggest that you take independent financial advice before considering any transfer into or out of your SIPP.

Investments

What investments can I make?

You can choose how your SIPP is invested.

You can invest in most of the investments available on the Pershing investment platform. For further information, please refer to the Pershing SIPP Permitted Investments Schedule. You cannot invest in investments currently categorized as taxable property by HMRC.

The permitted list of investments for the Pershing SIPP does not include a number of investment types that other SIPP products may permit. You need to be sure that the Pershing SIPP gives you the flexibility that you need.

Your un-invested funds will be held in the client bank account(s) which we hold for all clients, our records will designate this money as being held in your SIPP account. Where the client bank account has a credit balance the account may earn interest. Details of the current rate of interest and frequency of payment are set out in the Pershing SIPP Charges Schedule. All cash must be held in pounds sterling.

Can I change investments within my SIPP?

Yes, you can change your investments at any time subject to any restrictions within the investments themselves. It is important to review your investments regularly.

How are my investments taxed?

Investment income and growth is tax-free, except that tax deducted on UK dividends cannot be reclaimed.

Retirement Benefits

What benefits can I take at retirement?

At retirement you can:

- › Buy a pension (known as an annuity), or
- › Take an income from your SIPP (known as a drawdown pension), or
- › Take a combination of both

You will also have the opportunity to take a tax-free lump sum (known as a pension commencement lump sum). The value of this can normally be up to the lower of:

- › 25% of the value of the fund applied to provide you benefits; and
- › 25% of your unused lifetime allowance

When can I take my benefits?

You can start taking retirement benefits at any time from age 55, whether or not you continue to work.

It may be possible to take benefits earlier if you are in serious ill-health or transfer benefits to the SIPP from an existing pension with a lower pension age, provided the transfer meets certain HMRC requirements.

How much pension will I get if I buy an annuity?

The amount of your pension will depend on the type of annuity you buy, value of your SIPP when you take your benefits, your age and annuity rates at that time.

An annuity may be a lifetime annuity which is designed to provide an income for life or a short term annuity which will provide a fixed amount of income each year for up to five years.

You may want to provide a pension for your spouse, civil partner or other dependants when you die, or a pension that increases each year during retirement. You may also want to guarantee payment of your annuity for a fixed period. These options would reduce the initial level of your own pension.

How do I buy an annuity?

You can buy an annuity from an insurance company of your choice. Pershing does not provide annuities. You should contact a suitably qualified adviser to discuss your options and obtain the necessary quotations and documentation.

What drawdown pension options do I have?

A drawdown pension allows you to take an income from your SIPP without buying an annuity. There are two types of drawdown pension available; capped drawdown and flexi-access drawdown. On 6 April 2015 any existing flexible drawdown funds were automatically converted to flexi-access drawdown funds. Before selecting a drawdown pension you should consult an adviser.

Capped drawdown: capped drawdown is when your pension fund remains invested and you draw an income from it up to a maximum level set by HMRC. There is no minimum level of income, so you can elect to receive a "nil" pension, if you wish.

Although new capped drawdown arrangements cannot be set up, existing capped drawdown arrangements on 6 April 2015 can continue and new funds can be added to them.

You can choose to take a regular monthly, quarterly, half yearly or annual income. Regular monthly payments are made on the 1st of each month. You can also take one-off pension payments to suit your circumstances.

The maximum level of annual income you can take is set at 150% of the Government Actuary's Department's (GAD) Relevant Annuity Rate. This rate varies depending on your sex, age and returns from Government securities and is applied to the value of your SIPP which has been allocated to the drawdown pension at the date the fund is first used to provide drawdown pension and at each subsequent review. The maximum income level will be recalculated every three years until you reach age 75 and annually thereafter.

You can elect to have the maximum income level reviewed at each anniversary of the date funds were first designated to provide drawdown pension. You must make the election before the relevant anniversary.

From 6 April 2015, you can choose to convert your capped drawdown fund to a flexi-access drawdown fund. Before deciding to do this, you should consult an adviser. A special

annual allowance set by the government applies to future pension contributions paid by members whose capped drawdown fund is converted to a flexi-access drawdown fund.

If you decide not to convert your capped drawdown fund to a flexi-access drawdown fund any new funds you designate as available for drawdown will automatically become part of your capped drawdown fund. However there are certain circumstances in which your capped drawdown fund may be automatically converted to a flexi-access drawdown fund. If you require more information on this we recommend you consult an adviser or the HMRC website.

If your SIPP holds a mixture of funds that have and have not been used to provide you with benefits, you can choose to draw further benefits at any time. This will normally trigger an immediate review of the maximum income level and also a further check against the lifetime allowance.

You can choose to purchase an annuity with your drawdown pension fund at any time. If you purchase an annuity from your drawdown pension fund before your 75th birthday, a further lifetime allowance check will normally be carried out.

A lifetime allowance check will also be carried out on your drawdown pension fund at your 75th birthday unless the drawdown pension fund commenced before 6 April 2006 and no further funds have been added to that drawdown pension fund on, or after, that date.

Flexi-access drawdown: Flexi-access drawdown allows you to draw funds from your SIPP without any annual limits.

You have the flexibility to withdraw all of the funds from your SIPP in one go, to draw a regular income to suit your ongoing requirements, or simply to draw additional funds to suit one-off circumstances. However, if, you opt to take (or your drawdown fund is converted to) flexi-access drawdown, your future contributions to money purchase pension schemes will be subject to a special annual allowance. If you exceed that allowance you may incur significant tax charges and your ability to accrue benefits under defined benefit pension schemes may also be limited.

Do I pay tax on pension payments?

All pension payments made from a drawdown pension will be subject to income tax. We will deduct the tax due before paying your income. If you purchase an annuity, the annuity provider will be responsible for the payment of income tax.

How does the lifetime allowance work?

The lifetime allowance is the total amount of tax relievable pension savings that any one individual can accumulate in all pension arrangements. The Government sets the standard lifetime allowance. Please see the HMRC website or contact an adviser or your introducer for the current allowance.

Any funds over this allowance that are used to provide benefits will be liable to a tax charge. This charge is known as the lifetime allowance charge. If excess funds are used to provide a taxable pension, the lifetime allowance charge is 25% of those excess funds. Alternatively, if excess funds are

paid as a lump sum, the lifetime allowance charge is 55%. We will deduct this tax charge from your fund and pay it to HMRC before paying your benefits.

If you have registered with HMRC for any form of protection you may have a higher personal lifetime allowance.

Death Benefits

What benefits are paid if I die before taking any benefits?

If you die before age 75 and before taking any benefits from your SIPP, the total fund value can normally be paid as a lump sum. This payment is normally paid free of Inheritance Tax.

If you die after age 75, the total fund can be paid as a lump sum less either 45% tax. This payment is normally paid free of Inheritance Tax. The tax deduction is not applied where the lump sum is paid to a registered charity.

Alternatively, the total fund value may be used to provide benefits for a spouse, civil partner or dependant, either as a drawdown pension or by annuity purchase, or a combination of lump sum, annuity or drawdown pension can be provided.

Alternatively, provided certain conditions are met, your fund or part of it may be used to provide benefits for an individual nominated by you (or by your surviving spouse, civil partner or dependant) including a person who is not a dependant. Depending on the circumstances this person may be referred to as a nominee or a successor.

What benefits are paid if I die after taking benefits?

Drawdown pension: If you die before age 75 while taking income from your SIPP, the remaining fund value can be paid as a lump sum this payment is normally paid free of Inheritance Tax.

If you die after age 75, whilst taking income from your SIPP, the remaining fund value can be paid as a lump sum less 45% tax. This payment is normally paid free of Inheritance Tax.

Alternatively, the remaining fund value may be used to provide benefits for a spouse, civil partner or dependant, either as a drawdown pension or by annuity purchase. Again provided certain conditions are met, your fund or part of it may be used to provide benefits for nominee or a successor.

If you have no surviving beneficiaries or other nominated beneficiaries the remaining fund value will be paid as a lump sum, less tax at the prevailing rate, to your estate.

Lifetime annuity: Any benefits payable under a lifetime annuity will be determined by the terms of the annuity contract with the insurance company.

Unless you have nominated a dependant, nominee or successor to receive a drawdown pension as outlined above and complied with the relevant conditions, death benefits are payable at the discretion of Pershing. You may nominate the individuals you wish to receive any discretionary benefits and your wishes will be taken into account. You may complete a new nomination at any time.

Cancellation Rights

Can I change my mind?

You will waive your cancellation rights if you choose to request that your cash contribution is invested during the cancellation period. This means that once you or your introducer provide an investment instruction to us, it will no longer be possible for you to exercise your right to cancel your SIPP.

Provided that you have not waived your cancellation rights if you cancel your SIPP within the cancellation period, we will return any contributions to their original source. We will not deduct any charges from your contribution if you cancel your SIPP within the cancellation period.

Transfer payments: Each time that you apply to transfer an existing pension into your SIPP, you have the right to cancel the transfer. You can cancel each transfer separately in writing up to 30 days after you are notified that the transfer monies have been received by us.

You will waive your cancellation rights if you choose to request that your cash transfer is invested during the cancellation period. This means that once you or your adviser provide an investment instruction to us, it will no longer be possible for you to exercise your right to cancel the transfer in to your SIPP.

Provided that you have not waived your cancellation rights, if you cancel a pension transfer within the cancellation period, we will return the transfer payment. The transferring scheme may not be willing to accept the transfer back. In this situation, you will need to make a request to transfer to another pension provider.

It is your responsibility to ensure that a transfer of pension benefits is in your best interests. You should take advice from a suitably qualified adviser.

Taking benefits: When you first decide to take income from your SIPP as a drawdown pension, or if you ask to convert your capped drawdown fund to a flexi-access drawdown fund, you have the right to cancel your election. We will send you a cancellation notice on receipt of your fully completed Benefit Payment Form. You will have 30 calendar days from receipt of this notice to notify us that you have changed your mind and wish to cancel.

Further Information

This section provides important information that you should be aware of.

How to contact us

Your adviser will normally be your first point of contact. Otherwise you can contact us at the following address:

Pershing Securities Ltd
SIPP Administration Team
The Royal Liver Building
Pier Head
Liverpool L3 1LL

Or by emailing sippadministration@pershing.co.uk

Your client category

We will treat you as a retail client as defined by the Financial Conduct Authority. This means that you will benefit from the highest level of regulatory protection available for complaints and compensation.

Complaints

If you wish to complain about any aspect of the service you have received, please contact us at the address shown above. We have a formal complaints procedure and a copy is available on request.

If the matter of your complaint is not dealt with to your satisfaction, you can refer the matter to the Financial Ombudsman Service, Exchange Tower, London, E14 9SR.

The Pensions Ombudsman can also deal with complaints and disputes on the administration of personal pension schemes. The Pensions Ombudsman is completely independent and acts as an impartial adjudicator. The Pensions Advisory Service provides free help and advice to members of the public who have problems concerning their rights under pensions, including personal pension schemes. The correspondence address for both these organisations is 11 Belgrave Road, London SW1V 1RB.

Making a complaint, unless made to the Pensions Ombudsman, will not prejudice your right to take legal proceedings.

Compensation

We are responsible for the operation and winding up of your SIPP in accordance with the Pershing SIPP Trust Deed and Scheme rules (a copy of which is available on request). The operation of personal pension schemes, such as your SIPP, is covered by the Financial Services Compensation Scheme (FSCS). This means that if we become insolvent and you have a valid claim against us in respect of the operation of or winding up of the Pershing SIPP then you would be covered for up to £50,000.

If the bank where the trustee's money is held becomes insolvent, the trustee will have a claim on behalf of members against the bank. If the bank where we are holding client money becomes insolvent, we will have a claim on behalf of our clients against the bank. In either case if the bank cannot repay all of its creditors, any shortfall may have to be shared proportionately between them. You may also be entitled to claim from the FSCS up to £75,000 in respect of the total cash you hold directly or indirectly (i.e., through the SIPP and/or other deposit or current accounts you may have) with the failed bank.

Further information about compensation arrangements is available in the Pershing SIPP Terms & Conditions or direct from the FSCS website www.fscs.org.uk. The FSCS correspondence address is 10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU.

Law

If you are resident in England and Wales our contract with you will be governed by English law. If you are resident in Scotland our contract with you will be governed by Scottish law. If you are resident in Northern Ireland our contract with you will be governed by Northern Irish law. All our literature and communication with you will be in English.

Pershing Limited

Pershing Limited provides broker-dealers, asset managers, intermediary firms, IFAs, and financial institutions across Europe with a comprehensive range of products, services, and solutions including retail clearing, fully disclosed institutional global clearing, broker services, and trading services. Established in London in 1987, Pershing Limited and its subsidiary, Pershing Securities Limited, are members of the London Stock Exchange and Euroclear UK & Ireland. Pershing Limited has memberships with LCH.Clearnet EquityClear and SIX SIS AG. Pershing Securities Limited is a member of Deutsche Börse, Eurex Clearing, and Clearstream. Pershing Limited is an affiliate of Pershing LLC, a leading global provider of financial business solutions to more than 1,600 institutional and retail financial organisations and independent investment advisers. Pershing LLC (member FINRA/NYSE/SIPC) is a member of every major U.S. securities exchange, and a subsidiary of The Bank of New York Mellon Corporation. Additional information is available at <https://www.pershing.com/worldwide/europe-middle-east-and-africa>

BNY Mellon

BNY Mellon is a global investments company dedicated to helping its clients manage and service their financial assets throughout the investment lifecycle. Whether providing financial services for institutions, corporations or individual investors, BNY Mellon delivers informed investment management and investment services in 35 countries and more than 100 markets. As of June 30, 2015, BNY Mellon had \$28.6 trillion in assets under custody and/or administration, and \$1.7 trillion in assets under management. BNY Mellon can act as a single point of contact for clients looking to create, trade, hold, manage, service, distribute or restructure investments. BNY Mellon is the corporate brand of The Bank of New York Mellon Corporation (NYSE: BK). Additional information is available on www.bnymellon.com. Follow us on Twitter @BNYMellon or visit our newsroom at www.bnymellon.com/newsroom for the latest company news.

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