



The Forthplus SIPP  
**Investment Policy**

The Forthplus SIPP is a Self-Invested Personal Pension, which means the investment decisions remain with the member, and where authorised, their financial adviser and/or investment manager. The pension has been designed to provide a secure environment for individuals to build up savings to provide for themselves and their beneficiaries into and throughout retirement.

Forthplus Pensions strive to represent the “Gold Standard” in terms of compliance, and the protection of our members is one of our core principles. Whilst maintaining the flexibility inherent with SIPPs, as part of fulfilling this principle, we have created this Investment Policy which is designed to protect, insofar as possible, the integrity and future of the Scheme as a whole in addition to each member’s interest.

The Financial Conduct Authority (FCA) state that exposure to esoteric, non-standard and unregulated investments must only be reserved for parties who are appropriately qualified to fully understand the implications and risks associated with them. This

is especially important as unregulated and high risk investments are one of the potential routes for pension liberation, as well as a repeated tale in pension savers losing significant portions of their pension savings, they pose a very real threat to both individuals and the pensions industry.

The Forthplus SIPP has been developed for the retail client market and in line with our desire to provide a secure environment for our members, The Forthplus SIPP will not accept any esoteric, non-standard or unregulated investments within its structure, regardless of the investor profile. Our stringent investment criteria allows us to ensure that we maintain a healthy and sustainable relationship with members, advisers, investment providers and our regulators.

All investments are reviewed in line with our investment criteria and the Trustee’s attitude to risk before being admitted for use in the SIPP and may be reviewed while continuing to be held within the Scheme. An investment may still be declined even if it

meets both the Asset Types and Investing Conditions, as well as the Investment Policy Supplement. We will not always provide a reason for such decisions.

At any time, investments may be reviewed and those previously accepted may subsequently be declined and vice-versa. The Trustees decision on any investment’s appropriateness for admission to The Forthplus SIPP, at any time, is final. If we change our position on an investment, or an investment changes making it non-standard, we may require it to be liquidated.

Our decision to allow an investment to be admitted to the SIPP has no bearing whatsoever on whether an investment is appropriate or suitable for our members. It is entirely the responsibility of the member, along with their professional adviser, to consider all aspects of an investment, including asset class, risk, costs, penalties, structures, investor protection and suitability, in respect of their own circumstances and their attitude to risk.

**Below are the minimum requirements for an investment to be admitted to The Forthplus SIPP:**

Asset Types	Investing Conditions
<ul style="list-style-type: none"> <li>• Deposits</li> <li>• Cash</li> <li>• Cash funds</li> <li>• Exchange traded commodities</li> <li>• Government &amp; local authority bonds and other fixed interest stocks</li> <li>• Physical gold bullion</li> <li>• Investment notes (structured products)</li> <li>• Shares in Investment trusts</li> <li>• Managed pension funds</li> <li>• National Savings and Investment products</li> <li>• Permanent interest-bearing shares (PIBs)</li> <li>• Real estate investment trusts (REITs)</li> <li>• Securities admitted to trading on a recognised venue*</li> <li>• Units in regulated collective investment schemes</li> </ul>	<ul style="list-style-type: none"> <li>• It is expected that a portfolio will be appropriately diversified</li> <li>• No more than 30% of a member’s portfolio (at the point of investment) can be invested into structured notes</li> <li>• A *recognised venue, in respect of securities, must be a regulated and listed exchange, as per HMRC listings</li> <li>• Any asset must be capable of being accurately and fairly valued on an ongoing basis and readily realised within 30 days, whenever required</li> <li>• Any investment must not give rise to tax charges or penalties from HMRC</li> <li>• The investment must not allow any form of direct or indirect benefit to the member</li> <li>• Should anything materially change in an investment which contradicts our requirements or policies, no further exposure will be permitted and we may at any time insist on liquidation</li> <li>• Investment approval is not limited to the asset types listed, and at all times, is subject to our own policy</li> <li>• Investments must not contradict the FCA’s classification of a standard asset under IPRU-INV 5.9.1R</li> </ul>

**IMPORTANT NOTICES:** 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. Forthplus Pensions 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 on the suitability of an investment by Forthplus Pensions Limited.

Where it is deemed that a holding currently held no longer complies with this investment policy, 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.

## Investment Policy Supplement

The below defines additional conditions of the Forthplus Investment Policy, in addition to those noted above:

Subject	Conditions
<b>Discretionary fund managers (DFMs)</b>	<p>DFMs and managed funds are allowed to invest on behalf of any Forthplus SIPP member, where so authorised by the member and must abide by all terms and conditions within the Investment Policy.</p> <p>DFMs must have completed and signed the Forthplus SIPP Investment Manager and DFM Agreement to allow Forthplus to invest with them. At the Trustee's discretion, fund managers of managed funds may also be required to complete and sign this agreement.</p>
<b>Submitting an investment for review</b>	<p>When instructions are received by Forthplus to invest members' funds, we will check to see if the proposed investments have previously been reviewed by Forthplus. If so, we will advise if these are acceptable for investment into The Forthplus SIPP or not, and if acceptable, if there are any conditions to the acceptance. If we have not reviewed the investment previously, we will require the following before we can review and place any funds in the investment:</p> <ul style="list-style-type: none"> <li>• Fund Factsheet/Key (investor) information document/Term sheet</li> <li>• Prospectus</li> <li>• Proof of suitability for retail investment</li> <li>• Proof of a secondary market for sale</li> <li>• Any commission to be charged</li> <li>• Level of entry and exit charges to be taken</li> </ul>
<b>Investment notes (structured products)</b>	<p>It is important to ensure that there are robust parameters in place for structured products. Evidence and confirmation of the following points will be required when considering a structured product for investment:</p> <ul style="list-style-type: none"> <li>• The product must be suitable for retail investors</li> <li>• The product must have a demonstrable secondary market, where the investment can be realised within 30 days, if required</li> <li>• No more than 30% of a member's portfolio can be invested in this investment type</li> <li>• The stated return generated by the product must not exceed 12%</li> <li>• Maximum number of underlyings, for where the product is a 'Worst of Product', is four (six if these are indices)</li> <li>• Any products which use indices as underlyings, must select these from HMRC's list of regulated and listed exchanges</li> <li>• Any commissions or fees taken must be calculated in line with the maximum allowed in aggregate commissions</li> <li>• Only products developed by approved providers shall be considered</li> <li>• Confirmation that the member understands the particulars of the product and understands the risk and has signed the Forthplus Structured Note Confirmation of Understanding.</li> </ul>
<b>Expectation of understanding</b>	<p>It is the responsibility of the appointed adviser and the investment product provider (where appropriate) to ensure that members are fully aware of the type of investments they are entering into, any charges or penalties that may be levied and that there is a risk to their capital.</p>
<b>Fees and charges</b>	<p>An adviser can take fees or charges from The Forthplus SIPP is either one of two ways:</p> <ul style="list-style-type: none"> <li>• Directly from the SIPP, as an Adviser Charge on production of an invoice</li> <li>• From an Investment Provider or a direct investment</li> </ul> <p><b>Initial Commissions:</b></p> <p>Aggregate initial adviser commissions or fees <b>must not exceed 7.5%</b> (excluding pension transfer specialist reporting costs) where the commissions are indemnified.</p> <p>Aggregate initial adviser commissions or fees <b>must not exceed 5%</b> (excluding pension transfer specialist reporting costs) where the commissions are not indemnified.</p> <p><b>Ongoing Commissions:</b></p> <p>Ongoing charges and commissions must not exceed 1.5% in the aggregate (excluding exceptional expenses).</p> <p>It is not permitted to charge an ongoing charge and an initial commission in respect of the same year.</p> <p>Any additional commissions paid must be included in calculating the maximum commissions. It is not permitted to exceed these maximums.</p> <p><b>For all cases, Forthplus must receive written confirmation from a member that they are fully aware of all charges that they are being asked to pay.</b></p> <p>Our agreements notify advisers on what is permitted to be taken in terms of remuneration, and the financial advisers are bound by such agreements. A breach of this agreement is a breach of the Terms of Business between an advice firm and us, as the provider and may lead to suspension or termination of these Terms of Business. We are not responsible for policing this, however, reserve the right to spot check.</p>

*continued overleaf >*

Subject	Conditions
<b>Investment providers</b>	<p>Providers should ensure that a member receives confirmation of:</p> <ul style="list-style-type: none"> <li>• Any commissions being paid to their adviser from their pension</li> <li>• Any costs to set up/establish their investment</li> <li>• The initial term of their investment</li> <li>• Any penalties that may be incurred should the investment be redeemed within the agreed term</li> </ul>
<b>Charging terms</b>	<p>Where commissions and fees are to be amortised over a period of time, this duration must not exceed the member's Intended Retirement Date (IRD). The IRD is the date the member is expected to be taking income from their pension, not necessarily taking a pension commencement lump sum.</p> <p>Where the member is already in retirement and taking income, a maximum term of five years is permitted.</p>
<b>Adviser Charging – UK Residents</b>	<p>In 2012 the Financial Services Authority (now the Financial Conduct Authority (FCA)) introduced the Retail Distribution Review (RDR) for FCA regulated advisers which removed the ability for any commissions to be taken, later including marketing allowances, replacing them with the ability for an adviser to take charges in relation to the services they have provided.</p> <p>Therefore, in relation to clients 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.</p>
<b>Investment providers – UK Residents</b>	<p>Any investments made on behalf of UK resident members, must be made through UK FCA regulated investment providers.</p>
<b>Commission from Forthplus Pensions</b>	<p>Forthplus Pensions <b>do not</b> pay any commissions in any way</p>
<b>Additional Expenses</b>	<p>The above excludes the payment of charges in relation to Pension Transfers where this is performed by and paid to a third party. However, such charges need to be agreed and approved by Forthplus Pensions Limited in advance and be within our prescribed limits.</p>