Close Brothers Asset Management

Close Brothers Self Directed Service
Key Features and Charges

Contents

The Financial Conduct Authority is the independent financial services regulator. It requires us, Close Asset Management Limited, to give you this important information to help you to decide whether our Close Stocks & Shares Individual Savings Account (ISA), and/or our Close Investment Account and/or our Close SIPP 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.

1. Key Features of the Close Stocks & Shares ISA

Aims

- To help the value of your money grow, or to provide an income, in a tax efficient way over the medium to long term.
- In the case of the Close Stocks & Shares ISA, to allow you to buy, switch or sell a wide range of investments, including shares and gilts, as well as collective funds which include a range of funds to best suit your objectives.

Your investment

- There is no set term – you can invest for as long as you want but you should be prepared to invest for at least five years.
- You can invest regular and/or single lump sums from a minimum of £50 per month or £1,000 for lump sums.
- The ISA allowance for the 2018/19 tax year is £20,000 and can be held in cash, stocks and shares or any combination of the two. Any contributions from 6 April 2018 will count towards this limit.
- You can transfer previous years' ISA savings freely between stocks and shares and cash if you wish.

Risks

- What you get back will depend on the performance of the investments you choose, and will change from day to day.
- The value of your investment and any income from it can fall as well as rise, and is not guaranteed at any time. It could also fall below the amount you originally invested, particularly in the early years.
- Our charges may increase in the future, which would reduce the value of your investment.
- If you cancel your Close ISA within 14 days of us accepting your application, and the value of your investments has fallen before we receive your instruction, you will get back less than originally invested.
- Any foreign investments will be affected by changes in currency exchange rates.
- If you are transferring from your existing ISA manager, there could be exit penalties or other charges imposed that reduces the value of your transfer before we receive it.
- If you withdraw money from your Close ISA, this will reduce the amount of any income and capital growth you receive.
- If any growth on your Close ISA is less than the withdrawals you make, the value of your Close ISA will fall.
- Inflation will reduce what you can buy in the future.
- Tax rules may change.

These are the key risks that could affect your investment. For more information on risks please read our Guide to the Close Stocks & Shares ISA, available on the Close Brothers Asset Management website.

Questions and Answers

What is the Close Stocks & Shares ISA?

As the name suggests, it is a Stocks and Shares ISA, which is an investment that has tax advantages for most UK residents over 18 years of age. There is no UK Income Tax or Capital Gains Tax to pay on any growth for qualifying UK residents investing up to the relevant ISA subscription limits.

Who can have a Close Stocks & Shares ISA?

You need to be aged 18 or over to be eligible to open a Close Stocks & Shares ISA.

You will also need to be resident and ordinarily resident for tax purposes in the UK. You will not be able to hold a Close ISA jointly with, or on behalf of, anyone else.

How much can I pay in?

You may subscribe to:

- one Stocks and Shares ISA.

You may not subscribe to two (or more) Stocks and Shares ISAs in the same tax year, unless you make a transfer of the current year's subscriptions from one type of ISA to the other. In this case the subscriptions to the receiving ISA are treated as if these were made to the receiving ISA at the start of the year.

The ISA allowance for the 2018/19 tax year is £20,000 and can be held in cash, stocks and shares or any combination of the two. Any contributions from 6 April 2018 will count towards this limit. This limit may be adjusted each tax year in line with the Consumer Prices Index. If you do not subscribe up to the limit in any tax year this cannot be carried forward or added to the subscription limit of the next tax year.

You can open a Close Stocks and Shares ISA by transferring all or part of an existing Stocks and Shares ISA or by making a cash payment to the plan. You will need to check with the transferring ISA Manager to see if they will charge you for the transfer.

Can I make further investments?

Yes – at any time, as long as you do not exceed the ISA subscription limits shown above for that tax year. There is no limit to how many transfers of previous years' subscriptions you can make.

How do I make further investments?

There are a number of ways you can add more money:

- by cheque, debit card or direct debit at any time, or
- by making a transfer of all or some of an existing Stocks and Shares ISA or Cash ISA.

Can I reduce my regular payments?

Yes – you can stop or change your regular payments at any time by contacting the Investor Support Team whose details can be found on page 14.

What can I invest in my Close Stocks & Shares ISA?

The Close Stocks & Shares ISA gives you the opportunity to choose from a wide range of different investments including funds, stocks and shares and gilts available through the Self Directed service.

Will I receive income from my investment?

Yes – if you choose to invest in a fund which pays income. You can find out how often your chosen fund(s) pay out an income, and when it will be paid, by speaking with the Investor Support Team.

Can I switch investments within my Close Stocks & Shares ISA?

Yes – you can decide how your money is invested and switch investments within your ISA at any time. You will need to bear in mind that underlying investment providers may have their own limits for switching and how much must remain within a particular investment.

What could I get back?

You will get back the value of your investments held in your Close Stocks & Shares ISA at the time the investments are sold. There is no guaranteed amount and you may get back less than invested. The amount you get will depend on the following factors:

- how much you have invested
- the length of time it is invested
- the performance of your underlying investments
- charges
- amount of any withdrawals you have taken
- the Terms and Conditions of the underlying investment.

If you want to close your ISA, please contact the Investor Support Team.

How will I know what my Close Stocks & Shares ISA is worth?

Twice a year you will receive an online statement showing the current value of your ISA, as well as the transactions carried out for you during the previous six months. If you need information between statements, you can review details of your ISA online.

How do charges and expenses affect my Close Stocks & Shares ISA?

The charges with respect to investments held in your ISA will be charged in the way described in the Close Brothers Asset Management Terms and Conditions. The effect they will have on your investment will be to reduce the rate at which your investment grows.

How do I withdraw my money?

- You can make withdrawals through our online portal or can close your account by writing to us at the address shown in the 'How to contact us' section at the back of this booklet.
- You can withdraw any amount – or close your account – at any time, with no administration charges.
- Whether you make a withdrawal or close your account, we will pay the amount by electronic bank transfer into a bank account in your name, nominated by you.
- Do not forget that if you take anything out, anything you put back in will count towards the ISA subscription limits for the current tax year.

What about Tax?

You pay no tax on any of the income you receive from your ISAs. However, any investment dividends are received with a 10 per cent dividend tax credit which cannot be reclaimed.

You do not have to declare details of your income and capital gains on an ISA in your tax return.

You can take your money out at any time without losing tax benefits already accrued on those monies.

Tax benefits depend on individual circumstances. This tax treatment may change in the future. We are unable to provide you with individual tax advice.

The taxation information above is based on our interpretation of current legislation and HMRC practice. Please remember that current tax benefits may change in the future.

Can I transfer my existing ISA to my Close Stocks & Shares ISA at any time?

Yes – you may transfer all of your current year ISA, or part or all of a previous year's ISA at any time.

A transfer may be made in cash or by re-registering assets subject to our and your existing ISA Manager's agreement.

You will need to check with your existing ISA Manager whether they will make a charge to sell the assets and transfer the money in cash or make a charge to re-register the assets.

Can I transfer to another ISA Manager at any time?

Yes – you can transfer your Close Stocks & Shares ISA to another ISA Manager at any time provided this request is made in writing to us. You may transfer all of your current year's ISA, or part or all of a previous year's ISA at any time, provided your new ISA Manager agrees to the transfer.
A transfer may be made in cash or by re-registering assets subject to the new ISA Manager's agreement.

We will not apply a charge for making a transfer.

Can I change my mind?

Yes – once we have accepted your application for an ISA you will have 30 days during which you have the right to change your mind. In order to exercise your right to cancel, you must write to us at the 'Contact us' address at the end of this document. If you cancel your Close Stocks & Shares ISA and the value of investments has fallen in the meantime, you will receive less than originally invested.

If you decide not to exercise your right to cancel, you will still be able to withdraw your money whenever you want. However we will not refund any charges you have paid.

What happens if I die?

If you die, your account will continue but the tax benefits of your ISA will cease from the date of your death. Your personal representative would then need to close the ISA. On receiving appropriate proof of title, we will pay them the balance together with any interest earned up to the date of closure. If requested, we will transfer the account investments in to their, or another's, name. The balance will take into account any gain or loss in the value of your investment.
The proceeds from your ISA will form part of your estate for inheritance tax purposes.

2. Key Features of the Close Investment Account

Aims

- To help the value of your money grow, or to provide an income, over the medium to long term.
- To allow you to buy, switch or sell a wide range of investments, including shares and gilts, as well as collective funds which include a range of funds to best suit your objectives.

Your investment

- There is no set term – you can invest for as long as you want but you should be prepared to invest for at least five years.
- You can invest regular and/or single lump sums from a minimum of £50 per month.

Risks

- What you get back will depend on the performance of the investments you choose, and will change from day to day.
- The value of your investment and any income from it can fall as well as rise, and is not guaranteed at any time. It could also fall below the amount you originally invested, particularly in the early years.
- Our charges may increase in the future, which would reduce the value of your investment.
- If you cancel your Close Investment Account within 30 days of us accepting your application, and the value of your investments has fallen before we receive your instruction, you will get back less than originally invested.
- Any foreign investments will be affected by changes in currency exchange rates.
- If you are transferring from your existing account, there could be exit penalties or other charges imposed that reduces the value of your transfer before we receive it.
- If you withdraw money from your Close Investment Account, this will reduce the amount of any income and capital growth you receive.
- If any growth on your Investment Account is less than the withdrawals you make, the value of your Investment Account will fall.
- Inflation will reduce what you can buy in the future.
- Tax rules may change.

These are the key risks that could affect your investment. For more information on risks please read our Guide to the Close Investment Account, available on the Close Brothers Asset Management website.

Questions and Answers

What is the Close Investment Account?

An account that allows you to invest in a wide range of investments all in one place.

Who can have one?

Anyone who is aged 18 or over and is resident and ordinarily resident in the UK for tax purposes.

How much can I pay in?

The minimum opening amount for the Close Investment Account is £50 for regular monthly payments. Other than that, you can pay in as much as you want.

Can I make further investments?

Yes – at any time.

How do I make further investments?

There are a number of ways you can add more money:

- by cheque, debit card or direct debit at any time, or
- by making a transfer of all or some of an existing investment.

Can I reduce my regular payments?

Yes – you can stop or change your regular payments at any time by contacting the Investor Support Team.

What can I invest in my Close Investment Account?

You can choose from investments including:

- Unit Trusts
- Investment Trusts
- OEICs (Open Ended Investment Companies)
- Shares
- Exchange Traded Funds (ETFs)
- Gilts.

Will I receive income from my investment?

Yes – if you choose to invest in a fund or other investment which pays income.

If you invest in an Accumulation or Growth fund you will not receive an income payment from your investment. Any income generated will buy further shares or units in the fund.

Can I switch investments within my Close Investment Account?

Yes – you can decide how your money is invested and switch investments within your Close Investment Account at any time. You will need to bear in mind that underlying investment providers may have their own limits for switching and how much must remain within a particular investment.

What could I get back?

You will get back the value of your investments held at the time the investments are sold. There is no guaranteed amount and you may get back less than invested. The amount you get will depend on the following factors:

- how much you have invested
- the length of time it is invested
- the performance of your underlying investments
- any charges
- the amount of any income or withdrawals you have taken
- the Terms and Conditions of the underlying investment.

If you want to close your Close Investment Account, please contact the Investor Support Team.

Will I receive interest on any cash I hold in my Close Investment Account?

Yes. Interest is calculated using your balance at that time. We will pay the interest into your account every month, in arrears on or around the first business day of each month – or when you close the Close Investment Account. Interest rates can change. Interest will be paid net of standard rate tax; unless you are a non-taxpayer and you have registered to have your interest paid gross. The interest rate can be found on our website.

Can I transfer my existing Investment Account to my Close Investment Account?

A transfer may only be made by re-registering assets, subject to our and your existing Investment Account Manager's agreement. You will need to check with your existing Investment Account Manager whether they will make a charge to re-register the assets.

Can I transfer to another Investment Account Manager?

Yes – you can transfer your Close Investment Account to another Investment Account Manager provided this request is made in writing to us. A transfer may be made in cash or by re-registering assets subject to the new Investment Account Manager's agreement.

We will not apply a charge for making a transfer.

How will I know what my Close Investment Account is worth?

Twice a year you will receive an online statement showing the current value of your Close Investment Account as well as the transactions carried out for you during the previous six months. If you need information between statements, you can review details of your Close Investment Account online.

How do charges and expenses affect my Close Investment Account?

The charges on your Close Investment Account will be charged in the way described in the Close Brothers Asset Management Terms and Conditions. The effect they will have on your investment will be to reduce the rate at which your investment grows.

How do I withdraw my money?

- You can make withdrawals through our online portal or can close your account by writing to us at the address shown in the 'How to contact us' section at the back of this booklet.
- You can withdraw any amount – or close your account – at any time, with no administration charges.
- Whether you make a withdrawal or close your account, we will pay the amount by electronic bank transfer into a bank account in your name, nominated by you.

What about tax?

The Close Investment Account is not a tax exempt product.

The tax you pay will depend on the type of assets that you hold and your personal circumstances. At the end of each tax year, we will provide you with all the relevant information that you will need to include in your self-assessment tax return when calculating your liability to income tax. You will need to calculate any capital gains tax implications separately.

Please remember that current tax benefits may change in the future.

Can I change my mind?

Yes – once we have accepted your application for a Close Investment Account you will have 30 days during which you have the right to change your mind. In order to exercise your right to cancel, you must write to us at the 'Contact us' address at the end of this document. If you cancel your Close Investment Account and the value of investments has fallen in the meantime, you will receive less than originally invested.

If you decide not to exercise your right to cancel you will still be able to withdraw your money whenever you want. However we will not refund any charges you have paid.

IMPORTANT - Fixed Term Deposits must be held to maturity and cannot be closed before that date except in very limited circumstances. If you hold a Fixed Term Deposit in your Investment Account, the Investment Account cannot be closed or cancelled before the maturity of that Fixed Term Deposit. Please see the Terms and Conditions of the Fixed Term Deposit for further details.

What happens if I die?

If you die, your personal representatives must close your Close Investment Account. On receiving appropriate proof of title, we will pay them the balance together with any interest earned up to the date we close the Close Investment Account, or if requested, we will transfer the Close Investment Account's investments to them. The balance will take into account any gain or loss in the value of your investment. The proceeds from your Close Investment Account will form part of your estate for inheritance tax purposes.

3. Key features of the Close SIPP

Note: Stakeholder pension schemes are generally available and might meet your needs as well as the Close SIPP. This key features document is based on our interpretation of current legislation and HMRC's practice and should not be relied upon for detailed advice or as a statement of law. Please remember that current tax benefits may change in the future which could affect the amount of benefits you receive.

The Key features document should be read in conjunction with the Key features illustration

Aims

- The Close SIPP is a type of registered pension scheme known as a 'Self Invested Personal Pension' (SIPP), which allows you to make your own investment decisions. Like all registered pension schemes the Close SIPP provides you with a means of saving for your retirement.

  It is a long term investment and is designed to provide you with more flexibility over how and when you take your benefits. This type of plan can also be known as a Money Purchase Pension Plan or a Defined Contributions Plan.
- The Close SIPP is designed to accept contributions and/or transfers from existing pension arrangements.
- The underlying legal framework for the Close SIPP is that the Plan has been set up under trust and accepted as a registered pension scheme by HMRC. Close Asset Management Limited is the provider of the SIPP and has appointed Lion Nominees Limited as Trustee of the Scheme and Close Asset Management Limited to administer the Scheme.
- Close Brothers Asset Management through the above entities acts as administrator, trustee and advisor to members of the Close SIPP. Close Brothers Asset Management have systems and controls in place to mitigate this conflict of interest. The Close SIPP is subject to the same legislation as a normal registered pension scheme, but it cannot be used to accept ongoing contributions from contracting out of the State Second Pension (S2P). This document provides you with the main points about the Close SIPP and should be read in conjunction with the Close SIPP Terms and Conditions set out in the Close Brothers Asset Management Terms and Conditions.
- To provide benefits for your dependant(s) on your death.

Your investment

- You can open a Close SIPP to receive transfers of benefits from other pension arrangements you have. You can also pay into the Close SIPP at any time.
- You can pay in up to the age of 75 and you can change your payments at any time.
- You cannot take your benefits until age 55 unless you retire early due to serious ill health or have a protected low retirement age as defined by the legislation.
- If you are in Capped Drawdown, the level of income you choose must be within HMRC's limits.

Your commitment

- To make payments to your pension plan, within the limits set by HMRC
- To tell us if you stop being entitled to receive tax relief on your contributions.
- To wait until you are at least age 55 before taking your benefits, unless you retire early due to serious ill health or have a protected pension age as defined by the legislation.
- To settle any fees which have been raised in relation to the administration of your SIPP.
- To notify us immediately of any changes to your circumstances which may affect your membership of the SIPP.
- To stop making contributions after you reach age 75.

Risks

- Benefits due to you may be lower than you expect if growth in your investments and interest rates are lower than those illustrated.
- If you take your benefits earlier than shown on your illustration, or stop paying regular contributions, your benefits may be lower than illustrated.
- High income withdrawals are unlikely to be sustainable if investment returns are low during the withdrawal period. They might also reduce any potential annuity.
- The higher the level of income withdrawals, the less you will have available to provide for dependants, or to buy an annuity in the future.
- The investment growth can be less than shown, and capital values can rise or fall.
- Annuity rates can change substantially over short periods of time, both up and down. They could be worse when you buy an annuity than they are now.
- The longer you wait before buying an annuity, the greater risk you bear of lower levels of income if you live longer than expected.
- Whilst you are able to contribute to your Close SIPP, we will not accept contributions after you reach age 75.
- Reviews of your income limits could see a decrease in the amount of income that you are able to take from your Close SIPP within a Capped Drawdown arrangement.
- The liquidity of your Close SIPP needs to be considered when you decide to take benefits from your fund. Certain assets may take longer to realise than others.
- Our charges may change in the future.
- The tax efficient nature of registered pension schemes may change in the future.
- A pension sharing order, made by a court against your Close SIPP, may reduce the value of your Close SIPP by the value of the pension credit.
- It may take time to realise the value of certain underlying assets, e.g. collective investment funds that invest in property.
- The risks associated with your Close SIPP may be higher or lower for certain categories of underlying investments. You should also be familiar with the content of the key features document.
- If you make contributions in excess of the annual allowance, you will be

personally liable to pay a tax charge unless you have carried forward any unused allowance.

- Price inflation reduces the worth of all savings and investments.

Questions and Answers

What does the Close SIPP allow you to do?

The Close SIPP allows you to build up a lump sum which can then be used to provide you with an income when you retire. It allows you to choose where you want your retirement savings to be invested, instead of leaving a pension company to make the decisions. You can hold a wide variety of investments in a SIPP. See, 'What can I invest in?'.

What can I contribute to the Close SIPP?

Although there is no limit on the level of contributions that you or your employer can make to your Close SIPP, consideration needs to be taken as to whether the contribution will qualify for tax relief purposes. Under current legislation if you are a UK resident and have UK relevant earnings, your contributions qualify for tax relief at the highest rate you pay.

The maximum amount of contributions on which you can obtain tax relief in any given tax year is the greater of £3,600 and 100 per cent of your relevant UK earnings.

Total contributions for tax relief purposes are also restricted to the Annual Allowance. The Annual Allowance is an annual limit set by HMRC. The current Annual Allowance is £40,000. Where total pension contributions exceed the annual allowance for a tax year, an annual allowance charge will be charged at your marginal rate of income tax on the excess above the annual allowance.

If you exceed the annual allowance, you may be able to carry forward any unused allowance from up to three previous tax years.

If you decide to draw flexible income via Flexi-Access Drawdown or Uncrystallised Funds Pension Lump Sum (UFPLS) from this, or any other money purchase pension savings the annual amount that can be contributed after that event, to a money purchase pension scheme, will be reduced to £4,000 per annum. This is known as the Money Purchase Annual Allowance (MPPA) and should this apply then you would no longer be able to carry forward unused allowances.

From 6 April 2016, the tapered annual allowance was introduced for high earners. If you earn in excess of £150,000, the annual allowance will be reduced by £1 for every £2 of 'adjusted income' above £150,000. Adjusted income includes net income plus the value of any pension savings for the tax year. There is also a threshold income limit of £110,000. Where you have a threshold income of £110,000 or less, you will not be subject to the tapered annual allowance. Threshold income is net income less gross pension contributions paid under relief at source.

How can I contribute to the Close SIPP?

You can pay contributions regularly into a Close SIPP on a monthly, quarterly, half-yearly or yearly basis by Direct Debit and/or pay single contributions by cheque or electronic transfer. Contributions made by your employer or anyone on your behalf can only be made as a single contribution by cheque or electronic transfer. You may also be able to transfer funds from other types of pension arrangements into a Close SIPP.

What can I invest in?

Securities

Includes securities that are listed on a recognised stock exchange and are purchased and held by a UK based Stockbroker/Investment Manager, who are Financial Conduct Authority (FCA) regulated.

A recognised stock exchange for these purposes are:

- The London Stock Exchange or the Alternative Investment Market (AIM), or
- An exchange recognised by the FCA as a recognised exchange

This covers most transferable securities, including:

- Shares in companies (equities)
- Exchange Traded Funds (ETFs)

Investment Trusts

- Investment Trusts that are listed, or dealt in, on a UK stock exchange

Units/Shares in retail investment funds

- That are authorised or recognised by the FCA - this includes overseas Undertakings For The Collective Investment Of Transferable Securities (UCITS)

Managed portfolios of collectives investments

- Managed portfolio arrangements provided by a FCA regulated company that invest in permitted transferrable securities or funds

Deposit accounts

- Fixed Term Deposit accounts

Not permissible

- Commercial property
- Unquoted shares
- Unregulated Collective Investment Schemes (UCIS)

The above list refers to instruments available to invest in the Close SIPP. A wider range of investments are permissible for SIPPs in general and Close Brothers Asset Management reserves the right to change this list in the future.

When can I take my benefits?

You can take benefits from your Close SIPP at any age from 55, regardless of whether you have retired from your current occupation. You cannot normally take the benefits before age 55, unless you retire due to ill health or have a protected low retirement age as defined by legislation.

How will my benefits be calculated?

When you take benefits from the Close SIPP the value of your fund will be tested against your 'Lifetime Allowance'. The amount of Lifetime Allowance depends on your circumstances. The Lifetime Allowance is the maximum amount of pension and/or lump sum you can receive from your Close SIPP that will benefit from tax relief. If you build up pension benefits with a value in excess of the

Standard Lifetime Allowance, you may be subject to a tax charge on the excess benefits value known as the Lifetime Allowance charge. The current Lifetime Allowance is £1,055,000.

The amount of this charge will depend on whether you take this excess as an income or a lump sum. If you choose to take a lump sum from funds in excess of your Lifetime Allowance, there will be a tax charge of 55 per cent on the excess. If you choose to take this excess as an income, there will be a tax charge of 25 per cent (and income tax on the pension).

What benefits can I have from the Close SIPP?

You can normally take up to 25 per cent of your Close SIPP fund value as a Pension Commencement Lump Sum which is currently tax-free. The remainder of your fund will then be used to provide you with an income either by way of Capped Drawdown, Flexi-Access Drawdown or by purchasing a lifetime annuity or potentially a combination of all three. Please note that Capped Drawdown is only available if you have accessed Capped Drawdown within the plan before 6 April 2015.

If you elect to take your benefits via UFPLS your payment will be made up of taxable and non-taxable elements.

How much income can I drawdown from the Close SIPP?

This will depend on whether you are taking an income as Capped Drawdown, Flexi-Access Drawdown or UFPLS.

Flexi-Access drawdown allows you to:

- take a tax free Pension Commencement Lump Sum, normally up to 25 per cent of the amount you wish to draw and take income from the remaining 75 per cent as and when you need it in the future. You do not need to take an income immediately from that part of your pension pot.
- take a lump sum from your pension pot which you have not yet used to provide tax free cash or income. Normally up to 25 per cent will be tax free with the balance being taxed at your highest rate of income tax.
- take withdrawals from your pension pot at any level you require, which will be taxed at your highest rate of income tax. However be aware that the larger the withdrawals you take, the less of your pension pot will remain invested to help with your longer term income requirements.

UFPLS is a way of taking as much money as you want from your pension pot which has not yet been crystallised, i.e. not yet in drawdown. There are certain criteria you must be eligible to meet to take a UFPLS payment:

- You must have more lifetime allowance remaining than the amount of the lump sum if you are under age 75 when it is paid.
- If you are 75 or over when the lump sum is paid you must have at least some lifetime allowance remaining.
- You cannot have enhanced or primary protection with a protected lump sum or a lifetime allowance enhancement where the available proportion of your lump sum allowance is less than 25%.
- You must have reached normal minimum pension age (55) or alternatively meet the ill-health conditions.

UFPLS is subject to:

- 25% of each payment will be free of tax, with the remaining 75% of the payment being subject to income tax at your highest rate.
- UFPLS payments will be tested against your lifetime allowance.
- Taking a UFPLS payment means that you will be subject to the new Money Purchase Annual Allowance rules.

For Capped Drawdown, which is only available if you had accessed Capped Drawdown before 6 April 2015, there are limits laid down by the Government as to the maximum annual amount of income that can be taken from your fund, as shown in your illustration which will be produced when you elect to take benefits from your SIPP.

When taking Capped Drawdown, your age will decide when the maximum level of income you are entitled to is recalculated:

- If you are under 75, we must re-calculate your maximum level of income at least every three years, or
- 75 or over, we must recalculate your maximum level of income every year.

This recalculation may mean your maximum level of income may reduce or increase.

There is no minimum amount of income that you must take from your pension fund. You can vary the income level at any time subject to the current maximum.

You can convert your Capped Drawdown plan to Flexi-Access Drawdown at any time without charge. However please note that converting to Flexi-Access Drawdown may reduce the amount you can contribute to a money purchase pension scheme.

What is an annuity and when can I buy one?

An annuity is an insurance product which pays income to the annuitant for a pre-determined period. Often purchased at retirement with the proceeds of a pension these can be set up to pay an income until the death of the annuitant.

Annuity rates change all the time, up and down. Remember, you can use your fund on the open market to take advantage of the best rates available from the whole range of insurance companies. An annuity can provide a fixed amount of income, or it can increase each year. It is also possible to buy an annuity which will continue to be paid to your dependants if you die.

What happens if I die?

If you die before taking your benefits from your Close SIPP:

- You can nominate your dependants to receive benefits and they may take either an income from the fund or a lump sum, or
- You can also nominate any other person to receive a lump sum.

The tax position on death will depend on your age and whether you have taken any pension benefits from your plan.

If you die before age 75, you can pass on your pension pot to any beneficiary(s) free of tax, provided that this is done within two years of the date of notification of your death. For any part of your pension you have not taken benefits from, the uncrystallised element, this part will be tested against the lifetime allowance and any amount in excess of the lifetime allowance will still be subject to the lifetime allowance charge. Your beneficiary(ies) could opt to take an income instead, which would be free of income tax.

If you die after age 75, any lump sum or income will be paid subject to tax at the beneficiary's highest marginal rate.

If you die after buying an annuity:

- Payments will depend on the terms and conditions of the annuity you purchased.

What happens if I stop paying contributions?

The fund in your Close SIPP will remain invested, but your benefits may be lower than the figures illustrated.

What about tax?

If you are a UK resident, your regular and single contributions are paid net of basic rate tax, and we will collect the basic rate tax relief from HMRC. If you are a higher rate tax payer, you can claim the extra tax relief from HMRC via your self-assessment tax return. The same applies to those subject to the Scottish rate of income tax from 6 April 2018. If your employer makes contributions, they will pay them gross. There is no tax relief on transfers from other pension funds into your SIPP. Remember that the rules on tax relief depend on individual circumstances and may change in the future without prior warning.

Contributions in excess of the annual allowance (including the MPAA which may apply after you have started to take income from your SIPP and the tapered annual allowance) will be subject to a tax charge at your marginal rate of income tax. Investments within the Close SIPP enjoy freedom from UK tax on income and capital gains, except that tax may not be reclaimed on dividends. If you exceed the annual allowance, you may be able to carry forward any unused annual allowance from up to three previous tax years.

Any income withdrawals via Capped, Flexi-Access Drawdown, UFPLS or by way of an annuity will be taxed under the PAYE system.

Any death benefits, lump sum or income, paid out to your beneficiary(s) on your death after age 75 will be subject to the beneficiary's highest marginal rate of tax.

In the absence of protection, funds paid out which are in excess of your lifetime allowance will be subject to a tax charge. For individuals who had built up significant pension savings pre April 2006, there was an option to apply for enhanced and/or primary protection to protect against any Lifetime Allowance charge when the Lifetime Allowance was introduced in April 2006. Further forms of protection, namely fixed and individual protection have been introduced each time the Lifetime Allowance has been reduced by the government to protect against the lifetime allowance charge.

The tax charge will be 25 per cent on the excess if it is paid as an income (the pension will also be subject to income tax), or if you choose to take a lump sum from funds in excess of your lifetime allowance there will be a tax charge of 55 per cent on the excess. If at any time you receive benefits which are not in accordance with current pension rules these will be regarded by HMRC as unauthorised payments and will be subject to any tax charges that are prescribed by legislation.

Can I transfer out?

Yes. However, if your Close SIPP is in drawdown, you may only transfer to a registered pension scheme arrangement which has been set up for the purpose of receiving transfers from income withdrawal arrangements.

Can I change my mind?

Yes. You will have 30 days, from the commencement of the Close SIPP, during which you have the right to change your mind. In order to exercise your right to cancel, you must send a signed confirmation to the Investor Support Team at the address shown in the 'How to contact us' section at the back of this booklet. If you cancel and the value of investments has fallen in the meantime, we will reduce the amount we pay back to reflect that fall. Your right to cancel will remain unaffected if any event beyond your control makes it impractical to communicate the wish to cancel.

IMPORTANT - Fixed Term Deposits must be held to maturity and cannot be closed before that date except in very limited circumstances. If you hold a Fixed Term Deposit in your SIPP, the SIPP cannot be closed or cancelled before the maturity of that Fixed Term Deposit. Please see the Terms and Conditions of the Fixed Term Deposit for further details.

Can I change my mind on subsequent transfers?

Yes. You will have the right to cancel any transfers from other registered pension schemes, whether they are received at the same time as when your Close SIPP is opened or at a later date. You will be able to give us investment instructions during your 30 calendar day cancellation period. However, if you choose to cancel the transfer under the terms of the cancellation rights, any investment made using the transfer payment will be sold and we will arrange to transfer the proceeds to another provider chosen by you. The amount to be repaid may be less than the amount paid to us if the value of your investment has fallen at the time it is sold.

Note: It may not always be possible to return a transfer payment to the original pension scheme if you cancel the transfer payment, within the cancellation period, after the transfer has been received by us. In this circumstance you will need to arrange for another pension scheme to accept the transfer.

How will I know what my Close SIPP is worth?

After we accept your application you will be able to view details of your account online. This includes in progress activity. Every six months we will send you a statement showing the current value of your Close SIPP. If you need information between statements please review your account online.

4a. Schedule of Charges, Discounts and Interest Payable

The following schedule is applicable to the Close Stocks & Shares ISA, Close Investment Account and Close SIPP, unless otherwise indicated. Please also refer to the 'SIPP Schedule of Fees' for details of specific additional charges relating to the Close SIPP.

Set up charges	
Set up of account	Free
Contributions to account	Free
Transfers In from another provider	Free (note that the transferring provider may make a charge for transferring investments or cash proceeds to Close Brothers Asset Management)
On-going charges	
Holdings of funds within Unit Trusts and OEICs, Equities, Investment Trusts, Exchange Traded Funds, Gilts and any other exchange traded securities	**0.25%** per annum based on the value of your investments, deducted monthly.
Holdings of Cash (excluding money market funds)	Free (see below for details of interest payments)
Transaction charges	
Purchase or sale of Unit Trusts and OEICs	No charge is levied by Close Brothers Asset Management
Switching from one Unit Trust or OEIC to another	No charge is levied by Close Brothers Asset Management
Purchase or Sale of Equities, Investment Trusts, Exchange Traded Funds, Gilts and any other exchange traded securities	To the extent that we charge a dealing fee, this will not exceed £8.95. You should always check the online trading screens and any order confirmations prior to submitting your transaction request, as any applicable fees and charges will be clearly shown.
Fund Manager charges	
Fund Manager initial charges	No initial charges are levied by fund manager on clean (commission-free) share classes of funds.
Taxes and levies charged by the government	
Stamp Duty	**0.5%** (rounded up to the nearest £5) on all UK share purchases of over £1,000 effected by means of a stock transfer form.
Stamp Duty Reserve Tax (SDRT)	**0.5%** on all electronic 'paperless' UK share purchases.
Panel on Takeovers and Mergers (PTM) levy	**£1** on all UK share deals over £10,000.

Interest on cash	
Interest on cash (excluding Fixed Term Deposits and money-market funds).	Interest paid on cash held in your Account (other than in the course of settlement of transactions on your behalf) will be calculated daily and paid monthly. The rate of interest payable can be found through the Self Directed homepage of our website and may be less than the rate we earn.
Printed reports and archived information	
The sending of a printed version of your six monthly report which is available within your Online Account	**£10** one off fee for each request.
Copies of contract notes, vouchers and copies of entries in books or electronic recorded media relating to your transactions for a period of six years from the date of the transaction.	**£10** one off fee for each request.

4b. Schedule of charges for intermediary only services

The following charges are payable to Close Brothers Asset Management for investments held on either Aegon or Fidelity FundsNetwork. Please note additional charges are levied by each platform and fund manager in relation to your investments.

Please refer to the documentation provided by each platform for a full list of fees and charges.

Close Brothers Intermediary Ongoing Fee (Aegon) *Effective from 7 April 2014*	**0.35%** per annum payable to Close Brothers on all clean (commission-free) share class funds.
Close Brothers Intermediary Ongoing Fee (Fidelity FundsNetwork) *Effective from 7 February 2014*	**0.35%** per annum payable to Close Brothers on all amounts held*.

***This charge is payable on all your investments once you make a transaction on your account. For any existing investments where the ongoing commission would have been payable to Close Brothers Asset Management, the value of the commission will be paid back into your account on a quarterly basis in the form of units.**

Printed and archived information	
The sending of printed research information including fund manager factsheets and analysis that are available online through our Platform.	**£50** per year, to receive a maximum of 10 printed documents as required during a calendar year (1st January to 31st December).
Copies of contract notes, vouchers and copies of entries in books or electronic recorded media relating to your transactions for a period of six years from the date of the transaction.	**£10** one off fee for each request.

5. Close SIPP – Schedule of Additional Fees

Fee type	Fee amount	When is the fee taken?
Standard fees		
Establishment fee	Nil	N/A
Annual administration fee	Nil	N/A
Contributions		
As part of establishing a Close SIPP	Nil	N/A
Subsequent single contributions	Nil	N/A
Starting and variations to regular contributions	Nil	N/A
In-specie contribution	Nil	N/A
Direct Debit collection and amendment	Nil	N/A
Transfers In		
As part of establishing a Close SIPP	Nil	N/A
Cash transfer in	Nil	N/A
In-specie transfer in	Nil	N/A
Transfers Out		
Transfer out to UK scheme	Nil	N/A
In specie transfer out	Nil	N/A
Transfer out to overseas scheme	Nil	N/A
Residual cash transfer out	Nil	N/A
Benefits and payments fees		
Setting up drawdown pension	£50 + VAT	Upon completion of transaction
Review of income limits*	£75 + VAT	Upon completion of transaction
Uncrystallised Funds Pension Lump Sum (UFPLS) payment fee	£50 + VAT	N/A
Income payments from the fund	Nil	N/A
Arranging death benefits	£250 + VAT	Upon completion of transaction
Arranging a serious ill health lump sum	£75 + VAT	Upon completion of transaction
Investment administration fees		
Ad-hoc valuation fee	Nil	N/A
Duplicate paper statement or valuation	Nil	N/A
Corporate Actions	Nil	N/A
Miscellaneous fees		
Excess fund repayment (refund of overpaid contribution)	£75 + VAT	Upon completion of transaction
Implementing pension sharing order	£500 + VAT	Upon completion of transaction

* Capped Drawdown only

6. Important information about Close Investments

What if I have a complaint?

If your complaint is about the service you have received from Close Brothers Asset Management, please write to us at the address shown in the 'How to contact us' section at the back of this booklet. You can ask us for a copy of our complaints procedure at any time. If you're not satisfied with the way your complaint is dealt with, or if your complaint is not dealt with in eight weeks, you can contact:

The Financial Ombudsman Service
Exchange Tower
London E14 9SR
Telephone: 0800 023 4567

If you have a complaint regarding an individual investment, this should be directed to the specific fund manager or company concerned. A copy of our complaints procedure is available on request. Making a complaint will not affect your legal rights.

Client categorisation

We classify you as a 'retail client' under Financial Conduct Authority rules. This means you will receive the highest level of regulatory protection available for complaints and you will receive information in a straightforward way. Most retail clients are also eligible to claim under the Financial Services Compensation Scheme.

Conflicts of Interest Policy

Close Asset Management Limited is part of the Close Brothers Group. The Close Brothers Group has a policy on the management of conflicts of interest, covering all parts of the Group, to ensure that our clients are not adversely affected.

Details of our conflicts of interest policy are available on request.

Where can I see your Terms and Conditions?

Your rights as the holder of a Close Stocks & Shares ISA, Close Investment Account and a Close SIPP are set out in the Close Brothers Asset Management Terms and Conditions, which may be subject to change in the future and are available on our website.

How is this affected by the law?

The laws of England and Wales govern the relationship we have with you prior to, and on conclusion of any contract, and the parties submit to the exclusive jurisdiction of the Courts of England.

Taxation information

Any taxation information contained in this guide is based on our interpretation of current legislation and HM Revenue & Customs practice. Please remember that current tax benefits may change in the future.

7. Can I Claim Compensation? – The Financial Services Compensation Scheme

What is the FSCS?

We are members of the Financial Services Compensation Scheme ("FSCS") - the UK's compensation fund for customers of authorised financial services organisations, which may pay compensation if a firm is unable, or likely to be unable, to pay claims against it. In the event we are unable to meet our liabilities, you may be eligible for compensation within the rules of the FSCS.

What are you covered for?

- **Investment - Funds and other non-cash holdings**

The maximum level of compensation for claims against firms in default is £85,000 per person per fund manager. If you are a Close Brothers Self-Directed Service client you shall not share in the full protection offered by FSCS in respect of receiving bad or misleading advice. We do not offer advice through this service.

- **Deposit holders**

In respect of Close Brothers Limited deposits, an eligible depositor is entitled to claim up to £85,000. For joint accounts, each account holder is treated as having a claim in respect of their share so, for a joint account held by two eligible depositors, the maximum amount that could be claimed would be £170,000. The £85,000 limit relates to the combined amount in all the eligible depositors' accounts with the bank, including their share of any joint account, and not to each separate account.

Please see the FSCS Information Sheet below for detailed information regarding how the scheme applies to Close Brothers Limited deposits.

More information

For further information about the compensation provided by the FSCS (including the amounts covered and eligibility to claim) please refer to the FSCS website www.fscs.org.uk or call the FSCS on 020 7741 4100 or 0800 678 1100. Please note only compensation related queries should be directed to the FSCS.

Close Brothers Treasury

For holders of Close Brothers Limited Fixed Term Deposits only

Financial Services Compensation Scheme Information Sheet

Your rights explained

Please retain this Information Sheet for your records.

Basic information about the protection of your eligible deposits

Eligible deposits in Close Brothers Limited are protected by:	the Financial Services Compensation Scheme ("FSCS")[1]
Limit of protection:	£85,000 per depositor per bank / building society / credit union[2] The following trading names are part of your bank / building society / credit union: Close Brothers Treasury and Close Brothers Savings are trading styles of Close Brothers Limited ('CBL'), a subsidiary of Close Brothers Group plc.
If you have more eligible deposits at the same bank / building society / credit union:	All your eligible deposits at the same bank / building society / credit union are "aggregated" and the total is subject to the limit of £85,000.[2]
If you have a joint account with other person(s):	The limit of £85,000 applies to each depositor separately.[3]
Reimbursement period in case of bank, building society or credit union's failure:	20 working days[4]
Currency of reimbursement:	Pound sterling (GBP, £) or, for branches of UK banks operating in other EEA Member States, the currency of that State.
To contact Close Brothers Limited for enquiries relating to your account:	Close Brothers Limited 4th Floor 10 Crown Place London EC2A 4FT Tel: 020 7655 3416
To contact the FSCS for further information on compensation:	Financial Services Compensation Scheme 10th Floor Beaufort House 15 St Botolph Street London EC3A 7QU Tel: 0800 678 1100 or 020 7741 4100 Email: ICT@fscs.org.uk
More information:	http://www.fscs.org.uk

1 Scheme responsible for the protection of your eligible deposit

Your eligible deposit is covered by a statutory Deposit Guarantee Scheme. If insolvency of your bank, building society or credit union should occur, your eligible deposits would be repaid up to £85,000 by the Deposit Guarantee Scheme.

2 General limit of protection

If a covered deposit is unavailable because a bank, building society or credit union is unable to meet its financial obligations, depositors are repaid by a Deposit Guarantee Scheme. This repayment covers at maximum £85,000 per bank, building society or credit union. This means that all eligible deposits at the same bank, building society or credit union are added up in order to determine the coverage level. If, for instance a depositor holds a savings account with £70,000 and a current account with £20,000, he or she will only be repaid £85,000.

This method will also be applied if a bank, building society or credit union operates under different trading names. Close Brothers Limited also trades under Close Brothers Treasury and Close Brothers Savings. This means that all eligible deposits with one or more of these trading names are in total covered up to £85,000.

In some cases eligible deposits which are categorised as "temporary high balances" are protected above £85,000 for six months after the amount has been credited or from the moment when such eligible deposits become legally transferable. These are eligible deposits connected with certain events including:

(a) certain transactions relating to the depositor's current or prospective only or main residence or dwelling;
(b) a death, or the depositor's marriage or civil partnership, divorce, retirement, dismissal, redundancy or invalidity;
(c) the payment to the depositor of insurance benefits or compensation for criminal injuries or wrongful conviction.

More information can be obtained under http://www.fscs.org.uk

3 Limit of protection for joint accounts

In case of joint accounts, the limit of £85,000 applies to each depositor.

However, eligible deposits in an account to which two or more persons are entitled as members of a business partnership, association or grouping of a similar nature, without legal personality, are aggregated and treated as if made by a single depositor for the purpose of calculating the limit of £85,000.

4 Reimbursement

The responsible Deposit Guarantee Scheme is the Financial Services Compensation Scheme, 10th Floor Beaufort House, 15 St Botolph Street, London, EC3A 7QU, Tel: 0800 678 1100 or 020 7741 4100, Email: ICT@fscs.org.uk. It will repay your eligible deposits (up to £85,000) within 20 working days until 31 December 2018; within 15 working days from 1 January 2019 until 31 December 2020; within 10 working days from 1 January 2021 to 31 December 2023; and within 7 working days from 1 January 2024 onwards, save where specific exceptions apply.

Where the FSCS cannot make the repayable amount available within 7 working days, it will, from 1 June 2016 until 31 December 2023, ensure that you have access to an appropriate amount of your covered deposits to cover the cost of living (in the case of a depositor which is an individual) or to cover necessary business expenses (in the case of a depositor which is not an individual or a large company) within 5 working days of a request. Again, there are specific exceptions to this obligation.

If you have not been repaid within these deadlines, you should contact the Deposit Guarantee Scheme since the time to claim reimbursement may be barred after a certain time limit. Further information can be obtained under http://www.fscs.org.uk.

Other important information

In general, all retail depositors and businesses are covered by Deposit Guarantee Schemes. Exceptions for certain deposits are stated on the website of the responsible Deposit Guarantee Scheme. Your bank, building society or credit union will also inform you of any exclusions from protection which may apply. If deposits are eligible, the bank, building society or credit union shall also confirm this on the statement of account.

Exclusions list

A deposit is excluded from protection if:

(1) The holder and any beneficial owner of the deposit have never been identified in accordance with money laundering requirements. For further information, contact your bank, bank building society or credit union.

(2) The deposit arises out of transactions in connection with which there has been a criminal conviction for money laundering.

(3) It is a deposit made by a depositor which is one of the following:

- credit institution
- financial institution
- investment firm
- insurance undertaking
- reinsurance undertaking
- collective investment undertaking
- pension or retirement fund[1]
- public authority, other than a small local authority.

For further information about exclusions, refer to the FSCS website at www.FSCS.org.uk

[1] Deposits by personal pension schemes, stakeholder pension schemes and occupational pension schemes of micro, small and medium sized enterprises are not excluded

Close Brothers Asset Management is a trading name of Close Asset Management Limited and Close Asset Management (UK) Limited. Both companies are part of the Close Brothers Group plc group of companies, are registered in England and Wales and are authorised and regulated by the Financial Conduct Authority. Registered office: 10 Crown Place, London EC2A 4FT. VAT registration number: 245 5013 86.