

# Pru Flexible Retirement Plan

## Allowable Investments

This document sets out the types of investments which may be held in the SIPP options within the Pru Flexible Retirement Plan, subject to the General Conditions and Notes listed in the pages which follow.

Suffolk Life Annuities Limited is a member of the Curtis Banks Group ('Curtis Banks')

## Allowable Investments

<b>Stocks and shares (See Note 3) including:</b>	<ul style="list-style-type: none"> <li>• Company shares (including ordinary and preference shares, with the exception of Curtis Banks Group plc ordinary shares) listed on the London Stock Exchange, the Alternative Investment Market (AIM) or any HMRC recognised stock exchange.</li> <li>• Securities (other than company shares, collective investment schemes, or derivatives) listed on any stock exchange including fixed interest securities and loan notes.</li> <li>• UK government treasury bills and other government fixed interest securities.</li> <li>• Depository interests/receipts (including CREST depository interests).</li> </ul>
<b>Collective investment schemes:</b>	<ul style="list-style-type: none"> <li>• OEICs, unit trusts and other similar collective investment schemes (including UCITS schemes) that are authorised or recognised by the FCA.</li> <li>• Exchange traded funds listed on any HMRC recognised stock exchange.</li> <li>• Investment trust shares (but not other closed ended investment companies) listed on any stock exchange. <b>See Note 2.</b></li> <li>• Real estate investment trusts listed on any stock exchange. <b>See Note 2.</b></li> <li>• Unregulated collective investment schemes. <b>See Note 4.</b></li> </ul>
<b>Commodities:</b>	<ul style="list-style-type: none"> <li>• Exchange traded commodities listed on any HMRC recognised stock exchange.</li> </ul>
<b>Structured products:</b>	<ul style="list-style-type: none"> <li>• Where the product structure is an EEA deposit account.</li> <li>• Where the product structure is a listed company share, investment trust, bond or loan note.</li> </ul>
<b>Direct Investment in UK Commercial Property.</b>	<ul style="list-style-type: none"> <li>• For more information on this please see <b>Note 6.</b></li> </ul>
<b>Bank Deposit Accounts:</b>	<ul style="list-style-type: none"> <li>• Fixed term, fixed rate deposits. <b>See Note 5.</b></li> <li>• US Dollar and Euro currency deposits at Barclays Bank.</li> <li>• Deposit accounts in any currency with an EEA authorised deposit taker opened by an appointed investment manager.</li> </ul>

## General Conditions

<b>A) Liquidity requirements</b>	<p>Investments (with the exception of direct property investments) must be:</p> <p>(a) freely transferable to another person eligible to invest in that investment; or</p> <p>(b) able to be sold within 30 days (except for the following).</p> <p>These investments must be able to be sold or redeemed within one year:</p> <ul style="list-style-type: none"><li>• unregulated collective investment schemes; and</li><li>• fixed term deposits held directly by us.</li></ul> <p>These liquidity requirements are for the benefit of the SIPP and exist to provide liquidity to meet pension legislation and other exceptional circumstances where Curtis Banks are required to sell assets, for example, to pay death benefits, outstanding loan repayments, fees and charges.</p> <p>The above requirements do not guarantee liquidity in the event that you want to sell the investment.</p>
<b>B) Valuation requirements</b>	<ul style="list-style-type: none"><li>• Investments must be capable of being accurately and fairly valued on an ongoing basis.</li></ul>
<b>C) Indirect holding of taxable property</b>	<p>An investment must not be purchased or held if it holds an interest in taxable property. Assets that attract a tax charge if held directly or indirectly (i.e. within certain investments unless covered by specific exemptions) by your SIPP can include residential property and physical assets such as cars, art or stamps. The full details are set out in Schedule 29A to the Finance Act 2004. This applies whether the interest in the taxable property is held directly or indirectly through another vehicle or vehicles. In some cases, an investment may not currently hold taxable property but may not rule out doing so at some point in the future. We will consider these investments on a case by case basis (without any obligation to accept them) and may require the investor to sign a letter before proceeding indemnifying us against any tax liabilities which might arise in the future.</p>
<b>D) Connected party transactions</b>	<p>If any transaction is to be carried out between your SIPP and you or your connected parties, the transaction must take place at market value. Market value is the price an investment may reasonably be expected to fetch on the open market calculated in accordance with section 272 of the Taxation of Chargeable Gains Act 1992. A connected party is defined in Section 993 of the Income Tax Act 2007. This includes amongst others, your spouse, registered civil partner, children, parents, siblings and other direct descendants and ancestors of you and your spouse or registered civil partner.</p>

## Notes

### Note 1: The FCA's Handbook – linked insurance contract

All investments made by Curtis Banks (being investments made under an insurance contract) must meet the requirements of the FCA's Handbook as amended from time to time.

This includes the permitted links rules for linked long term insurance contracts set out in Chapter 21 of the FCA's Conduct of Business Sourcebook (COBS).

This column is based on Curtis Banks interpretation at December 2016 of Chapter 21 of COBS, and any other restrictions on investments applicable to your SIPP.

### Note 2: Listed securities

Investment trusts and real estate investment trusts can be held either:

- by an investment firm; or
- through an investment trust savings scheme.

Other listed securities must be held by an investment firm

### Note 3: Curtis Banks Group plc ordinary shares

- Curtis Banks Group plc ordinary shares cannot be held. This is because Suffolk Life Annuities Limited is a subsidiary company and the Companies Act 2006 does not allow a subsidiary to hold shares in a parent company.

### Note 4: Unregulated collective investment schemes

An unregulated collective investment scheme is a collective investment scheme that has not been authorised or recognised by the FCA. You should only invest in these investments if you are fully aware of the risks associated with them. You should take financial advice before making this type of investment.

These investments are allowed provided the scheme meets our due diligence requirements including, but not limited to:

- it is structured as an OEIC, or a unit trust that is open ended; and
- it is located and regulated in a country or territory with an established collective investment scheme industry and where financial services regulation is comparable to that in the United Kingdom.
- For non-property schemes:
  - the total value of all investments of this type is limited to 20% of the value of the individual plan;
  - prices are published at least quarterly; and
  - the assets held within the scheme must be allowed to be held directly. For example, deposits with non-EEA deposit takers and commodities are not allowed to be held.
- For property schemes:
  - the value can be confirmed at least yearly;
  - the underlying property investments do not breach general condition C; and
  - the underlying property investments are located in countries or territories that have a properly functioning property market. We currently allow:
    - any country in the EEA
    - Australia
    - Canada
    - Channel Islands
    - Gibraltar
    - Hong Kong
    - Isle of Man
    - New Zealand
    - Singapore
    - United States of America

We will make a decision on other countries on a case-by case basis when a request arises.

You should contact our allowable investments team before investing to check that the scheme is allowed.

The FCA restricts who unregulated collective investment schemes can be marketed to and who can invest in them. If we are instructed to buy an investment, you will need to provide certain confirmations to us. This may delay the purchase of the investment.

### Note 5: Fixed term deposits

Term deposit accounts are allowable where they:

- have a fixed term of 5 years or less;
- have a fixed rate;
- are a sterling deposit held with a UK authorised credit institution with a credit rating acceptable to Curtis Banks;
- are able to accept pension monies by corporate application; and
- are able to be operated by post and/or fax by Curtis Banks' signatories.

Where the term is more than 12 months the accounts must contain one of the following clauses in the contract, at the discretion of Curtis Banks:

- be fully transferrable in the name of both the legal owner of the asset and the investor, and be breakable on death; or
- allow access to the deposit within 12 months.

You must ensure your SIPP can meet any payment (including our fees) when they are due.

Not all fixed term deposits will allow access prior to maturity. Where a deposit can be broken prior to maturity, a penalty may apply. You can obtain the details from the deposit taker about the ability to break the term and the penalties applicable.

### Note 6: Commercial property

Before deciding to purchase commercial property please refer to our guide to SIPP property purchase, property insurance notes, property form and, where the property is to be held for more than one investor, group investment agreement.

## Other Information

Curtis Banks reserves the right not to vote in general meetings for any stocks or shares held.

Curtis Banks absolutely reserves the right not to accept any investments that it does not wish to hold within a SIPP.

Please note, we reserve the right to change the types of investments (and the minimum amount of any investment) which are allowed in line with legislative, administrative or other requirements. You can ask us at any time for a copy of the up-to-date list of allowable investments.

The above is based on our understanding of current taxation, legislation and HM Revenue & Customs practice, all of which are liable to change without notice. The impact of taxation (and any tax reliefs) depends on individual circumstances. For more information on tax please visit [pru.co.uk/tax](https://www.pru.co.uk/tax) or contact your financial adviser. Alternatively visit the HMRC website at [hmrc.gov.uk](https://www.hmrc.gov.uk)