



The Forthplus SIPP  
**Investment Policy**

The Forthplus SIPP is designed to provide a secure environment for individuals to build up savings to provide for themselves and their beneficiaries into and through retirement. The product is a Self-Invested Personal Pension, which means the investment decisions remain with the member.

Forthplus Pensions' strive to represent the "Gold Standard" in terms of compliance and the protection of our members is one of our core principles, ensuring advisers and members alike can have faith that we have reduced their investment risks as much as possible, whilst maintaining the flexibility inherent with SIPPs. As part of fulfilling this objective, we have created this Investment Policy.

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, especially as unregulated investments are one of the potential routes for pension liberation, 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 Investment Types and Conditions. 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.

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:

## INVESTMENT CRITERIA

### Investment Types

- Bank account deposits
- Cash
- Cash funds
- Corporate bonds
- Exchange traded commodities
- Government & local authority bonds and other fixed interest stocks
- Physical gold bullion
- Investment notes (structured products)
- Shares in Investment trusts
- Managed pension funds
- National Savings and Investment products
- Permanent interest-bearing shares (PIBs)
- Real estate investment trusts (REITs)
- Securities admitted to trading on a regulated and listed exchange, as per HMRC listings
- Units in Regulated collective investment schemes

### Conditions

- No more than 30% of a member's investment portfolio is to be held in any one single asset or asset type. Exceptions to this condition must be approved by Forthplus Pensions Limited
- The investment must not contradict the HMRC Taxable Property rules
- The investment must not allow any form of direct or indirect benefit to the member
- Unamortised exit penalties and commissions must not exceed the maximums defined by Forthplus Pensions Limited (contact us for current definitions)
- The investment must not contradict the FCA's Policy Statement PS14/12's classification of a standard investment for Capital Adequacy purposes
- Discretionary fund managers (DFMs) and managed funds are allowed to invest on behalf of any Forthplus SIPP member, where so appointed and must abide by all terms & conditions within this Investment Policy
- DFMs must have completed and signed the Forthplus SIPP Investment Manager and DFM Agreement to allow Forthplus to invest with them. At the Trustees discretion, fund managers of managed funds may also be required to complete and sign this agreement

**IMPORTANT NOTICES:** Approving or declining an investment does not endorse or promote any investment, nor is it intended to cast aspersions 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 will instruct on 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: Investment Charges and Remuneration Policy

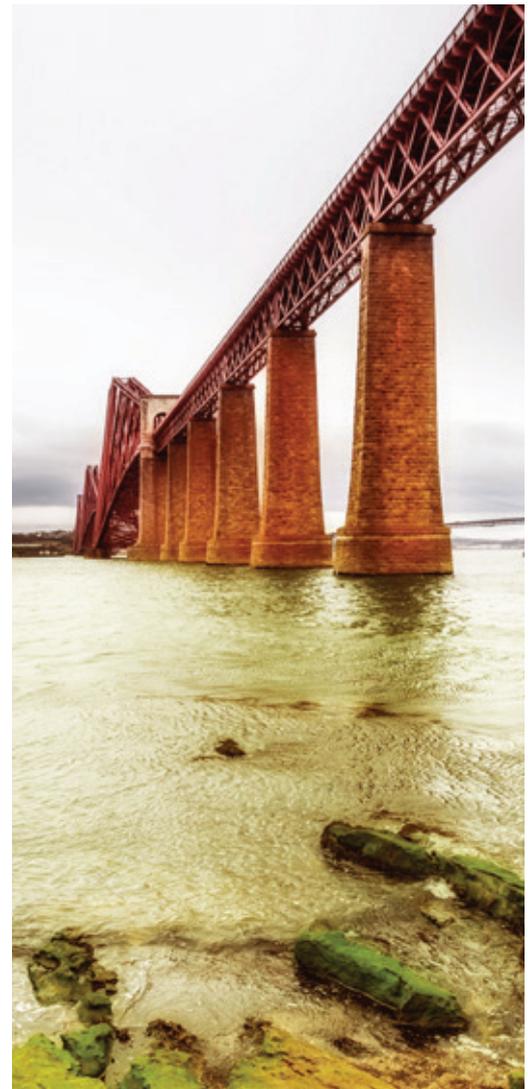
Exit penalties, hidden charges and excessive remuneration are a very real risk to pension member's ability to save and build their pension funds to provide for themselves in retirement. In line with this, we have introduced further explicit restrictions on the maximum amount of remuneration and penalties that can be imposed and taken from The Forthplus SIPP. This ensures that there is a significantly reduced ability for any abuse of the flexibility of our pension solution.

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.

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.

With regards to other regions, advisers may already be bound by their own local restrictions on what they can and cannot charge or receive, and their disclosure requirements. Our Terms of Business already define that an adviser must always act within the parameters put upon them by their own regulators and so to build this into this policy further would be excessive.

**The below defines the limits imposed across the Forthplus Pensions Limited product range, subject to the additional restrictions above, as applicable, with effect from the date of this policy:**



| REMUNERATION/PENALTIES             | LIMITATION   |
|------------------------------------|--|
| Commission from Forthplus Pensions | Forthplus Pensions <b>do not</b> pay any commissions in any way  |
| Share Classes                      | Where remunerated through commission or charges from an investment provider or the SIPP directly, if any share class is used that entails higher initial fees or higher ongoing charges than the Clean Share Class, then we must be notified as to where any additional commissions from the investments are going. Any additional commissions paid must be included in calculating the maximum commissions. |
| Adviser Charges from the SIPP      | Initial charges on the SIPP cannot exceed 5.0% initial and 1.0% ongoing  |
| Charges and Commissions            | It is not permitted to take charges from more than one of the following:<br>1. Directly from the SIPP, as an Adviser Charge<br>2. From an Investment Provider and direct investment  |
| Additional Expenses                | 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.   |

*For all cases, we must receive written confirmation from our Member that they are fully aware of all the charges that they are being asked to pay, and appropriate invoices where Adviser Charges are being made against the pension scheme.*



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Authorised and regulated by the Financial Conduct Authority  
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