

# Guide to wider SIPP assets

## Zurich Self Invested Personal Pension



The key features document explains what the Zurich Self Invested Personal Pension (SIPP) seeks to achieve for you, the commitment you make and the risks you need to understand. This guide, produced and issued by Zurich Assurance Ltd, must be read with the key features document. For further details of how your plan operates, you should also refer to the relevant terms and conditions which can be obtained from your adviser.

While we only refer to the Zurich SIPP in this guide, the options outlined also apply to wider SIPP asset investments made using the Zurich Protected Rights Transfer Plan.

# A wider range of investment choice

This guide is essential reading if you are considering using or actually using the wider investment options available under your plan. It explains clearly how you can make your investments, your responsibilities and the risks attaching to these options. It is strongly recommended that you speak to your adviser if there is anything in this guide that you don't understand.

The Zurich Self Invested Personal Pension is written under the Zurich Personal Pension (No.3Z) Scheme (the Scheme).

Zurich Assurance Ltd (Zurich) set up the Scheme and has appointed Zurich Pension Trustees Limited (ZPT) as the Trustee.

It has also appointed Capita Life & Pensions Regulated Services Limited, (Capita) as Scheme Administrator and Operator of the Scheme.

The Scheme operates in accordance with the Scheme rules that define the types of benefit that the Scheme can provide and the way they can be paid. All dealings with your plans must comply with legislation, HM Revenue & Customs (HMRC) requirements and the Scheme rules.

Copies of the trust deed and scheme rules are available on request from your adviser.

## **Trustee**

holds the assets in relation to this scheme.

## **Scheme Administrator**

is responsible for the day to day administration of the scheme.

## **Operator**

is appointed for Financial Conduct Authority purposes and is responsible to the members for administering the assets and income of, and the benefits payable under, the Scheme in accordance with the relevant pensions and tax legislation, the Scheme's Trust Deed and Rules and the regulatory system.

Capita will appoint other parties to assist it with the management of the Scheme. It has appointed Interactive Investor (ii), as stockbroker, Ascentric (Ascentric is a trading name of Fundsdirect) to provide fund supermarket services and a range of managers to provide discretionary management services. If you wish to invest in certain asset classes, you will be required to use these services under these plans.

Each of these investment choices carries opportunities and risks which you need to be aware of – after all, it is your money which you've accumulated and you will want to know the range of outcomes you can expect in the future.

The plan is designed to provide wider investment choice (see 'Available investment options') suitable for those customers who understand that different investment strategies and portfolios carry different opportunities and risks.

Before any investment in wider SIPP assets will be accepted, you must have made at least the minimum investment in Zurich Pension funds in your SIPP.

Minimum amounts also apply to each asset type. Details of the current minimum amounts are available on request from your adviser.

Through the experience of accumulating capital, you'll have probably seen highs and lows in investment markets. Each investment type has a cycle of highs and lows for example the rise and fall of the technology sector, the boom and bust of the property sector.

As a SIPP customer you'll work with your adviser to devise an appropriate investment strategy.

To help you with directing your calls and correspondence, Zurich, ZPT and Capita have established a single contact point for all enquiries relating to your SIPP. We have called this contact 'Zurich Retirement Services' and contact details are shown on the 'How to contact us' page.

## **Understanding your responsibility**

You shouldn't be totally dependent on your adviser to determine the assets and sectors you invest in and should ensure that you are happy with the risk you are taking.

You may have decided that you don't have the time to devote to handling all the transactions or you may want to work with your adviser to further your knowledge.

Details of the costs of each of these investment options are clearly explained in our charges leaflet, which you'll get with the key features document. These investments may also carry additional costs. The more often you deal, the higher the cost will be. These costs could have a significant effect on your investment.

If you choose to leave your funds invested in Zurich pension funds, you will have the confidence that Zurich has carefully selected the fund managers and the funds. While this does not mean that their performance is in any way guaranteed, Zurich has tried to ensure that they are strong businesses with appropriate processes and controls. Zurich continually reviews their performance and Zurich will, if any problems or concerns are identified, take action, possibly even removing managers and funds from our range.

You should understand that Zurich and Capita do not complete the same checks for wider SIPP assets as it does for Zurich pension funds.

Capita has carried out checks to satisfy itself that the discretionary fund managers have appropriate processes and controls in place for the services that they provide. However, Capita does not review their investment performance.

# Getting advice

As with any financial decision, it's always important to get advice. The law and regulations governing pensions are complicated and the investment options provided by the Zurich Self Invested Personal Pension is wide-ranging. You may need assistance in deciding how best to proceed.

The Zurich Self Invested Personal Pension is designed to provide you with options to meet your changing needs. It is important that you continue to work with an adviser throughout the life of the plan.

It is your responsibility to always retain an adviser – Zurich and Capita cannot give advice.

Capita only accept applications if submitted through an adviser.

It is your adviser's responsibility to ensure that any proposed investments are suitable for your needs and that you understand the risks involved.

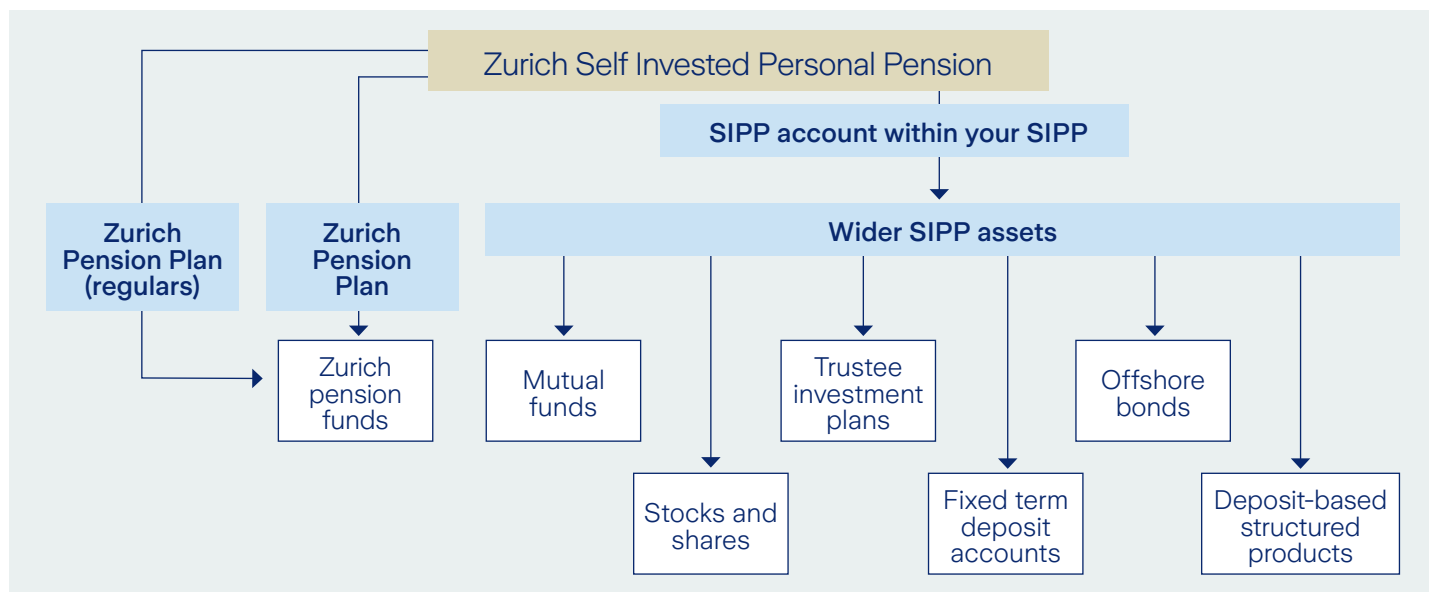
## Discretionary management

If you have £150,000 or more to invest, you can delegate your decisions on the choice of investments within your plans to a discretionary fund manager. A range of discretionary managers is available under your plans. Each manager will have its own terms and conditions and approach to managing investments. Capita will have completed checks on the panel of discretionary fund managers, but it is you and your adviser's responsibility to select the one that most closely suits your needs.

To use the discretionary management service, your adviser will send your personal and financial details to your chosen discretionary fund manager. This usually happens by way of copying the personal financial questionnaire or meeting notes, completed by you and your adviser. Your manager will then send your adviser a written tailored investment proposal showing the approach they will take. Once you have signed your acceptance of the recommendation, your adviser will be able to instruct Capita to open an account with your chosen discretionary manager on behalf of your plan(s).

# Available investment options

The Zurich Self Invested Personal Pension has been designed so you can have access to a wide range of investment options.



## Zurich pension funds through the SIPP

The Zurich pension funds offer a wide range of investment options in their own right. These choices may meet your requirements at present and may continue to meet them into the future. If your circumstances change or you decide you require the wider SIPP asset options, you can either cash in part of your Zurich pension funds or make new payments and put them in your SIPP account from where you can access the other investment options.

If you invest only in Zurich pension funds, any single payments or transfer payments that you make will be invested directly into those funds once your payments have cleared. Regular payments are invested on the day we receive them. If you wish to change your fund choices

in the future, you should contact Zurich Retirement Services who will switch them for you.

For Zurich pension funds, Zurich has carefully selected the fund managers and the funds being offered. Zurich explains the objectives of each fund and provides information on risks in its booklet called 'Your choice of pension funds'.

Investments in Zurich pension funds, are covered by the Financial Services Compensation Scheme (FSCS). If you need more information please see the key features document or contact the FSCS helpline on 0800 678 1100 or visit its website [www.fscs.org.uk](http://www.fscs.org.uk)

## Wider SIPP assets through the SIPP accounts

Your payments and transfers will be made to the SIPP account within your Zurich SIPP. Once you have cleared funds, your adviser will be able to tell Capita how you want your funds invested.

## Wider SIPP investment types not permitted

### Non-standard assets

Wider SIPP assets must be permitted under the Scheme Rules and must also be Standard Assets as defined under FCA rules. Standard Assets must also be capable of being accurately and fairly valued on an ongoing basis and readily realisable within 30 days whenever required.

Zurich and Capita can refuse to accept any investment that in their opinion is a non-standard asset. In the event an investment becomes a non-standard asset Capita can require you to disinvest from this investment.

Certain investments in wider SIPP assets, including offshore bonds and commercial property, are not covered by the FSCS. If you need more information please contact us on 0345 850 8898. For commercial property, please refer to our 'Your administrative guide to property' booklet.

# The main investment risks

Investment returns depend on many factors. When you decide how to invest your pension funds you must ensure you understand the characteristics of your investment and their likelihood of meeting your objectives. **The value of your investments is not guaranteed and any return might be less than you expect. You might not get back the amount you invested.**

All charges are set out in your key features document, the terms and conditions, 'A guide to wider SIPP asset charges' and 'A guide to income drawdown charges'. You should also keep in mind that the more transactions you make, the more cost you will incur and that some investments may make charges if you surrender them early.

It is important that you consider diversifying your pension fund investments. If you do not, your money might be exposed to a reduction in the values of one investment type – such as shares or in property. Even worse, you might find your investment entirely exposed to the performance of a company or small group of companies. If you have diversified, one investment type might not fall when another does so lessening the impact on the overall value of your pension.

Exchange rate fluctuations may cause the value of your investments, which is not guaranteed, to go down as well as up.

If you are withdrawing income, this will have the effect of further reducing the value of your pension plan. The more you take out, the more the value reduces – and the lower the likelihood of sustaining any chosen level of income in the future.

A wide range of investment and benefit options are available, each with its own charging structure. The higher the charges, the greater the impact on your plan value. There are charges for holding wider SIPP assets as well as transaction charges. These charges and excessive numbers of transactions will erode the return on your assets.

The more the value reduces, the lower the likelihood of sustaining any chosen level of income in the future.

The smaller the amount invested in wider SIPP assets, the greater the impact that SIPP charges will have on these assets.

## Mutual funds

Mutual funds are 'pooled' investments. A pooled investment is a means of combining the money of many people so that everyone ends up with an investment in a wide range of assets – their share of the pool. The choice of available investments is extremely wide and incorporates some that have very high-risk characteristics.

Mutual funds include:

- Open-ended investment companies (OEICs)
- Unit trusts.

You are able to invest in mutual funds through Ascentric. They have made arrangements with fund managers for funds to be available for investment through them. Zurich has not been involved in the selection of either the range of fund managers or the funds that are available through Ascentric. Zurich has restricted the range of mutual funds to UK-resident FCA authorised mutual funds that are not in the Zurich pension fund range.

If Ascentric or a mutual fund manager cannot meet its financial obligations in full, you may be entitled to compensation from the FSCS.

To make mutual fund investments you should discuss your options with your adviser. Your adviser will then be able to instruct Capita what to do.

Capita will check that you have funds available to make the deal you want and will let your adviser know when it is done.

## Stocks and shares

You can invest in UK and overseas markets through Interactive Investor (ii). For the full range of available investments, you should contact Capita.

To make stocks and shares investments you should discuss your options with your adviser.

Your adviser will then be able to instruct Capita what to do.

Capita will check that you have funds available to make the deal you want and will let your adviser know when it is done. Capita will also check that the investment is permitted under the Scheme Rules.

It is your responsibility to ensure that the investments that you make are appropriate for you. Investing in individual equities requires a high level of knowledge and expertise.

If ii cannot meet its financial obligations in full, you may be entitled to compensation from the FSCS.

## Trustee investment plans

You may be able to invest in trustee investment plans of other UK insurers. These are types of 'pooled' investments. You should discuss your options with your adviser.

It is your responsibility to ensure that you are satisfied with the appropriateness of the investment and the insurer.

Investments through UK insurers are covered by members of the FSCS. This means that if they are unable to meet their financial obligations in full, you may be entitled to compensation from the FSCS.

## Fixed term deposit accounts

These are UK based deposit accounts with a fixed term of 6 months or more where interest is credited at the end of the fixed term.

To make an investment into a term deposit you should discuss your options with your adviser. Before you can make an investment into a term deposit, your adviser should contact Capita to make sure that the term deposit you wish to invest into is a permitted investment and to discuss the account opening procedure. For example, Capita can only invest in deposit accounts which allow investment from a corporate trustee and may require an application form in order to open the account. If permitted, your adviser will then be able to instruct Capita what to do.

## Offshore bonds

These are insurance bonds issued by companies outside of the UK. These bonds may allow policyholders to invest into external investments, such as term deposits and mutual funds, as well as choose from the company's own range of funds. You will be taking an added risk if you invest in an offshore bond because the investment will fall outside the UK's investor protection legislation.

To make an investment into an offshore bond you should discuss your options with your adviser. Before you can make an investment into an offshore bond, your adviser should first contact Capita to make sure that the bond is a permitted investment and can be held within your plan. Your adviser will then be able to instruct Capita what to do.

## Deposit-based structured products

These are deposit-based structured products offered by a financial institution, such as a bank or building society, with an amount of interest added at the end of a fixed term dependent on the performance of a market index.

To make an investment into a deposit-based structured product you should discuss your options with your adviser. Before you can make an investment into a deposit-based structured product, your adviser should first contact Capita to make sure that the investment is a permitted investment and can be held within your plan. Your adviser will then be able to instruct Capita what to do.

## Working with your adviser

Zurich and Capita believe that professional advice is essential in operating a wider SIPP assets account. As a result, Zurich and Capita insist that any professional advice is given through an adviser. When you sign up for the wider assets account, you will sign to say that your adviser is authorised to pass on your investment instructions and that Zurich and Capita should act on those instructions as if they came from you personally. It is your responsibility to ensure that you understand this requirement and that you maintain your relationship with an adviser in the future.



# Choosing your investment

## Zurich and Capita's responsibilities

Zurich Pension Trustees Limited holds the assets in relation to the Scheme as 'bare trustee'. A bare trustee holds the assets but is not responsible for any day to day administration of the scheme. Capita is responsible for all of the day to day administration of the scheme.

However, it is you that makes the investment decisions and, as a result, you have to satisfy yourself that any third party you choose to engage is appropriate. Zurich and Capita cannot be held responsible for their performance.

Additionally you should note that, although Capita will check investments are permissible within HMRC and scheme rules, no other checks will be made on the underlying investments that you may hold through these services – their selection is entirely your responsibility.

Zurich and Capita reserve the right to change, add or remove third parties.

## Your responsibility

You decide where to invest your money and where to keep it invested. Any investment strategy you select may become inappropriate if there is a change to your circumstances

(for example, when you decide to take benefits) or your attitude to risk changes.

A fund or share may be exposed to risk if any firm providing investment services is unable to meet its liabilities – you should be aware of this risk when deciding to invest in Zurich pension funds and especially wider SIPP assets.

Investments in Zurich pension funds are covered by the FSCS. This means that if Zurich is unable to meet its financial obligations in full you may be entitled to help from the FSCS, based on their rules. Investments in wider assets will not always be covered by the FSCS. However, the wider SIPP assets may include other elements that are. If you need more information please contact us on 0345 850 8898.

You need to consider when it is best to buy and sell your investments – the value of investments and any income from them can go down as well as up over time.

Any buying or selling of wider SIPP assets in your plan will lead to charges being applied. It is your responsibility to ensure that, for example, your dealing is not at such a level that the charges outweigh the benefits.

## Your adviser's responsibility

Your adviser can establish your attitude to risk and may recommend an appropriate investment approach for you based on your requirements.

Your adviser should recommend an appropriate product and provider to meet your retirement objectives. It is your adviser's responsibility to ensure that any proposed investments are suitable for your needs and that you understand the risks involved.

With all these points in mind, you should work on an ongoing basis with your adviser to develop and regularly review a strategy that is appropriate to you. Your adviser should maintain a long-term relationship with you.

Your adviser should help you in these matters and you should look to them for assistance.

If you don't have an adviser, you can find one near you through [unbiased.co.uk](https://unbiased.co.uk) and read reviews at [vouchedfor.co.uk](https://vouchedfor.co.uk). You may have to pay for any advice you receive.

# How to contact us

The day-to-day administration of your SIPP is undertaken by Capita and the management of your Zurich Pension funds is undertaken by Zurich. To make contacting us as simple as possible and to handle all enquiries, Zurich and Capita have set up a single point of contact: Zurich Retirement Services.

For any enquiry, your first point of contact will usually be your adviser. Otherwise you can contact Zurich Retirement Services if you have any questions. Please note that Zurich Retirement Services is not able to give you any financial advice.

To contact us you can email, phone, write or send a fax to:



**Email:** [zurichretirementservices@capita.co.uk](mailto:zurichretirementservices@capita.co.uk)



**Phone:** 0345 850 8898

Monday to Friday 8am – 6.30pm (we are not open bank holidays).

We may record or monitor calls to improve our service.



**Write to:**

Zurich Retirement Services  
3 Temple Quay  
Bristol  
BS1 6DZ

## Keep in touch

It is important that we keep in touch so, if you change your address, let us know.

We'd like everyone to find it easy to deal with us. Please let us know if you need information about our plans and services in a different format.

## Please let us know if you would like a copy of this in large print or braille, or audio.

If you are a textphone user, any questions you have can be answered through a Typetalk Operator. Please call us on 18001 0345 850 8898. Or, if you prefer, Capita can introduce your adviser to a sign-language interpreter.

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