

## Investment & Appropriateness Declaration (no IFA advice received)

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<b>Title:</b>	<b>Surname:</b>
<b>Forename(s):</b>	
<b>Adviser Firm &amp; FSA FRN:</b>	
<b>Name of Adviser:</b>	

### What is a non-complex product?

Non-complex products are:

- Deposit accounts
- National Savings and Investment accounts
- Stocks and shares traded electronically on a major stock exchange
- FSA regulated collective investment schemes e.g. investment bonds, open-ended investment companies, and unit trusts

Complex products could be anything that aren't defined as non-complex, including anything involving derivatives or where there are only occasional opportunities to sell.

This will include:

- Non-FSA regulated investments
- Stocks and shares offered through smaller markets and stock exchanges
- Futures, Options and Contracts For Differences
- Shares or units in Collective Investment Schemes that are not regulated by the FSA
- Units in a tax-exempt authorised unit trust
- Structured products
- Certain land and property investments

### What is a complex product?

It is important when selecting an investment for your pension scheme that you understand fully what you are investing in, what risks may affect the future value of the investment, how the investment may help in reaching your objectives, and whether or not those risks are acceptable to you.

Risks include market fluctuations, liquidity, currency, volatility, financial integrity and robustness of the investment provider, capital loss, geographical risk, the buying power of your capital decreases over time, the growth you experience is variable, you might get back less than you invested, you do not achieve one of your objectives, you lose out on potentially better returns.

There are a number of questions you should ask yourself before proceeding with any investment, including:

1. Are you happy the fees and charges associated with the investment, and do you understand that impact of those fees and charges on the value of the investment?
2. The level of risk of the investment, and that although higher risk investments could mean higher returns, there is no guarantee of this and you may get back less than you invested?

3. If the investment invests in taxable property, such as residential property, and HMRC considers this not to be a genuinely diverse commercial vehicle, there may be a tax charge and that you'd be liable for, are you prepared to accept this?
4. Depending on the nature of the investment, it may not be valued as regularly as some other investments, so any value provided may only be a cost price or out of date, and subsequently this may not be a true reflection of the actual value of the investment. Does that concern you?
5. You may not be able to sell the investment easily so this could affect whether you can take pension benefits from your SIPP if you don't have other sufficient liquid assets in your SIPP.
6. Is the investment FSA regulated? If the FSA doesn't regulate or authorise the investment and/or the introducer, you won't have the protection of the Financial Services Compensation Scheme (FSCS) – so if you make a claim against the investment provider, you'll have to pay your own legal costs?

### Diversification

Risk is part and parcel of investing: shares can fall, economic conditions can change and companies can experience varying trading fortunes.

There are a wide variety of different asset classes available to invest in and commensurate risks attached to each one. Whilst these implicit risks cannot be avoided, they can be mitigated as part of the overall investment portfolio, by diversifying.

Diversification means spreading your investments over a wide range of asset classes and different sectors. By spreading your investment, it is possible to avoid the risk that your portfolio becomes overly reliant on the performance of one particular asset. The key to diversification is selecting assets that behave in different ways. It is also important to diversify across different "styles" of investing- such as growth or value investing as well as across different sizes of companies, different sectors and geographic regions.

By mixing styles that can out or under perform under different economic conditions the overall risk rating of the investment portfolio is reduced. Picking the right mix of these depends on your risk profile – it is essential to choose an investment portfolio commensurate with your attitude to investment risk.

### Please confirm the following:

- I have discussed my objectives regarding my retirement planning with the financial adviser named overleaf.
- I have discussed my attitude to investment risk, and fully understand and accept all risks associated with the selected investment(s)
- I confirm that my overall risk rating in respect of my pension planning is low / low-medium / medium / medium-high / high / speculative **\*please delete as appropriate**
- I confirm that I have received and read the product literature, including the Key Facts Brochure, as appropriate for the investment(s) that I wish to access via through the Essential SIPP.
- I understand that the Essential SIPP is a member-directed arrangement, and I confirm that I have not received any advice regarding the suitability of the investment for my objectives from Stadia Trustees Limited.

I confirm that am investing in a **non-complex product** as defined above.

Yes  No

I confirm that I am investing in a **complex product** as defined above and I understand and accept the associated investment risks. I also confirm that I have answered the questions overleaf.

Yes  No

**Member's signature:**

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**Date:**

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### Questions for those wishing to invest in complex products:

If you want us to invest in a complex product and you aren't receiving financial advice, please answer the following questions by ticking either the 'yes' or 'no' boxes. Do you understand:

1. that you've received no advice from us and that you've decided to invest based solely on the information the investment provider has given you?  
Yes  No
2. the fees and charges associated with this investment?  
Yes  No
3. the terms and conditions of the investment the provider has given you?  
Yes  No
4. the level of risk of this investment, and that although higher risk investments could mean higher returns, there is no guarantee of this and you may get back less than you invested?  
Yes  No
5. that if the investment invests in taxable property, such as residential property, and HMRC considers this not to be a genuinely diverse commercial vehicle, there may be a tax charge and that you'd be liable for this?  
Yes  No
6. that, given the nature of the investment, it may not be valued as regularly as some other investments, so any value provided may only be a cost price or out of date?  
Yes  No
7. that you may not be able to sell the investment easily so this could affect whether you can take pension benefits from your SIPP if you don't have other sufficient liquid assets in your SIPP?  
Yes  No
8. that, if you die, we may need to cash in the investment to pay death benefits to your beneficiaries, and that the price we get may not reflect the full value of the plan's share in the underlying investment?  
Yes  No
9. that if the FSA doesn't regulate or authorise the investment and/or the introducer, you won't have the protection of the Financial Services Compensation Scheme (FSCS) – so if you make a claim against the investment provider, you'll have to pay your own legal costs?  
Yes  No
10. that if you haven't sought the advice of an FSA-regulated independent financial adviser (IFA) and you still wish to proceed, we'd consider this an 'execution only' transaction. This means you'd give up any recourse to the Financial Ombudsman Scheme or the FSCS.  
Yes  No
11. that past performance of this investment is not a guide to future performance?  
Yes  No

### Appropriateness test declaration

If you haven't answered (or answered 'no' to) any of the above questions the investment, may not be suitable or appropriate for you, and which case we recommend that you seek advice from an FSA authorised & regulated advisor before proceeding with this investment.

If you do not wish to seek independent financial advice, but you still wish to proceed with the selected investment, please provide a written declaration confirming that you understand that the investment may not be suitable or appropriate for your circumstances, requirements or attitude to investment risk. The declaration should also confirm that you have undertaken your own due diligence on the investment and you wish to proceed with the investment accordingly, and you accept that this is on your own recognisance.

### Member's signature:

Date:

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