

Target market

Personal Pensions

Description of product or service

The Personal Pensions covered in this document are the Portal Pension, OneSIPP and the self-invested OneSIPP. Personal Pensions offer a tax efficient way to make pension savings and provides a one-off or series of ad-hoc lump sum payments via flexi-access drawdown. It can also provide a regular pension income for such time as the pension fund retains a value or the option to purchase a guaranteed income for life via an annuity. Part of the pension fund can be taken as a tax free Pension Commencement Lump Sum (PCLS). Uncrystallised funds pension lump sum (UFPLS) is also available.

On death, the beneficiaries can also take a one-off or series of ad-hoc payments or regular pension income via flexi-access drawdown for such time as the pension fund retains a value. This in turn can be passed onto successors on the death of the beneficiary. Alternatively, the fund can be used to purchase a beneficiary's lifetime annuity. All or part of the fund may also be paid as a lump sum death benefit.

If the member's death is before age 75 the benefits are paid tax-free to beneficiaries; on death after age 75 benefits are paid at the beneficiaries' marginal tax rates.

Benefits are paid at the discretion of the scheme administrator which means that they do not fall into the member's estate for inheritance tax purposes.

The Portal Pension was launched in 2011 as part of a range of Portal products and the OneSIPP was launched in 2008.

Type of client to whom this product is targeted

The target clients for these personal pension products would range from mass market and mass affluent all the way to the high net worth. It is aimed at any clients wishing to save tax efficiently for their retirement via a pension that may not start until reaching age 55. The Portal Pension is generally intended to be sold alongside a Sanlam risk-targeted portfolios and funds and therefore aims to generate growth aligned to the client's risk profile. The Sanlam risk-targeted portfolios have active, passive and socially responsible variants, enabling low minimum premiums. It is not aimed at clients who require greater investment flexibility.

The Portal Pension is aimed at mass market/mass affluent clients. The OneSIPP is aimed at financially sophisticated affluent and high net worth clients looking for a product that offers investment flexibility and control, clients with a higher than average risk tolerance and £100k+ for self-investment, who have received financial advice that this product is suitable for them.

Clients are categorised as retail, professional including per se professional and elective professional or eligible counterparty.

Retail client	Y
Professional client	Y
Eligible counterparty	N

Knowledge and experience

Clients will be introduced via a regulated financial adviser who will discuss their personal and financial situation and their investment requirements. Clients will have some financial awareness and the capacity to understand how financial markets operate and the risks and costs of investing.

Indicate the level of knowledge and experience a client investing in the product/service would require

Investor type	Description	Y	N	Neutral
Basic investor	<p>Having the following characteristics:</p> <ul style="list-style-type: none"> • Basic knowledge of relevant financial instruments (a basic investor can make an informed decision based on the regulated and authorised offering documentation or with the help of information provided by the financial adviser). • No financial industry experience, i.e. suited to a first time investor, who has the capacity to understand the characteristics on investing in equity based investment. 	●		
Informed investor	<p>Having one, or more, of the following characteristics:</p> <ul style="list-style-type: none"> • Average knowledge of relevant financial products (an informed investor can make an informed investment decision based on the regulated and authorised offering documentation, together with knowledge and understanding of the specific factors/risks highlighted within them only) • Some financial industry experience 	●		
Advanced investor	<p>Having one, or more, of the following characteristics:</p> <ul style="list-style-type: none"> • Good knowledge of relevant financial products and transactions • Financial industry experience or accompanied by professional investment advice or included in a discretionary portfolio service 	●		

Financial Situation With A Focus On The Ability To Bear Losses

The minimum initial single investment for the Portal Pension is £1,000 and the minimum single additional investment is also £1,000. For regular investments the minimums are £50 per month, £250 per quarter, £500 per half-year or £1,000 per annum. The Portal Pension has a product minimum balance of £1,000 so policies set up with regular investments on a per month, per quarter or per half-year basis of less than £1,000 needs to also include an initial investment of £1,000.

For the OneSIPP the minimum initial investment is £25,000 or for regular investments it's £100 per month plus an initial investment of £25,000. The minimum additional investment is £1,000. For clients with £100,000 or more to invest, a limited range of insured funds **to which special terms apply, is available.**

The minimum fund value required to enter into Flexi-Access Drawdown (FAD) is £25,000 after the payment of the Pension Commencement Lump Sum (PCLS) and the minimum withdrawal amount under FAD is £50 per withdrawal.

A client's attitude to risk and capacity for loss should be considered in discussions with their financial adviser, culminating in a risk rating score in the scale range (e.g. Sanlam 1 to 7; Distribution technology 1 to 10) employed by the risk profiling tool being used.

Indicate clients' capacity for loss from the product/service

		Y	N	Neutral
No capital loss	Investor can bear no loss of capital. Minor losses especially due to costs possible.		●	
Limited capital loss	Investor seeking to preserve capital or can bear losses limited to a level specified by the product.		●	
No capital guarantee	No capital guarantee nor protection. 100% capital at risk.	●		
Loss beyond capital	Loss beyond the capital.			●

Risk tolerance

All clients should progress through a risk profiling process with the financial adviser to determine their attitude to risk and capacity for loss, culminating in a risk reward profile. The investment solution selected should be appropriate for the risk reward profile of the client. Clients should be clearly informed of the underlying associated generic risks with investing: asset backed risk, credit risk, foreign investment risk, liquidity risk, market risk, model risk plus specific product risks. Clients should be clearly advised that a lower risk category does not mean risk free and that their investment can fall as well as rise.

Clients' objectives and needs

Clients' objectives will be determined by the financial adviser. For the recommended product which is a long term pension product, the investment time horizon should be medium to long term i.e. up to 20 years but the minimum should be at least 5 years.

		Y	N	Neutral
Return profile: Preservation			●	
Return profile: Growth		●		
Return profile: Income		●		
Return profile: Hedging			●	
Option or leveraged return profile			●	
Return profile other				●
Time horizon	Medium to long term i.e. up to 20 years but with a minimum of 5 years.			
Maturity date	N/A			
May be terminated early (Structured products only)	N/A			
Specific investment need	Yes, via the range of different investment solutions available e.g. specific asset class, geographical investment location, income, socially responsible investment, etc.			

Characteristics deemed unsuitable – 'negative target market'

The maximum investment amount is limited by the client's available annual allowance but pensions tax relief for personal contributions is restricted to relevant UK earnings or £3,600 if greater and is currently capped at £40,000 although a lower limit of £4,000 may apply if a client has already started drawing pension income. The annual allowance applies across all of the schemes a client belong to, it is not a 'per scheme' limit and includes all of the contributions that the client or their employer pay or anyone else who pays on their behalf together with the increase in the value of their pension benefits from any defined benefit schemes.

As such, the Portal Pension and the OneSIPP may not be suitable for clients who have used their annual allowance capacity elsewhere, or where the client have reached their lifetime allowance i.e. the limit on the amount of pension benefits that can be drawn from pension schemes without triggering an extra tax charge.

The OneSIPP is subject to minimum annual charge amounts so may not be suited to clients with smaller investment amounts as this ongoing charge may represent a large proportion of their policy fund value e.g. for policies set up on a regular investment basis where the client may need to stop making further contributions i.e. making the policy paid-up after a short period of time. There could be special terms applied to the client's investment subject to certain criteria being met, which will need to be discussed and agreed in full with the financial adviser, before the recommendation is made to the client.

These products may also not be suited to clients who do not wish to expose their investment to fluctuations in value or who are seeking an investment time horizon or less than five years.

Our Pensions may not be suitable for the following target markets

- Clients with less than an initial amount of £1,000 to invest in a Portal Pension, or £25,000 for OneSIPP
- Clients who may need to make regular investment policies paid-up after a short period
- Clients who want low risk & low volatility investments
- Clients looking for short term investments i.e. less than 5 years

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