

Sanlam Portal

STATEMENTS FOR CLIENT SUITABILITY LETTERS

Important information: This document contains sample statements to assist financial advisers in compiling individual suitability letters and does not constitute a suitability letter itself. Sanlam Investments and Pensions accepts no liability for any action taken or not taken by any individual or firm as a result of the contents of this material. While we have made every effort to ensure the accuracy of this material we cannot accept responsibility for any consequences (financial or otherwise) arising from relying on it. Please note that if the content is to be used in a suitability letter, it must be approved by your own compliance officer in the first instance.

Provider profile

Our UK wealth management business is part of Sanlam Limited, the international financial services group, which has been advising clients around the world for over 100 years. Valued at £13.8 billion*, employing over 16,000 individuals worldwide and managing more than £54 billion* in client assets, the Sanlam Group is an organisation with a growing global presence.

- Sanlam and Sanlam Investments and Pensions are trading names of Sanlam Life & Pensions UK Limited (SLP) and Sanlam Financial Services UK Limited (SFS).
- SLP is authorised by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority.
- SFS is authorised and regulated by the Financial Conduct Authority.

*As at 31 December 2017

Sanlam Portal criteria

The Sanlam Portal is a suite of products and services that provides you with access to the Model Portfolio Service and Select Fund Service.

Sanlam Portal suitability

I have recommended the Sanlam Portal to you because you (*delete as appropriate*):

- wish to consolidate your investment holdings with one provider for ease of administration;
- want a simple and transparent charging structure across your investments;
- want access to model portfolios which are discretionary managed;
- want access to OEICs that match your Accel risk category; and/or
- want to maximise tax efficiency through access to a comprehensive range of products all in one place.

ISA (*delete as appropriate*):

- wish to use the annual ISA subscription allowance on a regular basis to save in a tax-efficient way; and/or
- want the facility for annual automatic ISA rollover from your Sanlam General Investment Account.

Investment choice

The Portal product allows you to access the Model Portfolio Service or Select Fund Service. Daily prices and factsheets for the Sanlam OEICs can be found at www.sanlam.co.uk

Add this paragraph if the client is investing in the Model Portfolio Service

You will be investing in a model portfolio for a designated risk profile and investment objective and we will advise if this continues to be suitable for you. (Insert relevant benchmark wording from *Accel Risk Profiles – statements for client suitability letters* in relation to appropriate risk profile).

Add this paragraph if the client is investing in the Select Fund Service

You will be investing in the Select Fund Service.

Sanlam Portal Onshore Bond

Product criteria

The Sanlam Onshore Bond is a life assurance bond that is made up of 1,000 segments. It may be suitable for an individual who has £5,000 or more to invest and is looking for a medium to long-term investment, ideally five years or more. It can also provide you with access to regular or ad hoc withdrawals. It allows access to the Model Portfolio Service or Select Fund Service, so that you can choose the investments that are most suited to your objectives and attitude to investment risk. The Sanlam Onshore Bond has a cash facility that is used, for example, to collect any income from your investments and make payments, such as charges, adviser fees and tax.

Suitability

I have recommended the Sanlam Onshore Bond to you because you *(delete as appropriate)*:

- require regular tax-efficient withdrawals;
- are retired and want to supplement your income through withdrawals;
- are an active investor wishing to avoid triggering additional personal capital gains tax charges on encashments;
- want simpler tax administration for your investments;
- want the flexibility to assign segments to lower-rate taxpayers;
- are a higher or additional rate taxpayer who expects to become a basic rate taxpayer when the policy is finally surrendered;
- wish to mitigate the effects of inheritance tax by using specimen Sanlam trust arrangements; and/or
- are trustee of an existing trust and feel that the product is a suitable investment for the trust.

Minimum investment

The minimum initial investment into the Sanlam Onshore Bond is £5,000. Additional single payments must be for a minimum of £1,000.

Withdrawals

The Sanlam Onshore Bond allows you to take regular withdrawals, which can be paid monthly, quarterly, half yearly or yearly. Regular withdrawals, which are specified as a fixed amount or as a percentage of the initial investment, are restricted to 7.5% of the initial investment per annum. You have chosen to take annual withdrawals of *(insert amount or percentage of initial investment)*.

Add this paragraph if the client is setting up income sweep

You have chosen to have all income paid out to you as regular withdrawals (income sweep) from income generated (including interest receipts, dividends and distributions) from the underlying investments held

in your Sanlam Onshore Bond rather than from a sale of assets in your product. There is no personal capital gains tax charge on this withdrawal (unlike there may be if you take a fixed amount or percentage). You may also request ad hoc withdrawals at any time to provide flexibility to meet any change in your circumstances.

Add this paragraph if the client has chosen withdrawals in excess of 5% or if the client has selected income sweep

You can withdraw up to 5% of your initial investment in each policy year over a 20-year period and pay no additional income tax. This allowance is cumulative, so it can be carried over to future years if not used. If you withdraw more than your cumulative 5% allowance in a policy year (whether as a regular withdrawal, income sweep, or a combination of both) and are, or any gain makes you, a higher rate or additional rate taxpayer, you will incur an income tax liability. All withdrawal payments are subject to a minimum of £50 per payment.

Charges

The product charges are as set out in the *Charges and minima grid* and are also shown in your personal illustration.

Tax

Sanlam Life & Pensions UK Limited is responsible for collecting and paying UK corporation tax on income and gains arising from the underlying investments of your Sanlam Onshore Bond. The tax is calculated in arrears on a quarterly basis and the balance is deducted from the cash facility within your Sanlam Onshore Bond. This meets your liability to basic rate tax. If the cash facility holds insufficient cash to make the payment, assets are sold on a proportionate basis to cover the payment and restore the minimum cash requirement.

FSCS protection

The Sanlam Onshore Bond will normally be covered under the Financial Services Compensation Scheme (FSCS) for 90% of the policy value with no upper limit, in the unlikely event Sanlam Life & Pensions UK Limited becomes insolvent.

Death benefit

In the event of your death, the Sanlam Onshore Bond will pay out a death benefit of 100.1% of the value of the contract in accordance with the product terms and conditions.

Trusts

The onshore bond wrapper may be held under a trust arrangement. Sanlam Life & Pensions UK Limited makes available a range of specimen trust deeds for this purpose. Alternatively, the product may be a suitable investment for holding under an existing trust arrangement, such as a will trust.

Sanlam Portal ISA

Product criteria

The Sanlam ISA is a stocks and shares ISA that enables you to make one-off or regular subscriptions to utilise your annual ISA allowance. You can also transfer in existing stocks and shares, cash and innovative finance ISAs including by re-registration, where available, from other providers to amalgamate your holdings. Re-registration is the transfer of assets from one custodian to another without the need to sell them, which means that you remain fully invested at all times. Any assets that cannot be re-registered will be sold and the proceeds held as cash pending investment. The Sanlam ISA is a medium to long-term investment which you should ideally hold for a minimum of five years. It allows access to the Model Portfolio Service or Select Fund Service, so that you can select the investments that are most suited to your objectives and attitude to investment risk. The Sanlam ISA has a cash facility that is used, for example, to collect any income from your investments and make payments, such as charges and adviser fees.

Sanlam ISA suitability

I have recommended the Sanlam ISA to you because you *(delete as appropriate)*:

- wish to save for *(insert reason)* in a tax-efficient manner;
- wish to use your annual ISA allowance on a regular basis;
- wish to feed money from your Sanlam GIA to your ISA on a regular basis to improve the overall tax efficiency of your investment portfolio;
- want your investments to have the potential to grow in a tax-efficient vehicle;
- wish to invest for the medium to long term, typically five years or more;
- wish to consolidate your investments held in other stocks and shares ISAs or cash ISAs with one ISA provider for ease of administration;
- are prepared to accept the risk that the value of your ISA will be subject to the volatility of the underlying investments;
- wish to invest tax efficiently as an alternative to pension saving. You understand that you will not receive tax relief on subscriptions as you would with pension savings;
- have already made the maximum tax-relievable contributions to a pension and wish to make further contributions to your retirement savings in a tax-efficient manner; and/or
- want your annual ISA subscription to be automatically increased in line with future changes to HMRC limits.

Minimum investment

The minimum initial subscription or transfer value required to start a Sanlam ISA is £1,000. The minimum monthly subscription is £50, although you may also pay at other frequencies. Transfers are accepted from your existing stocks and shares or cash ISAs. Transfers may be accepted as cash, which means that your funds are not invested for the amount of time it takes to affect the transfer or by re-registration of assets. This means that the assets in your ISA remain fully invested throughout the transfer process and you are protected from stock market movements.

Should you change your mind, it may also not be possible to return to your original ISA plan.

Add this paragraph if the client is setting up regular subscriptions

Your regular subscriptions to your Sanlam ISA will be collected on a monthly, quarterly, half-yearly or annual basis by Direct Debit.

Maximum subscriptions

The maximum amount that you can subscribe to a stocks and shares ISA is £20,000 per annum (tax year 2018/19). This amount will be reviewed by HMRC in line with inflation on an annual basis. You may subscribe to only one stocks and shares ISA in any tax year. If you have already invested or intend to invest in a cash ISA for the current tax year, the maximum subscription to a stocks and shares ISA is reduced by the amount you subscribe to the cash ISA and/or innovative finance ISA.

One-off application process

Your initial application will remain valid as long as you continue to make subscriptions in successive tax years, so you will not need to complete a new application form each year. Applications will cease to be valid at the end of the first full tax year in which you do not make any subscriptions.

Withdrawals

Add this paragraph if the client is setting up regular withdrawals

The Sanlam ISA allows you to take regular withdrawals, which can be paid monthly, quarterly, half yearly or annually. Ad hoc withdrawals may also be taken, giving you flexibility to adapt your income requirements as your circumstances change. You have chosen to take annual withdrawals of *(insert amount or percentage of value)* on a *(insert frequency)* basis.

Add this paragraph if the client is setting up income sweep

You have chosen to have all income paid out to you as regular withdrawals (income sweep) from income generated (including interest receipts, dividends and distributions) from the underlying investments held in your Sanlam ISA rather than from a sale of assets in your product. There is no personal capital gains tax charge on this withdrawal.

Sanlam Portal ISA

Investment choice

The Sanlam ISA allows you to access the Model Portfolio Service or Select Fund Service. Daily prices and factsheets for the Sanlam OEICs can be found at www.sanlam.co.uk

Add this paragraph if the client is investing in the Model Portfolio Service

You will be investing in a model portfolio for a designated risk profile and investment objectives and we will advise if this continues to be suitable for you. (Insert relevant benchmark wording from *Accel Risk Profiles – statements for client suitability letters* in relation to appropriate risk profile).

Add this paragraph if the client is investing in the Select Fund Service

You will be investing in the Select Fund Service.

Charges

The product charges are as set out in the *Charges and minima grid* and are also shown in your personal illustration.

Tax

Funds grow in a tax-efficient environment which means that you will not pay any additional tax on income and gains from your Sanlam ISA investments and there is no requirement for you to report these income and gains to HMRC. However, you should be aware that some dividends will be received after deduction of tax which cannot be recovered.

Death benefit

In the event of your death, the Sanlam ISA will pay out a death benefit equal to the value of the fund.

Sanlam Portal General Investment Account (GIA)

Product criteria

The Sanlam GIA is a general purpose investment account that enables you to save on a one-off and/or regular basis. You may also transfer the assets from another investment account to the Sanlam GIA by re-registration. This is the transfer of assets from one custodian to another without the need to sell them, which means that you remain fully invested at all times and are protected from stock market movements. Any assets that cannot be re-registered will be sold and the proceeds held as cash pending investment. It is a medium to long-term investment that you should ideally hold for a minimum of five years. Investments are held and administered in the same way and benefit from the same administrative efficiencies as those held in traditional tax wrappers. It allows access to the Model Portfolio Service or Select Fund Service, so that you can select the investments that are most suited to your objectives and attitude to investment risk. The Sanlam GIA has a cash facility that is used, for example, to collect any income from your investments and make payments, such as charges and adviser fees.

Sanlam GIA suitability

I have recommended the Sanlam GIA to you because you (*delete as appropriate*):

- wish to save for (*insert specific purpose*);
- wish to save on behalf of another person, such as a minor, through a 'designated account' arrangement;
- want access to model portfolios/OEICs that match your Accel risk category;
- the investment range is suitable for the levels of risk and return that you require;
- want/may want ad hoc and/or regular access to the investment (and do not want any restrictions that may be imposed by other product wrappers);
- believe that it meets your needs more closely than a product with an alternative tax treatment;
- wish to use it to fund your ISA allowance on an annual basis (which you understand may give rise to a personal tax charge);
- wish to invest for the medium to long term, typically five years or more;
- wish to consolidate your investments held elsewhere with one provider for ease of administration;
- are prepared to accept the risk that the value of your Sanlam GIA will be subject to the volatility of the underlying investments;
- have already made the maximum tax-relievable contributions to a pension and/or ISA for this tax year and wish to continue to save in the same investment solution; and/or
- wish to hold the Sanlam GIA as a trustee under trust.

Minimum investment

The minimum initial payment required to start a Sanlam GIA is £1,000. For all subsequent lump sum investments, the minimum investment is £1,000. The minimum monthly subscription is £50, although you may also pay at other frequencies.

Add this paragraph if the client is setting up regular subscriptions

Your regular payments will be collected on a monthly, quarterly, half-yearly or yearly basis by Direct Debit.

Withdrawals

Add this paragraph if the client is setting up regular withdrawals

The Sanlam GIA allows you to take regular withdrawals, which can be paid monthly, quarterly, half yearly or yearly. Ad hoc withdrawals may also be taken, giving you flexibility to adapt your income requirements as your circumstances change. You have chosen to take annual withdrawals of (*insert amount or percentage of value*) on a (*insert frequency*) basis. This may give rise to a personal capital gains charge on assets sold.

Add this paragraph if the client is setting up income sweep

You have chosen to have all income paid out to you as regular withdrawals (income sweep) from income generated (including interest receipts, dividends and distributions) from the underlying investments held in your Sanlam GIA rather than from a sale of assets in your product. There is no personal capital gains tax charge on this withdrawal (unlike there may be if you take a fixed amount or percentage).

Charges

The product charges are as set out in the *Charges and minima grid* and are also shown in your personal illustration.

Tax

Some forms of income may be received by the Sanlam GIA net of withholding tax (such as dividends from UK companies) and interest on the cash facility is credited to your Sanlam GIA net of 20% tax. You should report income and gains arising in the Sanlam GIA to HMRC to assess whether additional income tax or capital gains tax is payable. Re-registration of assets does not give rise to any gain or loss for capital gains tax purposes. You may be liable for income tax on any non-UK based funds even if you are a basic rate tax payer, as overseas funds have different tax regimes. Sanlam will provide you with an annual tax report to 5 April to help with this.

Death benefit

If you die, the Sanlam GIA will pay out a death benefit equal to the value of the investments as instructed by your personal representatives. Where the Sanlam GIA is held in joint names, upon the first death, the survivor of you will be the only individual with an interest in the assets of the Sanlam GIA. On last death, the value of the Sanlam GIA will form part of the survivor's estate.

Sanlam Portal Pension

Product criteria

The Sanlam Personal Pension is a pension arrangement that provides you with access to the Model Portfolio Service or Select Fund Service. It may be suitable for an individual who has £1,000 or more to invest and is looking to save for their retirement.

Suitability

I have recommended the Sanlam Personal Pension to you because you (*delete as appropriate*):

- wish to save for your retirement in a tax-efficient manner;
- want your investments to have the potential to grow in a tax-efficient vehicle;
- want tax relief on your contributions;
- accept the long-term nature of pension saving;
- wish to consolidate your investments held in other pension arrangements with one pension provider for ease of administration;
- want a tax-free lump sum at retirement;
- want the option of flexibly accessing your pension fund;
- want the option of phasing your retirement income; and/or
- are prepared to accept the risk that the value of your personal pension fund will be subject to the volatility of the underlying investments.

Minimum investment

The minimum initial gross contribution or transfer required to access the Sanlam Personal Pension is £1,000. The minimum value to access flexi-access drawdown pension is £10,000 (after pension commencement lump sum).

If you opt to pay regular contributions into the plan, the minimum monthly contribution is £50, although you can pay at other frequencies. The minimum for further single contributions is £1,000 gross.

Charges

The product charges are as set out in the *Charges and minima grid* and are also shown in your personal illustration.

Death benefit

Death benefits from a fund may be paid at the discretion of the scheme administrator to those nominated and are free of inheritance tax as a lump sum or as pension income. No other tax is payable if you die before age 75, the benefits paid from all schemes fall within the available lifetime allowance set by HMRC and are paid or designated as pension death benefits within two years of being notified of death.

If you die aged 75 or over, the death benefits may be paid as a lump sum or as pension income to your beneficiary/ies. The benefits will be subject to income tax at the recipients' own rate of tax.

