

ACORN LITE SIPP

KEY FEATURES

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SUMMARY

The Acorn Lite SIPP is a product name of MW SIPP2 which is registered with HM Revenue & Customs (HMRC) as a Registered Pension Scheme. SIPPs are designed for people who want to manage their own fund by dealing with, and switching, their investments when they want. This document sets out the key facts about the MW SIPP 2 and should be read carefully before taking out an Acorn Lite SIPP.

A SIPP is a pension 'wrapper' that holds your investments until you retire and start to draw a retirement income. It is a type of personal pension and works in a similar way to a standard personal pension. The main difference is that you have more flexibility over the investments chosen within a SIPP.

With standard personal pension schemes, the investments are managed within the pooled fund that has been chosen. A SIPP is a form of personal pension that gives you the freedom to choose and manage your own investments from a wide range of different asset types. You may also choose to pay an authorised Investment Manager to make the decisions on your behalf.

A SIPP offers the flexibility to pay contributions at whatever level you require within the limits prescribed by HMRC. There is no contractual minimum contribution. The Acorn Lite SIPP is also designed to take full advantage of the pension flexibility rules introduced in April 2015, which allow individuals to access their pension savings.

This document explains the key features of the Acorn Lite SIPP. You should read it carefully, in conjunction with the Application Form, the Terms and Conditions and the Investment Guidelines prior to applying for membership of the SIPP. You should also advice from your Financial Adviser.

It may be that, due to your residence or domicile, you are subject to different tax provisions. If you are in any doubt about the tax treatment of the Acorn Lite SIPP or its benefits, you should seek advice from a qualified tax expert.

The Acorn Lite SIPP is designed for both UK and overseas residents.

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INTRODUCTION

A 'Self-Invested Personal Pension' or SIPP is a personal pension scheme where investment decisions are taken by the Member after taking independent advice from a suitably qualified and regulated financial or investment adviser. The Acorn Lite SIPP is a pension product established under and governed by the MW SIPP 2 Trust Deed and Rules and registered with HMRC as a Registered Pension Scheme under Chapter 4 of the UK Finance Act 2004 (HMRC Pension Scheme Tax Reference (PSTR) number 00623783RL).

The Financial Conduct Authority (FCA) is a financial services regulator. It requires us, IFG Pensions Limited, to give you this important information to help you to decide whether our Acorn Lite SIPP is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

THE PARTIES

Scheme Provider and Scheme Administrator

IFG Pensions Limited

As Scheme Provider, IFG Pensions Limited is successor to the original SIPP provider, authorised to establish a personal pension scheme under the Financial Services and Markets Act 2000. As Scheme Administrator, IFG Pensions Limited is also responsible for the day-to-day operation and administration of the SIPP and is authorised and regulated by the FCA.

Trustee

MW SIPP Trustees Limited

The Trustee is the legal owner of the assets held within the SIPP for the benefit of the Member. The Trustee has a limited function and acts on the instructions or directions of the Scheme Administrator.

Member

You will become a member once your formal application for membership of the SIPP has been accepted by the Scheme Administrator. The sole purpose of the SIPP is to provide benefits in retirement, be that in the form of annuities, income withdrawals or lump sum payments as detailed in the governing provisions and Rules of the MW SIPP 2.

Financial Adviser

You may appoint your own suitably qualified and regulated Independent Financial Adviser to advise you on financial matters relating to the SIPP and your financial affairs generally. Neither the Trustee, Scheme Administrator or Scheme Provider will provide any advice to you be it financial, legal, tax, investment, or pension transfer advice, and they are not authorised to do so. The Scheme Administrator will act on your instructions and the instructions of your Financial Adviser if one has been appointed.

Investment Adviser

You are responsible for your own investment decisions and may appoint a suitably qualified and regulated independent Investment Adviser (who may be the same person as your appointed Financial Adviser) to assist you in this respect. Your Investment Adviser will guide you to make investments that match your investment risk profile and that are both permissible under the Rules of the SIPP and acceptable to the FCA. Neither the Trustee or Scheme Administrator will make any investment recommendations and nor are they authorised to give investment advice. If you do not appoint a Financial or an Investment Adviser, you will remain responsible for your own investment decisions and for providing instructions to the Scheme Administrator.

Investment Manager

The Investment Manager is appointed by the Trustee to carry out the instructions of the Members or their Advisers and is responsible for managing the assets within the SIPP. You may nominate an Investment Manager to act on an advisory or discretionary basis. Their appointment will be accepted by the Trustee if they are suitably licensed and regulated.

Custodian

This is the financial institution responsible for holding and safeguarding your SIPP assets which are invested in the name of the Trustee.

SIPP Banker

This is the retail banking institution with whom MW SIPP Trustee cash is held in a pooled account. Any cash held by MW SIPP Trustees, will be protected by being held on trust in accordance with the Scheme Rules, and not as Client Money. You must maintain a minimum of £500 in your SIPP bank account.

PRODUCT OBJECTIVES

A SIPP provides a means of saving for retirement. It works as follows:

- You may make regular contributions (if a UK resident) or transfers from an existing pension into your SIPP. This pot of money accumulates during your working life and is then used in retirement to provide an income.
- There is no requirement to make regular contributions, but UK tax relief is available on some contributions.
- An employer may also contribute to an employee's SIPP.
- Contributions are invested with the objective of achieving capital growth over the years before you retire. There is no requirement to invest in any particular type of investment.
- Upon retirement, you have a number of different options available, including a tax-free lump sum and a regular or ad hoc income, known as 'Income Drawdown'.

You cannot be certain in advance how much pension you will receive because it depends on how much is paid in, how well the investments perform and what charges are payable.

'Self-Invested' means that you choose where to invest the monies held within the SIPP. 'Personal' signifies that the SIPP belongs solely to you. As detailed above, you can appoint a suitably qualified and regulated financial or investment adviser to assist you in making these decisions.

Benefits may only be taken from the SIPP in retirement (usually from age 55) and there are a range of lifetime benefits available.

Tax relief is usually available on contributions.

Considering a transfer to a SIPP, whether to make additional contributions and deciding on the options available on retirement are all complex questions that require financial planning. Stakeholder pension schemes are generally available and might meet your needs as well as the scheme on offer. It is strongly recommended that you obtain suitable independent advice before taking these decisions.

What is the aim of the Acorn Lite SIPP?

The Acorn Lite SIPP is designed for UK residents who want to plan for their retirement.

IFG Pensions Limited is authorised and regulated by the FCA, for the purposes of setting up and administering personal pension schemes. Thus, the administration of the Acorn Lite SIPP falls within a robust regulatory regime.

As a Registered Pension Scheme for UK tax purposes, the SIPP offers relevant UK individuals tax relief on contributions. Tax relief at basic rate on any contributions you make will be paid directly into your pension. Tax relief at higher rates can be claimed via HMRC.

UK residents can pay up to the annual allowance (currently £60,000) each year in contributions or up to the Money Purchase Allowance (MPAA) if they have taken lump sum benefits or entered Flexi-Access Drawdown (FAD). This limit is currently £10,000 per year. UK residents not currently earning may pay up to £3,600 per year into their pension. We do not accept contributions from non-UK residents who have not had UK taxable earnings in the last five years.

The SIPP offers a pension commencement lump sum on retirement, from age 55, and then a choice of lifetime benefits. You are not compelled to take benefits from the SIPP but may shop around to find the right benefit options for them. These are detailed later in this document.

YOUR COMMITMENT

By selecting to establish a SIPP you commit to the following:

- You agree to make at least one payment into your SIPP. This payment could be a transfer from an existing pension you hold or a contribution from you or your employer.
- You must be prepared to keep your money invested and not have access to it, usually to the age of 55.
- You agree to pay the charges set out in our Fee Schedule.
- You are responsible for selecting an income level suitable for you, using one of our pension decumulation products.

- You will regularly review your investment strategy and the amount you pay.
- You, or your adviser, will determine the most appropriate investment strategy for you.
- You will regularly review your income level and whether to continue taking income at that level.
- You accept our Terms and Conditions and pay the charges set out in our Fee Schedule.
- You agree to notify us of any changes to your personal circumstances that might affect your eligibility to take benefits from your SIPP.

RISK FACTORS

Please find below the risks associated with our SIPP. The SIPP is provided by IFG Pensions Limited on an execution-only basis, and we recommend you speak to a suitably qualified financial adviser regarding the suitability of our SIPP or investments.

Applying for a SIPP

- If you apply for a SIPP and change your mind within 30 days, you can cancel your SIPP, but you may get back less than you paid in. Further information is available in our Terms and Conditions.

Contributions and transfers into a SIPP

- If you choose to transfer your pension funds into a SIPP in cash, you may not get the benefit of investment increases whilst the transfer is being processed.
- If you transfer your pension funds into your SIPP from another registered pension scheme, you may give up valuable pension rights or guarantees that we cannot match.
- Decisions you make in relation to payments into your SIPP, could affect the level of benefits you receive at retirement.

Taking benefits from your SIPP

- The value of your SIPP, and the benefits provided, are not guaranteed. They will depend on several factors such as future investment performance, charges deducted, annuity rates and interest rates at the time you take benefits.
- If you take your pension income earlier than originally intended, the amount you receive could be less than expected due to the value of the SIPP at the time.
- Higher income payments increase the chance that your income payments will reduce in the future, and your SIPP runs out of funds. The pension pots you build over your working life are designed to provide you with an income during your retirement; you should therefore consider carefully how much you withdraw each year as you may outlive your pension savings.
- It may take time to sell an investment. If a delay occurs, this may affect your retirement planning as the money to pay your required benefits may not be available when you need it, for example, a commercial property.
- The income you take from your SIPP may not be sustainable, particularly if investment returns are low.
- If you have a small SIPP and no other assets or income to fall back on, the financial risks may be greater.
- Income withdrawals are subject to income tax at your marginal rate. Depending on your circumstances you could fall into a higher rate tax bracket and pay 40% or even 45% on your income withdrawals. The tax position for non-UK residents will depend on any Double Taxation Agreement (DTA) the country of residence has with the UK and the taxes payable in that country.
- Lump sum payments to beneficiaries available from your pension after you reach 75 are subject to tax charges.
- If you place any part of your SIPP into drawdown, you will not be eligible to receive a serious ill-health lump sum from the drawdown fund.
- Future changes to the tax rules could affect tax relief on contributions, the taxation of your investments and the taxation of your benefits when you come to take them.
- If the value of your fund at retirement exceeds the life-time allowance (currently £1,073,100) you may be liable for a tax charge.

SIPP investments

- The value of your investment can go down as well as up, and you may not get back the amount you paid in.
- If you have a small SIPP and the returns on your investment do not cover the level of charges, the value of your SIPP may reduce over time.
- Any foreign investments will be affected by changes in the rate of currency exchange.

- The illustration you receive will give you an indication of what you might get back from your SIPP. The figures quoted are based on several assumptions and are not guaranteed. Your benefits could be more or less than the amount provided in the illustration.
- Depending on where you invest, your investment may not have protection under the Financial Services Compensation Scheme (FSCS).
- IFGL Pensions will not accept applications for unregulated investments.
- Different types of investment have different risks. Please speak to a financial adviser if you require further information on your investment choices.

COMPLAINTS AND COMPENSATION

If you are not satisfied with any element of the services provided by IFGL Pensions, please telephone, email, or write to IFG Pensions Limited at the address below. The complaint will be dealt with according to the complaints procedure, a copy of which is available on request.

If you are not satisfied with the reply to your complaint, it can be referred to The Financial Ombudsman Service (FOS), or The Pensions Ombudsman where relevant. Referring to any of these parties does not affect statutory rights.

Where an unresolved complaint concerns the administration of the SIPP, you should, in the first instance, contact The Pensions Ombudsman, which is an independent organisation that will adjudicate between you and IFG Pensions Limited on a complaint of maladministration.

Where a complaint concerns the marketing of the SIPP, you should in the first instance direct the complaint to FOS, which provides consumers with a free independent service for resolving disputes with firms.

The Pension Ombudsman can be contacted at: 10 South Colonnade, Canary Wharf, London E14 4PU.

The Financial Ombudsman Service can be contacted at: Exchange Tower, London E14 9SR.

IFG Pensions Limited is covered by the Financial Services Compensation Scheme (FSCS) which has been set up to deal with compensation if an authorised financial services firm is unable to meet claims made against it. Compensation is dependent on the advice provided, type of business, investments selected and the circumstances of the claim. Further information is available from FSCS (www.fscs.org.uk).

The SIPP and its administration are governed by the laws of England and Wales.

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