

ALLTRUST SERVICES LTD TARGET MARKET ASSESSMENT

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1. TARGET MARKET

Alltrust offer a range of products and facilitate a wide investment choice for customers who have or propose to have one of our pension products. Our products are designed for retail investors (as defined by the Financial Conduct Authority (FCA)) who are financially secure and want a greater control in where their pension monies are invested. All of our Self Invested Personal Pensions (SIPPs) and Small Self-Administered Schemes (SSASs) are a tax efficient way of saving for retirement. The products can also pay pension benefit in a number of ways.

Our products are predominantly designed for customers:

- Who are retail customers as defined by the FCA under 'retail clients';
- Who are UK resident except for the Aurora and Affinity SIPPS which are exclusively for overseas customers;
- Who are aged 18 to 75 except where inheriting an existing pension as a beneficiary;
- Who are advised by a FCA regulated financial adviser and for the Affinity and Aurora SIPPs only by an overseas adviser;
- Who have an overseas adviser, but only if transferring to a Recognised Overseas Pension (ROP, QROP or QNUP) and provided they are resident in the same country as the overseas pension;
- Who meet our Knowledgeable Investor requirements if they do not have a regulated adviser;
- Who have a minimum of £100,000 (£50,000 for Oasis and Affinity) to investment due to the cost of SIPPs and SSASs, ie they are a more complex and as such are a more expensive product;
 - The minimum can be made up of transfers from other pensions and / or contributions at the start of the pension ie the £100,000 etc must be available on day one or as soon as possible in the case of transfers;
 - We will consider customers with less than £100,000 but more than £50,000 in our Alltrust SIPP who will be paying an ongoing contribution;
- Who want to provide for their beneficiaries on death; and
- Who are able to invest for the medium to long term and are willing to accept a level of market risk to increase potential rewards (nb: risk a customer is willing to take and can afford will be based on individual factors). They should be able to bear losses to capital without creating significant financial hardship.

Our products are not suitable for:

- Customers looking for guaranteed returns;
- Customers looking for short term gains;
- Customers who want a Stakeholder Pension;
- Customers who want to set up a workplace pension arrangement with auto-enrolment or a qualifying workplace pension scheme;
- Customers who are not advised unless they are Knowledgeable Investors;
- Customers who want to contribute after age 75;

- Customers with less than the minimum amounts to invest; and
- Anyone who does not want the responsibility for making their own investment choices, eg are happy for others to make the decisions for them.

We provide smart, simple and flexible support for all of our members and we understand that we may have to tailor the services we offer to vulnerable customers depending on their circumstances. As part of this we ensure our staff are trained, supported and able to support a wide range of vulnerabilities.

2. ACCEPTANCE OF NEW BUSINESS

2.1 ADVISED BUSINESS

- From UK regulated advisers with appropriate advising FCA permissions. Regulatory approval and permissions must be evidenced. Safeguarded pension transfers (e.g. transfers in excess of £30k from a defined benefit scheme or with guarantees) require both the pension transfer permission and investment permissions but pension switches (from a defined contribution arrangement) only require the investment permissions.
- From overseas advisers but only where the member is also resident overseas and with the specific consideration and approval of our Overseas Director for Aurora and Affinity SPPs only.
 - The Pensions Scams Industry Group (PSIG) Code of Good Practice Interim Practitioner Guide will be used to assist in this assessment. Extracts of the Guide are shown in the Appendix to this document. This gives full details of the permission requirements. Alltrust Ltd will not accept pension switch business unless these permission requirements are met.
 - This guidance also reflects the requirement for investment permissions rather than insurance permissions for pension switches where there is an equivalent overseas regulatory framework.
- No business will be written for advisers who have used an unregulated introducer as part of the lead generation process.
- We will not accept business unless the initial adviser charge is less than or equal to 5% and subject to a maximum payment of £24,000.
- We will not accept business unless the ongoing adviser charge is less than or equal to 1%.

2.2 DIRECT (NON-ADVISED) BUSINESS

- Direct business will only be accepted where the member has met & evidenced our "Knowledgeable Investor" requirements. These requirements will depend on the investment, regulations, location of the investment & investor, and FCA rules & guidelines at the time of the check.
- No insistent pension transfer business (where the member wishes to proceed against the specific and formally documented advice of the financial adviser) will be accepted.

- For under £30k pension DB or safeguarded transfers where no advice requirement exists, we will not accept such business unless the “Knowledgeable Investor” requirements have been met.

2.3 CUMULATIVE FEES ASSESSMENT

In addition, in order to ensure that our products represent fair value, Alltrust will undertake an assessment of all the fees which will be incurred by the client or prospective client as part of a new business proposal. Such fees include charges levied by the trustees of the transferring arrangement and by any external investment platform or discretionary fund manager as well as any advice fees. The business will not be written if Alltrust has sufficient concerns in respect of the overall client value proposition.

2.4 EXCLUSIONS

- No business will be accepted for sanctioned individuals including their relatives or close associates on either a direct or an advised basis.
- No business will be accepted for individuals convicted of crime
- No business will be accepted from a disqualified director whilst still in the disqualification period.

2.5 RATIONALE

- SIPPS and SSASs are designed to offer greater flexibility in terms of investment alternatives than core personal & occupational pension plans and are therefore intended to be marketed via advisers & wealth managers rather than directly to retail consumers.
- SIPPs and SSASs are complex products and we believe individuals require professional financial advice before proceeding with the establishment of a SIPP or a SSAS. We are not regulated or authorised to offer financial or investment advice ourselves, and individuals may leave themselves exposed to serious financial risk if they do not receive expert guidance.

2.6 EXISTING BUSINESS EXCEPTIONS

- Where existing business has been written for direct customers who do not meet the “Knowledgeable Investor” criteria or who have become “orphan” clients as their adviser is no longer acting on their behalf, we will write to them to inform them that they may wish to seek the services of an financial adviser.

2.7 CLOSED PRODUCT

- Please note that Alltrust purchased the Rowanmoor SIPP book on 6th March 2023 and will continue to run it for those members who already have a product but it is not available for new customers at this time. It will be merged with the Alltrust SIPP by 2025.

3. PERMITTED INVESTMENTS

3.1 RETAIL INVESTORS

- Deposit or Fixed Term accounts with any UK or EEA authorised financial institution. The cash must be able to be withdrawn in less than 30 days if it is to be treated as a Standard Asset and to be held by Trustees (not in the members name);
- Stocks and shares listed or dealt with on any HM Revenue and Customs (HMRC) recognised stock exchange including:
 - Equities;
 - Fixed Interest securities issued by government or other entities (subject to a minimum credit rating of BBB – Standards & Poor or equivalent);
 - Debenture stock and other loan stock;
 - Permanent interest-bearing shares (PIBS); and
 - Convertible securities.
- Closed ended investment companies;
- Alternate Investment Market (AIM) securities;
- Investment grade Gold bullion (100% is allowable in portfolio);
- National Savings & Investments (NS&I) Income Bonds and Guaranteed Growth Bonds (investments that allow Trustees to hold it);
- Trustee Investment Plans (TIPs);
- Depositary interests (including CREST depositary interests);
- Authorised unit trusts;
- Authorised Open-Ended Investment Companies (OEICs);
- Shares in Investment Trusts;
- Insurance company managed funds and unit linked funds;
- Direct purchase of Commercial Property in the UK (subject to specific consideration and approval by Alltrust as outlined in our Commercial Property Guide);
- Exchange Traded Funds (ETFs);
- Offshore funds recognised by the Financial Conduct Authority (FCA);
- Real Estate Investment Trusts (REITs);
- Pooled investment vehicles and syndicates where the member cannot influence or control the investment (known as Genuinely Diverse Commercial Vehicles (GDCV));
- Exempt Property Unit Trusts (EPUTs); and
- Secured loans to unconnected third parties.

3.2 KNOWLEDGEABLE INVESTORS

Able to invest in all of the investments a retail investor can as well as:

- Hedge Funds;
- Foreign Exchange (FX) Accounts (subject to specific considerations and approval by Alltrust);
- Contracts for Difference (CfD) on recognised exchanges and subject to specific consideration and approval by Alltrust;
- Traded futures and options (relating to stocks & shares on a recognised futures exchange);
- Second hand / traded Endowment policies (subject to specific considerations and approval by Alltrust);
- Qualified Investor Schemes; and
- UK structured products.

The following investments may be allowed for knowledgeable investors if accepted by Alltrust after specific consideration and approval:

- Property syndicates;
- Unquoted UK equities;
- Commercial loans to unquoted UK limited company with no connection to the member;
- Unregulated Collective Investment Schemes (UCIS);
- Any other investment not listed in either permitted, knowledgeable investor or non-permitted lists.

All investments must go through our internal due diligence process and as such some may be refused. This process in no way is an approved investment list or a preferred provider list and is for internal use only.

4. NON-PERMITTED INVESTMENTS

HMRC will only allow certain investments within a pension scheme and if they deem any unauthorised asset is in the pension this will trigger an HMRC unauthorised payment charge and potentially a scheme sanction charge.

- Overseas unquoted equities;
- Onshore and Offshore bonds;
- Unbreakable long-term deposits;
- Direct purchase of residential property;
- Direct purchase of tangible moveable property eg art, antiques, machinery, solar panels;
- Commodities (other than investment grade gold bullion);
- Loans to individuals or connected parties;
- Wasting assets (life span of less than 50 years);

- Property limited liability partnerships;
- Residual ground rents;
- Indirect investment in residential property and tangible moveable property eg residential property used as security;
- US Mutual Funds;
- Direct purchase of overseas commercial property (including agricultural land, hotels, nursing homes, shops, offices and public houses / bars);
- National Savings & Investments (NS&I) Premium Bonds and Direct Saver Accounts;
- Off-plan hotel developments;
- Bed & Breakfast units;
- Carbon credits;
- Cryptocurrency;
- Cloud lending;
- Land banking;
- Storage pods and units;
- Individual hotel rooms;
- Litigation funding;
- Intellectual property (including brands and trademarks) which involve transfer pricing or have a potential for tax avoidance;;
- Direct investment in Partnerships and Limited Liability Partnerships (LLPs);
- Goodwill;
- Peer to Peer (P2P) lending;
- Shares in a Special Purpose Vehicle as defined by the FCA;
- Shares quoted on the Over the Counter market;
- Unquoted corporate bonds in private limited companies;
- Unlisted warrants;
- Solar power; and
- Wind turbines.

5. CUSTOMER SEGMENTATION & PRODUCT FEATURES MATRIX

PRODUCT TYPE	DESCRIPTION	MINIMUM	AGE RANGE	LIFE STAGE		INVESTMENTS AVAILABLE IN PRODUCT				
				WEALTH ACCUMULATION (PAYMENTS IN)	WEALTH DECUMULATION (DRAWDOWN)	BANK ACCOUNT	DISCRETIONARY FUND MANAGER	INVESTMENT FUND CHOICES	PASSIVE FUNDS	PLATFORM
Alltrust SIPP	The Alltrust SIPP is an individual member arrangement offering a wide range of investment options including our 3 rd party Platform, complimented with significant flexibility, especially in drawing benefits. It allows for both individual investments and syndicated transactions between members and other parties.	£100,000	From 18 to 75 for contributions	YES	YES	YES	YES	YES AS LONG AS ON PERMITTED INVESTMENT LIST UNLESS KNOWLEDGEABLE INVESTOR	YES	YES
Alltrust SIPP (Oasis Option)	The Oasis Option is designed to offer Advisers and their customers a simpler retirement benefits solution within the Alltrust SIPP. The investment structure consists of a scheme bank account plus our 3 rd party Platform offered by Platform One (please note: only Standard Assets are available on the Platform).	£50,000	From 18 to 75 for contributions	YES	YES	YES	YES	ONLY WHAT IS AVAILABLE FROM PLATFORM AND IS ON OUR PERMITTED LIST	YES	YES

Family Pension Trust (FPT)	The Family Pension Trust is designed for very small groups, such as families or small companies. It offers a central investment fund that all members may invest in as well as separate funds for each member. It is written under SIPP rules but offers some of the benefits of a SSAS.	£100,000 (Per Trust)	All Trustees must be over 18. Members may be younger.	YES	YES	YES	YES	YES AS LONG AS ON PERMITTED INVESTMENT LIST UNLESS KNOWLEDGEABLE INVESTOR	YES	YES
Aurora UAP SIPP	The Aurora UAP SIPP is designed to offer advisers and their clients resident overseas a wide range of investment options in a tax-efficient way (as growth in the fund is typically free from income tax and capital gains tax) by means of the Alltrust Trust Deed & Rules and supporting documentation.	£100,000	From 18 to 75 for contributions	YES	YES	YES	YES	CORE OFFERING BUT ADDITIONAL FUNDS MAY BE ADDED IF REQUIRED	YES	YES

Affinity SIPP	<p>The Affinity SIPP is an exclusive personal pension arrangement available for private clients of AHR. The Affinity SIPP is an individual arrangement that provides clients with considerable flexibility in terms of both investment planning and retirement options. It is designed for those looking at more complex and varied investment options and is structured to be able to accept members who reside outside of the UK.</p>	£50,000	From 18 to 75 for contributions	YES	YES	YES	YES	FULL RANGE	YES	YES
Alltrust SSAS	<p>The Alltrust SSAS is a standalone occupational pension and is principally designed for directors of small private companies. It offers similar flexibility to SIPPs but also accommodates secured loans to the sponsoring company.</p>	£100,000 (Per Scheme)	From 18 to 75 for contributions	YES	YES	YES	YES	FULL RANGE	YES	YES

Rowanmoor SIPP	The Rowanmoor SIPP is an individual member arrangement offering a wide range of investment options, complimented with significant flexibility, especially in drawing benefits. It allows for both individual investments and syndicated transactions between members and other parties. It is currently closed to new members.	Treated as CLOSED but will merge with Alltrust SIPP by 2025	From 18 to 75 for contributions	YES	YES	YES	YES	FULL RANGE	YES	YES
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6. SSAS TAKEOVER & CONVERSION SERVICES

- In addition, Alltrust offers SSAS Takeover and Conversion services. A SSAS is a complex pension scheme with a significant number of rules and regulations that need to be followed. Usually, Member Trustees will appoint a Professional Trustee to assist them with the day-to-day operation of the Scheme, and to provide guidance and direction in relation to transactions and decisions.
- On occasion, Member Trustees and the Sponsoring Employer may wish to change the Professional Trustee, or have one appointed where there isn't currently one. Alltrust offers a Takeover service where they can prepare documentation to become appointed as a Professional Trustee. An audit of the Scheme is undertaken at that stage, and any outstanding issues dealt with.
- Some small occupational schemes (such as Executive Pension Plans) were established many years ago and continue to benefit from rules relating to retirement that operated prior to April 2006 (when the rules were simplified). Where individuals are looking for the flexibility of a SSAS for investment or retirement options, converting one of these schemes may be preferable to transferring pension benefits, as these older rules are then retained and may provide enhanced benefits.

7. REVIEW & APPROVAL

This Assessment has been approved both by the Alltrust Consumer Duty Champion and by the full Alltrust Board. Their formal approvals are evidenced in the Board Meeting Minutes.

This assessment is subject to ongoing review and will be submitted for consideration and approval by the Board every six months. It will form part of the annual Consumer Duty compliance assessment presented to the Board by the business.

APPENDIX

EXTRACTS FROM PENSION SCAMS INDUSTRY GROUP (PSIG) INTERIM PRACTITIONER GUIDE

6.6.3 Red flag 3: Someone carried out a regulated activity without the right regulatory status

In relation to the transfer, a person without the appropriate FCA authorisation has carried on the regulated activity in the UK of:

- Arranging deals in investments
- Advising on investments
- Advising on the transfer of safeguarded benefits (e.g. on transfer from a defined benefit pension), or
- Agreeing to carry on the above activities.

There are two parts to this flag. The first part is whether the member has received advice in relation to this transfer or on how the transfer should be invested. If the member has received advice then the second part is to check and decide whether the person who has given that advice is FCA authorised and has the relevant permissions to do so. An exemption applies to Appointed Representatives of a UK FCA authorised firm which takes full responsibility for that Appointed Representative's advice.

To check FCA authorisation, go to <https://register.fca.org.uk/s/> and search on either the name of the individual or firm or search using the FRN. Then check 'What can this firm do in the UK?' As well as Activities and Services, you should also check Restrictions and Waivers, discretions and exclusions.

If you do not have enough information to decide, e.g. the details of the person who may have given the given advice has not been provided, then it likely that you have been provided with a substantive, but incomplete response.

It should be noted that a red flag is only triggered where the activity takes place in the UK. This is because the Regulations specify that the red flag is present when the activity is in breach of sections 19 or 20 of the Financial Services and Markets Act 2000 (FSMA 2000) which only apply to a regulated activity carried out in the UK. If the advice to transfer to a UK scheme was provided by an overseas adviser to a member resident overseas and this occurred outside of the UK, it is not a breach of FSMA 2000 and therefore is not a red flag. This is simply when this red flag is triggered – it is not to suggest that an overseas adviser advising a member about transferring a UK pension is no longer considered a possible sign of pension scam activity. We are aware that some scams have involved overseas advice activity and the member will not be eligible for the Financial Services Compensation Scheme should the transfer subsequently prove to be a scam. It would be good practice to alert a member to this fact. Alternatively, where the receiving scheme contains overseas investments, you may have reason to believe that an amber flag exists and refer the member to MoneyHelper.

The Pensions Regulator guidance also highlights that:

“If the member lives abroad and wants to transfer their benefits overseas, a regulated adviser in the UK who is advising on a pension transfer may work with an overseas adviser who is advising on investing the transferred benefits in overseas investments. Depending on the particular circumstances, this may not in itself be a cause for concern.” and that:

“If there is not a regulated adviser in the UK giving advice to a UK based member about leaving the UK scheme, and an overseas adviser has advised on overseas investments that would only be possible for the member to buy if they transfer out of the UK scheme, there may be cause for concern. In such circumstances there may be scope for you to have reason to believe that the overseas advisor has implicitly advised on the transfer without the appropriate regulatory permissions.”

The flag is present if you have a reasonable foundation to believe that the flag is present. You do not need to be certain.

6.6.3.1 Pension Switches

In the case of DC benefits, the pension transfer advice permission is NOT required (as for FCA purposes it is a switch¹ and not technically a pension transfer). The investment permissions (defined in the Regulations as either advising on investments or arranging deals in investments) are required.

Overseas advisers are not exempt and cannot give advice to UK residents on pension switches. They could give advice to ex-pats and overseas residents; this would either be covered by their permissions in their home state (if the activity was regulated there) or as an unregulated activity and with no permission needed.

For such switches facilitated by UK advisers, where it is not a legal requirement that advice is given, you may wish to consider whether this will affect whether the receiving scheme can accept the switch and to contact the trustees of the receiving scheme for clarification. They may well then refuse to accept the transfer owing to the nature of the advice which has been provided. You may wish to seek independent legal advice before refusing to transfer.

You may also consider cases where the member insists on transferring against the advice provided to be of concern, particularly if the adviser who has given the advice not to transfer then continues to assist the member to make the transfer.

¹ A pension switch is where a transaction is not within the definition of pension transfer, but involves moving pension benefits from one scheme to another scheme of the same type. For example where a member is transferring benefits from a personal pension or stakeholder pension scheme (where there has been no previous transfer from a defined benefits scheme) to another personal pension/stakeholder pension scheme.

And:

6.6.3.4 Overseas Residents & Advice

For members of UK pension schemes resident overseas, the expectation from FCA is that the dual adviser model where the UK FCA regulated IFA provided the DB transfer advice entirely in isolation from the overseas firm which provided the investment advice is no longer considered acceptable. The FCA's expectations are outlined in Sections 5.61 – 5.64 of their finalised guidance² and are as follows:

"5.61 If you are advising a client who lives overseas and wants to transfer their DB benefits overseas, your Appropriate Pension Transfer Analysis (APTA)³ needs to consider the issues that make it different to a UK pension transfer. This includes:

- *the levels of returns and local inflation rates, relative to fluctuations in exchange rates*
- *the level of charges on overseas arrangements*
- *different tax considerations*
- *different legislative frameworks and local levels of protection, for example, the equivalents to the Financial Services Compensation Scheme⁴*

5.62 You must consider the proposed receiving scheme in APTA. This may be a recognised overseas scheme or a UK personal pension marketed as an international SIPP which accepts overseas investments within it. If you provide a Key Features Illustration for a UK based international SIPP, you should make sure it includes all the charges information both for the SIPP itself and the investments which will be placed within it.

5.63 Whether you are engaging with an adviser in the overseas territory or dealing solely with your client, you will still be responsible for the DB transfer advice. This means you need to be confident you have a sufficient understanding of the relevant local market, including any applicable legislation and protection before you give advice. If you do not understand the relevant local market well enough, then you should improve your knowledge so that you can give advice, use a third party who has the relevant knowledge or decline to advise at all.

5.64 Where an overseas adviser is advising on the proposed destination, you should be alert to additional risks, including the influence the adviser may exert on your client to act against your advice. When you advise against a transfer but the client chooses to proceed, you can be held liable for the actions of the client if you did not set out the risks of proceeding against advice in a way that was fair, clear and not misleading."

² <https://www.fca.org.uk/publication/finalised-guidance/fg21-3.pdf>

³ Appropriate Pension Transfer Analysis

⁴ There may be an absence of regulations and no Ombudsman or equivalent in some jurisdictions.