

# Guidance Notes

Member Trading



LONDON &  
COLONIAL  
INNOVATION IN PENSIONS

These Guidance Notes are issued by London & Colonial and are designed to assist you where you are considering undertaking your own investment trading in connection with your London & Colonial Simple Investment SIPP.

*For your own benefit and protection you should read these Guidance Notes and associated literature\* carefully. If you do not understand any point or the content is unclear please ask for further information. Where you are proposing to manage and trade your own investment assets, proceed only when you are satisfied that you are prepared to, agree to and adhere strictly to, your part of the Investor Trader Agreement.*

\* Associated literature and documentation includes:

- London & Colonial Simple Investment SIPP literature
- Key Features Document
- Investor Trader Agreement
- London & Colonial Permitted Investment List (and the accompanying Explanatory Notes)
- Investment literature supplied by your selected investment provider

(The above list is not exhaustive and is for guidance only)

### Purpose of this document

You should read these notes if you are considering making the investment trading decisions yourself rather than using a Financial Adviser or other investment professional such as a Discretionary Fund Manager.

*Any investment decisions you make will be based on your own judgement, personal research and information provided by the investment provider.*

### Important information

London & Colonial do not provide advice and Member Trading is not suitable for everyone. *If you are in any doubt about whether the investment you are intending to make is unsuitable you should seek professional financial advice.*

It is important to note that even the most secure investment is never guaranteed to make money and you should always expect fluctuations both up and down in any capital value and the income received from them. In some cases you may not get back the full amount that you invest.

You should always consider very carefully any investments you may make and remember that:

- past performance is not necessarily a guide to future returns.....and
- exchange rate fluctuations can and do affect the value of your investments.....and
- inflation can and will affect the future capital value and any income received from your investment

The following should be read in conjunction with London & Colonial's Permitted Investments List and Explanatory Notes

We fully understand that for many of you financial services and the key to successful investing, can prove to be somewhat daunting and dare we say it 'a bit of a minefield'. The purpose of this document, therefore, is to make you aware of your responsibilities should you wish to make any investment trading decisions yourself.

By providing you with answers to those all important questions, we hope to assist you in determining whether the self management of your London & Colonial Simple Investment SIPP is suitable for you.

## What is the Simple Investment SIPP Permitted Investments List?

Well first of all let us start with what it is not.

- it is not a list of Investments which we think will make you money
- nor is it a carefully drafted list of FCA approved investments

The London & Colonial Permitted Investments List is simply a list of the types of Investment Asset Classes which have been assessed as suitable for consideration by 'Retail Investors' and permitted by HMRC legislation for inclusion in our Simple Investment SIPP.

The list ranges from low to higher 'risk types' of investments and includes both standard\* and non-standard financial instruments (assets) as defined by the Financial Conduct Authority (FCA):

*\* A Standard Asset must be capable of being accurately and fairly valued on an ongoing basis and readily realised within 30 days, whenever required. Valuations should be undertaken in accordance with the generally accepted standards used in the relevant sector for the asset.*

### Examples of standard products are:

- Cash; Securities (Stocks and Shares) listed on a recognised exchange and admitted to trading on a regulated market;
- Shares in Investment trusts; Government & local Authority Bonds; Real Estate Investment Trusts (REITs);
- Permanent Interest Bearing Shares (PIBS); Gold bullion; some UK Commercial Property;
- Money market instruments i.e. Units/Shares in a UCITS qualifying collective investment scheme.

### Examples of non-standard products are:

- Futures, Options and Contracts For Differences
- Shares in Collective Investment Schemes that are not FCA recognised
- Units in a tax exempt unauthorised unit trust
- Peer-to-Peer lending (Crowdfunding)

The above lists are not exhaustive and are guidance examples only

You will need to stay strictly within the guidelines of the Permitted Investment List when making your investment choice(s). If you are a retail investor you are not allowed to stray into the area of High Risk Financial Instruments without having had the benefit/opportunity of obtaining financial advice, or you are already an 'experienced' investor such as:

- A Certified Sophisticated Investor (CSI) - a person certified by a financial adviser as sufficiently knowledgeable in the area of complex financial instruments as to not require advice
- A Self Certified Sophisticated Investor (Self Cert CSI) - a person who's current role provides them with the level of experience/expertise to undertake complex financial transactions without the need for advice
- A High Net Worth Individual (HNWI) - a person of substantial wealth

If you are unsure whether the investment you are proposing falls within our list of Permitted Investments, or you wish to trade outside of London & Colonial Permitted Investments, you must contact London & Colonial before proceeding. As Trustee, London & Colonial has overall discretion as to whether an investment is suitable to be held within the Simple Investment SIPP.

Important Notes:

Take extreme care with your investment selection. While a particular 'Platform' or stock/share broker may be listed as an investment provider, and appears on our panel of investment providers, it does not necessarily mean that all the investments offered/available through them will be "Permitted". You should always establish that your proposed investment is freely available to and specifically designed for, 'Retail Clients' before you commit yourself.

Never purchase/attempt to purchase any investment product (often classed as 'derivatives') where the consequential loss could be greater than the amount originally invested. This would be strictly outside of our list of Permitted Investments.

In the event that you should purchase an investment product which falls outside our list of Permitted Investments, and to which you have agreed to stay within, London & Colonial would exercise our right to sell the investment. In doing so you may sustain a financial loss for which London & Colonial would accept no liability as you would have been operating outside of the contractual agreement.

Please read the Permitted Investments 'Explanatory Notes' for further information.

Please Remember that all investments carry a degree of risk, some higher than others, which means that their value, and the income from them, can fall as well as rise. You, therefore, may not get back the full amount that you have invested and in some cases may lose your entire capital investment altogether.

For more information about any of our products please scan the QR code or contact:

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