Alliance Trust Full SIPP

2010 Schedule of Fees

This is a legally binding document between you and Alliance Trust Savings Limited. This document should be read together with the:

- Key Features
- Trust Deed and Rules
- Terms and Conditions
- Handbook
- Application Form

This document details our routine fees that you will pay for establishing and administering the Alliance Trust Full SIPP.

Example scenarios

These example scenarios set out Alliance Trust Savings' fees. Additional fees may be charged by fund managers, stockbrokers, lenders, professional advisers, etc.

Example scenario – Getting started

An adviser recommends an Alliance Trust Full SIPP for a client. The client has two pension funds with other providers which will all be transferred as cash.

Alliance Trust Savings establishes the SIPP and sets up the operational SIPP bank account. Pension discharge forms are obtained from the current providers and completed and sent back by Alliance Trust Savings.

Within a short period of time the other providers transfer their funds to Alliance Trust Savings, who deposit them in the SIPP bank account. Alliance Trust Savings tells the adviser when each fund has been transferred, and once the last one has arrived the adviser implements the investment strategy he has agreed with his client.

The adviser has chosen to make investments through a single Investment Account.

What would Alliance Trust Savings' fees be for this?

Getting started

SIPP establishment fee	**£395**
Transfer in fee	**£200**
SIPP annual administration fee (taken in advance)	**£450**
TOTAL of initial fees	**£1,045**

Ongoing fees

SIPP annual administration fee	**£450**
SIPP investment dealing fees (with single Investment Account)	**Nil**
TOTAL per annum	**£450**

(All fees are subject to VAT)

Example scenario – Changing the investment strategy from a single Investment Account

Originally the client had set up the Full SIPP with investments held within a single Investment Account but after a few years wanted to change the investment strategy by investing in a UK authorised unit trust and a hedge fund to be held directly by the Full SIPP Trustee.

What would Alliance Trust Savings' fees be for this?

Transaction costs

Buying the unit trust (transaction fee)	**£25**
Buying the hedge fund (transaction fee)	**£75**
TOTAL transaction costs	**£100**

Total ongoing fees following change of investment strategy

SIPP annual administration fee	**£550**
TOTAL per annum	**£550**

(All fees are subject to VAT)

Example scenario – Taking benefits

After a number of years, the client decides to start drawing benefits from their Full SIPP. The client decides to take their maximum allowed tax free cash along with maximum permitted income, paid monthly, in the form of an Unsecured Pension

The SIPP investments comprise a single Investment Account and separately, a UK authorised unit trust and a hedge fund.

What would Alliance Trust Savings' fees be for this?

Taking benefits from the SIPP

Set up Unsecured Pension	**£100**
Annual Unsecured Pension fee (taken in advance)	**£150**
TOTAL	**£250**

Total ongoing fees in retirement

SIPP annual administration fee	**£550**
Annual Unsecured Pension fee	**£150**
TOTAL per annum	**£700**

(All fees are subject to VAT)

Detailed Schedule of Alliance Trust Full SIPP Fees from 1 May 2010

Please also see the frequently asked questions about fees (FAQs) which form part of this schedule of Alliance Trust Full SIPP fees.

Fee Type	Fee (excluding VAT)	Is VAT payable?	When is fee due?
SIPP Establishment (FAQ 1)			
Establishment fee	**£395**	Yes	When SIPP opened
SIPP Annual Fees (FAQ 2)			
SIPP annual fee where all investments are in a single Investment Account or	**£450**	Yes	When SIPP opened and then every year thereafter
SIPP annual fee in all other cases	**£550**	Yes	
Protected Rights annual fee	**£100**	Yes	When Protected Rights transferred in & then every year thereafter
Transfer In From Another Pension Scheme (FAQ 3)			
Cash transfer	**£100**	Yes	Upon completion of transaction
Asset transfer (basic fee), plus	**£100**	Yes	Upon completion of transaction
Per asset (excluding commercial property)	**£50**		
Protected Rights cash transfer	**£100**	Yes	Upon completion of transaction
Protected Rights asset transfer (basic fee), plus	**£100**	Yes	Upon completion of transaction
Per asset (excluding commercial property)	**£50**		
Where a transfer includes both Protected and non-Protected Rights benefits separate transfer in fees will apply.			
Transfer Out To Another Pension Scheme (FAQ 4)			
Cash transfer	**£100**	Yes	Upon completion of transaction
Asset transfer (basic fee), plus	**£100**	Yes	Upon completion of transaction
Per asset (excluding commercial property)	**£50**		
Protected Rights cash transfer	**£100**	Yes	Upon completion of transaction
Protected Rights asset transfer (basic fee), plus	**£100**	Yes	Upon completion of transaction
Per asset (excluding commercial property)	**£50**		
Where a transfer includes both Protected and non-Protected Rights benefits separate transfer out fees will apply.			
Contribution Fees (FAQ 5)			
Cash	**£nil**	N/A	
In-specie contribution	**£500**	Yes	Upon completion of transaction
Investment fees will also apply if applicable (see Investment Fees)			

Continued overleaf

Fee Type	Fee (excluding VAT)	Is VAT Payable?	When is fee due?
Investment Fees (FAQ 6)			
Investments bought or sold through an Investment Account	**£nil**	N/A	
Trustee completion of purchase/sale order form for UK authorised unit trusts/ OEICS and Trustee Investment Plans	**£25**	Yes	Upon completion of transaction
Trustee completion of purchase/sale order form for other investments except the following:	**£75**	Yes	Upon completion of transaction
Buying unquoted UK shares	**£500**	Yes	Upon completion of transaction
Selling unquoted UK shares	**£250**	Yes	Upon completion of transaction
Unquoted UK shares annual fee	**£100**	Yes	Annually in advance
Setting up loans to third party company	**£250**	Yes	Upon completion of transaction
Loans to third party company annual fee	**£150**	Yes	Annually in advance
Setting up borrowing by the SIPP	**£250**	Yes	Upon completion of transaction
Borrowing by SIPP annual fee	**£100**	Yes	Annually in advance
Benefits and Payments Fees (FAQ 7)			
Setting up Unsecured Pension or Alternatively Secured Pension	**£100**	Yes	Upon completion of transaction
Annual Unsecured or Alternatively Secured Pension fee	**£150**	Yes	Annually in advance
Instructing purchase of lifetime annuity	**£150**	Yes	Upon completion of transaction
Processing death claim (pre age 75)	**£250**	Yes	Upon completion of transaction
Processing death claim (post age 75)	**£500**	Yes	Upon completion of transaction
Pension Sharing on Divorce Fee			
Implementing pension sharing order	**£150**	Yes	Upon completion of transaction
Commercial Property Fees			
Our fees for commercial property investment under the Alliance Trust Full SIPP are set out in a separate property fee schedule			

Notes

Additional fees, disbursement and outlays will apply in respect of any instruction not included above. Additional fees may apply in complex cases.

All transactions are subject to disbursements, where applicable.

Currently, no bank charges apply to BACS transfers from, or cheques drawn on, the member's SIPP bank account. However, there is a bank charge for any CHAPS payment from the member's SIPP bank account, and this is currently £25 per transaction.

Frequently asked questions about Fees

1. What is the establishment fee for?

The establishment fee (which may also be described as an 'initial charge', 'set up fee' or 'preliminary charge') covers the creation of the SIPP and includes:

- Processing your membership application and setting up your membership record
- Opening the default interest-bearing bank account for your SIPP, under which:
  - Interest is credited gross
  - Monthly statements will be sent to you
- Verification that our application form is fully completed (including correct anti-money laundering identification)
- Processing any initial contributions, including the reclaim of tax where appropriate.

2. What are the annual fees for and how do they work?

The annual fee (which may also be described as an 'annual charge' or an 'ongoing charge') covers all the normal day to day work on your SIPP including:

- Dealing with the routine administration of your SIPP and ensuring compliance with all HMRC and statutory requirements
- Dealing with any general queries about your SIPP from you/your adviser
- Maintaining your membership record and confirming any changes made to your membership record
- Processing your/your employer's contributions to your SIPP
- Claiming back basic rate tax relief deducted at source from your personal contributions and crediting this to your SIPP bank account
- Maintaining a record of your/your employer's contributions to your SIPP
- Authorising all payments from your SIPP bank account
- Monitoring and tracking all movements in your SIPP bank account
- Maintaining records of all your SIPP investments
- Providing general information on HMRC & statutory requirements in relation to your SIPP
- Preparing an annual renewal for your SIPP, including a valuation of your SIPP investments, and, where required, an SMPI
- Completing the annual Pension Scheme Returns, Event Reports & Accounting for Tax forms for your SIPP, as required by HMRC
- The reduced fee of £450 only applies if there is just one Investment Account in operation. Where there are two or more such accounts or any other investments within the SIPP the normal full fee of £550 will be applied
- The reduced fee of £450 will be charged if, 30 days prior to the anniversary of the SIPP fee being due, the only investments in the SIPP are within a single Investment Account.

3. How do the transfer-in fees work?

This covers the work we undertake in order to complete the transfer from your old pension scheme to us and includes:

- Checking and confirming that a proposed transfer-in can be accepted by the Alliance Trust Full SIPP
- Reviewing and completing the transfer documentation required by the transferring scheme
- Liaising with the transferring scheme to arrange, and chase for, the transfer payment
- Keep you/your adviser updated on the progress of the transfer payment
- Processing the transfer payment to your SIPP
- Confirming to you/your adviser when the transfer payment has been received
- For assets transferred in-specie this covers the re-registration of assets from the transferring scheme to your SIPP including:
  - Completion/processing of Stock Transfer forms
  - Completion/processing of Policy Assignment documents.

4. How do the transfer-out fees work?

This covers the work we undertake in order to complete the transfer to your new pension scheme and includes:

- Checking and confirming that a proposed transfer out can be made from your SIPP
- Reviewing and completing the transfer documentation required by the receiving scheme
- Arranging for the transfer payment to be paid to the receiving scheme
- Confirming to you/your adviser when the transfer payment has been made
- For assets transferred out in-specie this covers the re-registration of assets from your SIPP to the new arrangement.

5. How do the fees for contributions work?

We do not charge a fee for processing cash contributions. However we do charge a fee for in-specie contributions. This covers the work we undertake to comply with regulatory requirements surrounding the transfer of assets as a contribution.

6. What are the fees for investments?

There is no transaction fee for opening an Investment Account, and no transaction fees when investments are made and held within the account, where no additional work is required on our part.

Unless arranging the investment involves a significant amount of additional administration we levy a transaction fee of £25 for buying or selling investments directly in UK authorised unit trusts/OEICS, and Trustee Investment Plans.

Investments outside of this do involve additional administration; therefore we will make a transaction fee of £75 for buying or selling any other investments directly. This would cover investments such as off shore unit trusts or hedge funds. It would also apply to the opening of an additional bank account to the default SIPP bank account.

Where you ask the SIPP to invest in unquoted shares there is a significant amount of additional administration involved with this, both at the purchase and sale stage and annually for holding such investments. We will levy a transaction fee of £500 for buying the unquoted shares, £250 for selling them and an annual fee of £100 for each year that the SIPP holds them.

Where investments are to be made for both Protected Rights and non-Protected Rights separate applications will need to be completed and fees will be charged accordingly.

Frequently asked questions about Fees (continued)

7. How do the fees work for benefits and payments?

(a) The Unsecured Pension or Alternatively Secured Pension setting up fee is payable when each new tranche of pension commences and also on attaining age 75 and covers:

- Providing a personalised income drawdown quotation showing your maximum permitted tax free cash and the minimum and maximum amount of income drawdown
- Setting up your income drawdown record
- Paying your tax fee cash in accordance with your instructions.

(b) The annual Unsecured Pension or Alternatively Secured Pension fee is payable when the pension starts and on each subsequent anniversary and covers:

- Preparing personalised annual income drawdown reviews in addition to the quinquennial (up to age 75), or annual (after age 75) reviews
- Reviews of your minimum and maximum permitted pensions, as required by HMRC
- Administration of the PAYE payroll with the deduction of tax if required
- Paying your pension payments in accordance with your instructions and sending you a payslip for each pension payment
- Sending you an annual P60
- Submitting end of year tax returns to HMRC
- Maintaining a record of your income drawdown payments.

(c) The lifetime annuity purchase fee is payable when an annuity is purchased and covers:

- Reviewing and completing the documents needed to purchase the annuity in accordance with your/your adviser's instructions
- Paying the annuity purchase price to the annuity provider
- Confirming to you/your adviser when the annuity has been purchased.

(d) Death fee payable when arranging for benefits to be paid including:

- Determining the beneficiary(ies) for the benefit payable having regard to the member's nomination
- Where a lump sum is payable:
  - Selling the investments held for the member
  - Arranging payment of the death benefit to the beneficiary(ies)
- Where a dependant's pension is payable:
  - Arrange for this to be set up.

8. Do your fees increase?

We may at any time increase or amend all or any of our fees in such a manner as we may determine. We will give you a minimum of 30 days notice where we increase or amend our fees.

9. Are your fees subject to VAT?

Yes. VAT applies to all of the fees taken by Alliance Trust Savings and is set at the rate prevailing at the time.

10. Could other fees apply to my SIPP?

Yes. The fees set out above relate to Alliance Trust Savings' fees. Additional fees may be charged by fund managers, stockbrokers, lenders, professional advisers, etc

11. Does Alliance Trust Savings receive any other income in relation to my SIPP?

Yes. An income payment may also be received from the SIPP bank account provider. The amount of the payment will be dependent on the total of the balances held.

Glossary

Alliance Trust Savings

This means Alliance Trust Savings Limited.

FSA

This means the Financial Services Authority, an independent non-governmental body set up to regulate financial services.

HMRC

Her Majesty's Revenue & Customs.

In-specie contribution

The transfer of an asset rather than payment of cash to the Alliance Trust Full SIPP.

Investment Account

Where the SIPP only has investments provided and managed entirely through either a:

- Alliance Trust Savings Investment Dealing Account; or
- Fund Supermarket Account; or
- Stockbrokers Account; or
- Discretionary Fund Manager Account.

The firm providing the account must be UK based and regulated by the Financial Services Authority.

Lifetime annuity

A policy issued by an insurance company which provides a guaranteed income for life in exchange for a lump sum (your accumulated SIPP fund).

OEIC

Open ended investment company, also known as a 'collective' investment.

Protected rights

This is the name given to the fund built up by contracting out of the State Second Pension.

SMPI

Statutory Money Purchase Illustration.

Tax reclaim

In most cases personal contributions receive tax relief and we reclaim 20p from HMRC for each £1 you contribute to your pension. This is added to your fund.

Third party company

This is either an unconnected UK based third party limited company or a partnership.

Unquoted UK shares

These are shares in a private UK company that are not listed on any stock exchange.

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