

GUIDANCE NOTE

HOW WE VALUE YOUR PLAN

APPROVED FOR CLIENT USE | MARCH 2024



The purpose of the annual report is to provide you with a regular summary of your SIPP, including investment details and, where applicable, contribution, transfers and income details. When valuing the assets within your plan we aim to provide a market value for each investment at the date the report is produced (including any interim reports).

This may differ from the current market value for one of the following reasons:

- The annual report is produced at a certain date in the past and the market value may have changed since this date;
- A price may not be published for the investment frequently and therefore it was not possible to obtain a market value for the date the annual report was produced;
- In some instances we may have elected not to show some recent transactions for your SIPP - for example if we are waiting for confirmation that an investment transaction has been completed;
- For certain investments that are less liquid than others (for example property, unlisted assets or certain collective investments) the value shown may be based on cost when first purchased (plus associated costs) or a historic valuation;
- Where a property or an unlisted asset has been re-valued, the value included in the annual report will reflect the valuer's opinion. The actual market value may be different.

More information on valuations is provided below. If you have information regarding the valuation of a particular investment please contact your adviser or us.

Types of valuation

Annual reports will either be on an audited or an unaudited basis. An audited report means that we have reconciled all bank accounts and investments held within your SIPP. The reconciliation will be made against the statements we have received from your investment manager, investment platform, fund provider or any other third party as applicable at the reporting date. Please note this does not necessarily mean that the price used to value the investments is up to date.

An unaudited annual report will be distinguished by a watermark running across all pages. If we have provided an unaudited report, then we have not been able to reconcile your SIPP and therefore the investment holding, property information or cash balance of a bank account may not be up to date.

General

The annual report will cover your SIPP as a whole, even if you have started taking benefits (often referred to as 'crystallising' benefits). All of your SIPP's investments and cash balances are added together.

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If you take benefits from only part of your SIPP (referred to as partial crystallisation), part of the fund is notionally allocated to support payment of benefits. This therefore creates two ‘pots’ within your SIPP: one that has been crystallised to support the payment of your benefits and the other that remains uncrystallised. In this instance the underlying assets of the SIPP are not allocated to a specific ‘pot’, therefore changes in the value of your underlying assets will be applied proportionately across both the crystallised and the uncrystallised pots.

Cash balances

The annual report shows the cash balances of all bank accounts that your SIPP holds. Not all of this may be available for investment for the following reasons:

- We may be in the middle of placing an investment on your behalf that has not yet been completed;
- The cash balances held by investment managers may not reflect unsettled trades, so the balance may not be cleared funds available for immediate investment;
- There may be loan repayments pending (for example on a mortgage);
- The cash may be needed to make a pension payment to you;
- There may be a need to keep a float on the account; and/or
- Fees may be due.

Properties and property cash accounts

If your SIPP jointly owns a property with another party, the value of the property shown is based on your SIPP’s share of that specific property. Similarly, where a separate property bank account is held, the value shown is also based on your SIPP’s share of the property.

If your SIPP has a loan for the purchase of a property this will be displayed as a negative value and taken from the total value of the SIPP assets. Where a loan is shared by more than one plan (for example, on group property purchases), the value shown represents that plan’s percentage share of the loan.

Frequency of valuation

Most listed investments are valued daily, but property and certain other investments are valued less frequently. We have used the most up to date information we have in relation to each of your SIPP’s investments, but as stated above the current value may be significantly different from that shown.

For the majority of listed investments and collective funds we rely on prices provided by Refinitiv Holdings Limited. Prices are updated at the start of each business day, unless technical or other issues mean that this is not possible. The values shown are based on the latest prices obtained by us and usually reflect the price at the end of the previous business day. We cannot guarantee that they are correct.

Pricing/valuation basis

Shares and other securities listed on the Main Market of the London Stock Exchange are valued in line with legislation. This is normally the average of the closing bid and offer prices. This may be different to the valuation basis normally used by an investment manager.

Please note those investments that have not been assigned a SEDOL (a unique identifier used in the UK and Ireland for clearing purposes and assigned by the London Stock Exchange) are valued at bid prices.

For assets held on a foreign exchange the value is determined by a “reasonableness” test i.e. the price which those assets might reasonably be expected to fetch.

Foreign currencies are translated to sterling in line with exchange rates received from Refinitiv Holdings Limited.

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Unlisted shares

Unlisted Shares will be valued at their cost price for the purposes of annual reports.

Where an audited valuation is required for the purposes of a benefit crystallisation event or a connected party transaction, we will require one of the following:

- Audited company accounts/financial statements, dated within 6 months of the required valuation date; or
- A valuation letter from an accountant.

Holdings records, unaudited reports

The investments shown in the holdings section will not reflect any transactions that have not yet been processed by us, or any that have been processed by an investment manager of which we have not been made aware.

Where an investment manager has been appointed, we rely on the investment manager to inform us of changes in the investment portfolio held by them. We cannot guarantee that the investment details (or associated cash accounts) are correct as at close of the previous business day.

We aim to fully reconcile all investment holdings with investment managers at least quarterly. Where the investment manager provides data to us electronically, we aim to reconcile these on a monthly basis.

All other holdings (where they are held via a fund manager etc.), we aim to reconcile at least annually at your SIPP's annual report date.

Sundry debtors and creditors

Debtors are payments due to your SIPP and include:

- Tax relief due from HMRC on personal contributions paid net of tax relief;
- Tax relief due on interest-bearing income; and
- Rent invoiced to tenants but not received.

Creditors are payments due from your SIPP and include:

- Any fees payable that have not yet been collected; and
- Expenses not yet paid where we have received an invoice.

There may be other debtors or creditors that are not yet recorded on our system, for example:

- Dividends declared but not yet paid;
- Investment manager or adviser charges that have not yet been invoiced to us;
- Income payments pending;
- Rent prepayments;
- Other expenses payable where we have not received an invoice; and
- Interest accruals.

All sundry debtors and creditors show the cumulative value for these figures calculated at the end of the last business day. For example, if there are outstanding tax refunds on two contributions, the total amount will be shown.

Income and expenses

Income is included in the annual report on the following bases:

- Contributions - on a receipts basis but inclusive of the following tax reclaimable where appropriate.
- Non-property investment income - on a receipts basis.
- Property rental and other income - on an invoiced basis as adjusted for amounts more than six months overdue.

As a result the valuations will:

- Not include income that has accrued but not been paid on bank balances, gilts and other fixed interest securities;
- Not include dividends declared but not yet paid;
- Not include rental income where no rent invoice has been raised; or
- Include rent invoiced but relating to a period beyond the valuation date.

Expenses are included on the following bases:

- Suffolk Life fees - on due date
- Adviser charges - on receipt of an invoice or when deducted by the investment manager
- Property expenses - on receipt of an invoice

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Important points to consider

We recommend that clients seek financial advice from an FCA authorised adviser on any investments (including potential investments and disinvestments of existing investments) within their plan.

The value of pension funds may fall as well as rise. Your money is tied up until you take your benefits. Benefits can generally be taken any time after age 55, although this is due to increase to 57 in 2028.

Contact details

If you'd like to speak to us about anything on this fact sheet, please contact us on:

T 01473 296 969

We may record and monitor calls. Call charges will vary.

E sippsupportteam@curtisbanks.co.uk

Please remember not to send any personal, financial or banking information via email as it is not a secure method of communication.