

THE ST. JAMES'S PLACE SIPP

By Curtis Banks

Target Market Document

April 2024



Your future, our focus.



Introduction

This document provides important information on the target market and customer aims, objectives and needs that can be fulfilled by the St. James's Place SIPP (SJP SIPP). It is intended for use by St. James's Place Wealth Management in conjunction with St. James's Place Partners to help understand whether the SJP SIPP is right for their clients. It is based on Curtis Banks' opinion and does not take into account individual circumstances.

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What is the St. James's Place SIPP?

The St. James's Place SIPP incorporates all the essential features of a modern SIPP product, at a competitive cost. It provides you and your clients with the choice of the majority of market investments, platforms, brokers and discretionary managers. It also provides access to our renowned commercial property proposition - across the Curtis Banks Group we own over 8,800 properties on behalf of more than 8,100 clients.

It also includes:

- Fixed fees which are increasingly competitive as your client's pension fund grows.
- A menu-based charging structure so that your clients only pay for the functionality they use, making it flexible and cost effective.
- When your clients are ready to take benefits from their pension they can withdraw a tax free lump sum all at once or take it in stages. Should they choose to, they can set up regular income payments which can be amended or stopped at any time, or take single payments as needed.
- A secure online portal to view a range of information regarding your client's SIPP, including market valuation of SIPP assets, updated daily, along with recent bank transactions and the ability to request changes/ initiate instructions via secure messaging.
- Ability to pay initial and on-going adviser (IAF and OAF) automatically from the SIPP without the requirement of invoices.

For more information, please contact your Curtis Banks representative.

What client needs and objectives does The St James's Place SIPP aim to meet?

The St James's Place SIPP is designed to be compatible with the following client needs and objectives:

- To build a pension fund in a tax-efficient and flexible SIPP wrapper over the medium to long-term, primarily for clients that already have a pension fund in excess of £200,000;
- To have access to wider range of investments than typically available through standard personal pensions, which can also include commercial property on an individual or syndicated basis. See the Curtis Banks Investment Guidance Notes for further information;
- To consolidate different pension funds with one provider to benefit from economies of scale and easier administration;
- To benefit from a menu-based and flexible charging structure that adapts as their retirement and investment needs change. See our Schedule of Fees for the SJP SIPP for further information;
- To have a broad, flexible range of retirement income options including the option to take part of their pension fund as a tax free lump sum when they take their benefits;
- To enable the client or their employer to make regular or one-off tax-relievable contributions;
- To benefit from award-winning service and administration of their pension arrangements;
- To be able to view details of their plan and request changes/initiate instructions online via secure messaging;
- To pass-on wealth to beneficiaries, including potential for provision of an income or lump-sum to their chosen beneficiaries if they die.

The St. James's Place SIPP IS NOT designed to be compatible with the following client needs and objectives:

- To start out on a pension savings journey or for clients with small pension funds (less than £50,000);
- To invest only for the short term (less than 12 months) unless there is a specific client objective;
- Clients not willing to accept the risks as stated in the Key Features;
- To achieve preservation of capital, not willing to accept any risk to capital or investing in Cash for the long-term while accumulating a pension fund;
- To be able to access savings before retirement (before age 55 for most clients, rising to 57 from April 2028);
- To utilise investments outside of the Curtis Banks Investments Guidance Notes;
- To invest in a Self-Invested Personal Pension without advice and with little to no pension/investment knowledge or experience;
- Clients that require a guaranteed income for life at retirement;
- To follow a simple investment strategy over the long-term, for example by using one or a small number of 'in-house' funds where a low-cost pension may be more suitable;
- A pension with a 'fund-based' or 'percentage/basis point (bps)' charging structure;
- Clients with no current, historic or future exposure to UK taxation or have not and will not qualify for UK tax relief on pension contributions;
- To allow their employer to use as an auto enrolment scheme or to use instead of a workplace scheme with preferential terms (such as employer matching) that would outweigh the benefits of The St. James's Place SIPP;
- To accommodate insistent defined benefit scheme transfers against adviser recommendations.
- To invest using the FCA's Investment Pathways.

What client characteristics is the St James's Place SIPP designed to be compatible with?

In addition to the needs and objectives the St James's Place SIPP is designed to meet, we can also define the client characteristics it's compatible with. As this can be a more subjective part of your advice process we've broken down client characteristics into three main categories:

- Target market - This is the core group of clients that the product has been designed for.
- Potential suitability - This is a wider group of clients the product may still be suitable for, but is not our core target market.
- Not suitable for - Clients exhibiting one or more of the characteristics stated here are unlikely to be suitable for this product.

Client characteristics	Target market	Potential suitability	Not suitable for
Age	30-75.	Any.	N/A.
<p>Our target market range starts at 30 to allow a sufficient pension fund accumulation to make the product's charging structure and wide range of features and benefits more attractive. See Pension Fund Size for more information.</p>			
Pension knowledge and experience	Any level of pension knowledge and experience with a SJP Partner.	Any level of pension knowledge and experience with a SJP Partner.	Clients looking to open a SJP SIPP without an SJP Partner.
<p>SIPPs can be complex arrangements, especially when ensuring the right decisions are made at the right time to maximise benefits. Clients looking to establish an SJP SIPP must be advised by an SJP Partner and the relevant documents completed and reviewed by SJP head office.</p>			
Investment knowledge and experience	Any level of knowledge and experience with a DFM / Investment Manager / other adviser providing investment advice.	Intermediate to advanced investment knowledge and experience with or without a DFM / Investment Manager / other adviser providing investment advice.	Basic or lower knowledge without a DFM / Investment Manager / other adviser providing investment advice.
<p>The St James's Place SIPP provides access to a wide range of investments from simple to complex. We recommend taking investment advice but believe that confident, knowledgeable, unadvised investors should not be prevented from following their financial objectives. Please note that specialist investments will be restricted without professional advice unless an acceptable declaration is made.</p>			
Pension Fund Size	£200,000 or more.	Between £50,000 and £200,000.	Less than £50,000.
<p>Due to its fixed-fee charging structure, the St. James's Place SIPP becomes comparatively better value for money the more your clients invest.</p>			
Pension Fund Size	Medium to long term - 5 years, ideally longer.	Medium term (1 to 5 years) if there is a specific client objective.	To invest for the short term (less than 12 months) unless there is a specific client objective.
<p>We recommend that investments are made at least for the medium to long term - that is at least five years and ideally longer. Shorter timescales may be appropriate in certain circumstances but less than 12 months is unlikely to be, unless there is a specific client objective.</p>			

Client characteristics	Target market	Potential suitability	Not suitable for
Attitude to/capacity for risk	All except no appetite for risk.	All except no appetite for risk.	No appetite for risk and/or investing for capital preservation only.
<p>The wide range of investments on offer mean that all attitudes and capacities for risk could be met except for zero risk or preservation of capital. Although capital preservation investment options may be available, it is likely that the combination of product, investment and advice charges will lead to some capital erosion.</p>			
Tax status	Relevant UK individuals with current or historic UK relevant earnings.	Clients with historic and/or expected future UK relevant earnings.	Clients with no current, historic or expected future UK relevant earnings.
<p>Clients with UK relevant earnings are more likely to benefit from investing in a pension.</p>			
Income / wealth	UHNW, HNW, affluent.	Mass affluent, subject to information in 'Pension Fund Size' characteristic.	Insufficient income to accumulate a pension fund in excess of information in the 'Pension Fund Size' characteristic.
<p>Our target market includes those customers likely to have £200,000 or more to invest in their SIPP. Other customer segments may be suitable providing they meet the minimum investment requirements.</p>			
Access to savings	At least age 55 (57 from April 2028) with speed of access dependent on liquidity of investments.	At least age 55 (57 from April 2028) with speed of access dependent on liquidity of investments.	Requires access to savings before taking retirement benefits.
<p>Generally, clients must reach the Normal Minimum Pension Age (NMPA) before they can access their benefits. It may take time to realise the value of certain underlying assets, such as investments that contain property.</p>			
Country of residence	UK residents.	Non-UK Residents except those resident in, or a national of, HM Treasury defined high risk jurisdictions.	Residents or nationals of HM Treasury defined high risk jurisdictions.
<p>Our products are primarily designed for UK residents subject to UK taxation. The SIPP may be suitable for non-UK residents but please see the 'Overseas Residents' section below for further information.</p>			
Client categorisation	Retail Clients.	Retail Clients.	Professional Clients or Eligible counterparties.
<p>Our products are designed for Retail Clients as defined by the FCA. Professional Clients and Eligible Counterparties are not able to invest in a pension. Pension, financial services or investment professionals acting in an individual capacity for their own pension will be treated as Retail clients.</p>			

SIPP complexity and advice

The flexibility and range of investment options offered by The St James's Place SIPP can make it a complex proposition for clients to ensure they get the most from it. Therefore, for clients to establish an SJP SIPP, they must be introduced and advised by a St James's Place Partner.

Clients can utilise specialist investments (for example unregulated collective investment schemes and unlisted shares) on an unadvised basis, however any requests will be subject to an enhanced due diligence process, where they'll be required to sign a sophisticated investor declaration, with final approval through our Investment Committee. Please see the Curtis Banks Investment Guidance Notes for more details on specialist investments.

All transfers-in from defined or safeguarded benefit schemes must have received positive advice from, and be submitted by, an FCA regulated financial adviser who holds the appropriate permissions.

Overseas residents and US nationals

While the St. James's Place SIPP is designed primarily for UK residents, there may be circumstances when it will be appropriate for non-UK residents or US nationals resident in the UK. We can, subject to internal approval, accept:

- UK nationals living outside the UK (including the US but excluding HM Treasury defined high risk jurisdictions).
- US nationals living in the UK.
- In all circumstances the plan must be advised by an SJP Partner and the adviser must be UK based, regulated by the FCA with necessary permissions and have advised on any transfers into the plan.
- Contributions can only be made if the client is resident within the UK and transfers can only be accepted from UK pension schemes.
- Any necessary reporting must be handled by the client's accountant, adviser or investment manager.

Applications for overseas resident customers or US nationals living in the UK must be accompanied by the Overseas Client Declaration form.

The St. James's Place SIPP, Curtis Banks and our part in the distribution and value chain

The Curtis Banks Group provides SIPP administration along with associated property legal services. We don't offer financial or investment advice or manufacture our own funds for use by clients in their SIPP.

We're responsible for ensuring that The St. James's Place SIPP represents fair value to clients on an ongoing basis. This extends to consideration of services associated with property administration such as block insurance policies, valuation and legal services where those services are a legislative, regulatory or risk management requirement to protect both clients and Curtis Banks.

We are not responsible for charge levels or the determination of fair value regarding charges for products or services not selected by Curtis Banks. For example, we are not responsible for charges relating to:

- Financial advice, although we do apply decency limits to advice charges facilitated by the SIPP.
- Investment advice.
- Any other product or service in relation to a SIPP that is not selected by Curtis Banks.

How is the St. James's Place SIPP distributed?

The St. James's Place SIPP is only distributed by St. James's Place Wealth Management and SJP Partners that have clients within our target market. We will not accept applications direct from clients on an unadvised basis.

Vulnerable customers

We have both a moral and regulatory duty to ensure that vulnerable customers are identified and treated fairly, according to their needs and experience outcomes as good as those for all other customers. We understand the importance of recognising and responding to vulnerability and the varied needs of vulnerable customers. To that end, we have a Corporate Vulnerable Customer Policy in place and staff have received and continue to receive ongoing training and support in recognising, dealing with and accommodating the needs of vulnerable customers.

The FCA has identified four key drivers which may increase vulnerability, these are:

- Health.
- Life Event.
- Financial Resilience.
- Capability.

To aid us in identifying and accommodating any additional support or tailored requirements that our customers may require it would be beneficial to receive the following:

- Advisers or customers to notify at time of new business application of any adaptations required to support the customer.
- Advisers or customers to update us through the lifecycle of the plan of any new vulnerable characteristics identified or any that can be removed.

Examples of adaptations that can be made for customers with vulnerable characteristics, please note this list is not exhaustive:

- Black and white literature.
- Alternative size and style of font.
- Audio file of literature.
- Braille literature.
- All communications via telephone.
- Following up calls with summary emails or secure messages.
- Calls with the customer and a supportive third party.

Reviewing clients against our target market

We review SIPP new business on a regular basis to assess whether the product has been distributed in accordance with the information in this target market document. However, in line with FCA guidance, it remains the responsibility of each distributor to ensure that this target market is followed as they are best placed to consider client personal circumstances, needs, objectives, characteristics and suitability.

If we have concerns about plans distributed to clients that we believe are unsuitable, we will first contact St. James Wealth Management and/or the SJP Partner to raise and discuss our concerns. We will not take further action until this discussion has taken place unless we feel there is significant potential for poor customer outcomes by delaying action.

Product & Service Assessment

A Product & Service Assessment was completed in April 2023, reviewing the product against the relevant Consumer Duty rules contained in PRIN 2A.3, the Products & Services outcome rules. The assessment covered the following areas from a product design perspective:

- Target market and distribution strategy.
- Meeting the needs, characteristics and objectives of the target market.
- Risks of the product to the target market and vulnerable customers.
- Vulnerable customers.
- Avoiding adverse effects on groups of customers.
- Vested rights / terms and conditions review.
- Product testing.
- The Cross-Cutting Rules.
- Avoiding foreseeable harm and risk mitigation.

No significant issues were found on completion of this assessment although a number of areas of improvement were identified which have been assigned actions for completion by the end of July 2023.

Price & Value Assessment

A Price & Value Assessment was completed in April 2023, reviewing the product against the relevant Consumer Duty rules contained in PRIN 2A.4, the Price & Value outcome rules. The assessment measured the total customer benefits provided by the product against the total costs to the customer in the following areas:

Customer benefit metrics	Customer Cost/Charge metrics
Product features & benefits.	Curtis Banks' costs vs fees charged to customers.
Quality of servicing.	Market rate & charges for comparable products.
Quality of scheme & investment governance.	Customer groups & vulnerability.
Distribution arrangements.	Non-financial costs.

Final ratings for both sets of metrics were then adjusted according to any significant findings, positive or negative, related to the cross-cutting rules to come to an overall conclusion on whether the product provides fair value to customers in its target market.

Our final conclusion was that the product represents fair value to customers in the target market. Two residual actions were taken to review the application of individual charges which have been assigned a completion date of end of July 2023.

More information

For more information about the St. James's Place SIPP please visit the SJP internet and Curtis Banks website to access the following documents:

- SJP SIPP Brochure
- Group Due Diligence Document
- SJP SIPP Key Features
- SJP SIPP Property Guide
- SJP Setting up a SIPP document

For more information about our Product Lifecycle Management process or for questions regarding Due Diligence, please contact your usual Curtis Banks representative.

Contacting Us and Accessing Our Services

If you'd like to speak to us about anything on this target market document, please contact your Business Development Manager.

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

Email: enquiries@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.

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

The tax treatment and tax benefits of a SIPP outlined in this document are based on our understanding of current tax law at April 2024, and draft legislation that can change. Tax treatment depends on a client's individual circumstances and may be subject to change in the future.

Should your client experience difficulties accessing any of our services due to personal circumstances, we may be able to make some adjustments to help them. Please contact your dedicated relationship manager to discuss any support adjustments that may be available.

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If you're contacting us by email, please remember not to send any personal, financial or banking information because email is not a secure method of communication.

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