

CHAIR'S ANNUAL REPORT:
The PTL Governance Advisory Arrangement
Curtis Banks workplace personal pension plans

March 2017

1. Introduction and Executive Summary

This report on the workplace personal pension plans provided by Curtis Banks has been prepared by the Chair of the PTL Governance Advisory Arrangement ("the GAA"). It is our second annual report.

This report sets out our assessment of the value for money delivered to policyholders (see Sections 2 and 3). It also explains the background and credentials of the GAA (see Appendix 3). The GAA works under Terms of Reference, agreed with Curtis Banks, dated 25 November 2015. These are publicly available (see Appendix 3).

The workplace personal pension plans provided by Curtis Banks are Group Self Invested Personal Pension Plans (SIPPs). More details about the numbers of policyholders and their funds are shown in Appendix 1.

The GAA believes that deciding what represents "value for money" is subjective and that value for money will mean different things to different people. We think value for money can be judged by looking at the balance of the costs paid by policyholders to the Group SIPP provider against the benefits and services provided from their policy.

The GAA has assessed the aspects of value for money which are practical to apply to Group SIPP Providers. The GAA requirements are relevant because Group SIPPs are classified as workplace pensions, although the same requirements do not apply to individual SIPPs. The GAA has highlighted this issue to the FCA. The assessment encompasses the charges, communications, administration, processes, reviews, admissibility and other aspects controlled by Curtis Banks. However, it does not include the elements provided by the Independent Financial Advisers (IFAs), or employers (including investment matters and charges) not controlled by Curtis Banks.

We have also considered the extent to which Curtis Banks has checked that policyholders are either sophisticated investors, as defined by the FCA, or have been advised by a qualified and authorised Independent Financial Advisor.

To the extent that policyholders are neither sophisticated investors nor advised, we have considered the investment fund processes as for other workplace pension providers. Curtis Banks has put a process in place to review default funds for schemes where there are policyholders who are neither sophisticated investors nor advised, and offers an individual annual review service for non-advised policyholders, which is available to Group SIPP members for an additional fee. The scheme review process will be extended to all funds of schemes without advisers, except where it is known that all members are sophisticated investors.


The GAA's opinion is that, in the context of protecting members of workplace pension schemes, the aspects of the SIPPs provided or controlled by Curtis Banks provide reasonable to good value for money (except in a small number of cases where charges exceed 0.3% of the fund). Curtis Banks has taken steps to check the advised or sophisticated investor status of policyholders. This process is almost complete. In addition, where there is no adviser, Curtis Banks is providing a review of investments.

We have identified a small number of cases where the charges may exceed 0.3%, in 2 cases in excess of 1.5%. In these schemes, the policyholder is at risk of poor value and we have raised these cases with Curtis Banks. Curtis Banks has explained the reasons why these schemes have small funds, which are unlikely to be added to. Curtis Banks has written to the individual policyholders to draw their attention to the charges and to recommend that they take financial advice and consider whether a SIPP remains an appropriate vehicle for them.

See Section 3 and Appendix 2 for more details of the value for money assessment.

A colour-coded summary of our value for money assessment is shown below:

	Self Invested Personal Pension Plan
Investment: "Advised" or "sophisticated" policyholders	
Communications and support	
Risk Management: Operational and Financial	
Other factors: administration, options at retirement, etc.	
Overall benefit:	
Level of charges (excluding investment)	
Overall value for money assessment	



During the year we have raised concerns with Curtis Banks regarding the level of charges for a very small number of policyholders who are at risk of poor value for money. We have also discussed in detail their processes for ensuring that policyholders have continued access to advice, and the role of Curtis Banks in reviewing investments where there is no adviser involved.

Arrangements have been put in place to ensure that the views of the policyholders can be directly represented to the GAA (see Section 4.3).

If you are a policyholder and have any questions, require any further information or wish to make any representation to the GAA you should contact:

Curtis Banks, 3 Temple Quay, Bristol, BS1 6DZ

2. Value for money assessment framework for SIPPs

The GAA has developed a framework for assessing value for money. In broad terms, the benefits offered to members by the workplace pension provider are assessed in three different areas. These areas are Investment, Member Communications and Support and Additional Factors.

For group SIPP providers the vast bulk of policyholders are either advised by a suitably qualified and authorised Independent Financial Advisor or are “sophisticated investors” as defined by the FCA (see below). Therefore, for these providers, such as Curtis Banks, the investment aspects of the framework become an assessment of the process by which the provider ascertains that members are advised or are “sophisticated investors.” It becomes a wider assessment if there are policyholders who are neither.

The assessment of the benefits as a whole is then balanced against the provider charges borne by members to reach an overall conclusion on value for money.

Investment aspects:

The FCA has prescribed five specific features that the GAA must assess and these have been built into the framework described above. However, some of these do not directly apply in the SIPP environment for individual SIPPS, and are relevant to the GAA due to the classification of Group SIPPS as workplace pensions. In isolation, the SIPP regulations do not require that providers consider these aspects. The GAA has highlighted this issue to the FCA. We explain this below.

The FCA requires the GAA to assess:

<i>“whether default investment strategies are designed and executed in the interests of relevant policyholders”</i>

<i>“whether default investment strategies have clear statements of aims and objectives”</i>

<i>“whether the characteristics and net performance of investment strategies are regularly reviewed by the firm to ensure alignment with the interests of relevant policyholders and that the firm takes action to make any necessary changes”</i>
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Under the rules of a SIPP, the policyholder directs the investment strategy, and is usually guided by their Independent Financial Adviser who will suggest strategies and put arrangements in place in conjunction with fund managers or investment platforms to implement those strategies. The SIPP provider has no active role in this. Its role is limited to the administration, except that it is expected by the FCA to act as a “gatekeeper”, for instance by carrying out due diligence on policyholders’ advisers and on non-standard investments, monitoring adviser activity in terms of excessive charging and monitoring for unsuitable clients for the SIPP environment (such as those with low fund sizes or who appear to be unsophisticated investors).

The SIPP provider does not have a role in designing or managing investment strategies nor in setting their aims and objectives. These roles are fulfilled for a SIPP by the member or in some cases potentially by the employers. In many cases SIPP policyholders choose this type of pension because they are “certified high net worth” or “sophisticated” investors as defined in FSA Handbook COBS 4.12.6/7/8 R.

<https://www.handbook.fca.org.uk/handbook/COBS/4/12.html#DES582>

In these cases the provider is safe to assume that the policyholder is able to design the strategy and evaluate whether they are obtaining value for money over time from their investments.

For unsophisticated or non-advised policyholders the provider should undertake some form of review of the characteristics and performance of the investment strategies, and we are able to assess this process. However, by their nature, SIPP's can invest in "non-standard" assets such as the unquoted shares or business premises of the employer. In such cases, it is likely that the member themselves will be much better placed to obtain information on, and understand the characteristics and net performance of, such strategies, rather than the provider.

The provider is, however, unable in practice to take action to make any necessary changes, because as described, it has no role in setting or managing investment strategies. The provider is able to raise concerns but cannot require action to be taken.

Group SIPP's generally do not have default funds in operation because each policyholder is choosing their own investments. Some group SIPP's have the same investment for each person, but each person has chosen the investment. Curtis Banks has identified the schemes where there is a genuine default fund (rather than a fund that has been independently chosen by a majority of the policyholder).

Accordingly, the GAA has not assessed the provider in relation to the first two areas in the table above unless any default funds are present. Our assessment has therefore started with a review of the process and outcome of the work done by Curtis Banks to establish which policyholders are receiving ongoing advice from an independent financial adviser, or can evidence that they are "certified high net worth" or "sophisticated investors". As this work has identified a number of cases where this does not apply, we have also looked at the investment review process undertaken by Curtis Banks. This review applies to both default funds and other funds.

3. Value for money assessment

The GAA has assessed the value for money delivered by Curtis Banks to its workplace personal pension policyholders by looking at cost versus benefits. More detail about how we have done this is set out in Appendix 2.

Key highlights of our assessment

- The GAA has evaluated Curtis Banks using the value for money assessment framework for Group SIPPs.
- Communications are generally reasonable and in some cases good, where these have been reviewed recently.
- Administration is of a good standard.
- The range of compliance checks is extensive.
- Charges are generally levied in monetary amounts, with a wide range depending on the complexity of the underlying investments, the degree of automation of the interface between the policyholder and the provider and investment platform and any discounts applied to reflect the economies of scale of grouping policies for people working at the same employer.
- The GAA focused on ensuring that the majority of members were advised or did not need advice because they understood the proposition.
- We have also been able to evaluate the support provided by Curtis Banks to non-advised policyholders and found this to be good, subject to the constraint that Curtis Banks has no power to make any changes to the investment strategy or choice of funds used to implement it.

Overall assessment of value for money

Fees are expressed in monetary terms and a range of different fees applies, depending on factors specific to each scheme. This approach means that individuals with smaller funds pay a higher percentage charge, but Curtis Banks believes this is fair because the work involved on their part does not depend on the size of the fund. Hence value for money varies according to fund size if considered in percentage terms.

The GAA has assessed the aspects of value for money which are practical to apply to Group SIPP Providers. This encompasses the charges, communications, administration, processes, reviews, admissibility and other aspects controlled by Curtis Banks. However, it does not include the elements provided by the Independent Financial Advisers, or employers (including investment matters and charges) not controlled by Curtis Banks.

We have considered the extent to which the Provider has checked that policyholders are either sophisticated investors, as defined by the FCA, or have been and continue to be advised by a qualified and authorised Independent Financial Advisor. This process is still underway but for the cases that have been completed, we are satisfied that the process is thorough and effective.

To the extent that policyholders are neither sophisticated investors nor advised, we have considered the investment review process provided by Curtis Banks. There are some such policyholders for Curtis Banks.

The GAA's opinion is that, in the context of protecting members of workplace pension schemes, the aspects of the SIPPs provided or controlled by Curtis Banks provide reasonable to good value for money.

Curtis Banks have taken steps to check the advised or sophisticated status of policyholders. This process is not yet complete and has identified a number of schemes where there is no Independent Financial Adviser and the policyholders cannot be deemed to be sophisticated investors.

We have identified a small number of cases where the charges may exceed 0.3%, in 2 cases in excess of 1.5%. In these schemes, the policyholder is at risk of poor value and we have raised these cases with Curtis Banks, who are taking action as a result.

4. GAA activity and regulatory matters

This section describes the work that the GAA has done over the year and also covers the other matters which we are required to include in our annual report.

4.1 GAA actions this year

We prepared and issued a request for data on all the relevant workplace pension policies on 14 June 2016.

On 12 October 2016, members of the GAA had discussions with key Curtis Banks staff from the administration and finance and compliance teams. We discussed the nature of the portfolio and the extent to which policyholders may not be advised. The administration team leader described the nature of the support provided to the policyholders and the service standards aspired to, monitored and achieved. We also discussed the extent to which Curtis Banks is able to review investment performance on behalf of policyholders who do not have a financial adviser.

Curtis Banks have provided all the information requested by the GAA.

The GAA held 7 meetings during 2016 to review and discuss the information we had received and to develop and improve the way that we assess value for money and report on this.

4.2 Concerns and Challenges raised with the Provider by the GAA and their response

The GAA has engaged and challenged Curtis Banks extensively during the year covered by this report and in previous years.

In the first year engagement focused on the extent to which the provider was responsible for the entire proposition. It became clear that as a SIPP provider Curtis Banks regarded itself as a facilitator rather than a provider. It expected the policyholders were able to make their own investment decisions and assess their own value for money in the choices that members have made.

In this year, the GAA challenged the provider to provide complete evidence that policyholders were taking independent advice or were competent to make these decisions by being “sophisticated investors” as defined by the FCA.

The GAA challenged Curtis Banks to find a solution for other Policyholders either by reviewing investment performance as a Provider or by insisting on independent financial advice for Policyholders. Curtis Banks chose the former approach and has commenced such investment reviews.

The GAA also raised specific issues on charges for a small number of policyholders, where these exceeded 0.3% per annum, which in our opinion puts the policyholder at risk of poor value for money. Curtis Banks have explained the reasons why these schemes have small funds, which are unlikely to be added to. Curtis Banks has written to the individual policyholders to draw their attention to the charges and to recommend that they take financial advice and consider whether a SIPP remains an appropriate vehicle for them.

4.3 The arrangements put in place for policyholders’ representation

The following arrangements have been put in place to ensure that the views of policyholders can be directly represented to the GAA:

The role of the GAA and the opportunity for policyholders to make representations direct to the GAA has been communicated via the Curtis Banks website and has been highlighted on annual benefit statements.

Curtis Banks will receive and filter all policyholder communications, to ensure that this channel is not being used for individual complaints and queries rather than more general representations which may be applicable to more than one policyholder or group of policyholders. Where Curtis Banks determines that a communication from a policyholder is a representation to the GAA, it will be passed on in full and without editing or comment for the GAA to consider.

5. Next Steps

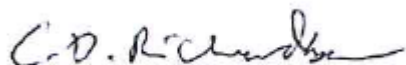
This GAA report is for the year to 5 April 2017. The process of annual reports under the FCA requirements is ongoing and further annual reports will be required.

In the next year the GAA will:

- Assess the completion of the confirmation of investor status as advised or sophisticated
- Assess the investment review process in more detail
- Look in more detail at transaction costs for underlying investment funds

If you are a policyholder this report is for your information only and you do not have to take any action. If you do have any questions, require any further information or wish to make any representation to the GAA you should contact Curtis Banks at the address shown below:

Curtis Banks, 3 Temple Quay, Bristol, BS1 6DZ



Colin Richardson

Chair: PTL Governance Advisory Arrangement

Appendix 1

Summary of workplace personal pensions data at 31 December 2016

This is the GAA's second annual report in respect of the workplace personal pension schemes provided by Curtis Banks, which are all Self Invested Personal Pensions ("SIPPs").

	CB Montpellier	Dundee	Rathbones	Friends Life	Pointon York	Bridgewater	Suffolk Life
Number of employers: Non-qualifying for auto-enrolment	13	2	2	1	14	1	17
Number of employers: qualifying for auto-enrolment	0	0	0	0	4	0	0
Total number of policy holders	435	14	121	32	1469	25	124
Total value of assets (market value)	£61.3m	£7.25m	£63.29	£1.02m	£56.54m	£7.09m	£21.1m

1. The largest group of SIPPS (19 schemes) which operate on a group basis for 5 members or more were sold as Corporate SIPPs by Pointon York, before Curtis Banks acquired the business of Pointon York.
2. A small number of Group SIPPs (5 schemes) have been sold under different brands to employers and are effectively viewed by Curtis Banks and by the employer as workplace pension schemes.
3. A book of SIPPs was acquired from Legal & General under the Suffolk Life brand during 2016. These had not previously been viewed as workplace pension schemes but Curtis Banks believe that 17 schemes do fall within the definition and therefore there have been included in our scope.
4. There are a further 14 schemes with 5 members or more which were not sold via the employer. Typically in these cases a small group of employees have purchased the same SIPP individually, but as contributions are paid across by the employer in bulk, they fall within the FCA's definition of a workplace pension scheme.
5. There is a further larger group of schemes with 2 to 4 employees, sold on the same basis as the fourth category.

Appendix 2

Value for money assessment

The GAA believes that value for money is necessarily highly subjective and will mean different things to different people over time, depending on what they consider important at that time. What is clear is that it is always a balance of cost versus benefits. There is not enough publicly available data to perfectly assess value for money in an absolute or relative way. We have, however, been able to carry out limited relative comparison of the costs and benefits of these workplace personal pension plans with similar products from similar providers.

The GAA has assessed the value for money delivered by Curtis Banks to its workplace personal pension policyholders by looking at costs compared against our evaluation of the quality of the benefits.

A key area for Group SIPPS is whether policyholders are either advised by a suitable qualified and authorised Independent Financial Adviser on appropriate investment funds for their requirements, or are deemed “sophisticated investors” as defined by the FCA (described in section 2 of this report). Therefore, a central part of the GAA’s assessment has been the Provider’s process to know this for all policyholders. Curtis Banks also undertakes a review of investments for non-advised investors, and we have assessed this process.

In addition, we have looked at the benefits offered to policyholders in communications and administration – together with other features such as the range of options available at retirement. In making our overall assessment of the quality of the benefits and standards achieved, where possible we have taken into account the likely needs and expectations of this group of policyholders, based on the information available to us.

We have looked at the total ongoing cost of the policy by analysing all the charges, which may be applied in a number of different ways.

Finally, we have considered the quality of benefits offered versus the charges deducted, to reach an overall opinion on value for money. Where possible, we have formed our opinion taking into account the benefits and charges of other similar providers.

In each area of benefits, in the tables on the next few pages we have described the features in the left hand column, based on the information given to us. Our opinion on quality is given alongside in the right hand column.

Where we have used technical pensions terms or jargon, these are explained in the glossary at the back of this report.

<p><i>Investment – Confirmation that policyholders are “advised” or “sophisticated”</i></p>	
<p>Curtis Banks has provided a list of schemes showing the name of the employer, the number of policyholders, average fund size and typical investment strategy or the name of the discretionary fund manager or platform used.</p> <p>Curtis Banks has explained their role in accepting schemes and outlined the processes that they follow to assess the suitability of the adviser, fund manager and policyholders.</p> <p>Curtis Banks has provided evidence that almost all policyholders are advised or have provided evidence to their employer that they are “certified high net worth investors” or “sophisticated investors”. Curtis Banks is in the process of completing their checks to identify which policyholders fall into one of these groups.</p>	<p>Curtis Banks is checking policyholder status in detail which is welcomed. The GAA has been provided with comfort that the status is clear or will be clear for all policyholders.</p> <p>In the majority of cases, policyholders are advised by an IFA associated with the scheme.</p> <p>In a small number of cases, policyholders are neither advised nor sophisticated investors, and these will be covered by Curtis Banks’ investment review processes and support.</p>
<p><i>Investment – Review process and support for non-advised policyholders</i></p>	
<p>Curtis Banks has introduced an extra service to support policyholders with newsletters and information on investment issues and this extends to Group SIPP members. In addition, it will be compulsory for policyholders who are neither advised nor sophisticated investors to receive a light touch annual review of their investment performance, with reminders on the impact of charges and the importance of reviewing their investments in line with their attitude to risk, which may change as they approach retirement. There is an additional fee for this service.</p> <p>In addition, for schemes where there is no adviser and it cannot be confirmed that all the members are sophisticated investors, Curtis Banks will review the characteristics and net investment performance of each fund and communicate their observations to the employer.</p>	<p>We welcome the introduction of the new individual annual review service, which we believe represents reasonable value for money based on the small additional fee.</p> <p>The fund review process is in its early stages and we will work closely with Curtis Banks to monitor its effectiveness and evolve it as appropriate.</p>
<p><i>Communications and Support – Overall quality of written communications, including education on pension saving</i></p>	
<p>Sample policyholder communications have been provided including an annual benefit statement, pre-</p>	<p>In our opinion, written policyholder</p>

Description of arrangements

GAA assessment and opinion

<p>retirement wake up letter or pack, and retirement option packs.</p>	<p>communications are generally of a reasonable standard for the typical SIPP member, who will generally have the support of an IFA.</p> <p>The wake up letters have changed since last year and in our opinion are good.</p>
<p><i>Communications and Support - Other support, including telephone and online</i></p>	
<p>Curtis Banks explained that telephone support is available direct to policyholders but in general most contact is made via the financial adviser or the employer, by telephone or email.</p> <p>Policyholders can obtain fund values over the telephone or online if they belong to an eSIPP.</p>	<p>In our opinion, the dedicated portfolio manager should provide members with a good level of support, although we have been unable to obtain specific evidence of this.</p>
<p><i>Communications and Support - When choosing retirement options</i></p>	
<p>The options available are set out to policyholders, with links to websites providing guidance and information, but no additional support is available. There is no annuity broking service.</p>	<p>The level of support is reasonable, bearing in mind that most policyholders will have access to independent financial advice.</p>
<p><i>Risk Management – operational and financial</i></p>	
<p>We discussed the security of IT systems and physical security measures at the site visit. Secure messaging is now used rather than email when communicating with policyholders, employers and advisers regarding financial transactions.</p> <p>Curtis Banks is a leading provider of SIPP products with significant assets under administration.</p> <p>There is no independent assurance of internal controls, although there are plans to appoint an internal auditor.</p> <p>The business has grown by acquisition and, although it is not intended to write new Group SIPP business, further workplace pension schemes may be acquired in future. On acquisition, product features and charges are reviewed and brought into line with Curtis Banks standards.</p>	<p>We were satisfied that systems and other security issues have strong control procedures and the appointment of an internal auditor will further improve internal controls.</p> <p>As Curtis Banks is providing an administration wrapper and platform, its financial strength is not a primary security concern to policyholders.</p> <p>We recommend that Curtis Banks considers obtaining external audit or assurance of its internal controls and processes.</p>

<i>Administration service and core financial transactions</i>	
<p>Curtis Banks carry out the administration, working to high standards which are published on their website. Their aim is to complete most standard tasks within 5 working days.</p> <p>If the agreed Service Standards are met, core financial transactions will be processed promptly and accurately.</p> <p>There have been a small number of member complaints although not of a material nature.</p>	<p>Based on the small sample of data we have received for the period March to September 2016, we believe that members receive a good administration service.</p> <p>Member complaints have been dealt with.</p>
<i>Other governance or support arrangements</i>	
<p>There are no additional (financial or other) benefits to policyholders by virtue of their membership of a Curtis Banks Group SIPP.</p>	
<i>Retirement options</i>	
<p>At retirement, policyholders can take one or more UFPLS from their fund or select flexible drawdown, without transferring to a different product or provider. Alternatively, policyholders can arrange an annuity purchase on the open market, as Curtis Banks does not offer annuities.</p>	<p>Policyholders can access the full range of options at retirement, with an external transfer only required if an annuity is purchased.</p>

<i>Charges and direct and indirect costs borne by policyholders</i>	
<p>The GAA has ignored set up fees in this review as no new Group SIPPs are being put in place.</p> <p>Practice will vary as to whether these fees are borne by the policyholders or met by the employer. Different charges can apply to different schemes but information about the full range has been provided.</p> <p>Curtis Banks' fees are generally expressed in monetary terms rather than as a percentage of the fund except in a few cases where a percentage fee is charged on an annual basis, sometimes capped to a monetary amount.</p> <p>Curtis Banks has no control over fund management charges, which are payable in addition to Curtis Banks' fees, and in any event do not benefit from them.</p>	<p>For most policyholders the charges from Curtis Banks will be small in percentage terms.</p> <p>Policyholders will bear investment charges and, where applicable, advisory charges in addition to Curtis Banks' charges, but these are not under Curtis Banks' control.</p>

Overall assessment of value for money

Where fees are expressed in monetary terms and are quite high in nominal terms, value for money will be improved as the member's fund size increases. Where fees are expressed as a percentage of the fund value for money is better for members with small funds.

The GAA has assessed the aspects of value for money which are practical to apply to Group SIPP Providers. This encompasses the charges, communications, administration, processes, reviews, admissibility and other aspects controlled by Curtis Banks. However, it does not include the elements provided by the Independent Financial Advisers, or employers (including investment matters and charges) not controlled by Curtis Banks.

We have considered the extent to which the Provider has checked that policyholders are either sophisticated investors, as defined by the FCA, or have been and continue to be advised by a qualified and authorised Independent Financial Advisor. This process is still underway but for the cases that have been completed, we are satisfied that the process is thorough and effective.

To the extent that policyholders are neither sophisticated investors nor advised, we have considered the investment review process provided by Curtis Banks.

The GAA's opinion is that, in the context of protecting members of workplace pension schemes, the aspects of the SIPPs provided or controlled by Curtis Banks provide reasonable to good value for money (except in a small number of cases where charges exceed 0.3% of the fund). Curtis Banks has taken steps to check the advised or sophisticated investor status of policyholders. This process is almost complete. In addition, where there is no adviser, Curtis Banks are providing a review of investments.

We have identified a small number of cases where the charges may exceed 0.3%, in 2 cases in excess of 1.5%. In these schemes, the policyholder is at risk of poor value and we have raised these cases with Curtis Banks. Curtis Banks has explained the reasons why these schemes have small funds, which are unlikely to be added to. Curtis Banks has written to the individual policyholders to draw their attention to the charges and to recommend that they take financial advice and consider whether a SIPP remains an appropriate vehicle for them.

Appendix 3

Background and credentials of the PTL Governance Advisory Arrangement

In February 2015 the Financial Conduct Authority (FCA) set out new rules for Providers operating workplace personal pension plans (called relevant schemes) to take effect from 6 April 2015. From that date, Providers had to have set up an Independent Governance Committee or appointed a Governance Advisory Arrangement whose principal functions would be to:

- Act solely in the interests of the relevant policyholders of those pension plans and to
- Assess the “value for money” delivered by the pension plans to those relevant policyholders.

The FCA rules also require that the Chair of each Independent Governance Committee and Governance Advisory Arrangement produce an annual report setting out a number of prescribed matters.

The PTL Governance Advisory Arrangement was established on 6 April 2015 and has been appointed by a number of workplace personal pension Providers. PTL is a specialist provider of independent governance services primarily to UK pension arrangements. Amongst other appointments we act as an independent trustee on several hundred trust based pension schemes and we sit on a number of IGCs. We have oversight or responsibility for in excess of £120bn of pension assets. More information on PTL can be found at www.ptluk.com.

All of PTL’s Client Directors have been appointed to the GAA. More information on each of them, their experience and qualifications can be found at <http://ptluk.com/team/>.

Dean Wetton is also a member of the GAA. Dean is independent of PTL. Information on his experience and qualifications can be found at <http://www.deanwettonadvisory.com/consultants/index.html>.

PTL, its Client Directors and Dean Wetton are independent of all of the Providers participating in the GAA in so far as:

- They are not directors, managers, partners or employees of any of the Providers, or any company within their groups, or paid by them for any role other than as members of the GAA, nor are they members of the share option or performance related pay schemes of any of the Providers nor have they been within the last five years.
- They do not have a material business relationship of any description with any of the Providers, or any company within their groups, and have not done so within the last three years.

Any potential conflicts of interest are recorded in a log and considered by the GAA in accordance with its conflict of interest policy.

The members of the GAA are appointed by the board of PTL. The board is satisfied that individually and collectively the members of the GAA have sufficient expertise, experience and independence to act in the interests of the members of the Providers’ pension plans.

The terms of reference agreed with Curtis Banks can be found at:

<http://www.curtisbanks.co.uk/group-sipp.html>

Glossary

“Annual Management Charge” or “AMC” means a deduction made by the pension provider or investment manager from invested assets, normally as a percentage of the assets. The AMC is generally how the pension provider or investment manager is paid for their services.

“Annuity” means a series of payments, which may be subject to increases, made at stated intervals, usually for life. If the annuity is “joint life”, it will continue to a spouse (usually at a lower rate) after the death of the original person receiving the payments (“the annuitant”).

“Core financial transactions” means the essential processes of putting money into a pension policy or taking it out, namely:

- *Investment of contributions*
- *Implementation of re-direction of future contributions to a different fund*
- *Investment switches for existing funds, including lifestyling processes*
- *Settlement of benefits – whether arising from transfer out, death or retirement*

“Decumulation” means the process of using policyholder’s fund to provide retirement income. This could involve purchasing an annuity to provide an income for life or leaving the fund invested and taking it out as one or more lump sums.

“Default investment strategy” means the investment funds into which contributions are invested for policyholders who do not select other specific investment funds from the full range of funds available.

“Exit charges” means a charge taken when you leave an investment option / provider.

“Flexible drawdown” or “Flexi Access Drawdown” means an option for an individual to receive payments from their pension fund as they choose.

“Lifestyling” means an automated process of switching investment strategy as a policyholder approaches retirement, in a way that is designed to reduce the risk of a policyholder’s retirement income falling.

“Transaction costs” means a combination of explicit and implicit costs included within the price at which a transaction (i.e. buying or selling an asset) takes place.