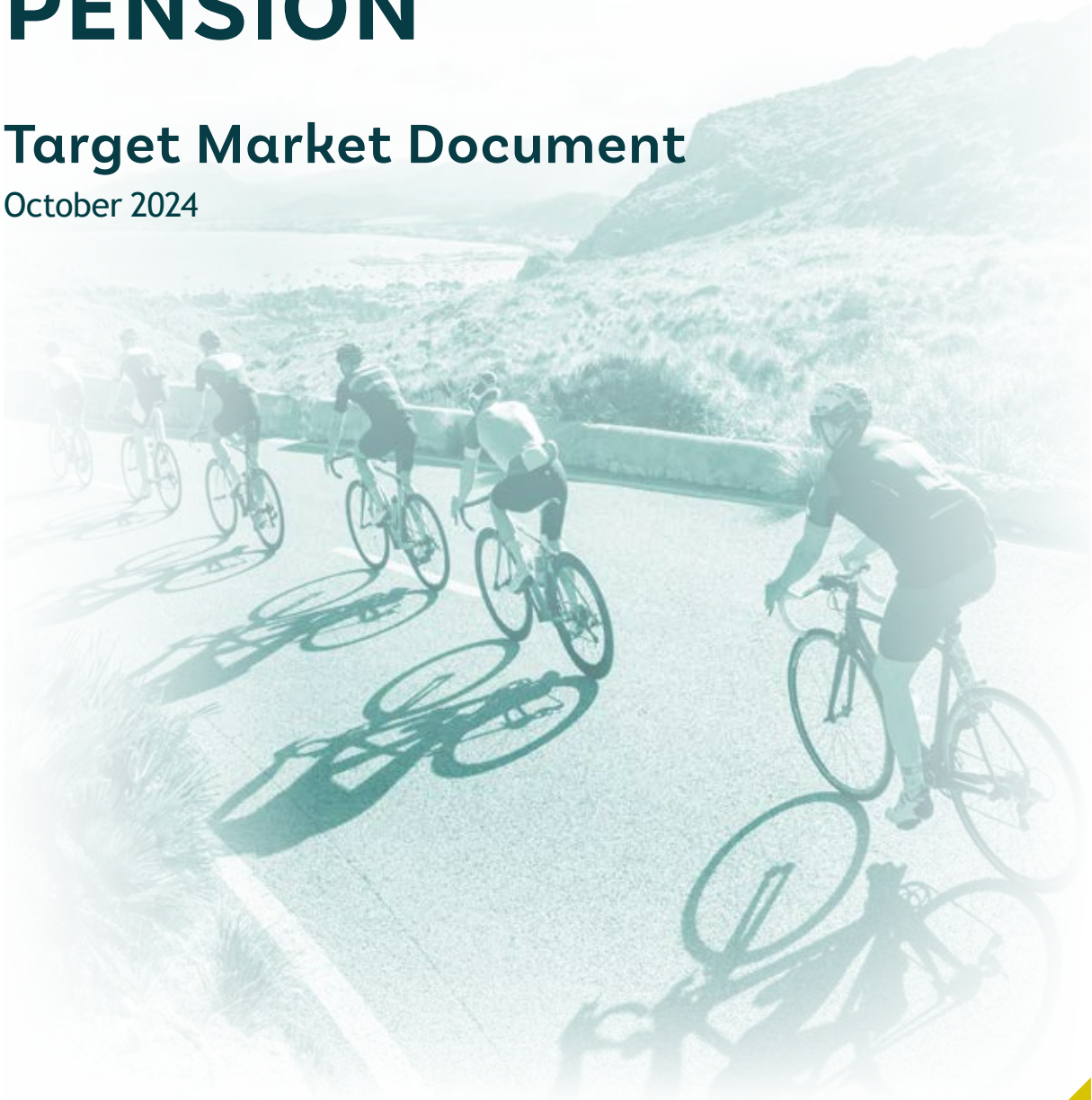


AXMINSTER TOOLS & MACHINERY STAFF PENSION

Target Market Document

October 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 Axminster Tools & Machinery Staff Pension SIPP. It is intended for use by Prydis Wealth Limited to help them understand whether The Axminster Tools & Machinery Staff Pension SIPP is right for employees at Axminster Tools Centre Ltd. It is based on Curtis Banks' opinion and does not take into account individual circumstances.

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What is The Axminster Tools & Machinery Staff Pension SIPP?

The Axminster Tools & Machinery Staff Pension is a Self-Invested Personal Pension proposition from Curtis Banks, designed for employees of Axminster Tool Centre Ltd. Those who are looking to enter the SIPP must be advised by Prydis Wealth Limited.

It includes:

- A set annual fee of 0.3%, charged based on the value of the employees assets held in the scheme.
- A further menu-based charging structure so that employee's only pay for the additional functionality they use, such as taking benefits.
- The ability for the employees to take their benefits from their pension by withdrawing a tax free lump sum all at once or take it in stages. Should they choose to, they can also set up regular income payments which can be amended or stopped at any time or take single payments as needed.
- Access to a secure portal where you or the employee can view information regarding the group and initiate a number of transactions and money movements.
- Ability to pay adviser fees from the SIPP.
- Pooled investments and a pooled SIPP bank account.

For more information, please contact your usual Curtis Banks representative.

What client needs and objectives does The Axminster Tools Pension SIPP aim to meet?

The Axminster Tools SIPP is designed to be compatible with the following client needs and objectives:

- Employees at Axminster Tools Centre Ltd wanting to join a well established group SIPP workplace pension wrapper to invest in the pooled assets over the medium to long-term.
- Those looking to invest purely in the group pooled assets.
- To consolidate different pension funds with one provider to benefit from economies of scale and easier administration;
- To benefit from a combination of fund based percentage charging and menu based charging structures. The additional menu based structure allows the employees to have a charging structure that adapts as their retirement changes. See The Axminster Tools and Machinery Staff Pension Schedule of Fees, which is available on our website at www.curtisbanks.co.uk/literature, 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 employees and Axminster Tools Centre Ltd to make one-off contributions, along with the regular contributions already being paid in.
- To benefit from award-winning service and administration of their pension arrangements;
- To be able to view details of their plan online via a portal and initiate instructions, such as change of details, via secure message;
- To pass-on wealth to beneficiaries, including potential for provision of an income or lump-sum to their chosen beneficiaries if they die.

The Axminster Tools SIPP IS NOT designed to be compatible with the following client needs and objectives:

- To invest only for the short term (less than 12 months).
- Those looking to have access to a wider range of investments that are typically more available through individual SIPPs and personal pensions, which can also include purchasing a commercial property on an individual basis.
- Those also looking to utilise investments outside of our Schedule of Allowable Investments.
- Clients not willing to accept the risks as stated within the Key Features.
- Those not willing to be advised by Prydis Wealth Limited.
- 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).
- 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.
- 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 accommodate insistent defined benefit scheme transfers against adviser recommendations.
- To invest using the FCA's Investment Pathways.

What client characteristics is The Axminster Tools Pension SIPP designed to be compatible with?

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

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

Employee characteristics	Target market	Potential suitability	Not suitable for
Age	30-75.	Any.	N/A.
<p>Our target market range starts at 30 to allow for sufficient pension funds to be built elsewhere, before entering a more complex and risky product that has a small number of investment options available.</p>			
Employment Status	Permanently employed for 3 months or more and successfully passed probation.	N/A	Employed for less than 3 months or still within probation.
<p>Employees at Axminster Tools Centre Ltd must be employed for 3 months or more and have successfully passed probation to be able to join the scheme.</p>			
Pension knowledge and experience	Any level of pension knowledge and experience whilst using Prydis Wealth as their financial advisers.	Any level of pension knowledge and experience whilst using Prydis Wealth as their financial advisers.	Those not willing to use Prydis Wealth Limited as their financial adviser.
<p>Workplace Pension SIPPs can be complex arrangements, especially when ensuring the right decisions are made at the right time. Therefore to join and continue to be a member of this scheme, employees must use Prydis Wealth Limited as their adviser.</p>			
Investment knowledge and experience	Any level of investment knowledge and experience whilst using Prydis Wealth as their financial advisers.	Any level of investment knowledge and experience whilst using Prydis Wealth as their financial advisers.	Those not willing to use Prydis Wealth Limited to provide investment advice.
<p>The Axminster group is a bespoke arrangement with complex investments that can only be used through this scheme. Employees must therefore take investment advice from Prydis Wealth, the schemes dedicated advisers, to ensure this is the most suitable product for them.</p>			
Entry Funding Requirements	Minimum contribution funding of 3% salary from the employer and additional contributions made by the employee up to 8%. Plus those who can also transfer in another policy from elsewhere, to benefit from economies of scale.	Those only willing to pay in the minimum contribution funding of 3% from the employer and additional contributions made by the by the employee up to 8%.	Those who are cannot afford the level of personal pension contributions to make up the shortfall.
<p>Axminster Tools Centre Ltd and the employee are required to contribute into the scheme. Axminster Tools Centre Ltd should consider how best to support their employee if they cannot afford the level of personal pension contributions to meet the criteria.</p>			

Employee characteristics	Target market	Potential suitability	Not suitable for
Length of investment	Long term - 5 years, ideally longer.	Medium term (1 to 5 years) if there is a specific client objective.	Short term (less than 12 months).
<p>Given the nature of the product we recommend that those looking to enrol and participate in this scheme do so for at least 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.</p>			
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 small and complex range of investments on offer within this product (Property and one investment portfolio) means that those who have no appetite for risk or are looking for preservation of capital, this product will not be suitable for. Due to the combination of product, investment fluctuations and adviser charges, this could lead to some capital erosion.</p>			
Tax status	Relevant UK individuals with current UK relevant earnings.	Relevant UK individuals with current 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>			
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 the assets held within the scheme.</p>			
Country of residence	UK residents.	UK residents.	Anyone who resides outside of the UK.
<p>The Axminster Tools Centre Ltd is designed for employees of Axminster Tools Centre Ltd that are UK residents and are subject to UK taxation, so contributions in to the scheme can be made. Please see the 'Overseas Residents' section below for further information.</p>			
Client categorisation	Retail clients.	Retail clients.	Professional Clients or Eligible counterparties.
<p>This product is 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

Due to the nature of the product and the investments held within it, The Axminster Tools & Machinery SIPP can be a complex proposition for employees of Axminster Tools Centre Ltd to ensure they get the most from it. Therefore, any employee looking to enter the scheme must receive advice from Prydis Wealth Limited, a professional, FCA-regulated, financial adviser firm. We're happy to answer employee questions, should they contact us directly, but we're not able to provide advice.

Specialist investments (for example unregulated collective investment schemes and unlisted shares) are available to be purchased, should Prydis Wealth propose this investment strategy for the group scheme. Any specialist investments being considered would go through an enhanced due diligence process with approval from our Investment Committee. Please see our Schedule of Allowable Investments for more details on specialist investments.

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

Overseas residents and US nationals

The Axminster Tools & Machinery Staff Pension Scheme is designed for UK resident employees of Axminster Tools Centre Ltd.

Contributions into this scheme can only be made if the employee is a UK resident and therefore we're unable to accept any clients that reside outside of the UK.

The Axminster Tools Pension SIPP, Curtis Banks Group 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 Axminster Tools and Machinery Staff Pension 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 Axminster Tools Pension SIPP distributed?

The Axminster Tools and Machinery Staff Pension SIPP is only distributed to employees of Axminster Tools Centre Ltd, who are advised by Prydis Wealth Limited.

We do not accept applications from any other FCA regulated advisers or directly from employees.

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 all 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. Our focus is on ensuring plans are not distributed to clients for whom the product is not suitable.

If we have concerns about plans distributed to clients that we believe are unsuitable, we will first contact Prydis Wealth Limited 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

For all workplace pension schemes administered by Curtis Banks a fair value assessment is completed annually by Zedra, acting as GAA, as required by the FCA.

This independent assessment meets Curtis Banks' requirements under the relevant Consumer Duty rules contained in PRIN 2A.4, the Price and Value outcome rules.

At the time of writing this in April 2023, the 2021 report (published in September 2022) is the most recent assessment completed by the GAA. This assessment measured the products in scope for review in the following areas:

- Product strategy design and investment objectives.
- Investment performance and risk.
- Communication.
- Firm governance.
- Financial security.
- Administration and operations.
- Engagement and innovation.
- Cost and charge levels.

GAA findings summary:

"The overall conclusion is that the workplace personal pension plans in the form of the Corporate SIPPs provided by Curtis Banks that are in the scope of our review is that:

- *the advised Corporate SIPPs provide good value for money overall, but due to the impact of the fixed monetary charges on smaller funds, around 4% of the policies have been assessed as providing satisfactory value for money due to the size of charge relative to their fund size; and*
- *the non-advised Corporate SIPPs provide poor value for money overall considering the average level of charges, but this is due to the impact of the fixed monetary charges on smaller funds. However, approx. 75% of the policies by number have been assessed as providing satisfactory value for money."*

Six actions have been taken by Curtis Banks to improve the value for money provided to customers in these plans. The 2022 report is due to be published in September 2023.

The full 2021 published report, along with details on Zedra, their credentials as a GAA, the metrics and criteria used in each of the areas assessed, any actions & areas for improvement for Curtis Banks, along with a detailed breakdown of the results can be found by accessing the following webpage:

www.curtisbanks.co.uk/app/uploads/2022/09/The-ZEDRA-Governance-Advisory-Arrangement-GAA-Report-2022.pdf

More information

More information about The Axminster Tools and Machinery Staff Pension SIPP is available in the following documents:

- Axminster Tools and Machinery Staff Pension SIPP Key Features
- Axminster Tools and Machinery Staff Pension Schedule of Fees
- Group Due Diligence Document

These are available on our website at www.curtisbanks.co.uk/literature, or upon request.

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 usual Curtis Banks representative.

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 our Client Management Team on 0370 414 7000 or cmt@curtisbanks.co.uk to discuss any support adjustments that may be available.

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

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