

AJ BELL MANAGEMENT LIMITED
GOVERNANCE ADVISORY ARRANGEMENT ("GAA")

Statement for the period ending 5th April 2020
Prepared in accordance with the
Financial Conduct Authority's Conduct of Business Rules (COBS 19.5.5)

Member summary

Welcome to the annual report of the AJ Bell Management Limited Governance Advisory Arrangement for the year ended 5th April 2020.

This report is relevant to you if you are a member of one of the workplace pension schemes operated by AJ Bell Management Limited ("**AJ Bell**") on behalf of your employer.

Unsure whether you're a member of your workplace pension scheme? You can find out by checking with your employer, or by contacting AJ Bell Youinvest on 0345 54 32 600 or at email@enquiry@youinvest.co.uk.

What does the report tell me?

The report assesses whether your AJ Bell pension scheme is good value for money. It has been produced by the Governance Advisory Arrangement (GAA), whose role it is to protect the interests of pension scheme members.

This report has been prepared by the Chair of the GAA in accordance with the Personal Pension Schemes (Independent Governance Committees) Instrument 2015.

When assessing 'value for money', the report considers much more than charges. It also looks at the quality of the services provided by AJ Bell, their speed and accuracy at responding to member enquiries, and the range of available funds and how it compares to similar alternatives. You can find more details about the value for money assessment in **Section 7** and the **Appendix**.

If the GAA finds that your pension scheme isn't good value for money, it has a duty to raise it with AJ Bell. We can confirm that the GAA has not raised any concerns with AJ Bell about the value for money of those schemes using the default investment funds in **Section 7**.

We can also confirm that the GAA:

- has not escalated any unresolved concerns to the Financial Conduct Authority ("**FCA**").
- has not needed to notify scheme members or their respective employers of any concerns.

1. INTRODUCTION

What is the GAA?

The GAA was established on 8 May 2015 by AJ Bell in partnership with PS Independent Trustees Limited, a firm of professional trustees with experience of workplace pension schemes and the governance of defined contribution (DC) pension schemes. On 5 November 2018, PS Independent Trustees Limited changed its name to Punter Southall Governance Services Limited ("**PSGS**").

Who is AJ Bell?

AJ Bell is one of the UK's largest providers of online investment platforms and stockbroker services. As at 31 March 2020, AJ Bell had 262,179 customers, total assets under administration of £48.3 billion and employed 850 staff. AJ Bell is authorised and regulated by the Financial Conduct Authority (FCA).

What type of workplace pension schemes does AJ Bell offer?

At the date of this report, AJ Bell has 38 workplace pension schemes. Of these schemes, only two use 'default' investment funds. Default funds are determined by the employers and their authorised financial advisers rather than by AJ Bell, the product provider. But the GAA and AJ Bell have an objective to monitor the default funds to ensure they are appropriate and provide value for money.

Members can also choose to invest in other investment funds offered via the AJ Bell platform ("**self-select funds**"), making their own investment decisions either with or without a financial adviser. The GAA has taken this into account in this report. See **Section 3** for more information on the investment platforms.

At the time of signing this report, only two of the workplace pension schemes are qualifying schemes used by the employer(s) for Auto Enrolment (AE) purposes.

1.1 GAA committee

The GAA is made up of 5 individuals, including a Chairperson. To ensure the independence of the GAA from AJ Bell, a simple majority of the individuals on the GAA committee are provided by PSGS and the remaining committee members are provided by AJ Bell. The Chairperson is provided by PSGS.

The GAA has a duty to protect the interests of members of the relevant schemes operated by AJ Bell.

As a minimum, the GAA has a duty to:

- act solely in the interests of members of the workplace pension schemes operated by AJ Bell
- operate independently from AJ Bell, in accordance with the GAA's Terms of Reference
- assess and, where necessary, challenge AJ Bell on whether its workplace pension schemes provide value for money for members.

The GAA must provide yearly reports to members on how the workplace pension schemes operated by AJ Bell have performed and whether they provide value for money.

1.2 Terms of reference

A copy of the GAA Board's Terms of Reference (as updated from time to time) and further information on the GAA is available at:

<https://www.ajbell.co.uk/workplace-pension-scheme-AJBYI>

2. SUMMARY

To assess whether the workplace pension schemes operated by AJ Bell are good value for money, the GAA has checked that:

- where required, the default investment strategies are designed and executed in the interests of members.

They have also checked that AJ Bell:

- regularly reviews the characteristics and net performance of the default investment funds recommended by the advisers to the relevant schemes, to ensure these align with the interests of members – and that they have made, or are making, changes that they or the GAA consider necessary
- ensures that the core scheme financial transactions are processed promptly and accurately
- considers the levels of charges members pay
- reviews the direct and indirect costs of managing and investing, as well as activities in connection with the managing and investing of members' pension savings, including transaction costs.

3. DEFAULT FUNDS

AJ Bell offers members of workplace pension schemes a wide range of investment funds through its two investment platforms. These are:

- **AJ Bell Investcentre** – only available through an FCA-authorised financial adviser
- **AJ Bell Youinvest** – available direct to the consumer.

Default investment funds are selected, and monitored, by the authorised adviser and the employer sponsoring the workplace pension scheme.

How AJ Bell monitors the default funds

AJ Bell undertakes annual reviews of the default investment funds selected by the employer(s). This involves reviewing whether the chosen funds seem appropriate to the scheme and its members, and a reasonableness check to ensure there are no unusual funds, such as offshore funds. They also assess whether the charges appear reasonable and are within the statutory Charge Cap of 0.75% for default funds.

In addition, AJ Bell asks the responsible adviser to confirm each year that it has carried out a review of the default investment arrangements, and that they remain appropriate to the members of the scheme. If any issues are identified, they are brought to the attention of the GAA, the employer and the appointed adviser(s).

When an employer makes a change to a default investment fund on the advice of their authorised financial adviser, AJ Bell reviews it to ensure there are no unusual funds, high charges, or other issues.

If a fund manager of a default fund makes changes to the fund's aims, objectives, or constitution, they let AJ Bell know. AJ Bell will then review the changes and notify the GAA.

This year's findings

AJ Bell has reviewed the default investment funds offered by employers to members and the investment performance of these funds in the period covered by this report. The GAA is satisfied that there are no areas of concern with these funds.

There have been no changes to the default investment funds in the period covered by this report.

And there have been no material changes to the aims, objectives, or constitution of the current default investment funds in this period.

4. DUE DILIGENCE ON INVESTMENTS

What investments are available?

Funds available via the AJ Bell Investcentre and AJ Bell Youinvest platforms fall within one of AJ Bell's permitted investment categories. These are broadly in line with the FCA's definition of "standard assets".

How does AJ Bell decide what investments it offers?

AJ Bell reviews investment funds on a case by case basis. When there is a request to hold a fund not currently on its investment platforms, it will review the fund to check that it meets its requirements. For example, for collective investment funds, AJ Bell checks whether the fund is one that is authorised or recognised by the FCA and is available to retail investors.

AJ Bell's Trade Support Department also carries out additional detailed checks to establish whether the fund can be held on its trading platform and administered cost effectively. This includes checking that the investment fund can be held within a pooled nominee account, the dealing frequencies, settlement periods and so on.

Once all of these checks have been carried out and the investment fund has been approved for inclusion, it will then be added to the relevant AJ Bell platform.

How investment updates are communicated

AJ Bell's Corporate Actions department monitors communications and updates for the investment funds available on the AJ Bell platforms and makes relevant details available via the dealing site to affected customers. Alerts and updates are issued to members and to advisers via secure messaging.

AJ Bell does not provide advice, and the inclusion of an investment fund on its platforms is not an indication that the fund may be suitable to meet the needs of a member. If a member needs advice on whether a fund is appropriate to them, they must consult a suitably qualified and FCA-authorised financial adviser.

Investment Partners

A number of AJ Bell's workplace pensions use an 'Investment Partner', rather than investing through AJ Bell's funds and shares service, or an off-panel investment facility. All Investment Partners are appropriately authorised by the FCA. The GAA has reviewed a copy of the due diligence questionnaire sent out by AJ Bell before accepting an Investment Partner, a copy of the monitoring questionnaire issued by AJ Bell and a copy of the agreement that an Investment Partner signs up to. The GAA is satisfied with these documents.

5. INVESTMENT STRATEGIES

Members who choose non-default funds

“Non-default” investments are those chosen by members either on their own or with the help of an authorised financial adviser.

Members have access to the range of investments available on the AJ Bell Investcentre or Youinvest platforms. They can then select the investments they want to invest in based on the recommendation of their financial adviser (if they have one) and taking into account any default investment strategy put in place by their employer.

Advisers using the AJ Bell Investcentre platform must be authorised and regulated by the FCA.

This year’s findings

The GAA has not undertaken a review of the non-default investments, because they are outside the scope of this report.

The GAA is satisfied that no areas of concern have been identified or brought to its attention about the current investment strategies of members using the non-default funds.

6. CORE FINANCIAL TRANSACTIONS

In the GAA’s view, AJ Bell undertakes the following core financial transactions:

- the timely receipt and allocation of member and employer contributions
- the timely investment of contributions paid in respect of members
- the processing of transfer payments received from other pension arrangements
- the processing of transfer payments paid out to other pension arrangements
- the switching of members' assets between different investment funds available to members, on the instruction of the member or the member’s adviser
- the prompt payment of benefits from the scheme to, or in respect of, members.

The GAA’s findings

The GAA has concluded that, based on discussions and information provided by AJ Bell, these core financial transactions have been processed promptly and accurately in the period of the report.

At each GAA meeting, AJ Bell has provided evidence that its core financial transactions in the period have been made within their standard, internal service level standards. No complaints about delays in processing core financial transactions have been received from any members, employers, or their advisers during the period.

The GAA is satisfied that during the period under review and based on the confirmations and other information made available to it by AJ Bell, there are no areas of concern in relation to the processing of the core financial transactions.

How AJ Bell processes workplace pensions

The GAA has been advised of the following by AJ Bell:

- Regular contributions are invested once cleared funds are available in the pension scheme cash account. Contributions are invested within one working day of receiving the cleared funds – providing AJ Bell holds valid investment instructions, and all other required information is available.

- AJ Bell undertakes a sweep of the cash account once a month to ensure there are no uninvested contributions.
- For transfer payments paid out to other pension arrangements, AJ Bell undertakes appropriate checks to establish that the receiving scheme is not a “scam” or pension liberation arrangement. AJ Bell aims to provide an efficient transfer-out process, while undertaking additional checks when concerns exist about the receiving scheme, such as doubts about its authenticity. AJ Bell monitors the progress of transfer requests against its internal service standards but some aspects of the process are out of its control.
- For qualifying schemes for Auto Enrolment purposes, AJ Bell undertakes checks of contributions received against the salaries notified to it. Any errors are identified and brought to the attention of the employer(s) concerned.
- AJ Bell also undertakes reviews into any changes to the expected level of contributions. Any errors are identified and brought to the attention of the employer(s) concerned.

AJ Bell has confirmed to the GAA that, regardless of the date of processing, all transactions are processed in accordance with the terms agreed with the individual members and on the basis agreed with the employer for the collection of contributions. This makes sure no members suffer a loss because of any delay.

7. CHARGES AND TRANSACTION COSTS

Auto Enrolment

Where AJ Bell has agreed that an arrangement can be used by an employer to meet its ‘Auto Enrolment’ obligations, the total charges – for those members invested in the default investment funds – are within the Charge Cap permitted by legislation. The current Charge Cap is 0.75%.

There are two workplace pension schemes currently used by employers for Auto Enrolment purposes. The default funds used by these schemes are:

- The **Legal & General Multi-Index 4 Fund I Acc** (ISIN GB00B88Y0217)
- The **Vanguard Life Strategy 60% Equity Fund A Acc** (ISIN GB00B3TYHH97).

The characteristics of these default funds are described below.

7.1 Legal & General Multi-Index 4 Fund I Acc.

As at 31 March 2020, there were 208 members invested in this default fund. The total amount invested in the fund is £5,492,825.67.

The investment objective is to provide a combination of growth and income and to keep the fund within a pre-determined risk profile. The fund was launched by Legal & General on 21 August 2013 and is part of a range of risk-profiled funds. The risk profile ranges from 1–10 with 1 being the least risky, and 10 being the most. This fund has a risk profile of 4. Morningstar rates the fund overall as “above average” for risk and “high” for return.

The ongoing charge for the Legal & General Multi Index 4 Fund is 0.31% (*figures from www.morningstar.co.uk*). The initial charge is 0.00% and there are no performance fees or exit charges. The GAA is satisfied that the ongoing fund charge, together with AJ Bell’s ongoing administration charges, are within the Charge Cap applying to the default funds of Auto Enrolment schemes.

The Fund’s performance net of expenses as at 31 March 2020 (Note 1) is set out below:

Annual Fund performance

	1 year	3 years	5 years
Fund	-3.96%	1.66%	14.11%

Annual Fund performance to last quarter

12 months to:	31 March 2016	31 March 2017	31 March 2018	31 March 2019	31 March 2020
Fund	-0.10%	12.36%	1.28%	4.52%	-3.96%

Performance net of expenses

Period	Net of expenses
1 Year	-3.96%
3 Years	1.66%
5 Years	14.11%
Since inception	33.78%

Note: (1) Figures from Bloomberg (www.bloomberg.com)

7.2 Vanguard Life Strategy 60% Equity Fund A Acc.

As at 31 March 2020, there were 49 members invested in this default fund. The total amount invested in the fund is £482,565.06.

The investment objective of the fund is to achieve income and/or capital returns through exposure to a diversified portfolio comprised of 60% by value of equity securities and 40% by value of fixed income securities. The fund seeks to achieve its investment objective predominantly through investment in passive, index-tracking collective investment schemes.

The on-going charge for the Vanguard Life Strategy 60% Equity Fund A Acc is 0.22% (*figures from www.morningstar.co.uk*). The initial charge is 0.00% and there are no performance fees or exit charges. The GAA is satisfied that the ongoing fund charge, together with AJ Bell's ongoing administration charges, are within the Charge Cap applying to the default funds of Auto Enrolment schemes.

The performance summary of the Fund (net of expenses) as at 31 March 2020 (Note 1) is set out below:

	1 year	3 years	5 years
Fund	-3.57%	5.11%	25.19%

Annual Fund performance to last quarter

12 months to:	31 March 2016	31 March 2017	31 March 2018	31 March 2019	31 March 2020
Fund	0.11%	18.97%	1.89%	6.99%	-3.57%

Performance net of expenses

Period	Net of expenses
1 Year	-3.57%
3 Years	5.11%
5 Years	25.19%
Since inception	77.66%

Note: (1) Figures from Bloomberg (www.bloomberg.com)

- 7.4** At this time, the GAA is satisfied that there are no areas of concern with the default funds used by the two qualifying schemes for Auto Enrolment.
- 7.5** AJ Bell's charges and transaction costs for its workplace pension schemes are either on a standard fee basis or a bespoke charging basis agreed between the employer, their adviser and AJ Bell. The Auto Enrolment schemes are the only schemes with a significantly different charging structure to AJ Bell's standard fee basis. Their ongoing administration charge is a percentage of the fund value, set at 0.35% per annum.
- 7.6** The charges applicable to the non-default investment funds will be the standard charges applied by the relevant investment manager.
- 7.7** Please see **Appendix 1** for details of AJ Bell's fees. Further information on AJ Bell's fees is also available on its website at: www.youinvest.co.uk
- 7.8** In the opinion of the GAA, there is a range of criteria that can potentially be used to assess the 'value for money' delivered by workplace pension schemes. These include:
- Charges and costs
 - Investment options and returns
 - Administration
 - Communications
 - Default strategies
 - Product suitability
 - Customer feedback
 - Flexibility and access

Are AJ Bell's charges good value?

Of the above criteria, AJ Bell considers that charges and costs represent a reasonable and proportionate measure of assessing value for money. Accordingly, the GAA has assessed the extent to which the charges and transaction costs of the relevant schemes represent good value for money for members. Based on the information made available by AJ Bell – including in relation to its competitive position and from published sources such as www.Bloomberg.com – the GAA has concluded that the charges and transaction costs represent good value for money.

What about the quality of AJ Bell's services?

As well as assessing AJ Bell's costs and charges, the GAA has also considered, as far as practicable, the quality of the "services" provided to members of AJ Bell's relevant schemes. This is what they found:

- **Investment options:** members that choose their own investments have a wide range of funds on the platforms to choose from, as well as a range of model and managed investment portfolios.
- **Administration:** the GAA is satisfied the core financial transactions undertaken by AJ Bell are being processed promptly and accurately.
- **Communications:** for AJ Bell Investcentre members, communications are adviser-led and can be part of an employer's overall employee benefit strategy. For AJ Bell YouInvest members, a wide range of information and literature is available on the Youinvest website. In addition, members are notified by email of any material change in terms or services provided.
- **Disclosure:** all members receive annual Statutory Money Purchase Illustrations (SMPIs) and annual Drawdown Statements in accordance with regulatory requirements.
- **Member feedback:** all members are notified each year when the GAA's annual report is available to view on the AJ Bell website. At this time, they are also encouraged to provide feedback. In the past, AJ Bell has issued a questionnaire to relevant members asking whether they think AJ Bell's services provide value for money. Any feedback is considered by AJ Bell's Product Management Team and relevant action is taken as appropriate.
- **Website access:** is available to all members. Members can log in to undertake certain administrative functions, request information and make investment switches etc.

8. GAA CONCERNS

In the year under review:

- The GAA has not raised any concerns with AJ Bell in relation to the value for money for members.
- The GAA has not escalated any unresolved concerns to the Financial Conduct Authority (FCA).

The GAA has not needed to notify members or their respective employers of any concerns.

9. GAA EXPERTISE

The GAA has sufficient expertise, experience and independence to act in members' interests. This is demonstrated by:

- The appointment of a professional trustee company, Punter Southall Governance Services Limited ('PSGS'), to ensure the independence of the GAA from AJ Bell.
- PSGS has experience with trust-based defined contribution (DC) pensions schemes. These trust skills are appropriate for the provision of a GAA to workplace pension schemes.
- PSGS has wide experience of pension scheme governance and working on committees.

- Three individuals from PSGS have been appointed to the GAA. These individuals also act for a GAA to the workplace pension schemes of another FCA-regulated firm, and one acts for an Independent Governance Committee (IGC) of a major financial services firm.
- As part of a wider benefit consulting group, PSGS has access to technical resources and expertise relevant to the GAA.
- Two individuals from AJ Bell have also been appointed to the GAA. This ensures good communication with AJ Bell and the free flow of information.
- AJ Bell Management Ltd has a 20+ year history of dealing with corporate trust-based and contract-based pensions and directly employs a number of pensions specialists.
- The two individuals who are on the GAA committee are both senior employees within AJ Bell with over 20 years' experience of pensions, risk, compliance and customer service. Collectively, they have more than 20 years' experience of group pension schemes.
- Each independent member of the GAA meets the requirements of COBS 19.5.12 G.

10. MEMBER REPRESENTATION

The GAA is required to consider members' interests. To support this, AJ Bell has put the following arrangements in place:

- Feedback from all members is promoted by AJ Bell.
- Depending on the level of response, a targeted mailing can be undertaken in future years to the members of the bigger schemes (e.g. the Auto Enrolment schemes).
- AJ Bell will seek the support of the scheme employer(s) to encourage additional feedback from all members.
- Information on the GAA is available to all members from the AJ Bell group website (*see 1.2, above*).

11. DATA PROTECTION

The EU General Data Protection Regulation ('GDPR') applied with effect from 25 May 2018 and introduced new contractual obligations on data controllers and data processors, giving individuals increased control over their personal data and enhanced reporting obligations in the event of a data breach.

The GAA does not receive or process personal member data. It is not a data controller or a data processor.

AJ Bell sets out how it collects, processes and protects personal member data in its Privacy Policy on its website (www.ajbell.co.uk/privacy-policy).

The GAA is satisfied that AJ Bell complies with the requirements of the GDPR.

12. CYBER SECURITY

The GAA has reviewed the robustness of AJ Bell's IT and systems when processing their core financial transactions. Although cyber security falls outside of the GAA's remit, a successful breach of a pension administrator's IT systems has the potential to impact on the core financial transactions they undertake. For this reason, the GAA considers it appropriate to include brief details of AJ Bell's cyber security measures:

- All data provided by customers is held on secure servers.
- All payment transactions made by AJ Bell are encrypted.

- There are strict procedures and security features in place to prevent unauthorised access of AJ Bell's systems.
- AJ Bell undertakes extensive internal and external penetration testing to identify areas of weakness. Any material issues are reported directly to the management board.
- No data breaches or other cyber security incidents have been brought to the GAA's attention.

The GAA is satisfied that AJ Bell has appropriate technical and organisational measures in place that are sufficiently robust to protect its IT systems and ultimately the processing of its core financial transactions.

13. ESG and INVESTMENT PATHWAYS

The FCA's policy Statement 19/30 introduced new rules to extend the GAA's remit in two areas:

- A new duty for GAAs to consider and report on their Firm's policies on environmental, social and governance (ESG) issues, member concerns and stewardship, for the products that the GAA oversees.
- A new duty for GAAs to oversee the value for money of investment pathway solutions for pensions drawdown ('pathway solutions').

Although these new rules are effective from 6th April 2020, the date for the implementation of the requirements for investment pathways has been put back to 1 February 2021.

Reports of the GAA Chair for future years will reflect the extension of the GAA's remit in these two areas.

Signed by Punter Southall Governance Services Limited as Chair of the AJ Bell Management Limited GAA

Chair Mark Homer

Date 30 September 2020

APPENDIX: FEES AND CHARGES – AJ Bell Youinvest

Charges and rates

Set up and administration

	Charge
Setting up your SIPP	No charge
Paying a single or regular contribution	No charge
Transfer in from another registered pension scheme	No charge
Account charge	No charge

Custody charge

	Value	Annual charge
Cash	No charge	No charge
Shares (including investment trusts, ETFs, gilts and bonds)	No charge	0.25% (maximum £25 per quarter)
Funds (including unit trusts, OEICs and structured products)	First £0 - £250,000	0.25%
	Next £250,000 - £1m	0.10%
	Next £1m - £2m	0.05%
	Value over £2m	No charge

Buying and selling investments (per deal)

	Charge
Funds (including unit trusts and OEICs) online	£1.50
Shares (including investment trusts, ETFs, gilts and bonds) online	£9.95
Shares, where there were 10 or more shares deals in the previous month	£4.95
Regular investments online	£1.50
Dividend reinvestment	1.00% (min £1.50, max £9.95)
Telephone	£29.95
Where we are required to complete a paper application (eg structured products and IPOs where specified)	£100

Custody charge

	Value	Annual charge
Foreign exchange charge on international dealing and foreign currency funds	First £10,000	1.00%
	Next £10,000	0.75%
	Next £10,000	0.50%
	Value over £30,000	0.25%

Income drawdown and other pension charges

	Charge (VAT is payable in addition)
One-off payment of a tax free lump sum, income payment or small lump sum	£25
Regular income drawdown payments or regular pension lump sums	£100 pa
Crystallised funds where no income is paid	No charge
Purchase an annuity	£150
Review of capped drawdown (includes triennial/annual reviews and reviews when additional funds are moved into drawdown)	£75
Payments on death or if your pension is to be split/shared as part of a divorce	Time/cost basis. Minimum charge expected to be £250
Closure of your SIPP through taking flexi-access drawdown payments or regular pension lump sums within 12 months of opening your SIPP	£295

Transfer out and other charges

	Charge (VAT is payable except where stated)
Transfer out to another UK registered pension scheme in cash	£75
Transfer out to another UK registered pension scheme in specie	£25 per holding (no VAT) plus £75
Transfer out to an overseas pension scheme (QROPS)	£250
Payment by CHAPS	£25
Disinvestment, if we need to sell some of your holdings to cover charges	£9.95 per holding (no VAT)
Foreign exchange charge payable when we have to convert any dividends or corporate action payments into sterling	0.50% (no VAT)

Interest rates paid on the cash held in your SIPP

Cash balance	Gross interest rate
All balances	0.00%

Notes

All charges will be deducted from your SIPP.

These charges and rates are effective from 5 June 2020.

Custody charge

- The funds and shares custody charges will be based on the mid-price value of investments in your account on the last working day of each month in the calendar quarter. This will include investments added to your account, but not yet settled at the month end. The charges will normally be collected within 20 business days of the quarter end.
- For new accounts opened during the month the funds and shares custody charges will be applied on a pro-rata basis from the date of account opening to the end of the month. For accounts closed in a month, the custody charges will be applied on a pro rata basis from the beginning of the month to the date we receive your closing instruction.

Buying and selling investments

- The shares online dealing charge is determined by the number of shares deals you placed in the previous calendar month across the accounts in your individual name (excluding any regular investment and dividend reinvestment deals). For example, the charge you pay in February will depend on the number of shares deals you made in January. If you make 10 or more online shares deals a month, then the £4.95 charge will apply the following month.
- The investments that you choose may have their own initial and annual charges, in addition to our dealing and custody charges.
- If you are investing in unit trusts and OEICs, we offer discounts on the initial charge made by the fund managers. Any specially negotiated discounts of initial charges on unit trusts and OEICs are passed to you. See our funds universe for details. Information on the annual charge for the unit trust or OEIC may be obtained from our website, or direct from the fund manager.
- Dealing charges apply separately to purchases and sales. The dealing charge for each transaction will be shown on the contract note.
- Dealing charges don't apply for buying the AJ Bell funds.
- Stamp duty of 0.50% applies on all purchases (not sales) of UK quoted shares (1.00% for shares quoted on the Irish Stock Exchange). Stamp duty is payable on certain securities issued by UK incorporated companies where these securities are traded as CREST Depositary Interests. There is no stamp duty on purchases (or sales) of unit trusts, open ended investment companies (OEICs), exchange traded funds (ETFs), warrants and government stock (gilts).

- The PTM (Panel on Takeovers and Mergers) levy of £1.00 is payable on equity trades with a consideration over £10,000 in securities of companies which are incorporated in the UK, Channel Islands or the Isle of Man.
- You will be told in advance if we need to complete a paper application.

International dealing

- Additional government and local stock exchange charges are payable for certain international markets. These are detailed on the charges and rates page on our website and will be added to your contract note.
- A foreign exchange charge will be applied to the value of your deal. This charge is tiered so the overall charge paid will be a blended rate based on the value of the deal that falls into each tier. We may share a proportion of this charge with our service provider.

Drawdown and other pension charges

- The annual charge will be payable when the SIPP is first put into drawdown if you are to receive a regular income or when the regular income or regular pension lump sums are set up, and on each subsequent anniversary.
- The closure charge will apply where you have reduced the value of your SIPP to £1,000 or less through taking flexi-access drawdown or regular pension lump sums within 12 months of opening your SIPP. We will be entitled to close your account and pay the remaining funds to you, after deducting our charges.
- Where we make a one-off payment by CHAPS at your request please note that the CHAPS charge will apply in addition to the one-off payment charge.

Interest rates paid on the cash held in your SIPP cash account

- When comparing charges between different SIPP product providers, you should also compare the interest rates payable on your cash, particularly if you intend to hold significant sums of money in cash. The amount of interest paid will depend on the amount you choose to hold in cash and market interest rates.
- AJ Bell receives payments from banks based on the aggregate cash balances held across all accounts. The amount we receive will vary depending on the total cash balances held and market interest rates. Over the foreseeable future, we expect to receive between 0.10% below and 0.60% above the prevailing base rate for cash held within a SIPP, although it may be higher or lower when interest rates are volatile. These payments are used to pay interest at the rates shown on our website, and we retain the amount received above these rates to keep our administration, custody and dealing charges low.

Miscellaneous

- You must always ensure that there is sufficient cash in your account to cover our charges and any pension, lump sum or other payments, when they are due for payment.
- VAT is only applicable where indicated.