

# Alliance Trust Full SIPP

## Collective Investment Vehicles Purchase Guide

**This guide sets out how investments in a Collective Investment Vehicle within the Alliance Trust Full SIPP can be purchased directly by the trustee. Collective Investment Vehicles include life office products, funds, unit trusts, OEICs, hedge funds, trustee investment plans and other similar types of vehicle.**

Investment trusts do not fall under the Collective Investment Vehicle definition as they are treated in the same way as stocks and shares. If you wish to invest in stocks and shares you should refer to our Stocks and Shares Purchase Guide. This is available at [www.alliancetrust.co.uk](http://www.alliancetrust.co.uk) or on request from us.

We will allow the Alliance Trust Full SIPP to invest in Collective Investment Vehicles either via a fund supermarket, UK stockbroker, UK discretionary fund manager. The SIPP may also make the investment directly.

You may only invest in a Collective Investment Vehicle which is permitted to be held in a UK based registered pension scheme. Your SIPP must meet the eligible investor criteria set by the investment provider.

Investments will be held in the name of Alliance Trust Pensions Limited as Trustee of the Alliance Trust Full SIPP or our nominee. No investment can be made in any vehicle if there is a potential liability risk or positive obligation to us.

If the vehicle is a UK Limited Liability Partnership (LLP) or Limited Partnership (LP), it should still be possible for the SIPP to invest directly in the LLP or LP but we will require additional declarations from the LLP or LP before the investment can proceed. If the investment is structured so that the SIPP invests through a unit trust or OEIC into the UK LLP or LP, we may not require the further declarations.

For any investment made directly into a vehicle by the SIPP, we must be able to obtain statements of holdings at least every six months. This allows us to comply with

reconciliation requirements. If we cannot obtain statements within this frequency, we will not allow the investment to proceed.

No investment will be allowed in a property investment LLP as the normal exemptions in respect of income and capital gains do not apply. Any such income or capital gain will be assessable to income and capital gains tax.

If the vehicle invests in 'taxable property', i.e. residential property or tangible moveable property, it cannot be held in the SIPP unless it meets all of the 'taxable property' exemption conditions set out in the Appendix.

### Procedure

Please complete our Collective Investment Schemes Instruction form. This is available at [www.alliancetrust.co.uk](http://www.alliancetrust.co.uk) or on request from us.

When sending us the completed Investment Instruction form please ensure that you include the full brochure and private placement memorandum together with the subscription documentation together with any other documents referred to in the subscription documentation completed as required by you or your adviser.

If you do not supply all documents at the outset, this will delay the processing of the investment.

If the Collective Investment Vehicle is to be held via a UK fund supermarket, a UK stockbroker or discretionary fund manager, you do not have to complete the Investment Instruction form. If the account with the fund supermarket, stockbroker or discretionary fund manager has not already been completed, please complete our Third Party Account

Instruction form. This is available at [www.alliancetrust.co.uk](http://www.alliancetrust.co.uk) or on request from us. Once received we will negotiate the completion of your request.

### Charges

Full details of the specific investment charges are set out in the Schedule of Fees. This is available at [www.alliancetrust.co.uk](http://www.alliancetrust.co.uk) or on request from us.

### Important Notes

It is important that you are aware of the risks of investing in any particular investment. It is your, or your adviser's responsibility to ensure that the investment is suitable for you and we take no responsibility for the performance or liquidity of the investments made in the SIPP or for any tax consequences arising from these investments.

The value of investments and any income from them may go down as well as up. You may not get back, in the form of pension benefits the amount invested. The tax advantages associated with pension scheme investments are also subject to change.

It is your or your adviser's, responsibility to ensure any investments purchased are permissible under HMRC regulations. If a tax liability arises following an investment in a Collective Investment Vehicle, it will be your responsibility to pay this.

If you are unsure as to whether an investment is suitable for your SIPP, you should seek professional advice specific to your personal circumstances.

## Appendix – taxable property

The taxable property exemptions are met if the Collective Investment Vehicle complies with all of the following:

- the total value of the assets held directly by the vehicle is at least £1 million or the vehicle holds at least three assets directly which are residential property. In either of these cases, no asset held directly by the vehicle which is 'taxable property' may have a value which exceeds 40% of the total value of the assets held directly.
- if the vehicle is a company:
  - it is resident in the UK and it is not a close company
  - it is not resident in the UK and would not be a close company if it were resident in the UK.
- it does not have as any of its main purposes, the direct or indirect holding of an animal(s) used for sporting purposes. This is to recognise that racehorse syndicates may have many members and provide them with certain benefits related to the horse ownership, such as attendance at race meetings as an owner with access to the owner's enclosure.
- the SIPP does not directly or indirectly hold an interest in the vehicle for the purpose of enabling the SIPP member, or a connected person of the SIPP member, to occupy or use the property.

- the SIPP, together with any associated person, does not hold, directly or indirectly, 10% or more of the vehicle, as per the following limits:
  - 10% or more of the share capital or issued share capital of the vehicle
  - 10% or more of the voting rights in the vehicle
  - a right to receive 10% or more of the income of the vehicle
  - such an interest in the vehicle as gives an entitlement to 10% or more of the amounts distributed on a distribution in relation to the vehicle
  - such an interest in the vehicle as gives an entitlement to 10% or more of the assets of the vehicle on a winding up or in any other circumstances
  - such an interest in the vehicle as gives rise to income and gains derived from a specific property

The term 'associated person' means:

- the SIPP member
- any person connected to the SIPP member
- any arrangement (under that or another pension scheme) relating to the SIPP member to which that arrangement relates
- any arrangement (under that or another pension scheme) relating to a person connected to the SIPP member.

The term 'connected person' is defined in section 993 of the Income Tax Act 2007 and means:

- the SIPP member's spouse or civil partner
- a relative of the SIPP member, or the spouse or civil partner of such a relative (note: relative means a brother, sister, ancestor or lineal descendant; it does not cover all family relationships and, in particular, it does not include nephews, nieces, uncles and aunts)
- a relative of the SIPP member's spouse or civil partner, or the spouse or civil partner of such a relative
- a partner of the SIPP member (i.e. they are in partnership together), or the spouse, civil partner or a relative of such a partner.

Where all these conditions are satisfied, the SIPP can invest in the collective fund without concerns about any 'taxable property' that may be held by the vehicle.

If you have any queries that are not addressed in this guide, please contact us as follows.

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