

Key Information: The Xafinity / Fundsdirect Fund Supermarket Account

This Key Information document gives you the main details of your Xafinity/Fundsdirect Fund Supermarket Account (the Account). Please read it carefully and keep it with your plan documents.

What is the Xafinity/Fundsdirect Fund Supermarket Account?

Xafinity has arranged with Fundsdirect to provide on-line execution-only (no advice) stockbroking services. These services are available as part of your Xafinity Small Self Administered Scheme (SSAS) or Self Invested Pension Plan (SIPP). The Account enables you, with the help of your adviser (if applicable), to:

- Hold cash in a dedicated interest-bearing account, ready for you to buy or sell investments;
- Buy or sell a range of investments on-line;
- View on-line any investments purchased via Fundsdirect held in your Xafinity pension;
- Review the performance of your portfolio and decide what should be bought, held or sold.

Its aims

The aim of the Account is to provide you, as part of your Xafinity SSAS or SIPP, with the ability to:

- Select and buy investments from a wide range of equities, bonds, unit trusts, Open Ended Investment Companies (OEICs) and other investment schemes and cash;
- View, value and trade these investments at any time via the internet.

Your investment

You choose what to invest in and when. Your Investment choices include:

- Cash held in your dedicated interest-bearing account
- Unit trusts and Open-Ended Investment Companies (OEICs);
- Stocks and shares;
- Bonds and gilts.

Further details of the specific securities which can be bought and sold are shown in the funds list on the Xafinity/Fundsdirect website. As additional securities are added, the funds list is updated to reflect this.

Risk factors

- The value of your investments and the income generated from them can fall as well as rise. You may not get back what you originally invested or transferred into the Account.
- Past performance is not a guide to future performance.
- Future performance will be reduced by the effect of charges including initial charges, annual charges and dealing charges.
- Income generating funds sometimes deduct expenses from capital in order to improve income. This means that capital growth will suffer correspondingly.
- Certain investments for example 'emerging markets', 'high technology sector' and 'small companies' are generally more volatile than UK and large company investments.
- Investments in foreign assets are subject to currency risk ie as well as the risk of the underlying asset, there is also a risk of a loss from the currency falling against the pound sterling.

Frequently Asked Questions

How can I invest in a Xafinity/Fundsdirect Fund Supermarket Account?

The Xafinity/Fundsdirect Fund Supermarket Account is only available to members of a Xafinity SIPP (incorporating SimplySIPP) or trustees of a Xafinity SSAS. If you do not already have a Xafinity SSAS or SIPP, you will need to apply to Xafinity for a plan before applying for an Account. You should consider obtaining advice from an Independent Financial Adviser first to see whether this would be suitable for you.

Once you have a Xafinity SSAS or SIPP, you can apply for a Xafinity/Fundsdirect Fund Supermarket Account by completing an application form. The form is available on the Xafinity website, www.xafinity.com and as part of the Xafinity SSAS and SIPP application packs.

Fundsdirect will not open an Account until funds are available. Funds may be transmitted by direct credit from your Xafinity SSAS or SIPP bank account by instructing Xafinity to transfer the relevant funds. You cannot make payments directly to your Xafinity/Fundsdirect Fund Supermarket Account.

Who will administer the Account?

Investment Funds Direct Limited ("Fundsdirect") will provide all the services associated with your Xafinity/Fundsdirect Fund Supermarket Account.

Xafinity SIPP Services Limited ("Xafinity") has arranged the provision of this service with Fundsdirect, but will not be involved in providing the services related to the Fund Supermarket Account.

What investments are available?

You can choose from many different investments:

- A wide range of unit trusts and Open Ended Investment Companies (OEICs) (currently over 1,400 funds);
- A range of equities, bonds and gilts traded in the United Kingdom via Crest (currently over 250 stocks);
- Cash, in your dedicated interest-bearing account.

Further details of permitted securities are shown in the funds list on the Xafinity/Fundsdirect website. If you wish to invest in securities which are not on the funds list, you should contact Xafinity. You may be able to invest in those securities outside of the Fund Supermarket Account.

How do I decide what to invest in?

You can appoint an authorised investment adviser or you can manage the investments yourself. Fundsdirect will only make investments if instructed to do so by you or your adviser. Neither Fundsdirect nor Xafinity will give you any advice.

Key information regarding all of the funds and other investments are available on the Xafinity/Fundsdirect website.

How can I make investments and deal?

Either you or your adviser (if applicable) can do this. Once you have decided on your investment selection, you or your adviser will login using your respective logon details and can then view, buy or sell investments. You and your adviser will receive an email advising that the contract note detailing each purchase or sale can be viewed on the website. Where this is not possible, contract notes will be issued by post.

How can I pay money into the Account?

Either you or your adviser can do this by instructing Xafinity to transfer funds from your Xafinity SSAS or SIPP bank account to your Fund Supermarket Account. You cannot make payments directly to your Fund Supermarket Account.

What happens to uninvested money?

This is held in your dedicated interest-bearing cash account with HSBC within your Fund Supermarket Account. The rate of interest depends on the amount of cash held:

- For the first £10,000 in your account: 1% below HSBC base rate;
- For any money in your account in excess of £10,000: 0.5% below HSBC base rate.

Note that the interest rates payable on uninvested cash in your Fund Supermarket Account may be different to the interest rates payable from your Xafinity SSAS or SIPP bank account.

Can I save my money in cash?

Yes, by leaving it in your dedicated interest-bearing cash account. Interest rates are shown above.

How can I see what I have invested in?

When you open your Account Fundsdirect or your adviser (where applicable) will send you an email confirming the details, including account number. Fundsdirect or your adviser will also send you your own temporary password under separate cover. You can use these details to login at <https://www.xafinitySIPP.com> or via the 'Fundsdirect' link from the Xafinity website. You should change your password when you first login.

What do I do if I forget my password?

If you forget your password, just call the Fundsdirect Customer Service desk on 08700 73 83 93. We will ask you a number of security questions and will then reset your password for you.

How often will you communicate the value of my investments?

You can print off a full valuation of your investments in your Account whenever you wish. In addition Fundsdirect will send you a full statement at least once a year. Statements are normally issued by email, but can be posted to you if you do not have an email address.

Fundsdirect will not send you copies of reports and accounts or voting and meeting information normally issued by investment providers unless you specifically ask for them. Fundsdirect reserve the right to charge you for providing additional documentation of this type and will tell you how much the charge is and get your agreement to it before providing any additional documents to you.

What happens to income from my investments in the Account?

Income from investments will be paid to the cash account that sits within your Xafinity/Fundsdirect Fund Supermarket Account. You can move money from your cash account into your Xafinity SSAS or SIPP bank account whenever you wish.

What are the charges for the Account?

There are three sources of charge made on your investments in your Account:

1. Fundsdirect Charges
2. Adviser Commission
3. Other Investment Charges

These charges are in addition to any charges Xafinity makes for the administration of your Xafinity SSAS or SIPP.

1. Fundsdirect Charges

- a) Fundsdirect Annual Charge – Fundsdirect will charge you the following on each part of your total fund:
 - i. Assets invested in unit trusts and OEICs (“Collective Funds”) – 0.25% per annum of the value of those assets deducted quarterly
 - ii. Assets invested in equities, bonds and other investments (“Stocks & Shares”) – Nil

Fundsdirect receive a rebate from the fund manager of most Collective Funds. Normally for a typical UK Equity fund charging 1.5% annual management charge, Fundsdirect will receive a rebate of 0.75%. Fundsdirect will pay this entire rebate to your cash account. This can then be used to pay the Fundsdirect annual charge and any annual commission payable to your adviser. The amount of the rebate available is shown on the funds list on the Xafinity/Fundsdirect website.

- b) Fundsdirect Transaction Charges

All deals – 0.2% of the value of the transaction, with a minimum of £15 and a maximum of £35

Note – A fund ‘switch’ is treated as two deals (ie a ‘sell’ and a ‘buy’).

- c) Fundsdirect charges for transferring assets into or out of the Fund Supermarket account.

Cash – Nil

All other assets – £20.00 per asset transferred.

Other charges may arise, eg if you wish to receive a copy of the Report & Accounts of any stock. We will advise you of such amounts prior to making the charge.

2. Adviser Commission

You agree this with your adviser and include the details on your Fundsdirect application form. Any remuneration agreed relating to investments made will be shown in the contract notes provided following each trade. See below for further information.

3. Other Investment Charges

Investment charges are those made by the fund managers and other expenses incurred in managing the investments, such as stamp duty.

Fund managers make an initial charge on purchase of the unit trust or OEIC, and an annual management charge for managing the fund. Fundsdirect have negotiated advantageous terms with fund managers so that their initial charge is low and often zero. In addition, an annual rebate is received from the fund manager of most Collective Funds, which is paid to your cash account. The amount of the initial charge, the standard annual management charge and discounted annual management charge (ie after deducting any rebate payable) is shown on any contract notes when you buy units in the fund. In addition, details of the Fund Manager Terms and Conditions for each fund are also shown on the Xafinity/Fundsdirect website.

Stamp duty is payable when you purchase shares, currently at a flat rate of 0.5% of the price paid for the shares. No stamp duty is currently payable on the purchase of units in a unit trust or OEIC.

How much of the fund manager's annual management charge will be rebated?

The amount of the rebate varies by fund manager and by fund. For approximately 90% of the funds currently available, the rebate is at least 50% of the annual management charge charged by the fund manager. Details of the amount of the rebate for any particular fund can be found on the funds list on the Xafinity/Fundsdirect website as the difference between the standard and discounted annual management charges.

Note that no rebates are paid in respect of investments in Stocks & Shares (ie equities, bonds, gilts) since there is no annual management charge for those types of investment.

How much commission will be paid?

Fundsdirect will pay your adviser whatever commission they are instructed to pay, as agreed between you and your adviser. You can agree to pay initial commission and/or annual commission.

Initial commission is payable when an investment is bought, and should be specified as a percentage of the amount paid for the investment on the dealing page when the trade is placed. For example, if you agree an initial commission with your adviser of 3% and the investment is £10,000 your adviser will receive £300 commission.

Annual commission is payable every quarter, and is calculated as a percentage of the value of your fund as you specify on your Fund Supermarket Account application form. You can decide whether this percentage should apply to some or all of the cash, Collective Funds or Stocks & Shares elements of your Account. For example, if you agree annual commission of 0.5% pa should be paid on Collective Funds and Stocks & Shares, and at the end of a quarter your Account has £30,000 of Collective Funds, £10,000 of Stocks & Shares and £2,000 of cash, Fundsdirect will pay your adviser annual commission of £50 for that quarter (0.125% of £40,000).

All payments made to your adviser will be deducted from your cash account.

The amount your adviser is paid will be shown to you on contract notes as each transaction is made and again in transaction statements available online and sent to you every year.

Commission may also be paid to Xafinity. Xafinity will tell you the amount of this commission. Commission payments to Xafinity will not be deducted from your Fund Supermarket Account and will not affect the value of your investments in your Fund Supermarket Account.

Can I switch my investment from one fund to another?

Yes. This will be treated as a 'sell' and a 'buy' transaction. This means that you will be charged for both transactions. You will be out of the market for a time after the 'sell' instruction is complete and before the 'buy' instruction can be made.

How long will I be out of the market when I switch from one investment to another?

On average it should take 4 days for this process to complete.

Do I have to maintain a minimum balance in the cash account?

There is no minimum balance required. However, you need to keep enough in your cash account to pay the commissions and charges you have agreed to pay over the following 3 months. If you do not keep enough cash, Fundsdirect have the right to sell some of your investments to meet the cost of the expected charges and commissions over the 3 month period.

What happens if I wish to close my account?

You instruct Fundsdirect to sell all of your investments. Fundsdirect pay the proceeds from your investments into your Xafinity SSAS or SIPP bank account, after deducting any outstanding charges.

You may also transfer assets "in specie" (ie without selling them) to a new nominee account with another stockbroker as agreed with Xafinity. The charges that will apply for such transfers are set out above.

Can I transfer my investment?

Yes, although transfers are subject to charges as detailed above.

What if I die?

Fundsdirect will await instructions from Xafinity to rearrange or sell investments. The person dealing with your affairs should contact Xafinity to arrange payment of any death benefits.

How can I complain?

You can complain in writing to the Compliance Officer, Investment Funds Direct Limited, 9 Palace Yard Mews, Bath, BA1 2NH.

In addition, you may have the right to complain directly to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Walk, London E14 9SR.

What if you are unable to return my monies?

The Financial Services Compensation Scheme (FSCS) may provide protection if Fundsdirect cannot meet claims made against them or because Fundsdirect cannot return investments or money.

If you are an eligible claimant, you are covered up to a maximum limit of £50,000 for investments. Further information about compensation arrangements is available from the FSCS website at www.fscs.org.uk.

Your status under the FSCS does not affect any statutory right you may have to compensation.

Contact details

Contact details for Fundsdirect and Xafinity are shown below.

Investment Funds Direct Ltd

Tel: 08700 73 83 93
Fundsdirect/Xafinity Customer Services Team
Trimbridge House
Trim Street
Bath
BA1 1HB

Investment Funds Direct Ltd is authorised and regulated by the Financial Services Authority; FSA Registration Number 114432. You can check this on the FSA's website at www.fsa.gov.uk/register. Investment Funds Direct Ltd is registered in England (No 1610781) and its registered office is at Trimbridge House, Bath, BA1 1HB

Xafinity SIPP Services Ltd

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