

Risks

This document is provided to you, as a retail client, in compliance with the rules of the Financial Services Authority (FSA). This document is provided to help you understand the nature and extent of the risks associated with investing in a SIPP, ISA or dealing account and in holding certain types of investment within these products.

General

The tax benefits of a SIPP or ISA may change in the future and the governing law for SIPPs, ISAs and dealing accounts may change in the future.

With a SIPP, your benefits are dependent upon a number of factors. Although not a complete list, these factors include future contribution levels, the age at which you commence benefits and external influences such as investment returns, inflation, interest rates, annuity rates and charges.

The investment returns on your SIPP fund may be less than those shown in the illustrations you may receive from us, or obtain yourself using our calculation tools.

The Sippdeal SIPP, ISA and Dealing Account are offered on an execution-only basis, without financial advice.

The Sippdeal SIPP, ISA and Dealing Account may not be suitable for you. If you have doubts about the suitability of any Sippdeal product or you need advice, you must consult a suitably qualified financial adviser.

Transfers in and SIPPs

By transferring other pension benefits into a SIPP, you may be giving up the right to guarantees in the form of benefits, the amount you will receive and also the level of increases that will be applied to your pension in the future.

You may be giving up the right to receive a terminal bonus on with-profit plans.

A penalty may be applied to your existing pension plan if it is transferred.

We offer an execution-only service and recommend that you seek professional advice from a suitably qualified financial adviser if you are considering transferring existing pension benefits into your SIPP.

Income withdrawal from your SIPP

If you start to take benefits earlier than you originally intended, the level of the benefits you can take may be lower than expected and may not meet your needs in retirement.

Your SIPP may be subject to additional tax charges at the point you withdraw funds if your pension is valued at more than the lifetime allowance (£1.5 million 2012/13).

If you take income withdrawals this may erode the capital value of your fund. If investment returns are poor and a high level of income is taken this will result in your SIPP falling in value and could result in a lower income than anticipated in the future.

If you choose an annuity to provide your benefits, the level of income you receive is based upon the average life expectancy of someone of your age. When fixing annuity rates, providers take into account the fact that some people will die earlier than expected, effectively subsidising those who live longer. Income withdrawals paid from the SIPP do not have the benefit of such a subsidy.

There is no guarantee that annuity rates will improve in the future. If you choose to purchase an annuity, the level of pension you receive when you purchase the annuity may be less or more than the pension previously being paid under income withdrawal and/or the annuity you could have purchased previously.

Investments

The value of investments held in your Sippdeal SIPP, ISA or Dealing Account (and the income you may receive from them) can fall as well as rise. You may get back less than the amount invested.

Past performance is not an indication of future performance and some investments need to be held for the long term to achieve a return.

You will be able to deal in a range of investments. Some investments carry a higher degree of risk than others. The following are some specific examples of this

- smaller companies, the price of which can be more volatile and there may be a large difference between the buying and selling prices
- overseas investments, which may carry an exchange rate risk and may be based in less well regulated jurisdictions and
- warrants and other highly geared investments, the prices of which can be extremely volatile.

Some investments are described as complex financial instruments. If you invest in these you should be aware that you may lose all your money. These investments carry specific risks, which are outlined in the paragraphs below. Before investing in one of these investments you will have to complete an appropriateness test, as required by the rules of the Financial Services Authority.

We do not provide investment advice as we offer an execution only service. We do provide information about investments, but this is provided solely to enable you to make your own investment decisions and must not be treated as a recommendation. If you need advice to determine whether an investment is suitable for you, you must consult a suitably qualified financial adviser.

If the value of your Sippdeal SIPP, ISA or Dealing Account is small and/or you deal frequently in small amounts, dealing costs may be disproportionately high and the value of your investment may be eroded.

You should note that the rules relating to the taxation of capital gains and income from investments are subject to change.

With a SIPP, the investment returns may be less than those shown on any illustrations of benefits you receive and the charges may be higher.

Specific risks of certain types of complex instruments

Different instruments involve different levels of exposure to risk and in deciding whether to hold certain complex instruments within your Sippdeal SIPP, Sippdeal ISA or Dealing Account you should be aware of the following points.

Warrants

A warrant gives the holder the right to subscribe for shares or other securities within a specific time period, following which the warrant has no value. A relatively small movement in the price of the underlying security results in a large movement in the price of a warrant. The value of warrants is therefore volatile. You should not buy a warrant unless you are prepared to lose all the money you have invested.

Securitised derivatives

Securitised derivatives are issued by a financial institution and give the holder the right to acquire or sell one or more types of investment or to speculate on the value of an index during a specific time period. A relatively small movement in the value of an underlying investment or index will result in a much larger movement in the price of the securitised derivative. The price of these investments is therefore volatile. You should not buy a securitised derivative unless you are prepared to lose all the money you have invested.

Convertibles (excluding convertible British Government)

A convertible allows the holder to convert the security into another underlying security on pre-defined terms. The convertible could pay a lower rate of return than a non convertible security and the value of the convertible will be affected significantly by price movements in the underlying security. In some circumstances, because of the link with the value of the underlying security, convertibles can carry a high degree of risk and their value could fall substantially.

Structured Products

A structured product (also known as a structured capital-at-risk product) is an investment which offers a pre packaged investment strategy based on derivatives which delivers a known return for given instrument conditions. It may be based on a single security, a basket of securities, options, indices, commodities, debt issuances, foreign currencies or swaps, or any combination of these. Their reliance on derivatives means that structured products are high risk investments and you could lose all the money you have invested.

A J Bell includes A J Bell Holdings Limited and its wholly owned subsidiaries A J Bell Management Limited, A J Bell Limited and A J Bell Securities Limited.

A J Bell Management Limited is authorised and regulated by the Financial Services Authority and is the scheme administrator of all A J Bell's Self Invested Personal Pensions (SIPPs). A J Bell Securities Limited is a member of the London Stock Exchange and is authorised and regulated by the Financial Services Authority. It is the plan manager for all of A J Bell's Individual Savings Accounts (ISAs) and provides A J Bell's Dealing Accounts.

Sippdeal, Sippdealxtra and Sippcentre are platforms provided by A J Bell Management Limited. A J Bell Platinum SIPP is provided by A J Bell Management Limited. A J Bell Platinum SSAS is provided by A J Bell Limited.

The companies listed in the adjacent table are all registered in England and Wales at Trafford House, Chester Road, Manchester M32 0RS.

Company	Company Number	VAT Number
A J Bell Holdings Limited	4503206	833 5478 13
A J Bell Management Limited	3948391	759 3531 03
A J Bell Limited	3091664	639 0316 44
A J Bell Securities Limited	2723420	918 4226 21