

Dentons SSAS Due Diligence

August 2018

Ownership

Dentons is a name that has been synonymous with delivering self invested pension expertise for over 38 years and has been operating in its current form of Dentons Pension Management Limited (Dentons) since 1989. Dentons Holdings plc owns the company with the majority shareholder being Martyn Rose, businessman and entrepreneur.

We believe we understand the needs and challenges for financial advisers and clients and tailor our services appropriately.

We've always been focused on delivering exceptional service and flexibility.

In addition, Dentons has no ties to any fund manager or insurance company which means the client is able to choose how their pension funds can be invested, from an extensive range of asset classes, so long as being compatible with Her Majesty's Revenue & Customs (HMRC) and Financial Conduct Authority (FCA) regulations.

Dentons has gained a reputation as a professional and efficient specialist pension administrator and continues to thrive, expand and grow organically through reputation, word of mouth and suitable acquisitions.

We react appropriately to changes in the marketplace, making it easier for financial advisers and clients to do business with us.

Structure

Dentons' bare trustee companies (other than Sippchoice Trustees Limited) act as a trustee and Scheme Administrator of its Small Self Administered Schemes (SSAS). Dentons' is the provider and Scheme Administrator of its Self Invested Personal Pension (SIPP).

Dentons is authorised and regulated by the FCA, register number 461094. Registered in England:

Company Registration Number 2352951. Registered Office: Sutton House, Weyside Park, Catteshall Lane, Godalming, Surrey, GU7 1XE.

The principal permission granted to Dentons by the FCA is for the establishment, operating and winding up of personal pension schemes.

Whilst authorised to control client money, Dentons is not authorised to hold such funds on its own account.

Dentons' clients are introduced predominantly from Independent Financial Advisers (IFAs) and it is Dentons' philosophy that advice should come from IFAs.

Dentons has four bare trustee companies: in relation to SIPPs, the first two act as a co-trustee in a SIPP Sub-trust and the second two act as sole trustee:

Denton & Co Trustees Limited
Registered in England: Company Registration Number 1939029.

NTS Trustees Limited
Registered in England: Company Registration Number 1407848.

TP Trustees Limited
Registered in England: Company Registration Number 2604059.

Sippchoice Trustees Limited
Registered in England: Company Registration number 689793.

Dentons' SSAS structure

The SSAS is established under trust by the sponsoring employer for the benefit of scheme members.

All members of the scheme should be trustees.

Dentons can fulfil the role of Scheme Administrator, as required by HMRC to:

- > register the pension scheme with HMRC
- > report events relating to the scheme and the Scheme Administrator to HMRC
- > make returns of information to HMRC
- > provide information to scheme members, and others, regarding the Lifetime Allowance, benefits and transfers.

Dentons will provide all the necessary paperwork to:

- > establish the SSAS
- > register the scheme
- > set up the initial bank account
- > carry out a range of administration services, as required

Financial strength

Dentons has grown to manage nearly 800 SSASs and over 6,200 SIPPs with £4.6bn of assets under administration.

Dentons' capital resources position is such that it has consistently held reserves higher than that required by the FCA. We have controlled exposure to various non-standard assets resulting from our robust due diligence processes.

In force business levels as at 13 August 2018

| Key Dentons' statistics | SSAS | SIPP |
|--------------------------------------|----------------|----------------|
| Number of plans under administration | 786 | 6,252 |
| Average case size | £1,473,059 | £557,335 |
| Total assets under administration | £1.157 billion | £3.484 billion |

Number of properties in our SSAS pension schemes: 821

Dentons' service proposition

Dentons has a clear focus on the delivery of a personalised and expert SSAS administration service to their clients. The servicing proposition is led by the Pension Consultants, two of whom are members of the Dentons' board.

The Dentons' Pension Consultants each head up a pension administrator team. Each team deals with a set amount of Dentons' client pension portfolios and provides a single point of contact for all client SSAS transactions.

Dentons servicing structure and training programme is designed to ensure that Dentons' pension administrators are comfortable answering any adviser and client queries across every aspect of SSAS servicing.

All members of staff attend regular company training sessions and Dentons encourages and supports staff to take financial exams.

Dentons culture

We pride ourselves on looking after all members of staff. We work in a friendly and respectful office with a high level of team work across all departments in the company.

Dentons continually strives to reduce its carbon footprint by evolving into a paperless company, recycling and switching off electrical equipment at the end of the working day.

Sales & Marketing/Technical

The Sales & Marketing and Technical departments also provide ongoing services to financial advisers and introducers through regular seminars, educational workshops and newsletters, as well as pre-sales support, asset approval, literature and illustrations.

We support financial advisers in developing professional connections through our frequent seminars held throughout the UK, often with investment managers, solicitors and accountants.

Overview of our services

In addition to providing clients with the greatest choice and flexibility through our SSAS, Dentons also offers a full range of specialist pension services with a variety of features to satisfy the most discerning clients, including technical guidance and information.

As part of our service you can request that one of our experts joins your initial client meeting.

Dentons is authorised to provide restricted advice relating to regulated financial products.

We can help clients to establish whether investment propositions comply with current HMRC requirements.

Retirement options

When it's time to draw from their pension, we make sure clients are in full control.

We offer a range of flexible retirement options for when clients choose to take their benefits:

- > Capped Drawdown (for clients already in Capped Drawdown)
- > Flexi-access Drawdown
- > Uncrystallised Funds Pension Lump Sum (UFPLS)
- > Phased Retirement.

These are only choices available with your Dentons SSAS but there are other retirement options available. For more information we recommend you contact your Financial Adviser.

Please note: Whilst Dentons is authorised and regulated by The Pensions Regulator, it should be noted that a SSAS is not an FCA regulated product and, as such, does not come within the remit of the FCA.

Award winning SSAS and SIPP specialist

Winning the following externally accredited awards is a testament to our dedicated, knowledgeable and experienced consultants and administrative staff and to our range of self invested products.

Our level of client services and pension products continue to lead the way, backed by impressive customer assessment.

'5 star' Financial Adviser Service Awards 2012, 2013, 2015, 2016 and 2017

For five years out of six Dentons has been recognised for its service by receiving this 5 star award, as voted for by IFAs. For 2013 & 2015, we were also awarded top performer in the Life & Pensions category of these awards. We were not eligible for an award in 2014.

This is an endorsement of our continuous focus on delivering exceptional service and flexibility, and reacting to changes in the marketplace to make it easier for advisers to do business.



Key personnel at Dentons

Key Personnel

Dentons staff offers advisers and introducers a wealth of SSAS technical expertise, experience and knowledge.

Key personnel are professionally qualified with most senior staff having a long track record with Dentons meaning we retain skills, industry knowledge and experience. Dentons' Directors have a 'hands-on' approach in terms of the day-to-day operation of the business and the core discipline of SSAS servicing.

All Pension Consultants are encouraged to develop professional relationships with introducing firms and to gain an in-depth understanding of their requirements. During working hours they are always available to respond to, and seek solutions to, issues, problems and queries that introducers might have.

Administration teams

Dentons achieves the highest standards of service through efficient administration processes.

Our Pension Consultants are supported by experienced pension administrators to look after all aspects of a client's retirement provision. All work is undertaken by a specific team rather than a departmental approach, offering bespoke individual administration services and support.

Sales and Marketing

Dentons has grown its sales and marketing function and its industry profile in order to support the SSAS proposition and contribute to the development of adviser relationships.

Sales and Marketing support is provided by:

- > Director of Sales and Marketing: David Fox
- > Two regional Business Development Managers:
 - > Stephen McPhillips: Midlands, Mid Wales and Northern Ireland
 - > James Beal: North of England and Scotland
- > Marketing Manager: Helen Webb
- > Marketing Assistant: Andy Powell
- > Two support staff: Hannah Balchin & Jordana Lloyd-Bailey

In addition, our technical service comprises:

- > Director of Technical Services: Martin Tilley
- > Technical Manager: Keith Gorbutt

All members of the team work closely together and speak with advisers on a regular basis.

Key personnel at Dentons (continued)

Advisers appraising the merits of partnering with a specialist SIPP and SSAS provider may wish to learn more about the key company personnel, their background and level of experience.

Dentons has two Executive Directors

| Directors | Background and Experience | |
|---|---|--|
| Derrick Fowler Executive Director | <ul style="list-style-type: none"> › Joined Dentons in 1983 › Appointed to Dentons board in 2005 › Over 35 years' SSAS and 22 years' SIPP experience › Associate of the Institute and Faculty of Actuaries 1991 | Joint Managing Director & Senior Pension Consultant |
| Ian Stewart Executive Director | <ul style="list-style-type: none"> › Joined Dentons in 1994 › Appointed to Dentons board in 2005 › Over 30 years' SSAS and 23 years' SIPP experience › Holds LLB (Hons)/DipPFS | Joint Managing Director & Senior Pension Consultant |
| Senior staff | Background and Experience | |
| David Fox | <ul style="list-style-type: none"> › Joined Dentons in 2011 › 24 years' experience in developing adviser relationships › Over 8 years SSAS and 15 years' SIPP's experience › Holds FPC and CII G60 pensions qualification | Director of Sales & Marketing |
| Martin Tilley | <ul style="list-style-type: none"> › Joined Dentons in 1988 › Over 35 years' experience in pensions industry › DipPFS and Associate of Pensions Management Institute by qualification: elected to Fellow in 2018. | Director of Technical Services |
| Consultants | Background and Experience | |
| Barry Bolland | <ul style="list-style-type: none"> › Joined Dentons in 2016 › 34 years' experience in pensions industry › Holds BA (Special Hons) | Pension Consultant |
| Rod Doy | <ul style="list-style-type: none"> › Joined Dentons in 1997 › 30 years' experience in pensions industry › Holds Diploma in Financial Planning | Senior Pension Consultant |
| Martin Friel | <ul style="list-style-type: none"> › Joined Dentons in 2012 › 28 years' experience in pensions industry › Holds Diploma in Regulated Financial Planning | Senior Pension Consultant |
| Paul Johnson | <ul style="list-style-type: none"> › Joined Dentons in 1987 › Over 40 years' experience in pensions industry › Qualified Chartered Insurance Practitioner › Holds Diploma in Financial Planning | Senior Pension Consultant |
| Richard Mann | <ul style="list-style-type: none"> › Joined Dentons in 2015 › 26 years' experience in financial services industry › Holds Diploma in Financial Planning | Senior Pension Consultant |
| Jacque Pilcher | <ul style="list-style-type: none"> › Joined Dentons in 2013 following the acquisition of Tenon Pension Trustees › 30 years' pension experience › Currently working towards Diploma status | Pension Consultant |

Permitted investment list

Dentons has over 38 years' experience within the industry and our pension consultants average over 25 years' experience in financial services, dealing with simple and complex investments, including property purchase. A principal feature of our SSAS is the flexibility it provides when it comes to investment options.

Please note: a minimum fund value of £50,000 is required.

Our extensive range of available SSAS and SIPP investment opportunities:

Funds and equities

- > Equities quoted on the UK Stock Exchange including securities on the Alternative Investment Market (AIM)
- > Equities traded on a recognised overseas stock exchange
- > Insurance company managed funds and unit linked funds through pre-approved investment managers
- > Futures and options traded through a recognised exchange
- > Investment Trusts
- > Regulated Open Ended Investment Companies (OEICs) and Unit Trusts
- > Corporate bonds quoted on a recognised Stock Exchange
- > FCA recognised offshore funds
- > Trustee investment bonds
- > Hedge funds
- > UK unquoted equities (subject to individual consideration)
- > Unregulated Collective Investment Schemes (UCIS) (subject to individual consideration)

Deposit accounts

- > Deposit accounts with any authorised financial institution

Property

- > Commercial UK property or land
- > Complex property transactions including joint property with other pension vehicles, members or companies
- > Residential property through a qualifying collective investment vehicle

Secured loans

- > Secured loans to a sponsoring employer (subject to satisfying HMRC requirements)

Other

- > Second-hand endowment policies via a recognised dealer
- > Commercial loans to unconnected parties (other than individuals and partnerships)
- > Trustee borrowing on commercial terms
- > Investment grade gold bullion
- > Intellectual property
- > CFDs & Foreign currency (these are only allowed as part of a collective investment scheme or a portfolio with an FCA regulated discretionary fund manager, subject to approval)

- > All alternative investments can be considered – however complex – subject to them complying with HMRC rules. We will investigate each individual asset or investment to ensure that it will not be subject to tax charges within the SSAS.

We will not restrict members in the use of any authorised investment manager or investment platform and we have a number of established relationships with Investment platforms and Discretionary Fund Managers allowing for a full and open architecture offering.

Should a client express an interest to open an account with a fund manager or platform where we have not previously carried out any due diligence, we will carry out the relevant due diligence and then open the account on its satisfactory inclusion to our permitted platform list.

Dentons does not allow the following investments:

- > Residential property
- > Overseas unquoted equities
- > Overseas commercial property
- > Off plan hotel developments
- > Carbon credits
- > Cloud lending
- > Land banking
- > Litigation funding
- > Any taxable moveable property.

Commercial property

Dentons has specialised in commercial property acquisition and management within self-invested personal pensions since its inception over 38 years ago and has considerable experience of dealing with complex investments and transactions. This includes joint property purchases in the UK.

Specific features of property purchase with Dentons:

- > Joint transactions with other providers and/or individuals
- > Full property investment flexibility
- > Flexibility for your client to choose their own solicitor, valuer and lender
- > No compulsory property management agent
- > No obligatory block insurance
- > VAT registration, where applicable.

Examples of properties purchased by a Dentons SSAS:

- > Industrial units
- > Offices and shops
- > Farmland and forestry
- > Public houses
- > Nursing homes
- > Hotels
- > Marine berths
- > Airports
- > Gymnasiums.

Compliance structure

Compliance Mission Statement

Our experienced compliance team with their sector skills and knowledge, as well as regulatory experience, helps Dentons to achieve and maintain compliance within the FCA and Pensions Regulator rules and regulations.

We combine expertise in risk analysis with a commercial perspective to build a safe business environment.

Our aim is to:

- > Operate in a compliant manner at all times
- > Promote greater understanding of the benefits of best compliance with the FCA and Pensions Regulator rules and regulations
- > Establish and maintain a 'pro-compliance' culture
- > Maintain high professional standards and ongoing competence including ethical behaviour through education, training and continuing professional development

- > Encourage all business to be conducted with integrity, diligence and professionalism.

Key compliance personnel

The Compliance Officer is Derrick Fowler and a Compliance Manager, Rod Priest, who has been with Dentons for over 3 years and is a Fellow of The Personal Finance Society (PFS), supports him. In addition, Dentons uses the services of an external compliance consultant who has worked closely with Dentons since 2001.

Asset acceptance

The senior management of Dentons has initiated an Investment Committee as a way of monitoring and controlling non standard and sophisticated investments.

The Committee conducts an internal investigation as well as using the services of an external party – *in:review* to carry out 3rd party due diligence and provide investment reports.

This due diligence forms the basis of Dentons' decision-making process for approving or declining such investments as suitable to be held within the SSAS and SIPP.

The Committee continually reviews its practices in light of increasingly sophisticated investments and regulatory good practice.

The Committee is made up from members of senior management, compliance and technical. Keith Gorbutt, Technical Manager, can also assist with technical issues and due diligence over 'non-standard' assets.

Keith has worked in financial services since 1996 and joined Dentons in 2012.

Complaints

Complaints are dealt with in accordance with our Complaints Procedure. Complaints should be addressed to the Compliance Officer at Dentons.

Quality of systems and controls

Treating Customers Fairly

The Dentons Board of Directors has long regarded Treating Customers Fairly (TCF) as a priority and every effort is made to cascade this down through line management and consultants to every member of staff, to ensure that everyone within the company understands and implements the fundamental requirements of the FCA's TCF rules and its application to the operation of Dentons' pension arrangements.

Consultants and administrative staff are encouraged at regular meetings to ensure they have satisfied the principles of TCF at all times.

Continuous monitoring

Dentons has an experienced review team who continually monitor client documentation, illustrations, disclosure and procedures to ensure their accuracy and technical validity.

All product literature is independently reviewed to ensure clarity and accuracy of content without the use of 'jargon'.

Data protection

All data held is subject to the provisions and requirements of the General Data Protection Regulation (GDPR) with effect from 25 May 2018, as determined by the Information Commissioner with whom we are registered as the Data Controller.

Dentons complies with the GDPR, which outlines how personal data will be handled and securely stored.

Business Continuity Plan

In the event of a catastrophic failure to the existing premises or systems, and to ensure business can continue, arrangements have been made for Dentons to operate from alternative nearby facilities.

Prevention of fraud

For Dentons, the underlying key to the prevention of fraud is that the SSAS member(s) must be a joint signatory to any payment made from the SSAS account. Internally, only senior staff are authorised to sign documents relating to asset ownership and reconciliations are undertaken regularly to minimise any fraud risk within the organisation.

Dentons is unable to remove SSAS funds upon its own authority.

Anti-money laundering

Dentons follows industry guidelines for anti-money laundering processes, as set out by the Joint Money Laundering Steering Group.

Dentons also works with introducers to ensure that the identity of clients is correctly confirmed.

Dentons default SSAS bank account

Whenever a SSAS is established with Dentons, a default sterling SSAS bank account is opened.

The default sterling bank account for the SSAS may be provided by Cater Allen and is not intended as an investment account but for the facilitation of transactions.

Clients are able to open additional deposit accounts with bank(s) of their choice.

Rates of interest

Dentons strives to pay a competitive rate of interest on its default sterling SSAS bank account.

The following rates are effective from August 2018:

| SSAS Deposit Amount | Gross % Interest Rate Payable |
|---------------------------|-------------------------------|
| Up to £99,999 | 0.25% |
| From £100,000 to £499,999 | 0.40% |
| From £500,000 | 0.50% |

Headline SSAS fees

Standard fees

| | | |
|---|---------------------|---|
| SSAS Establishment | £950 | > This includes legal expenses and will be billed to the Company |
| Standard administration services | From £375 per annum | <ul style="list-style-type: none"> > These fees will be increased on 1st January each year taking into account changes in the National Average Earnings Index (NAE) or the Retail Prices Index (RPI) > All other charges are time costed depending on individual requirements |
| Additional administration services | Time cost | > Additional administration and services will be charged as outlined in the SSAS Fee Schedule |

For a full list of Dentons' current fees, please refer to our SSAS Fee Schedule.

Payment of fees

- > Fees for administration services will normally be invoiced half yearly in arrears and can be met by either the Scheme or the Company establishing the Scheme
- > Fees will be payable for as long as the Agreement remains in place. We reserve the right to bill more frequently, if appropriate.
- > All fees are subject to VAT.



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