

Risk Warnings

Bank of Scotland Share Dealing Self Invested
Personal Pension



Transfers in

By transferring other pension benefits into your 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 future.

You may be giving up the right to receive a terminal bonus on with-profit pension 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 advisor if you are considering transferring existing pension benefits into your SIPP.

Investments

The value of investments can fall as well as rise and is not guaranteed. You may get back less than the amount invested.

Past performance must not be viewed as an indication of future performance.

The price of investments may change quickly and can go down as well as up.

There is an extra risk of losing money when shares are bought in some smaller companies including penny shares. There may be a big difference between the buying price and the selling price of these shares. If they have to be sold immediately, you may get back much less than you paid for them.

You will be able to deal in a range of investments each of which carries a different level of risk.

Certain investments may not be readily realisable. You may have difficulty selling these investments at a reasonable price and, in some circumstances, it may be difficult to sell them at any price. You should not invest in these investments unless you have carefully thought about whether you can afford them and whether they are right for you.

In certain overseas jurisdictions there may be different settlement, legal and regulatory requirements to those applying in the United Kingdom and also different practices for the separate identification of customers' investments.

Foreign markets will involve different risks from United Kingdom markets and in some cases the risks will be greater. On request, we will provide you with an explanation of the relevant risks and protections which will operate in any foreign markets, including the extent to which we will accept liability for any default of a foreign broker whom we use to process deals. The potential for profit or loss from transactions on foreign markets or in foreign denominated contracts will be affected by fluctuations in foreign exchange rates.

The cost effectiveness of your SIPP may depend on a number of factors, including:

- the size of your SIPP in relation to the initial and ongoing costs (including our charges, which may increase in future);
- the type of investments held;
- the frequency with which you deal; and
- the size of transaction you undertake.

If you have a smaller fund, or deal excessively, the value of your SIPP may be eroded and the costs may be disproportionate to the value of your SIPP.

Multiple investments and frequent dealing in small amounts may also result in excessive costs.

We do not make investment recommendations. Any investment information is provided solely to enable you to make your own investment decisions and must not be treated as a solicitation or recommendation to buy, sell or otherwise deal in any particular investment.

Some of these risks may not be relevant to your SIPP, depending on the investment strategy you have chosen.

Income Withdrawal

Taking income withdrawals may erode the capital value of your fund, especially if investment returns are poor and a high level of income is taken; this could result in a lower income than anticipated in future.

If income withdrawals near, or at, the maximum permitted by HM Revenue & Customs (HMRC) are taken, such income withdrawals may not be sustainable. The higher the pension you choose to receive, the higher the probability that your pension may have to reduce in the future.

If you choose to receive your pension via income withdrawal, there is no longer a requirement to purchase an annuity by your 75th birthday. If you continue income withdrawals after age 75 you must take an income between the minimum and maximum levels specified by HMRC. The maximum income permitted by HMRC will reduce significantly compared to that before age 75. The benefits payable on your death after age 75 will be more restricted and the remaining fund on your death may be subject to significant tax charges, including inheritance tax.

The investment returns on your fund may be less than those shown in any illustrations you may receive from us.

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 lower or higher than the pension previously being paid under income withdrawal and/or the annuity you could have purchased previously.

Under income withdrawal you will not receive the benefit of the cross subsidy from the funds of annuitants who have died that you would under an annuity.

General

The tax benefits and governing law for SIPP's may change in the future.

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 SIPP is offered on an execution-only basis without pensions advice.

The Bank of Scotland Share Dealing SIPP and/or the investment services described may not be suitable for you. If you need advice, you must consult a suitably qualified financial adviser.

A J Bell Management Limited is the Scheme Administrator of the Bank of Scotland Share Dealing SIPP. A J Bell Management Limited is registered in England No. 3948391. Registered Office: Trafford House, Chester Road, Manchester M32 0RS. Authorised and regulated by the Financial Services Authority and on the FSA register under FSA register number 211468. Sippdeal Trustees Limited is a wholly owned subsidiary of A J Bell Management Limited, registered in England No. 4050222. Registered Office: Trafford House, Chester Road, Manchester M32 0RS. Sippdeal Trustees Limited does not conduct any regulated activities, and is, therefore, not regulated.

Dealing and stockbroking administration services are provided by Halifax Share Dealing Limited trading as the Bank of Scotland Share Dealing Service. Halifax Share Dealing Limited is part of the Lloyds Banking Group. Share Dealing Limited is registered in England No. 3195646 Registered Office: Trinity Road, West Yorkshire HX1 2RG. Authorised and regulated by the Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS. A Member of the London Stock Exchange and an HM Revenue & Customs approved ISA Manager.

