

# CHANGE OF INVESTMENT PROVIDER

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## **Sovereign Pension Services Limited**

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Sovereign Pension Services Limited ("SPSL") is licensed as a Retirement Scheme Administrator by the Malta Financial Services Authority ("MFSA"). SPSL administers various schemes. The schemes are licensed and regulated by the MFSA as personal retirement schemes. The licence of the respective schemes is not an endorsement by the MFSA of the scheme's financial performance. There exists no statutory provision for compensation in the case where the Scheme is unable to satisfy the liabilities attributable to it.

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*If you are appointing a Investment Manager to manage your funds on a discretionary basis, please complete Sections 1, 2, 4, 5, and 6 of this form.*

*If you are **not** appointing a Investment Manager, please complete Sections 1, 2, 3, 4, and 5 of this form.*

## Section 1

### Member Details

Title: \_\_\_\_\_ Surname: \_\_\_\_\_

Full forename(s): \_\_\_\_\_

### Hereinafter referred to as the "Member"

Member of: \_\_\_\_\_ Retirement Benefit Scheme (the "Scheme")

Contact number: \_\_\_\_\_ Email: \_\_\_\_\_

Date of birth: \_\_\_\_/\_\_\_\_/\_\_\_\_

Residential address: \_\_\_\_\_

### Adviser Details

Please provide details of the adviser recommending the change of investment provider

Adviser Name: \_\_\_\_\_

Adviser Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

Contact number: \_\_\_\_\_ Email: \_\_\_\_\_

## Section 2

### New Investment Provider

Name of Investment Provider: \_\_\_\_\_

Investment Product Type (e.g. life assurance / capital redemption / investment platform, etc.):

\_\_\_\_\_

Investment Provider Address: \_\_\_\_\_

\_\_\_\_\_

Contact number: \_\_\_\_\_ Email: \_\_\_\_\_

Regulatory Authority: \_\_\_\_\_

Country of regulation: \_\_\_\_\_

Authorisation/License Number: \_\_\_\_\_

☐

I have attached a copy of my chosen investment provider's charging structure which bears my signature.

I am aware that the fees are based on the premium invested and that early surrender penalties will be incurred if surrendered within \_\_\_\_ years\*.

*\*Please note this cannot exceed five years where applicable and may not apply to all investment products.*

## Section 3

### Details of Investments

Name of Investment	ISIN	Investment Amount	Initial Entry Charge (%) <sup>1</sup>	% of Initial Charge (or other fees) payable to your investment adviser <sup>2</sup>	Total Ongoing Fee (TER/OCF) <sup>3</sup>	% of Ongoing Annual Fee payable to your investment adviser <sup>4</sup>

<sup>1</sup> This is the maximum that might be taken out of your money before it is invested by the DFM. In respect of Structured Notes this represents the total percentage commission within the product and the total percentage paid to your appointed investment adviser.

<sup>2</sup> This represents the percentage from the Initial Entry Charge which is paid to your appointed investment adviser. In respect of Structured Notes this represents the total percentage paid to your appointed investment adviser.

<sup>3</sup> This is the total annual fee payable on this investment which is reflected in the total performance. This fee may change from year to year.

<sup>4</sup> This represents the percentage from the Ongoing Annual Fee which is paid annually to your appointed investment adviser for as long as you hold the investment, also known as trail commission.

Investment Adviser's signature: \_\_\_\_\_

Investment Adviser's full name: \_\_\_\_\_ Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

Member's signature: \_\_\_\_\_

Member's full name: \_\_\_\_\_ Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

## Section 4

### Risk Profile

Please tick the box that applies to you:

- ☐ **1 Lower Risk**  
I want my money to be as safe as possible. I am happy with small, steady growth and only minor ups and downs.
- ☐ **2 Lower to Medium Risk**  
I am cautious but willing to take some risk for a better return. I expect small but regular ups and downs.
- ☐ **3 Medium Risk**  
I am comfortable with a balance of risk and return. I accept that my savings will go up and down to try to get more growth over time.
- ☐ **4 Medium to High Risk**  
I want higher growth and accept that my savings may fall in value, sometimes for long periods.
- ☐ **5 High Risk**  
I want the chance of high growth and accept big and frequent ups and downs, even losses, along the way.

For further advice on risk profiling please consult your investment adviser.

**If the risk profile selected above differs from the one currently on our records, we will update our records to reflect the new selection.**

## Section 5

### Suitability Assessment and Declaration *(to be completed by the Adviser)*

#### Cost Comparison

	Current Investment Provider	New Investment Provider
Investment Provider Name:		
Annual Management Charge:		
Annual Investment Adviser Fees:		
Surrender Charges:		
Investment Manager Fees (if applicable):		
Custodian Fees (if applicable):		
Other costs (if applicable):		

## Rationale for Changing Investment Provider

Please explain how the cost structure of the new provider compares to the current provider and provide details on why the change of investment provider is beneficial to the Member:

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The following factors have been considered in recommending this change (please confirm by checking the boxes):

- ☐ Client's financial circumstances, including income, assets, and liabilities
- ☐ Client's retirement plans and long-term financial objectives
- ☐ Potential surrender charges and impact on overall returns
- ☐ Client's risk tolerance and investment preferences
- ☐ Adviser fees
- ☐ Ongoing costs associated with the new provider
- ☐ Tax implications as a result of changing investment provider
- ☐ Any other relevant factors (please specify):

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## Investment Adviser Declaration

I confirm that I have provided the client with full details of both the current and new investment providers, including all applicable charges and fees, and have explained the reasons why the recommended provider and investment solution are suitable.

Investment Adviser's signature: \_\_\_\_\_

Investment Adviser's full name: \_\_\_\_\_

Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

## Section 6

### Investment Manager Details

Investment Manager ("IM") company name: \_\_\_\_\_

Contact person: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Email address: \_\_\_\_\_

Regulatory Authority: \_\_\_\_\_

Country of regulation: \_\_\_\_\_

Authorisation/License Number: \_\_\_\_\_

☐ Terms of Business have been signed with Sovereign Pension Services Limited.

Fund Value to be managed: ☐ Full Fund Value ☐ Partial Fund Value: \_\_\_\_\_

Currency of investment: ☐ GBP (£) ☐ EUR (€) ☐ USD (\$) ☐ Other (please specify): \_\_\_\_\_

### Custodian Details

Please select only **one** of the following three options. It is strongly recommended that you seek the appropriate advice before you make your selection.

☐ **Default Custodian**  
I would like the assets currently held in my investment portfolio to be retained by the current Investment Provider's default Custodian.

**OR**

☐ **In-specie asset transfer to Custodian**  
I would like the assets currently held in my investment portfolio to be transferred to the following newly appointed Custodian.

**OR**

☐ **Cash transfer to Custodian**  
I would like all the assets currently held in my investment portfolio to be sold and the cash proceeds transferred to the newly appointed custodian.

*Please also enclose a dealing instruction form to instruct the investment provider to sell the assets currently held within the portfolio.*

Custodian Company name: \_\_\_\_\_

Contact person: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Email address: \_\_\_\_\_

Contact number: \_\_\_\_\_

Regulatory Authority: \_\_\_\_\_

Country of regulation: \_\_\_\_\_

Authorisation/License Number: \_\_\_\_\_

## Section 7

### Member Declaration

I confirm that I fully understand and accept all the fees payable to my appointed Investment Manager ("IM") and Custodian.

I confirm that I have been provided with, and fully understand and accept, all fees and charges applicable to the underlying investments, including, where applicable, any fees payable to my appointed IM, as well as any ongoing fees or trail commission payable to my appointed financial/investment adviser and custodian, whether paid directly or facilitated by the IM.

I acknowledge that investments can rise and fall in value, and that neither the Trustee, RSA, nor the IM can guarantee investment performance or returns.

I confirm that I am aware that the IM will act in a discretionary capacity, which means they will make investment decisions and manage my portfolio on my behalf, without needing to obtain my prior approval for each transaction. I understand that they will do this in accordance with the agreed investment strategy and my risk profile.

I confirm that I have selected and appointed the IM, and that neither the Trustee nor the RSA has provided me with investment advice or recommended the IM.

I confirm that any potential conflicts of interest relating to adviser commissions, trail fees, or custodian charges have been disclosed to me, and I accept them.

I acknowledge the potential limitations on liquidity and the circumstances under which I can access or withdraw my funds.

I understand that additional risks may include operational risk, counterparty risk, currency risk, and other factors that may affect my investment returns.

Member's signature: \_\_\_\_\_

Member's full name: \_\_\_\_\_

Date: \_\_\_\_/\_\_\_\_/\_\_\_\_



## Section 8

### Investment Manager Declaration

I/We, the appointed Investment Manager, acknowledge and agree to the following in respect of the above-named member's pension plan:

The principal objective of the Scheme is to provide retirement benefits for the member.

Sovereign Pension Services Ltd, as RSA, is required to ensure the member's fund remains liquid, diversified, and compliant with investment restrictions imposed by the Malta Financial Services Authority (MFSA), the Scheme Document, and any applicable codes of practice or guidelines. The Investment Manager acknowledges this responsibility and undertakes to manage investments in accordance with the RSA's directions and its own regulatory requirements.

I/We confirm that we have received and read the investment restrictions and guidelines set out in Annex 1 and updated from time to time, and that the guidelines in force will be strictly adhered to, together with the member's indicated risk profile. These restrictions and guidelines take precedence over any other written agreement relating to this member's plan.

The RSA considers itself a retail investor and requires that no Professional, Expert, Sophisticated Investor funds, or Unregulated Collective Investment Schemes, be purchased for this member's portfolio.

While the RSA uses UK Retail Prices Index (RPI) as a benchmark, I/We may select an alternative benchmark where appropriate.

I/We confirm that all fees, charges, and any potential conflicts of interest have been fully disclosed to the member. Any conflicts of interest will be managed in accordance with applicable regulations and best practice.

IM's signature: \_\_\_\_\_

Full name: \_\_\_\_\_

Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

## Annex 1 - Investment Guidelines

### Investment Guidelines

All investments must comply with the Retirement Pensions Act, the directives of the MFSA, and the investment policies and restrictions set by the RSA. To assist a Member in ensuring that investments are appropriate for their retirement plan, Sovereign has produced the following guidelines:

- Investments may be made into a range of product wrappers and directly into funds. Investments may also be made via platforms or using the services of discretionary investment managers.
- Investments must be liquid and diversified in accordance with the criteria set out in these guidelines, with the objective of avoiding accumulations of risk within the portfolio as a whole. Diversification requirements apply as specified herein and must be adhered to when constructing and reviewing the portfolio.
- Investments may be made via recognised exchanges in stocks, funds, bonds, shares and other securities, cash, money market instruments and structured notes.
- Fixed deposit interest accounts are permissible, provided they include a break-out clause of 30 days or less. Additionally, no more than 50% of a Member's portfolio can be invested with a single provider. Any requests that do not meet these criteria must include a rationale and will be escalated for review and approval.
- Retail Collective Investment Schemes ('CIS') and Exchange Traded Funds ('ETF') are permitted, provided that exposure to any single ETF or CIS is limited to a maximum of 50% of the portfolio value.
- Investments in individual corporate or government bonds and equities are allowed, provided no more than 20% of a Member's total portfolio is allocated to any single holding at the time of investment
- Unless a Member is classified as a Professional Member\*, only retail investments will be accepted and investments into expert, professional or sophisticated collective investment funds are not permitted.
- Unregulated collective investments, any broker funds, cryptocurrencies, cryptocurrency ETFs, and Initial Coin Offerings (ICOs) are prohibited.
- Investments in funds that contain exit charges are not permitted.
- Funds deemed to have a high expense ratio/ongoing charges figure (over 2%) are not permitted unless the total portfolio TER is below 2%.
- Structured notes are permitted, provided they meet the following criteria:
  - Not more than 30% of the total pension fund value of the Member's account may be invested in structured notes
  - Not more than 20% may be invested in structured notes with one issuer
  - Major indices only (no single equities or sectors)
  - Minimum 30% barriers
  - Minimum rating of BBB by Standard & Poor's, Moody's or Fitch
- Loans to Members or connected parties are not permitted.
- The purchase of residential property is not permitted.
- Options, futures, swaps, forward rate agreements and other derivative contracts will not be permitted except for risk hedging purposes.

\*As defined in the Pension Rules for Personal Retirement Schemes Issued in Terms of the Retirement Pensions Act, 2011.

- Investments in private equity and Contracts for Differences will not be permitted.
- Investments in new products will have a maximum commission cap of 3%. Any recommendations with commissions exceeding this 3% threshold will be rejected. Furthermore, investment lock-in periods will be limited to a maximum of five years. The RSA may request the adviser's suitability report signed by the Member before proceeding with the switch.

Sovereign trustee/RSA will always sell the largest liquid asset in a member's pension to settle its annual fee should there be insufficient cash in the investment transaction account. Please advise Sovereign at your earliest convenience should you wish for alternative arrangements to be made in the event that there are insufficient funds in such an account.

Please note that the investment guidelines are subject to change by the RSA from time to time. The most recent version in force will apply, and will supersede any version contained in this form.