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Please refer to the glossary at the end of this document for capitalised terms.

What are the changes affecting Wrap SIPP clients invested in insured funds?

We, together with Standard Life, are preparing to move clients from Wrap SIPP to the new Aberdeen SIPP. The new product offers a number of benefits for advisers and clients, including improved online functionality and comprehensive drawdown and contribution options.

The Aberdeen SIPP also offers a wide range of investment choices but does not offer on platform insured funds provided by Standard Life. Clients holding insured funds in the Wrap SIPP cannot be transferred to the Aberdeen SIPP whilst still holding this asset type. Clients who are invested in insured funds at the point of the Initial Transfer will therefore be switched into a Mapped Mutual Fund at a later date before being transferred to the Aberdeen SIPP through the Follow-on Transfer.

Therefore, the order of the key events should be:
(1) pre-transfer preparation, where advisers will review client holdings and switch their investments, if appropriate;
(2) the Initial Transfer; (3) the Insured Funds Withdrawal; and then (4) the Follow-on Transfer.

How will my client be transferred from the Wrap SIPP to the Aberdeen SIPP?

Wrap SIPP clients are due to be transferred to the Aberdeen SIPP as part of a bulk transfer. We expect the bulk transfer to be split into two main tranches: the Initial Transfer and the Follow-on Transfer. Prior to the Follow-on Transfer, the Insured Funds Withdrawal will take place.

What are the benefits of moving clients out of insured funds before the Initial Transfer?

If you choose to move clients out of insured funds into a mutual fund or another available investment type now, it will allow your clients to be included in the Initial Transfer, benefitting from the improved features of the new product at the earliest opportunity. The date by which the move has to be completed will be confirmed in due course.

If clients are not moved out of insured funds prior to the Initial Transfer, they will remain in the Wrap SIPP until the Follow-on Transfer, after the Insured Funds Withdrawal. They will experience transaction restrictions put in place for both the Initial Transfer and the Follow-on Transfer.

What are the future plans for on platform insured funds on Wrap SIPP?

Clients still invested in insured funds will not be included in the Initial Transfer. At a later date, the Insured Funds Withdrawal will take place, followed by the Follow-on Transfer, unless clients choose a different option, including transferring to a different pension. We'll communicate the withdrawal and provide details of the alternative mutual funds their investments will be switched to unless a different investment is chosen. Once the withdrawal of insured funds is complete, these clients will move to the Aberdeen SIPP in a Follow-on Transfer.

We, together with Standard Life, will share more detail with you and your clients as we approach the transfer to the Aberdeen SIPP.

What happens if my clients remain invested in insured funds?

Clients with any amount still invested in insured funds will not be included in the Initial Transfer. Instead, they will remain in Wrap SIPP until the Follow-on Transfer, after the Insured Funds Withdrawal.

Clients who continue to hold insured funds, and are therefore not included in the Initial Transfer, will also experience trading restrictions put in place for both the Initial and the Follow-on Transfer.



Which clients are affected?

Only clients who currently hold insured funds on the wrap platform in their Wrap SIPP.

Clients invested solely in mutual funds, MPS, DFMs, equities, ETFs or other investments are not affected and will be included in the Initial Transfer of the Wrap SIPP to the Aberdeen SIPP unless there are other reasons that prevent a transfer, for example a negative cash balance.

How can I identify impacted clients?

The existing range of **Wrap SIPP insured funds** can typically be identified by the fund name. Within this range, the fund names will all begin with a prefix of either **SL** or **Standard Life**, e.g. **SL abrdn MyFolio Index Ill Pension Fund** or **Standard Life European Equity Pension Fund**. This naming convention is unique to insured funds. You can run a Total Holdings Report from the Adviser MI section of the Aberdeen Wrap platform and filter down to these funds to identify your impacted clients.

What options are available for advisers of insured fund clients?

1. **You can switch your insured fund clients to another investment type.** You can choose to switch clients into one of the Mapped Mutual Funds we've identified, or into any other investment type available on the Wrap SIPP. This means clients will be included in the Initial Transfer unless there are other reasons that prevent a Transfer, for example a negative cash balance. On our adviser support hub, you can find a list of the Mapped Mutual Funds. The date by which the switch has to be completed will be confirmed in due course.
2. **If you choose not to move clients out of insured funds,** they will be excluded from the Initial Transfer, however will still be impacted by Wrap SIPP trading restrictions for the Initial Transfer. At a later date, the Insured Funds Withdrawal will take place prior to the Follow-on Transfer.

How have the Mapped Mutual Funds been selected?

If you do not switch your clients' insured fund holdings, their holdings will be switched into a **Mapped Mutual Fund** at a later date as part of the Insured Funds Withdrawal, unless the Wrap SIPP is transferred to another provider. For many insured funds, the Mapped Mutual Fund is simply the underlying mutual fund that the insured fund invests in. Where this isn't possible, we, together with Standard Life, have selected the closest match based on factors such as the investment objective, asset allocation, investment strategy and charges.



What restrictions will apply prior to the transfer to Aberdeen SIPP?

To ensure a smooth transfer of clients to the Aberdeen SIPP, Standard Life need to restrict transactions for all Wrap SIPP clients around the Initial Transfer and Follow-on Transfer.

We'll let you know the timings of the restrictions and what this means for clients nearer the time.

How does switching out of insured funds impact the payment of drawdown and adviser charges?

If clients currently fund drawdown or adviser charge payments through **automatic unit cancellation** from insured funds, this will change once they are switched out of insured funds.

When clients are switched out of insured funds into a different investment type:

- income and charges must be funded from the wrap cash account or SIPP cash account
- a sell instruction needs to be set up (or existing standing batch updated prior to switching out of insured funds) to make sure enough cash is available. Our '**Platform trading guide**' outlines how to do this.
- if the cash balance becomes negative, investments will need to be sold to bring it back to a healthy level. Standard Life will aim to sell investments in accordance with their terms and conditions. For income payments, three times the value of the income payment that caused the negative cash balance will be sold. You may want to review income disinvestment strategies for drawdown clients to ensure everything is set up correctly.

How does switching out of insured funds affect clients' existing regular or top up contributions?

If clients are switched out of insured funds before the Initial Transfer begins:

- Existing regular contributions or buy batches containing insured funds should be updated to reflect the new investment choice. You can cancel the existing payment and rekey the expectation with the new investment choice.
- Regulars that are not updated may result in the client being excluded from the Initial Transfer if a further investment in insured funds is made prior to the transfer.

If clients remain invested in insured funds at the point the Initial Transfer begins:

- Regular contributions will continue to be invested in insured funds until the Insured Funds Withdrawal.
- Regular instructions will be updated to apply to the Mapped Mutual Fund shortly before the Insured Funds Withdrawal.
- Client communications will confirm cut-off dates for payments into insured funds.

What are the benefits of Aberdeen SIPP?

The Aberdeen SIPP offers enhanced online journeys and straight through processing to help reduce administration and free up adviser time. It also provides greater flexibility across contributions and drawdown, a comprehensive investment range, and added value features such as our automated Drawdown Price Lock, family linking and a no fee Junior SIPP. Transferring clients at the earliest opportunity allows you and your clients to start benefiting from these features sooner, rather than following a phased transition at a later date.

Find out more about what the Aberdeen SIPP offers you and your clients.

Glossary

In this FAQ, we use the following terms:

- **Follow-on Transfer:** the second expected transfer of clients from the Wrap SIPP to the Aberdeen SIPP, which should comprise clients who remain in insured funds at the time of the Initial Transfer.
- **Initial Transfer:** the first expected transfer of clients from the Wrap SIPP to the Aberdeen SIPP, which should comprise clients who are not invested in insured funds at the time of the Initial Transfer.
- **Insured Funds Withdrawal:** the exercise Standard Life plans to undertake to withdraw insured funds made available through the Wrap SIPP, which will involve switching insured fund holdings to Mapped Mutual Funds.
- **Mapped Mutual Funds:** the mutual funds we, together with Standard Life, have identified as a substitute for the insured funds made available through the Wrap SIPP which will be closing.



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