

SIPP Order of Disposal Policy

Pru Flexible Retirement Plan – SIPP Options (FRPT10411)

This leaflet is the **order of disposal policy** referred to in the **SIPP Supplement (FRPT10379)**.

The **order of disposal policy** sets out the actions that we will take where we need to raise cash to settle outstanding **liabilities** of a Prudential Self-Invested Fund (**SIF**).

The words and expressions shown in bold italics have special meanings, and are the same as the special words and expressions used in the **SIPP Supplement**. These terms and expressions are explained in the **SIPP Supplement**.

References to "we", "us" and "our" are references to The Prudential Assurance Company Limited and to **Suffolk Life** as our authorised administrator for the **SIF** (as explained in the **SIPP Supplement**).

A. Where this order of disposal policy will be used

This **order of disposal policy** sets out the actions that we will take where we need to raise cash to settle outstanding **liabilities** of a **SIF**.

Those **liabilities** could include (but not exhaustively) product fees and charges, **adviser charges**, legal and other professional fees, valuation fees, overdrawn bank accounts, outstanding loan repayments and amounts owed to **HMRC**.

This **order of disposal policy** will be used where we have contacted the **member** (or made reasonable efforts to contact the **member**) and his or her **adviser** (where our records show that the **member** has one) to agree how cash will be made available within the **SIF** to cover the outstanding **liabilities** with no resolution agreed.

B. Notice

We will give the **member** 30 days' notice that, unless sufficient cash is made available before the end of the 30 day period, we will sell assets owned by the **SIF** to raise sufficient cash to pay the outstanding **liabilities**.

Where there is not a discretionary or advisory **investment manager** acting, the notice will include details of the assets we propose to sell.

Where our records show that the **member** has an **adviser**, we will send a copy of the notice to his or her **adviser**.

After the end of the 30 day notice period, we will begin the process of selling assets, including property, to raise sufficient cash to pay the outstanding **liabilities**, plus all **costs** of selling the asset.

The following provides general guidance on how we will raise cash to settle outstanding **liabilities**. We will arrange for cash to be raised in the most appropriate and timely way, in our reasonable opinion.

C. Where there is a discretionary investment manager acting

We will instruct the **investment manager** to sell sufficient **investments** to meet the outstanding **liabilities**.

Where more than one discretionary investment manager account is held within the **SIF**, we will select one account at random.

D. Where there is an advisory investment manager acting

We will instruct the **investment manager** to advise the **member** and inform us which **investments** should be sold to meet the outstanding **liabilities** and we will confirm that the **investment manager** is to proceed on the basis of that information.

Where more than one advisory investment manager account is held within the **SIF**, we will select one account at random.

E. Where there is no discretionary or advisory investment manager acting or where insufficient cash is held by such an investment manager

We will arrange the sale of:

- 1) The asset/s most recently bought that, in our reasonable opinion, has/have the ability to be sold and the cash proceeds returned to us within 14 days of instruction.
- 2) If no assets held meet the criteria in 1) above, then the asset/s most recently bought that, in our reasonable opinion, has/have the ability to be sold and the cash proceeds returned to us within 30 days of instruction.
- 3) If no assets held meet the criteria in 2) above, then the asset/s most recently bought that, in our reasonable opinion, has/have the ability to be sold and the cash proceeds returned to us within the shortest timescale.

When deciding which asset/s should be sold, the following will apply:

- a) We will not sell a holding that requires the whole holding to be sold if this will raise significantly more than that required, where the whole or part of another holding can be sold to raise sufficient cash in a reasonable timescale to meet the outstanding **liabilities**;

- b) Where we do sell an asset held in a currency other than Sterling, we will estimate the amount to be sold. The exact amount to be sold cannot be known in advance as the proceeds will be converted into Sterling after the sale has occurred. The proceeds will be converted into Sterling by Bank of Scotland on receipt using their prevailing rate. For the avoidance of doubt any currency conversion and banking charges applicable will be borne by the **SIF**;

- c) The following will apply to the date that we deem an asset to have been bought:

- The asset will be deemed to have been bought at the date of the last purchase;
- Purchases in this context include, but are not limited to, cash investments, regular investments, dividends, rights issues and bonus issues;
- Assets transferred from other pensions will be deemed to have been bought on the date of the transfer; and

- Assets acquired as a result of a corporate action (including capital restructuring and takeovers) will be deemed to have been bought at the date of the corporate action.
- d) Where the only asset is an interest in a property where other investors also have an interest we will treat this as a request by us to sell the **member's SIF's** share of the common investment under the group investment agreement the **member** signed in relation to the property. This may lead to the sale of the property for all joint investors.
 - e). If an asset included in our notice is sold and the proceeds reinvested, then after the end of the 30 day notice period we will begin the process of selling other assets in accordance with this **order of disposal policy** without further notice to the **member**.

F. Our fees and other costs of sale

The following charges and expenses in connection with sales will be paid from the **member's SIF**:

- › our standard fees for any sales;
- › dealing fees, charges, commissions and penalties charged to the **SIF** by the **investment manager** or asset provider;
- › solicitor's fees, surveyor's fees, land registry fees or other costs associated with the sale of an interest in property;
- › mortgage provider's fees, interest and costs;
- › currency conversion; or
- › bank overdraft interest and charges.

The sale proceeds will need to cover these as well as the outstanding **liabilities**.

G. Timing of sales

We aim to send the following requests by post within 5 business days of the expiry of the notice period detailed under section B of this leaflet.

- › a request to the **investment manager** to return cash (which may require the sale of assets held by them);
- › a request to the **member's** execution only stockbroker to sell an asset/s and return the cash proceeds to us;
- › a request to an assets provider to sell part or all of an asset and return the cash proceeds to us; and
- › a request to a surveyor/property agent to sell part or all of a property.

H. Disclosure Transparency Rules and Dealing Windows

The **member** remains responsible for making any major shareholding notifications, where required, following the sale of an asset in the **SIF**.

We are unable to take into account any dealing restrictions that may be imposed on the **member**, for example by his or her employer. Where such restrictions exist, it is the **member's** responsibility to arrange the sale of the assets or arrange the settlement of the outstanding **liabilities** using an alternative way. This action should be taken, and communicated to us, prior to the time that this **order of disposal policy** becomes valid, as outlined at the beginning of this leaflet.



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