Key features of the Collective Retirement Account

keyfacts®

The Financial Conduct Authority is a financial services regulator. It requires us, Quilter Life & Pensions Limited, to give you this important information to help you decide whether our Collective Retirement Account is right for you. You should read this document carefully so you understand what you are buying, and then keep it safe for future reference.

This product is provided by Quilter Life & Pensions Limited.

Please read this document carefully

The purpose of this Key Features Document is to give you a clear and balanced summary of the information you need to help you make a decision about the Collective Retirement Account.

Reading financial literature can be daunting, so we try to make our brochures and other documents as clear as possible, with no 'small print'.

If technical expressions are unavoidable, we also include an explanation in plain English. We test our literature regularly to make sure that it can be understood by our customers.

Please read this Key Features Document in conjunction with the other important documents below available from your financial adviser.

Thank you

Other important documents:

Asset Lists

– These show the assets available to invest in through Quilter's technology platform, together with details of their objectives and risks. You should refer to the latest asset lists if you decide to change your asset choice in the future.

Key Features Illustration

– This is your personalised Key Features Illustration. It summarises how your investment might perform and details the charges that will be taken.

Making the Cost of Investment Clear

– This explains the roles of each party involved in your investment and what charges are applicable.

Terms and Conditions

– These are the specific Terms and Conditions relevant to your Collective Retirement Account.

Your financial adviser will also be able to provide you with additional information regarding choices about investments and benefits.

Any questions?

We recommend that you always speak to your financial adviser in the first instance about any questions you have about the Collective Retirement Account.

Contents at a glance

About us

We are part of Quilter plc, a leading UK-focused wealth manager, providing advice-led investment solutions and investment platform services. Listed on the London and Johannesburg stock exchanges, Quilter plc manages £99.6bn of investments, as at 31 December 2022.

Quilter enables financial advisers to deliver the very best service to customers and their families, to help them achieve their financial goals. We offer a comprehensive range of products and investments through our award-winning online investment platform.

Investing with Quilter

Where we use the term 'platform' in this document, this means Quilter's technology platform, which hosts collective investments and ISAs as well as bonds and pension products.

Quilter's platform is an innovative way to manage your investments. It provides access to a wide choice of assets to invest in, together with a range of tax-efficient ways to hold them, within a single consolidated portfolio. The Collective Retirement Account (CRA) offers you the opportunity to invest in the assets of your choice in a tax-efficient way. The assets available to invest in include over 2,600 unit trusts and open-ended investment companies (OEICs) from over 180 fund management groups. We also offer access to over 800 exchange traded funds, exchange traded commodities and investment trusts.

Our asset range spans a broad range of asset classes, sectors and markets and gives you the freedom and flexibility to choose a selection of investments that is right for you. Your financial adviser may recommend the use of the WealthSelect Managed Portfolio Service. **Throughout this document, references to the WealthSelect Managed Portfolio Service are in bold like this.** Access to a range of other discretionary investment management services is also available.

i For more information see our **'WealthSelect client guide'**, available from your financial adviser.

The CRA also gives you access to an interest paying cash account.

We support your financial adviser with tools and services to give them a better understanding of our technology platform and your investments with us. These tools and services can be used by your financial adviser with you at any time. They include:

- Communications that can be used by your financial adviser to inform you about your investments.
- Analysis tools that can be used by your financial adviser to help them work out what their recommendations should be.
- Training on how our technology platform works and changes in financial services regulations.

Aims

The Collective Retirement Account (CRA) and its benefits

The Collective Retirement Account is a registered personal pension. It enables you to build up a retirement fund that can be used to provide a future income. It is designed to offer you choice and flexibility along your retirement planning journey.

The CRA is a 'Money Purchase' pension (also known as 'Defined Contribution' pension). This is an insurance plan that accepts regular or one-off contributions from you, or others, and invests them in your choice of investment funds. The value of your pension is thus linked to the value of the assets held. This is different from 'Defined Benefit' schemes, whose value is linked to salary levels during employment.

The aims of the CRA are as follows:

- To help you save for your retirement in a tax-efficient way.
- To give you and your financial adviser the flexibility to choose how to invest to best suit your investment aims and attitude to risk.
- To provide a convenient online environment for you and your adviser to manage and review your pensions, react to any developments in the market, and make any changes to your choice of funds.
- To allow you to transfer the value of any other pension arrangements you have, into the CRA, thereby consolidating your retirement savings in one place (See Q5).
- To allow you to take income withdrawals and any lump sum(s) available to you from your CRA, normally any time from your 55th birthday (rising to age 57 in 2028), whilst leaving the rest of your retirement fund invested.
- To provide benefits for your beneficiaries on your death (See Q19).
- To give you the flexibility if you need it, to transfer the value of your CRA to another pension scheme registered with HMRC or a Qualifying Registered Overseas Pension Scheme (QROPS), or to use it to buy a guaranteed income for life (a 'lifetime annuity') (See Q21).

When you invest through Quilter you can hold and manage your pension and all your assets within a single, consolidated portfolio. We provide an environment where you and your financial adviser can better control your investments; where you can review them, react to any developments in the market, and if appropriate make any changes to your choice of assets, a process known as switching.

Your commitment

What you have to do as the investor

You should satisfy yourself that you understand the features and risks of this product, so that you can decide whether it is likely to meet your needs and expectations in terms of taking an income, capital growth and tax planning. You should be aware that there are other solutions available which may equally satisfy your income requirements in later life. Your financial adviser will help you understand if this product is suitable for you.

Making payments

You and your financial adviser should ensure that any regular and/or lump sum payments made into your Collective Retirement Account are sufficient to meet your needs in retirement, and are within maximum limits set by HM Revenue & Customs (HMRC).

When you make a payment into your Collective Retirement Account, we claim on your behalf the basic rate of tax that you have paid on that amount. Adding this to your payment brings it up to the gross amount. Any changes to basic-rate tax will affect the amount allocated to your Personal Pension. For example, if basic-rate tax reduces, the amount you pay will stay the same and the amount allocated will reduce.

Choosing and reviewing your assets

You need to choose the assets in which to invest your money.

To ensure that the Collective Retirement Account and your chosen assets continue to meet your needs, you should monitor their performance regularly, consider new assets that become available and make whatever changes (switches) may be necessary. Your financial adviser will be able to help with this.

If you have agreed with your financial adviser to use the WealthSelect Managed Portfolio Service, for all or part of your investment, the choice of assets held in the Managed Portfolio will be made by us, as the Portfolio Manager. If you have chosen to invest via a discretionary investment manager, it will be their responsibility to choose the assets on your behalf.

For more information see our **'WealthSelect client guide'**, a document available from your financial adviser.

Keeping in touch

You should let us know who you would like to provide for in the event of your death by naming your beneficiaries and keeping us up to date with your wishes.

You will need to keep us informed about any future change of address or contact details so we can maintain our records. You must also let us know if:

- the total contributions paid by you or on your behalf exceed your relevant UK earnings for the tax year or, if you have no such earnings, £3,600 including tax relief
- you cease to be a UK resident and have no UK earnings
- your contributions are no longer eligible for tax relief
- you have taken taxable income from another pension using one of the flexible options such as flexi-access drawdown

Risks

Factors that could affect your account

All types of investment involve some risk. The Collective Retirement Account gives you access to a wide variety of assets. Their value may fall as well as rise. You accept this investment risk by investing in the Collective Retirement Account. This means we cannot guarantee the value of your pension or the amount of income you may receive in retirement. It may be less than forecast in your personalised Key Features Illustration, or less than you invested, for the following reasons.

Cancellation risk

- If you change your mind and cancel your account, you may not get back the full amount you paid into it if the value of your investment has gone down over the time between investment and cancellation.
- If, at your request, we have paid fees to your financial adviser or discretionary investment manager for this transaction, we cannot reclaim or refund that payment, as your fee agreement is with your adviser not Quilter.

Transferring from another pension scheme

- If you are transferring from another pension scheme, you may lose any guarantees or other valuable benefits available from that scheme. There is no guarantee that you will be able to match the benefits you give up by transferring into the Collective Retirement Account.
- If you are making a cash transfer you may lose potential income or growth during the time it takes to complete the process.

Choice of assets

- The assets available for you to invest in have specific objectives and associated risks. These differ according to the investment holdings within them. For example:
  - If you choose 'emerging market' OEICs that are invested in parts of the world with less well established economies, their value could be subject to considerable price variations – known as 'volatility'

See the relevant **asset list** for more information

- If you do not review the choice of assets within your account regularly and monitor their performance, they may fail to meet your expectations.
- If the assets in your account do not match your attitude to risk (willingness to accept potential losses), they may not perform as you anticipate. During periods of poor stock market conditions or uncertainty we or fund managers may suspend dealing in the fund due to liquidity issues. Where a fund is suspended you will not be able to buy or sell units in that fund until the suspension is lifted.

Charges and assumptions

- The effect of charges may be higher than shown in your Key Features Illustration. If you switch to assets with higher charges than those originally illustrated, or if the management costs for the assets you initially choose increase, the effect of charges will change.
- In the Key Features Illustration we have to make assumptions about what will happen during the period from when your pension starts until the age at which you intend to start drawing benefits from your account. These assumptions are unlikely to match exactly what actually happens. For example:
  - if you decide to buy an annuity, the rates used to convert your pension savings into an income could be lower than illustrated
  - you might reduce or stop making contributions
  - if you start to take benefits earlier than anticipated there will have been less time for potential growth and fewer payments if you are making regular contributions
  - the growth of your pension assets may be lower than the assumptions made in the illustration

Tax

- Tax rules could change in the future.

Regulation changes

- The rules and laws surrounding pension schemes could change in the future.

Taking income withdrawals

- If you take out too much money, either as regular withdrawals or lump sums, you may run out of money and have to provide an income in retirement from other sources.
- You may live longer than expected, and if the level of withdrawals you take are too high, you could run out of money before you die.
- You will normally be taxed on any withdrawals you take as income. This could increase the rate of income tax you pay on the total income you receive.
- Any income you take from your pension could affect any state benefits you may be claiming.
- Whilst taking income, your pension savings will remain invested in assets, which mean that their value may rise or fall. You should ensure that your asset selection matches your attitude to risk in retirement and that the levels of withdrawals you intend to take can be adjusted, if necessary, to reflect investment returns that are lower than you might be expecting.
- Once you take an income using flexi-access drawdown, the total amount you can pay each year into your money purchase pensions will be reduced. This could restrict your ability to replenish retirement savings in the future. Your financial adviser will be able to tell you about whether this will affect you.

Questions and answers

Q1. Could the Collective Retirement Account be right for me?

The section titled 'Aims' on page 4 details the benefits available to Collective Retirement Account holders. Quilter Life & Pensions Limited does not give investment advice nor do we make any judgements on your behalf about the merits or suitability of the Collective Retirement Account.

Your financial adviser will help you understand if this product is a suitable solution for your retirement needs. If you do not have a financial adviser and if you are not comfortable making investment decisions without professional advice, this account is unlikely to be the right one for you.

The Collective Retirement Account could be right for you if you are a UK resident and:

- you are looking to invest in collective investment funds including unit trusts, open-ended investment companies (OEICs), exchange traded funds (ETFs), exchange traded commodities (ETCs) or investment trusts, to build up your pension savings in a tax-efficient way, bearing in mind that growth is not guaranteed
- you are prepared to commit to having your money tied up, normally until at least age 55 (rising to age 57 in 2028), but then have choice over how and when to take benefits
- you want the flexibility to choose your own assets in line with your aims and attitude to risk
- when you begin to take income withdrawals, and any lump sum(s), you would like to leave the rest of your savings invested
- you want to provide benefits for your beneficiaries on death
- you want the convenience and flexibility of being able to consolidate and manage all your pension savings within one plan by transferring it into pension savings built up in other schemes, including 'defined benefit' transfers that have been recommended and assessed as being in your best interests by a regulated pension transfer specialist
- you want the freedom to transfer your pension savings in this account to another authorised provider, for example to buy an annuity (a guaranteed income for life), to move abroad, or to take advantage of benefits not offered by this account.

The Collective Retirement Account might not be right for you if:

- you want unrestricted access to your money before the age of 55 (rising to age 57 in 2028)
- you want to invest in a wider range of assets than unit trusts, open-ended collective investment schemes (OEICs), exchange traded funds (ETFs), exchange traded commodities (ETCs) and investment trusts, such as direct investment in shares or commercial property
- you want to set up a workplace pension arrangement, since the Collective Retirement Account cannot be used as an auto-enrolment or qualifying workplace pension scheme
- you are currently in a final salary (also known as a defined benefit) pension scheme and you are:
  - looking to transfer out of that scheme but you and/or your dependants need a guaranteed income for life, potentially with inflation protection
  - able to achieve your financial objectives without the need to transfer
  - unsure what your income needs will be in retirement.

It is important that you regularly review the ongoing suitability of your Collective Retirement Account to ensure, for example, that your investment choice remains in line with your attitude to risk and that the timing and income options available to you are suitable.

You should also assess the impact of any changes in the law, new savings products available on the market, and changes to your personal circumstances, such as a move overseas.

If you have any questions about the suitability of this Collective Retirement Account for your needs, or you have not already received investment advice, please contact your financial adviser.

Q2. How does investing with Quilter work?

When you hold investments from a variety of product providers and fund managers, you have to deal with a number of different companies.

Obtaining separate valuations, issuing investment instructions or simply updating your personal details can involve numerous different systems, lots of paperwork and could be very time consuming.

Investing with Quilter makes life less complicated. We enable you to consolidate your entire investment portfolio online in a single location, meaning you and your financial adviser can access your investments quickly and easily. This means you have more control of your financial position, can react more quickly to market developments, make plans and alter your asset choice easily if you need to.

You can invest through:

- An Individual Savings Account (ISA) – a stocks and shares ISA
- A Junior Individual Savings Account (JISA) – a stocks and shares ISA for children under 18
- A Collective Retirement Account (CRA) – a registered pension scheme
- A Collective Investment Bond (CIB) – an investment with an element of life assurance
- A Collective Investment Account (CIA) – this investment does not have any particular tax advantages, however it is a convenient way of investing your money in funds. This can be either held directly or within an offshore bond or trust or a UK Registered Pension Scheme.

The ISA, Junior ISA and CIA are provided by Quilter Investment Platform Limited. When you invest in these services, our role is to provide and service your account and to give you direct access to invest in a range of assets.

The CRA and CIB are provided by Quilter Life & Pensions Limited. When you invest in a CRA or CIB, our role is to administer your bond or pension product, through which you can invest in a range of assets.

Quilter Investment Platform Limited and Quilter Life & Pensions Limited are both part of Quilter plc.

Important information about each of the above investments is in the relevant Terms and Conditions, which you can obtain from your financial adviser.

Please bear in mind that as you are investing in assets through the platform rather than directly, you will not receive individual voting rights in those assets, although we will inform you of any significant asset news through our ‘fund updates’, you will not receive directly any fund manager reports that may be distributed to direct investors. You should consider how important these factors are to you.

Q3. Is the Collective Retirement Account a stakeholder pension plan?

The CRA is not a Stakeholder Pension Plan. The minimum payment to the CRA is higher and some of the charges are higher than the government Stakeholder standards. Your financial adviser will be able to advise you whether a stakeholder plan will meet your needs at least as well as a CRA.

Q4. Is my money guaranteed?

No, the value of your investment in the Collective Retirement Account can go down as well as up and you may not get back the original amount invested.

Q5. How can money be paid into my Collective Retirement Account?

By you

If you have UK earnings that are liable to income tax you can pay up to 100% of these earnings in total to one or more registered pension schemes. Even if you are not working, you can normally pay up to £3,600 a year including tax relief into a Collective Retirement Account as long as you are resident in the UK.

Other people, such as relatives, can also pay into your pension on your behalf.

By your employer

If you are employed, your employer can pay into your account.

Other sources of payment

If you have a pension scheme with another company, you can normally transfer its value into your Collective Retirement Account. This can be carried out as a cash transfer or by way of a re-registration of assets that are on our asset lists. Re-registration is the process of transferring assets to a different provider without selling them, so that you remain invested throughout.

You should not use any tax-free lump sum that you have received, or you expect to receive, from another pension scheme to make payments into your Collective Retirement Account, as there may be serious tax consequences. For more information, please contact your financial adviser.

If you are making regular payments you can reduce them without penalty at any time, subject to our minimum levels, or stop and restart them later if your circumstances change.

Method of payment

Regular payments can only be made by Direct Debit on a monthly or annual basis. Direct Debit payments can be set for any day from the 1st to the 28th of the month. You can stop these at any time. Lump-sum payments can be made by cheque or bank transfer.

Q6. What about tax relief on money paid into my Collective Retirement Account?

Contributions

Personal contributions of up to 100% of your taxable annual earnings from employment (including self-employment), or £3,600 if greater, will be eligible for basic-rate tax relief. This is capped by the 'Annual Allowance' (see below). Basic-rate tax relief is given automatically. If you have no taxable income you can still contribute up to £2,880 a year and receive basic-rate tax relief, which will bring it up to £3,600.

If, for example, you wish to make a gross pension contribution of £100 each month, you only pay £80 each month to us. We will claim basic-rate tax relief of £20 (equivalent to 20% basic-rate tax 2023/24) on your behalf from HM Revenue & Customs and add it to your contribution to make a total gross contribution of £100. Your personalised Key Features Illustration will show you what effect this tax relief has on the level of your personal payments.

Any changes in basic-rate tax will affect the amount allocated to your account. For example, if basic-rate tax reduces, the amount of money you will need to pay will stay the same and the amount allocated will reduce.

If you are a higher-rate or additional rate taxpayer, you can claim any extra tax relief directly through your self-assessment tax return.

Tax relief will not be given to you on the following money paid into your account:

- By your employer
- Transfer payments from another registered pension scheme

Scottish taxpayers

If you are a Scottish taxpayer, HMRC has agreed that we can claim tax relief at the rate of 20% regardless of the rate of tax you pay in Scotland.

If you pay the Scottish intermediate tax rate of 21%, you will be entitled to claim the additional 1% relief due on some or all of your contributions above the 20% tax relief paid to this pension.

If you are a higher-rate or additional rate tax payer at the Scottish rate, you can claim any extra tax relief directly through your self-assessment tax return.

Welsh taxpayers

The Welsh rate of income tax came into force from 6 April 2019. The Welsh government has committed not to increase income tax rate in Wales until April 2022 so for the purposes of tax relief this would be the same as England and Northern Ireland.

Annual allowance

HMRC sets a maximum amount that can be paid into registered pension schemes, known as the Annual Allowance. This is set at a maximum of £60,000 for the 2023/24 tax year, unless you are subject to the Money Purchase Annual Allowance or Tapered Annual Allowance (see below).

The Annual Allowance is measured against the total of your personal contributions, including from a third-party, and employer contributions, but not transfers in from other pension schemes. Your financial adviser will be able to confirm what can be contributed based on your personal circumstances.

If you exceed the Annual Allowance

If your total contributions, in any tax year to all registered pension schemes, exceed the Annual Allowance, you will be liable for a tax charge on the excess. The charge will be dealt with through your self-assessment tax return. Should you have an Annual Allowance tax charge this can be paid from the value of your CRA. There is also a facility called 'carry forward' where you may be able to take advantage of unused Annual Allowances from previous years and make contributions greater than the current year's Annual Allowance.

Tapered Annual Allowance

From the 2016/17 tax year onwards, people with high taxable income levels may have a restricted Annual Allowance. For each tax year from 6 April 2016, if your annual adjusted income (see below) exceeded £150,000 your Annual Allowance for that tax year will be reduced by £1 for every £2 over this limit to a minimum Annual Allowance amount of £10,000. From the tax year 2020/21 the adjusted income figure increased from £150,000 to £240,000 with the minimum Annual Allowance dropping from £10,000 to £4,000. From the tax year 2023/24, the adjusted income figure increased from £240,000 to £260,000 with the minimum Annual Allowance increasing from £4,000 to £10,000. This 'tapered' Annual Allowance will only apply to that specific year. Carry forward is still available from previous years. This can be a complex area of tax planning and if you feel this may affect you, please speak to your financial adviser.

Money Purchase Annual Allowance

If you decide or have decided, at any time from 6 April 2015, to draw taxable income from any money purchase pension savings, including the CRA, the annual amount that can be contributed to your money purchase pension schemes after that event may be reduced to £10,000. This is known as the Money Purchase Annual Allowance (MPAA).

If this applies you will no longer be able to carry forward unused Annual Allowance into your money purchase pension savings.

Whether the MPAA will apply to you will depend on how you take or have taken income from your pension savings from 6 April 2015. Your financial adviser will be able to confirm whether the MPAA applies to you at the time you decide to take income from your money purchase savings.

** 'Adjusted income' is your annual income before tax, plus the value of any employer pension contributions plus any personal contributions you have made to your employer's* *occupational pension scheme.*

Q7. What happens if I transfer from another pension scheme?

If you transfer from another pension scheme it usually means that you give up all rights to benefits from the other scheme and cut all links with it. The transfer in can be in cash or as re-registration of assets. The scheme makes a transfer to us which is invested in your Collective Retirement Account. The transfer represents the value of your benefits under that scheme. If you transfer from a pension already in capped drawdown this will not alter the maximum income that is available to you.

You should be aware that if the transfer is from a pension scheme where your benefits are linked to your salary and length of service or contain guarantees, there could be valuable benefits that you will be giving up as a result of the transfer.

The pension income and tax-free lump sum you receive from the Collective Retirement Account may not match the benefits you have given up as they will depend on the amount invested and the performance of the assets you have chosen to invest in.

If you change your mind once you have transferred, your previous scheme may not be willing to accept the transfer payment back, in which case you will have to tell us which pension scheme the money is to be sent to.

If the scheme from which you transfer allows you to take a tax-free lump sum of more than 25% of the fund or you have a protected pension age, you may lose this option. There are circumstances where you may be able to retain the increased tax-free lump sum amount or earlier pension age on transfer. You should speak to your financial adviser if you think this applies to you.

Q8. What assets can I invest in?

We give you access to a wide range of UK and overseas investments, including OEICs, unit trusts, exchange traded funds and commodities (ETFs and ETCs), and investment trusts that are available on our asset lists.

i Please also refer to the relevant asset lists.

Unit trusts and OEICs	*ETFs, ETCs and investment trusts*
Access to over 2,600 collective investment funds from over 180 fund management groups, spanning a broad range of asset classes, sectors and markets.	Access to over 800 of the market's most popular exchange traded securities.

We do not provide advice on selecting assets. Your financial adviser will discuss with you which assets are most appropriate for your needs. This will depend on a number of factors, including your financial objectives, the level of investment risk you are comfortable with and the breadth of asset choice you require.

You can change your choice of assets as your needs change. If you are choosing or changing assets without using a financial adviser, the range available to you may be limited to assets that are not classed as 'complex' or deemed by the manager as unsuitable for people who aren't receiving advice.

Managed portfolio service

If you and your financial adviser, decide to invest using the WealthSelect Managed Portfolio Service, we, as the Portfolio Manager, take decisions about changing assets in line with the investment strategy detailed in the relevant Managed Portfolio factsheet. Your financial adviser will select the Managed Portfolio suitable for you based on their assessment of your attitude to risk and your investment objectives.

When you invest in our WealthSelect portfolios, a Managed Portfolio Service charge will be deducted from your account on an ongoing basis. You can find more details of this charge on our website or from your financial adviser.

We can only continue to provide this service as long as your financial adviser remains appointed. This is because your financial adviser has the ongoing responsibility for assessing the suitability of the Managed Portfolio to ensure it meets - and continues to meet - your needs, in line with their duties under the Financial Conduct Authority rules.

Discretionary investment management

Depending upon your situation, your financial adviser may recommend the services of a discretionary investment manager who will monitor and manage some or all of the assets you hold in your account.

Quilter provides technology that allows your chosen discretionary investment manager to manage your assets alongside your financial adviser. If you choose to use a discretionary investment manager it is likely that they will charge for their services, which may be facilitated through a portfolio fee that will be deducted directly from the CRA. Your financial adviser will help you determine whether this approach is suitable for you.

We can only continue to provide this service as long as your financial adviser remains appointed. This is because your financial adviser has the ongoing responsibility for assessing the suitability of the discretionary investment manager to ensure they meet -

and continue to meet - your needs, in line with their duties under the Financial Conduct Authority rules.

Holding cash in your pension

You can hold cash in your CRA. Interest on your cash holding will be calculated and accrued daily at the rate set by us. Accrued interest will then be added to the cash holding every month. The cash will be held in a 'pooled bank account' that holds money in respect of your investment and other members of the scheme. The bank account(s) are held in the name of the trustee appointed under the scheme rules, Quilter Pension Trustees Limited.

i There are situations that can result in small cash holdings. For more details see the Terms and Conditions.

You can find out the rate of interest payable at any time by contacting us or referring to our website ***quilter.com***

Portfolio rebalancing

Your financial adviser may recommend managing your assets inside a 'model portfolio,' and they may suggest automatically rebalancing the portfolio to keep the proportions allocated to individual assets in line with your original asset choice. **Portfolio rebalancing will usually take place quarterly, as instructed by the portfolio manager, if you use the Wealth Select Managed Portfolio Service.**

Phased investment

You can also opt to spread the timing of your investment into your chosen selection of assets, by initially investing in cash and selecting 'phased investment.' Your investment will then be phased into your choice of assets automatically each month, over a period chosen by you.

Q9. What are unit trusts and OEICs?

Unit trusts and open-ended investment companies (OEICs) are pooled investment funds, also called 'collective investment funds'. These provide a useful way for savers to invest for long-term growth, without the need for special investment know-how. The fund managers use investors' money to buy assets such as UK and international stocks and shares, commercial property, fixed interest assets or cash deposits. These are known as the fund's 'underlying assets'.

Different funds have different objectives. For example, some specialise in particular asset types or geographic areas. Some are managed in such a way as to produce a particular outcome.

Because your risk is spread across many companies, your investment is less reliant on the success of just a few. When you invest in a unit trust you buy units and when you invest in an OEIC you buy shares. For the purposes of this document, references to units also mean shares, unless otherwise indicated.

The number of units or shares you receive depends on the amount you invest and the price of the units at the time of your investment. The value of your investment will vary according to the total value of the fund, which is determined by the performance of the underlying assets.

Q10. What are Exchange Traded Funds, Exchange Traded Commodities and Investment Trusts?

These assets are sometimes collectively referred to as 'Exchange Traded Instruments' (ETIs).
Unlike OEICs or unit trusts, an exchanged traded fund (ETF) trades on a stock exchange. An ETF will typically invest in the underlying assets of an index, like the FTSE 100 or a commodity, like gold. Where an ETF invests in commodities these are called exchange traded commodities.

The pricing of an ETF can be affected by supply and demand, and is not purely determined by the value of the underlying assets held by the ETF. However, its price is controlled through a mechanism known as 'arbitrage' which helps to maintain the price of the ETF close to the net asset value (NAV) of its holdings, although some deviation can occur.

Investment trusts are much like funds but are publicly listed and closed ended, meaning there is a limited number of shares available in the trust. An investment trust trades on a stock exchange. The investment trust is overseen by a fund manager and a board of directors.

The pricing of an investment trust is based solely on supply and demand, so the cost of the asset and its underlying value will not always be aligned. The difference in the net asset value of the trust and its price is what is known as the 'discount' or 'premium' and is important to consider when trading in these asset types.

Additionally, investment trusts have enhanced powers to borrow money for investment purposes (also known as 'gearing'), which can either magnify returns or losses on the underlying investments.

Because both these asset types are traded on a stock exchange, Quilter makes an additional charge for trading these investments, known as the dealing charge, which covers the cost of stockbroking services. When buying and selling investment trusts there could be additional charges. When an investment trust is purchased, Stamp Duty Reserve Tax will be payable.
When buying or selling an investment trust, a PTM (Panel of Takeovers and Mergers) levy may be payable.

Q11. When will my payments be invested?

We will submit instructions to buy your chosen assets no later than the next dealing day following receipt of a valid application and payment.

When payments are made into your account, we invest them on your behalf into your chosen assets and allocate 'units' to your account accordingly. The value of these units will depend on the value of the specific assets in which they are invested.

Unit trusts and OEICs are typically priced on a daily basis. The time at which they are priced is known as the 'dealing point'. We operate a 'cut-off time' prior to the dealing point. Any deals placed before the cut-off time will receive the price at the next dealing point. Deals placed after the cut-off time will receive the price at the next available dealing point.

Exchange traded funds and investment trusts are typically priced throughout the day, however your valuation will reflect the last known closing price of the asset.

Although Quilter Life & Pensions Limited remains the legal owner of the assets, your interest in them is protected by the legal contract with us. The amount you get back is directly linked to the performance of the assets you have chosen.

> i Full details of the cut-off times and dealing points are on the fund information pages on our website ***quilter.com/dealing-points*** and please refer to our asset lists.

Q12. Can I change my choice of assets?

You can switch your assets at any time into other assets available in our asset lists.

If you have agreed with your financial adviser to invest in the WealthSelect Managed Portfolio Service, please bear in mind that all asset switches within the Managed Portfolios are made by us, as the Portfolio Manager. If you or your financial adviser want to switch assets within the Managed Portfolio to other assets, you can do so but it will automatically mean that the Managed Portfolio Service will stop and any future changes to your investment choice will be your responsibility. You should therefore discuss any proposed switch with your financial adviser. If you wish to switch from one Managed Portfolio to another your financial adviser can do so on your behalf. They will need to assess that the new Managed Portfolio is suitable for your needs before requesting the switch.

> i For more information see our **'WealthSelect client guide,'** available from your financial adviser.

If you are invested in a 'model portfolio' then all asset switches within that portfolio are managed by your financial adviser or a discretionary investment manager.

If you or your financial adviser want to switch assets within that portfolio to other assets, you can do by selling out of that portfolio.

How do I switch assets?

You can submit switch instructions directly to us using our secure online Customer Centre, provided you have registered to use this service. Your financial adviser will also be able to switch online for you unless you cancel their authority to do this by writing to us. If a switch instruction is placed prior to the cut-off time for your asset, it will be carried out at the next dealing point. Information on available assets can be found in the asset lists.

> i Full details of the cut-off times and dealing points are on the fund information pages on our website ***quilter.com/dealing-points***

You can post your instructions to us using our switch form. Instructions received by post will usually be processed on the day of receipt, and carried out at the cut-off point no later than the following dealing day.

If you instruct us to switch a specific amount of money from one asset into another asset, the sale and purchase of units will normally take place on the same day. For all other switch instructions, the purchase will usually be made at the next dealing point after all of the sales in your instruction have taken place and the asset managers have confirmed the sale proceeds. In some cases, buying or selling units can take up to two working days. This means that if you are switching from one asset to another the whole process will typically take no more than five working days from receipt of your instruction.

You or your adviser can also redirect future Direct Debit payments into a new asset choice using our client and adviser online services. Alternatively, you can complete a switch/redirection request form, which is available from us. If you want both your existing and future regular investments to be moved into new assets, you must request both a switch and a redirection.

> i Our contact details can be found on page 18.

Before you switch or redirect future contributions into new assets your financial adviser must provide you with a Key Information Document or a Key Investor Information Document for each of the new assets, where appropriate.

We reserve the right to reject or defer an instruction, or apply an appropriate charge on an asset or individual transaction if, under FCA guidelines and best market practice, we reasonably consider any activity to constitute 'market timing'. Market timing is the practice of speculative investment with the aim of gaining short-term advantage. It typically involves a high volume of transactions and short holding periods. Such activities are to the detriment of the long-term investors for whom our products are designed.

Q13. Do you charge for switches?

Quilter does not currently make an administrative charge for switching unit trusts or OEICs. We reserve the right to introduce a charge in the future, if administration costs make this necessary. If we have to do this we will let you know. You may incur charges made by the managers of the assets you are switching.

If you are switching ETFs, ETCs or investment trusts a dealing charge will be made to cover the cost of stockbroking services. You can read more about this charge in the document 'Making the cost of investment clear.'

If you have agreed with your financial adviser to invest in a WealthSelect Managed Portfolio, Quilter will not charge you for moving your investment to a Managed Portfolio or for changing from one Managed Portfolio to another. Once you are invested within the Managed Portfolio, a Managed Portfolio Service charge will be deducted from your account on an ongoing basis. You can find more details of this charge on our website or from your financial adviser. If exchange traded funds, commodities or investment trusts are bought or sold within the managed portfolio, then a dealing charge will also be paid.

Where your financial adviser has recommended the services of a discretionary investment manager, it is likely that the manager will charge a fee for their services and where appropriate this will be deducted from your account on an ongoing basis, until you cease using their services.

Q14. Where can I find out about the charges?

Your personalised Key Features Illustration gives you details of the charges made for managing your account and the investments, how they are taken and the effect they could have on the value of your account. The document 'Making the cost of investment clear', included with your Key Features Illustration, explains the charges and costs involved, how they are calculated and who receives them. We will also keep you up to date with the charges made for managing your account and the investments on a regular basis.

Q15. What about tax on my assets?

Quilter is not normally liable to any form of UK tax on the assets you can choose to hold in your Collective Retirement Account, and neither are you. In some instances UK tax is deducted from investment income, but we recover this from HM Revenue & Customs and reinvest it for your benefit. Some funds may suffer overseas withholding tax on investment income which we cannot recover. Your financial adviser can provide you with further details.

The tax position described above applies to investors who are UK residents for tax purposes. If at some point now or in the future you are going to live overseas, your tax liability may be different and you should seek advice specific to your circumstances. The tax position may change in the future. You may be subject to additional taxes or costs which are not accounted for within your Collective Retirement Account. Please contact your financial adviser for further details.

Non UK Tax - If you are subject to tax in any country outside the UK, please contact your tax specialist, to understand whether you will be liable for tax in that country.

Q16. What might my account be worth at my chosen pension age?

You can find details of how your Collective Retirement Account might grow, and the tax-free lump sum and pension income you might receive, in your Key Features Illustration.

Q17. When can my Collective Retirement Account be used to provide income and what choices do I have?

You can normally start taking your pension income (including any tax-free lump sum) at any time from age 55 (rising to age 57 in 2028), even if you are still working, although you do not have to do so. You also need to be aware of the Lifetime Allowance, where you have significant pension benefits.

If you want to start taking your pension income, you should contact us or your financial adviser.

Tax-free lump sum

You can normally take some of your pension income as a tax-free lump sum. You can take the lump sum in one go or in smaller lump sums as and when you need them. This will reduce the value of your account and any regular income you can take from the remainder. Tax-free lump sum will typically be 25% of your pension fund. If you do not wish to take regular income at the time you take tax-free lump sum, you do not have to do so.

Income drawdown

This allows you to take income from your account, while retaining control over how the remaining value of your pension fund is invested.

There are two types of income drawdown – capped (now only available if you started making withdrawals on or before 5 April 2015) and flexi-access.

There is a maximum limit on the amount of capped drawdown you can take.

Flexi-access drawdown rules do not restrict the amount of income you can take from your account. Flexi-access allows you to take withdrawals from your pension fund in any combination of lump sums, one-off, or regular payments from either your available tax-free lump sum or taxable income. These options give you the flexibility to control the income you take.

Please bear in mind that when you receive your first flexi-access income payment, you become subject to the Money Purchase Annual Allowance (MPAA). This limits the amount of any further pension contributions you wish to make to £10,000 a year.

Tax-efficient regular income

You can take regular monthly income tax-efficiently if you wish, by withdrawing money from your fund using any combination of available tax-free lump sums and income drawdown. This facility is available until you have fully used your available Lifetime Allowance.

'Small pots' payments

You may be able to take up to £10,000 of untouched savings from each of three arrangements within your account (a maximum of £30,000 in total) using what are known as 'small pots' payments. 25% of each payment will be tax-free with income tax deducted from the balance. If you are a higher, or additional rate taxpayer you will pay any balance of income tax through your self-assessment tax return. This could result in an underpayment or overpayment of tax. You should claim any overpayment of tax from HMRC. Your financial adviser will be able to provide you with further information.

Lifetime annuity

A lifetime annuity is a regular income, guaranteed for life, provided in exchange for the cash value of all, or part of, your pension savings. Normally, once established, it cannot be altered.

There are different types of annuity available in the market and your financial adviser will help you shop around for the best product to suit your circumstances. Please bear in mind that if you choose a lifetime annuity that pays a variable income, you may become subject to the Money Purchase Annual Allowance (MPAA). This limits the amount of any further pension contributions you wish to make to £10,000 a year (See Q6). Quilter does not provide annuities. You can buy an annuity from any provider you choose.

Q18. How are withdrawals from my Collective Retirement Account taxed?

Until 6 April 2023, you could build up a total pension fund from all registered pension schemes up to the standard Lifetime Allowance of £1,073,100 without suffering a Lifetime Allowance Charge. From April 2023, no Lifetime Allowance charge applies regardless of the amount saved in pensions but there is a lifetime limit of £268,275 on the amount of tax-free cash available from pensions.

You may have (or be entitled to have) protection that will allow you to take more than £268,275 as tax-free cash. Your financial adviser will be able to tell you if this affects you.

Q19. What happens to my Collective Retirement Account when I die?

When you die, the whole amount of your Collective Retirement Account, can normally be used to provide a lump sum or flexi-access pension income or an annuity for your beneficiaries. It may also be paid as a tax-free sum to a charity nominated by you or to a Trust.

The scheme administrator, Quilter Life & Pensions Limited, will decide who will receive such benefits, taking into account any nominations made when you completed an 'expression of wish'. It is therefore essential that you keep us up to date with your wishes, especially if you would like the death benefit to be paid to somebody who is not dependent on you.

Your financial adviser can submit your instructions online or you can complete an Expression of wish and send it to us. You can download the form from our document library at *quilter.com*

If we receive written or verbal notification that you have died, we will sell all the assets in your account, it will be closed and the monies will be paid out on receipt of our requirements.

If you die after you have used your account to buy a lifetime annuity, any death benefits payable will depend on the type of annuity you purchased.

Q20. What about tax when I die?

The remaining value of your Collective Retirement Account will normally be free from inheritance tax.

If you die before age 75, then any lump sum or income withdrawals payable to beneficiaries will normally be paid free of any income tax. This is dependent on the value being within your available Lifetime Allowance and the death benefit being paid out within two years of our being made aware of your death.

If you die after age 75, any lump sum or income payments made to beneficiaries are liable for tax at their highest income tax rate if they are individuals, or otherwise it will be taxed at 45%.

Q21. Can I transfer my Collective Retirement Account to another scheme?

You can transfer the value of your account to another registered pension scheme at any time. If you decide to do this you must contact us and we will tell you what you need to do.

Q22. What if I am subject to taxes outside of the UK?

If you are subject to tax in any country outside of the UK, please contact your tax specialist, to understand whether you will be liable for tax in that country.

Q23. How will you keep me informed about my account?

We will provide you with a statement showing the current value of your account at the end of each quarter. The quarterly dates are based on your account charge date, which would be the quarterly anniversary of the date you first opened an account with Quilter. For example if your account charge date is 5 January, statements will be issued shortly after 5 January, 5 April, 5 July and 5 October each year. You can also request a statement in between these periods if you wish.

If you wish to know the value of your account at any time, you can register online for valuations at ***quilter.com/login/***. Alternatively, if you do not have access to our online services, you can call our Customer Service Centre on 0808 171 2626.

The latest available prices of the units in the assets available, together with other asset specific information, are normally published daily in the Financial Times and the Daily Telegraph, as well as on ***digital.feprecisionplus.com/quilter***.

If you are invested in a WealthSelect Managed Portfolio, your financial adviser will provide you with quarterly information about the performance of your investments.

We will confirm in writing the details, including dates and prices, of all transactions resulting from applications, switches, one-off withdrawals and closures. We will not issue any certificates for investments held.

Details of regular transactions that you have agreed in advance involving the purchase or sale of assets will be set out in your periodic statement; we will not write to you each time these happen.

Such transactions include:

- regular investments paid by Direct Debit
- phased investments
- rebalances carried out by your financial adviser or portfolio manager
- regular withdrawals
- dividend reinvestments
- selling units to meet our charges or to pay fees that you have agreed with your financial adviser

We do not make an additional charge for our regular valuations and reports.

Q24. Can I change my mind?

Investing into the CRA

Yes, you have 30 days from your receipt of our acceptance documentation to change your mind and cancel your application to transfer in or an application to set up your account. You can do this by writing to us.

i See 'Contact details' on page 18

If your chosen assets for investment have reduced in value when we receive the cancellation request, we will only refund the reduced value of your chosen assets. You should understand that this reduction could be substantial for higher-risk investment assets.

Where you have cancelled an application to transfer from another scheme, the transferring scheme may not agree to accept the transfer back. If this happens you will need to instruct us to transfer to an alternative pension scheme. It will be your responsibility to contact the other provider to make arrangements to transfer your account.

If, at your request, we have paid fees to your financial adviser for this transaction, we cannot reclaim or refund them, as your fee agreement is with your adviser and not Quilter. If you have also authorised an initial adviser fee, but decide to cancel your application before payment of the fee is made, you may be liable to pay the outstanding amount directly to your financial adviser.

Withdrawing money from the CRA

You have a right to change your mind within 30 days from when you receive confirmation of the transaction, when you take any benefits from your account for the first time. This means when you first use uncrystallised assets in order to take:

- a tax-free lump sum or a taxable lump sum from uncrystallised* funds
- income withdrawal
- your pension early due to serious ill health
- your first 'small pots' payment from uncrystallised* funds or cash

If you cancel in this period, your investment can be reinvested into a new account provided that you return to us any tax-free lump sum and income withdrawal payments already paid to you.

* *Crystallised and Uncrystallised: Tax and pension rules require us to deal with the 'crystallised' and 'uncrystallised' parts of your account separately.*
Until you start taking withdrawals from your pension, it remains completely 'uncrystallised'. When you use it to make withdrawals (usually in the proportions: 25% tax-free lump sum and 75% taxable income), that part of your pension being used to provide the withdrawals is designated as 'crystallised'. So for every £100 you take as a tax-free lump sum, £400 of your pension is 'crystallised'. The remaining £300 (75% of the crystallised amount), will be treated as taxable income when you withdraw it.
You can crystallise your pension savings all at once, or in stages. You can if you wish, take only the tax-free amount and leave the remaining crystallised amount invested in your chosen assets, alongside your uncrystallised pension savings.

Q25. What are investment pathways?

Investment pathways are a way to help non-advised customers to select investments for their drawdown fund.

You will be able to choose one of the four investment pathway objectives (if right for you). And for each of the four objectives, we have designed an investment solution.

We will review the pathway investments and may make changes. Where we do so we will write to customers to tell them what that means for them. We would advise you if this was to happen.

You can choose other assets if you don't want to use investment pathways.

Investment pathways are designed for when people are taking funds into drawdown. Consequently, they are not available prior to you moving assets into drawdown.

Q26. Can I switch out of an investment pathway?

Yes, you can switch into a different investment pathway or other assets of your choosing (if your circumstances have changed). Alternatively, if you have a financial advisor, they can provide advice on switching assets and organise the switch.

Other information

Contact details

If you need any further information about this product, please contact your financial adviser in the first instance. If you wish to contact us direct, you can do so in the following ways:

Phone:	0808 171 2626
Fax:	023 8022 0464
Email	***ask@quilter.com***
By writing to:	Quilter SUNDERLAND SR43 4JP

Conflicts of interest policy

Material conflicts of interest which affect our business are set out in our Conflicts of Interest Statement of Practice, alongside details of how these are managed. All reasonable steps are taken to identify conflicts which impact on the duty owed to our customers.

Staff and directors are expected to act in the best interests of Quilter, whilst still observing their duties to our customers. No director or employee may engage in an activity that gives rise to a personal financial interest, has the potential to damage Quilter's reputation, or is likely to lead to a material conflict with the duty owed to our customers.

Suitability

Quilter does not give investment advice, nor does it make any judgements on your behalf about the merits or suitability of the transactions we arrange. The fact that an asset is available in one of the asset lists does not imply that it is suitable for you. The Financial Ombudsman and the Financial Services Compensation Scheme will therefore not be able to consider any complaints against Quilter relating to the suitability of any asset for your particular circumstances or needs.

About the Terms and Conditions

This Key Features Document gives a summary of the Collective Retirement Account. It does not include all the definitions, exclusions or account Terms and Conditions.

If not enclosed with this Key Features Document, a copy of the account Terms and Conditions can be found on our website. For more information about the asset ranges, please ask your financial adviser or contact us direct.

We have the right to change some of the account Terms and Conditions. We will write to you and explain if we do so.

The contract you are applying for is subject to the law of England and Wales.

All our literature and future communications to you will be in English.

This document is based on Quilter's interpretation of the law as at March 2023. We believe this interpretation is correct, but cannot guarantee it. Tax relief and the tax treatment of investment funds may change

Regulatory protection

Under the Financial Conduct Authority (FCA) rules we classify all our investors as 'retail clients', which means you benefit from the highest level of regulatory protection.

Financial stability

Quilter Life & Pensions Limited is required to prepare and publish a Solvency and Financial Condition Report (SFCR) each year for the UK Regulator under the Solvency II regulations. This report details the financial position of the organisation and will enable a comparison with other life assurance firms' financial positions. You can access this document from our website.

Compensation scheme

The Financial Services Compensation Scheme (FSCS) acts as a safety net for customers of financial services providers. If Quilter Life & Pensions Limited cannot meet its liabilities, the FSCS may arrange to transfer your account to another insurer, provide a new account or, if these actions are not possible, provide compensation. For long term insurance (such as the Collective Retirement Account), the level of compensation you can receive from the scheme covers payment to 100% of the asset value with no upper limit.

Any cash held in your account will share proportionally any shortfall in the pooled bank account, but in the event of failure of the pooled bank account for any reason, the trustee will make a claim to the FSCS for compensation for up to £85,000 per member, per bank. Any cash you hold with the bank for other reasons, such as a personal savings account, will also be subject to this limit. The risk for money held in cash is transferred to you and although the trustee will make a claim it is not guaranteed to be successful.

Further information about compensation arrangements is available from the FSCS website ***www.fscs.org.uk***

Complaint procedures

Customer satisfaction is very important to us at Quilter, but if you do have any cause to complain about the services provided, either by your financial adviser or Quilter, there are clear procedures laid down by the Financial Conduct Authority to ensure that your complaint is dealt with fairly.

If your complaint relates to the advice you have been given, **including the suitability of a Managed Portfolio**, you should write in the first instance to your financial adviser. If it concerns the service you have received from Quilter, **including the service we have provided in relation to your WealthSelect Managed Portfolio,** please contact us at the address on page 18, and we will do everything we can to resolve the problem.

If you are not satisfied with our response, you may refer your complaint free of charge to the Pensions Ombudsman, if it concerns the administration of your pension. The Pensions Ombudsman can be contacted as follows:

The Pensions Ombudsman
10 South Colonnade
Canary Wharf E14 4PU
www.pensions-ombudsman.org.uk
Telephone: 0800 9174487

Free help is also available from MoneyHelper which can advise you on how to complain and may be able to sort the matter out without the need for the Ombudsman to get involved. MoneyHelper's contact details are as follows:

MoneyHelper
120 Holborn Road
London EC1N 2TD
www.moneyhelper.org.uk
Telephone: 0800 0113797

All other complaints may be referred free of charge to:

The Financial Ombudsman Service
Exchange Tower
London E14 9SR
www.financial-ombudsman.org.uk
Telephone: 0800 0234567

Complaining to the Ombudsman will not affect your legal rights.

Pension Wise guidance service from MoneyHelper

When you are considering withdrawing money from your pension savings you can obtain free impartial guidance from the government backed 'Pension Wise' service from MoneyHelper.

You can access this at ***www.moneyhelper.org.uk*** or telephone them on 0800 138 3944.

This service offers you:

- tailored guidance (online, or over the telephone) to explain what options you have and help you think about how to make the best use of your pension savings
- information about the tax implications of different options and other important things you should think about; and
- tips on getting the best deal, including how to shop around.

Choosing what to do with your pension savings is an important financial decision; you can often get more for your money by shopping around.

This guidance does not replace the individual advice that can be provided by your financial adviser but may help you understand the choices you have available to you.

Quilter Life & Pensions Limited, which provides this Collective Retirement Account, is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

quilter.com

QIP18805/91/4230/September 2023