

For advisers

Our **new**  
platform

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platform

# Nucleus Flexi SIPP

(Including Junior Flexi SIPP)

## Target market



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## Nucleus Flexi SIPP (including Junior Flexi SIPP)

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# Nucleus Flexi SIPP (Including Junior Flexi SIPP)

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This document provides important information on the target market of the Nucleus Flexi Self-Invested Personal Pension, and the Nucleus Junior Flexi Self-Invested Personal Pension (known together as the Nucleus Flexi SIPP unless otherwise stated) and the customer aims, objectives and needs it is designed to support. It is intended for use by advisers to help you understand whether the Nucleus Flexi SIPP is right for your clients. It is based on Nucleus' opinion and does not take into account individual customer circumstances.

## 1.1 What is the Nucleus Flexi SIPP?

The Flexi SIPP is our streamlined self-invested personal pension product. Its tax-efficient structure and focused range of investment choices provide a straightforward long-term retirement option for customers.

Additionally, we offer a Junior Flexi SIPP which is a SIPP for children under the age of 18, held in the name of the child. The parent or legal guardian who will open the Junior Flexi SIPP on behalf of the child will manage the account and make investment decisions until the child takes over at the age of 18. The Junior Flexi SIPP must be linked to a Nucleus Product held by the child's parent or legal guardian. Both the Junior Flexi SIPP and corresponding parent's/legal guardian's Product must have the same Adviser named.

The Flexi SIPP has the following features:

- A range of retirement options including.
  - Flexi-access drawdown (including phased and beneficiary).
  - Capped drawdown (existing arrangements only).
  - Open market annuity purchase (using a third-party provider).
  - Uncrystallised Funds Pension Lump Sum (single or series of lump sums).
- Pension contributions can be made flexibly as single or regular payments (within contribution limits).
- Direct Debit collection dates can be flexible in frequency and date. Regular payments can be increased, reduced, started or stopped at any time.
- Re-registrations and transfers from existing pension arrangements are accepted without charge, subject to our consent.
- Basic rate tax relief is pre-funded on all pension contributions.
- Customers can take drawdown income monthly, quarterly, half-yearly, annually, or as ad hoc lump sums.
- Online applications.
- Advisers and customers can view and manage products online.
- Adviser charge facilitation.
- Ability to invest in a wide range of investments, including platform funds, model portfolios, off-platform discretionary investment manager accounts, fixed-term deposits and notice accounts as well as Exchange Traded Instruments (ETIs) via the platform's integrated stockbroking service.
- No liability to Capital Gains Tax on fund switches or investment gains within the pension account.

For more information, see our Key Features Document. The Flexi SIPP and its features are subject to pensions tax legislation applicable to registered pension schemes in the UK.

## 1.2 What customer needs and objectives does the Nucleus Flexi SIPP aim to meet?

The aim of the Nucleus Flexi SIPP is to provide a flexible pension arrangement, which can be tailored to suit changes to a customer's lifestyle such as their employment status, their income needs and their family circumstances.

The Flexi SIPP is designed to be compatible with the following customer status, needs and objectives:

- Advised customers with a basic level of financial capability that would enable the customer to provide informed consent to the advice provided.
- UK resident, non-US Persons or persons who are not residents of the US for tax purposes (irrespective of country of residence).
- Customers willing to accept a level of market risk to increase potential reward (noting the actual level of risk an investor is prepared to take/can afford to take will be based on individual factors).
- Minimum fund size at new business is variable, depending on the features and investment types selected – see page 4 for further details.
- Customers that may want to flexibly access their benefits after retirement age.
- Customers with the ability to bear losses to capital without creating significant financial hardship.
- Primarily for customers aged 18 to 75 but customers can be of any age. A Junior Flexi SIPP is available for a child under the age of 18 which can be taken out by the parent or legal guardian.
- To build a pension fund in a tax-efficient and flexible SIPP wrapper over the medium to long-term (five years, ideally longer) to provide an income and flexible access to benefits after retirement age, subject to potential taxation implications and limitations which may apply.
- Customers wishing to make and vary individual or employer contributions payments (within legislative contribution limits).
- To be able to amend their personal details, view their product bank account details, buy and sell investments, obtain an illustration and instruct and edit withdrawals.
- To consolidate different pension funds with one provider to benefit from economies of scale and easier administration.
- To pass-on wealth to beneficiaries, including potential for provision of an income or lump-sum to their chosen beneficiaries if they die.

The Nucleus Flexi SIPP is NOT designed to be compatible with the following customer status, needs or objectives:

- Non-UK residents
- US persons, irrespective of country of residence, or a resident of the US for tax purposes
- Customers subject to ongoing bankruptcy that has not been finalised and discharged.
- Non-advised customers (at new business stage).
- To invest only for the short term (less than 12 months) unless there is a specific customer objective.
- Minimum fund size at new business is variable, depending on the features and investment types selected – see page 4 for further details.
- To provide a pension for customers not willing to accept any risk to capital or the other risks as stated in the Key Features document.
- To invest in cash for the long-term while accumulating a pension fund.
- To be able to access savings before retirement (before age 55 for most customers, rising to 57 from April 2028).
- To utilise investments which are not available on the Nucleus platform or Flexi SIPP. Fixed term deposits are not available for the Junior Flexi SIPP.
- To provide a guaranteed income for life (although customers can use their pension savings to purchase a lifetime annuity via another provider).
- Customers with no current, historic or future exposure to UK taxation or who have not and will not qualify for UK tax relief on pension contributions.
- To allow their employer to use as a workplace pension arrangement or to use instead of a workplace scheme with preferential terms (such as employer matching) that would outweigh the benefits of the Flexi SIPP.
- To accommodate transfers of defined benefit schemes (final salary schemes), defined contribution schemes (occupational money purchase schemes) that contain safeguarded benefits or any schemes that have any other protected benefits against adviser recommendations.
- To invest using the FCA's Investment Pathways.
- To follow a very simple investment strategy over the long term where a lower-cost or stakeholder pension might be more appropriate.

### 1.3 What customer characteristics is the Nucleus Flexi SIPP designed to be compatible with?

In addition to the needs and objectives Nucleus Flexi SIPP is designed to meet, we can also define the customer characteristics it's compatible with. As this can be a more subjective part of your advice process, we've broken down customer characteristics into three main categories:

- **Target market** – This is the core group of customers that the product has been designed for.
- **Potential suitability** – This is a wider group of customers the product may still be suitable for but is not our core target market.
- **Not suitable for** – Customers exhibiting one or more of the characteristics stated here are unlikely to be suitable for this product.

Customer characteristics	Target market	Potential suitability	Not suitable for
Age	18-75	Any	N/A
<p>The Flexi SIPP is open to all ages. Contributions after the customer's 75th birthday will not receive any tax relief. For customers under the age of 18, the application must be signed by a parent or legal guardian.</p>			
Pension knowledge and experience	Basic level of investment knowledge and experience with an appointed, UK regulated financial adviser	Basic level of investment knowledge and experience with an appointed, UK regulated financial adviser	Any level of pension knowledge and experience without a financial adviser
<p>SIPPs can be complex arrangements, especially when ensuring the right decisions are made at the right time to maximise benefits. All applications must be submitted by an FCA regulated adviser.</p>			
Pension fund size	<ul style="list-style-type: none"> <li>• Accumulation with no Investment Manager £5,000 /with an Investment Manager £75,000</li> <li>• Decumulation with no Investment Manager £50,000/ with an Investment Manager £100,000</li> </ul>	<ul style="list-style-type: none"> <li>• Accumulation with no Investment Manager £2,000/with an Investment Manager £60,000</li> <li>• Decumulation with no Investment Manager £35,000/with an Investment Manager £80,000</li> </ul>	<ul style="list-style-type: none"> <li>• Accumulation with no Investment Manager – less than £2,000/with an Investment Manager – less than £60,000</li> <li>• Decumulation with no Investment Manager – less than £35,000/with an Investment Manager – less than £80,000</li> </ul>
<p>The Flexi SIPP provides both on platform assets and assets via a 3rd party investment manager. Off-platform assets invested with investment managers are subject to a fixed fee and on-platform assets are part of the platform charge. Please see our charges schedule for further details. We reserve the right to close the product if the value of the assets falls below £1,000.</p>			
Length of investment	Long term – five years, ideally longer	Medium term (one to five years) if there is a specific customer objective	To invest for the short term (less than 12 months) unless there is a specific customer objective
<p>We recommend that investments are made at least for the medium to long term – that is at least five years and ideally longer. Shorter timescales may be appropriate in certain circumstances, but less than 12 months is unlikely to be. Please note: the ability to withdraw money from the Nucleus Flexi SIPP is generally subject to minimum age requirements (set by the Government and described below under "access to savings") being met.</p>			

Customer characteristics	Target market	Potential suitability	Not suitable for
Attitude to/ capacity for risk	All except no appetite for risk	All except no appetite for risk	No appetite for risk and/or investing for capital preservation only
The wide range of investments on offer mean that all attitudes and capacities for risk could be met except for zero risk or preservation of capital. Although capital preservation investment options may be available, it is likely that the combination of product, investment and advice charges will lead to some capital erosion.			
Tax status	Relevant UK individuals with current or historic UK relevant earnings	Customers with historic and/or expected future UK relevant earnings	Customers with no current, historic or expected future UK relevant earnings / US persons
Customers with UK relevant earnings are more likely to benefit from investing in a pension.			
Income / wealth	Ultra or high net worth, affluent	Mass affluent, subject to information in 'Pension Fund Size' characteristic	Insufficient income to accumulate a pension fund in excess of information in the 'Pension Fund Size' characteristic
Our target market includes those customers likely to have £2,000 or more to invest in their Flexi SIPP. Other customer segments may be suitable providing they meet the minimum investment requirements.			
Access to savings	At least age 55 (57 from April 2028) with speed of access dependent on liquidity of investments	At least age 55 (57 from April 2028) with speed of access dependent on liquidity of investments	Requires access to savings before taking retirement benefits
Customers can only start taking retirement benefits before the age of 55 if they have a protected pension age or are eligible for benefits on the grounds of an ill health lump sum or taking dependants drawdown. UFPLS payments are subject to a minimum single withdrawal amount of £1,000.			
Country of residence	UK residents	UK residents	Non-UK residents/ US persons
The Nucleus Flexi SIPP is designed for UK residents. Non-UK resident customers and US persons (irrespective of country of residence) are not permitted. Where a Nucleus Junior Flexi SIPP is opened for a child under the age of 18 by the parent or legal guardian, the child must be resident in the UK.			

We categorise customers as a 'retail client' as defined by the FCA. You may be able to request alternative categorisation, subject to our agreement. However, this may limit the level of regulatory protection and compensation available.

## 1.4 SIPP complexity and advice

The flexibility and range of investment options offered by the Nucleus Flexi SIPP can make it a complex proposition. Customers must seek independent advice from a financial adviser who is regulated by the Financial Conduct Authority (FCA) and based in the UK when opening the pension.

Ideally, they will have an adviser to support them during the lifecycle of their product(s). There may be certain tools and functions that can only be used by customers with an adviser. Customers may not be able to execute some actions if there is no adviser linked to their product. We are not permitted to provide investment advice, and we cannot provide any advice on the merits of using the service.

All transfers-in from defined benefit schemes, defined contribution schemes that contain safeguarded benefits or any schemes that have any other protected benefits against adviser recommendations must have received positive advice from, and be submitted by, an FCA regulated financial adviser who holds the appropriate permissions.

## 1.5 Nucleus Flexi SIPP, Nucleus and our part in the distribution and value chain

We're responsible for ensuring that the Nucleus Flexi SIPP represents fair value to customers on an ongoing basis. This includes due diligence to establish and monitor fair value of the investments distributed.

We are not responsible for charge levels or the determination of fair value regarding charges for products or services not selected by Nucleus. For example, we are not responsible for charges relating to financial and investment advice, although we do apply decency limits to advice charges facilitated by the pension.

## 1.6 How is the Nucleus Flexi SIPP distributed?

The Nucleus Flexi SIPP is distributed via FCA regulated financial advisers that have customers within our target market. All advisers intending to introduce business to Nucleus must first sign a formal Terms of Business agreement which should be read in conjunction with the Adviser Remuneration Policy.

The Junior Flexi SIPP must be linked to the child's parent or legal guardian's Flexi SIPP at outset except where it is being opened for a minor to receive an existing beneficiary drawdown Flexi SIPP.

## 1.7 Vulnerable customers

We have both a moral and regulatory duty to ensure that vulnerable customers are identified and treated fairly, according to their needs and experience outcomes as good as those for all other customers. We understand the importance of recognising and responding to vulnerability and the varied needs of vulnerable customers. To that end, we have a Group Vulnerable Customer Policy in place and staff have received and continue to receive ongoing training and support in recognising, dealing with and accommodating the needs of vulnerable customers.

The FCA has identified four key drivers which may increase vulnerability, these are:

- Health
- Life Event
- Financial Resilience
- Capability

To aid us in identifying and accommodating any additional support or tailored requirements that our customers may require it is helpful if advisers or customers:

- Notify us at time of new business application of any adaptations required to support the customer.
- Update us through the lifecycle of the plan of any new vulnerable characteristics identified or any that can be removed.

Examples of adaptations that can be made for customers with vulnerable characteristics, include the provision of:

- Documentation provided in a range of formats, such as larger font size, braille, or audio.
- Customers can have a single contact, so they can speak to the same person each time they call.
- Tailoring communications in a way that suits customers, for example by phone, email, post or secure message.
- If customers can't sign paperwork easily, we can arrange for use of a secure signature stamp.
- Following up telephone calls with written letters.
- Calls with the customer and a supportive third party.

## 1.8 Reviewing customers against our target market

We review new business on a regular basis to assess whether the product has been distributed in accordance with the information in this target market document. However, in line with FCA guidance, it remains the responsibility of each distributor to ensure that this target market is followed as they are best placed to consider customer personal circumstances, needs, objectives, characteristics and suitability.

If we have concerns about plans distributed to customers that we believe are unsuitable, we will first contact the distributor to raise and discuss our concerns. We will not take further action until this discussion has taken place unless we feel there is significant potential for poor customer outcomes by delaying action.

## 1.9 Product and Services outcome

We regularly conduct product reviews against the relevant Consumer Duty rules contained in PRIN 2A.3, the Products & Services outcome rules. The review seeks to ensure the product delivers fair customer outcomes, in line with the standards they are led to expect by looking at:

- Target market and distribution strategy.
- Risks of the product to the target market and vulnerable customers.
- Vulnerable customers.
- Meeting the needs, characteristics and objectives of the target market.
- Terms and conditions review.
- Avoiding adverse effects on groups of customers.
- Product testing.
- The Cross-Cutting Rules.
- Avoiding foreseeable harm and risk mitigation.

## 2.0 Price and Value outcome

We regularly conduct price and value assessments against the relevant Consumer Duty rules contained in PRIN 2A.4, the Products & Value outcome rules. Our three broad assessment categories are Price, Service and Product and proposition.

This gives us a comprehensive view of the costs incurred by customers in relation to the benefits they're receiving from our products. We assess the status of each category using internal and external comparative metrics. External metrics being compared to the relevant market competitors where possible and internal being measured against our own targets.

We've evaluated multiple aspects from each of the below categories. The fair value result is an aggregate of all constituent parts;

- **Price:** Understanding the charges incurred by a customer is vital in assessing whether the product is representing fair value.
- **Service:** Service provision is a vital and tangible component of the perceived value of any product.
- **Product and proposition:** This comprises the key features of the product including the overall proposition within which the product is provided.

Our final conclusion was that the product represents fair value to customers in the target market.

## 2.1 More information

For more information about the Nucleus Flexi SIPP please review the following documents;

- Platform Services Terms and Conditions for the Flexi SIPP
- Flexi SIPP Charges Schedule
- Flexi SIPP Key Features Document
- Flexi SIPP Permitted Investments List

These documents tell you more about how Nucleus operates;

- Product Technical Guide
- Order Execution Policy
- How Your Investments are Held


For more information about our Product Lifecycle Management process or for questions regarding Due Diligence, please contact your usual Sales representative.

## 2.2 Contact us


If you'd like to speak to us about this target market document, please call **03455 212 414** or send us a secure message. Please don't send personal, financial or banking information via email.

The value of pension funds may fall as well as rise. Customer's money is tied up until they take their benefits. Benefits can generally be taken any time after age 55 although this is due to increase to 57 in 2028.

The tax treatment and tax benefits of a SIPP outlined in this document are based on our understanding of current tax law, and draft legislation that can change. Tax treatment depends on a customer's individual circumstances and may be subject to change in the future. The Flexi SIPP is part of the James Hay Personal Pension Plan (JHPPP), which is a personal pension plan registered with HMRC under the Finance Act 2004, with Pension Scheme Tax Reference: 00616231RE. JHPPP is established under and governed by its Trust Deed and Rules. Scheme Administrator: Nucleus Financial Services Limited. Scheme Trustee: James Hay Pension Trustees Limited.

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