

For advisers

Our **new**
platform

nucleus^o
platform

Nucleus SIPP

(Including Junior SIPP)

Target market



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Nucleus SIPP (including Junior SIPP)

This document provides important information on the target market of the Nucleus Self-Invested Personal Pension (SIPP), and the Nucleus Junior Self-Invested Personal Pension (known together as the Nucleus 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 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 Self-Invested Personal Pension?

The Nucleus SIPP is our flagship self-invested personal pension product. It is a long-term, tax efficient savings plan designed to help the customer invest for their retirement. It offers a wide range of investments and a variety of options for taking retirement benefits.

Additionally, we offer the Nucleus Junior SIPP, a SIPP for children under the age of 18. The parent or legal guardian who will open the Nucleus Junior 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 SIPP must be linked to a Nucleus Product held by the child's parent or legal guardian.

The Nucleus SIPP has the following features:

- A range of retirement options including.
 - Flexi-access drawdown (including phased and beneficiary).
 - Capped drawdown (transfer in of 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, subject to potential tax implications or limits that may apply.
- Online applications.
- Advisers and customers can view and manage products online.
- Adviser charge facilitation.
- Ability to invest in platform funds, model portfolios, fixed-term deposits (not available for Junior SIPP), NS&I bonds, Trustee Investment Plans, Structured Products, 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.
- A Junior SIPP for minors.

For more information, see our Key Features Document. The Nucleus 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 SIPP aim to meet?

The aim of the Nucleus 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 Nucleus SIPP offers a wide range of investment options, with instructions made by the customer or their Financial Conduct Authority (FCA) regulated financial adviser.

The Nucleus 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 investment amount at new business set at £2,000 to avoid customer impact as we reserve the right to close the product if the value of assets falls below £1,000.
- 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 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 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.
- To be able to amend personal details, view the product bank account details, buy and sell investments, obtain an illustration and instruct and edit withdrawals.

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

- Non-UK residents or 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 wanting to invest in complex investments or without an existing Nucleus platform product.
- To invest only for the short term (less than 12 months) unless there is a specific customer objective.
- For customers with investments of less than £2,000. Minimum investment amount at new business set at £2,000 to avoid customer impact as we reserve the right to close the product if the value of assets falls below £1,000.
- 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 Nucleus 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 Nucleus 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 an Investment Pathways solution.
- To follow a very simple investment strategy over the long term where a lower-cost or stakeholder pension might be more appropriate.
- To use off-platform investment managers via the Nucleus SIPP.

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

In addition to the needs and objectives the Nucleus SIPP is designed to meet, we can also define the customer characteristics it is 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 Nucleus 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, FCA regulated financial adviser.	<p>Advised customers - Basic level of knowledge and investment experience with an FCA regulated financial adviser.</p> <p>Non-Advised customers who already have another product on the Nucleus Platform - Any level of knowledge and investment experience, however access to complex investments are restricted.</p>	Any level of pension knowledge and experience without a financial adviser
<p>Pensions can be complex arrangements, especially when ensuring the right decisions are made at the right time to maximise benefits. Non-advised customers are not part of our target market, but applications will be accepted if customers already have an existing Nucleus platform product.</p>			
Pension fund size	More than £5,000	£2,000 or more	Less than £2,000
<p>All products have a minimum fund value of £1,000. Minimum investment amount at new business is set at £2,000 to avoid customer impact. 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 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
<p>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.</p>			
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
<p>Customers with UK relevant earnings are more likely to benefit from investing in a pension.</p>			
Income / wealth	Ultra and high net worth, mass affluent	Mass affluent, with funds available for investment	No funds to invest
<p>Our target market includes those customers likely to have sufficient income and savings to invest in a Nucleus SIPP or have existing pension funds to transfer in.</p>			
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
<p>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. No applicable charges will be refunded, in part or full, should the customer cease to use a particular service or close a product.</p>			
Country of residence	UK residents	UK residents	Non-UK residents/ US persons
<p>The Nucleus SIPP is designed for UK residents. Non-UK resident customers and US persons (irrespective of country of residence) are not permitted.</p>			

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 SIPP can make it a complex proposition. Customers must seek independent advice from a financial adviser who is regulated by the FCA and based in the UK to open their first product with Nucleus. 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 cannot provide advice on the merits of using the service.

Non-advised customers are not part of our target market, but applications will be accepted if customers already have an existing Nucleus platform product.

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.

Please note that both the Junior SIPP and corresponding parent's/guardian's Product must have the same adviser named.

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

We're responsible for ensuring that the Nucleus 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 provided 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 SIPP distributed?

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

We concluded that the product represents fair value to customers in the target market.

2.1 More information

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

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

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 Nucleus 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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