

## Investment Guidelines

### Momentum International SIPP

The Momentum International SIPP allows you to invest through any of the Investment Providers who are on Momentum's approved list, providing you with the ability and flexibility to build a bespoke portfolio of investments tailored to your individual needs.

The Momentum International SIPP permits an extensive range of investment options as outlined below, subject to the parameters of the Investment Provider you chose and the asset being capable of being classified as a Standard Asset as defined by the FCA and providing a suitable level of investment diversification.

#### **Permitted investments – FCA Standard Assets:**

- Cash funds
- Deposits
- Exchange traded commodities
- Exchange traded funds where authorised or recognised by the FCA or traded on a regulated venue\*
- Government & local authority bonds and other fixed interest stocks
- Investment notes (structured products) provided there is a clear secondary market
- Shares in investment trusts
- Managed pension funds
- National Savings and Investment products
- Permanent interest bearing shares (PIBs)
- Real estate investment trusts (REITs)
- Securities trading on a Regulated Venue\*: include shares, collective investment schemes, corporate bonds, debenture stock and other loan stock, warrants (for equities) and convertible securities or other securities as defined by the FCA
- Units in Regulated Collective Investment Schemes (CIS):
  - These are defined as CIS authorised in the UK, or alternatively where constituted outside the UK are recognised by the FCA, as shown on the FCA Collective Investment Scheme Register.

\*Regulated Venues refers to stock exchanges, multilateral trading facilities (MTF) or other trading venues, authorised by a financial regulator or a governmental agency either in the EEA or in a third country.

In addition, in order to be classified as a Standard Asset, the investment must be capable of being accurately and fairly valued on an ongoing basis and readily realised within 30 days whenever required. If not, it will be viewed as non-standard and not acceptable for the Momentum International SIPP, unless otherwise agreed by the Trustees.

## Investment Guidelines

### Momentum International SIPP (continued)

#### Other guidelines:

- The portfolio must be in line with the underlying Member's attitude to risk
- Where products with underlying capital guarantees are chosen, i.e. Structured Notes, these will be permitted up to a maximum of 40% of the portfolio's values. No more than 20% of the portfolio may be subject to the same issuer / guarantor default risk, who must be rated as investment grade by a big three credit rating agency.
- Where such products are chosen they may utilise a maximum of 4 underlying indices and with a barrier level of 65% or below. In the case of more volatile indices, the product will be restricted to 10% of the portfolio. Stock based notes are not acceptable. Acceptance of any structured product is at the discretion of the Trustees.
- Esoteric funds are not permitted
- In addition, the Trustee and Scheme Administrator will give consideration to the following factors in determining whether an investment is acceptable:
  - Overall size of the fund
  - Credit risk of the underlying investment
  - The need to have sufficient liquid funds to pay benefits as they arise
- Collective Investment Schemes or funds that provide a sector and geographical spread are acceptable, even if the investments are confined to one fund with a recognised provider
- In addition to the above, the portfolio should be constructed in such a way as to avoid excessive exposure to any single sector, any single region or to any single credit risk.
- Acceptance of all assets are at the discretion of the Trustees

The Trustee and Scheme Administrator will consider exceptions to this policy from time to time, however any request for variance must be supported by appropriate information and background, with the Trustee retaining ultimate discretion.

These Guidelines do not override any additional legal and regulatory requirements imposed on the promoter of an investment or investment adviser, in ensuring the Member's eligibility to invest in the proposed investment and in satisfying any contractual requirement or any client classification rules imposed under law or regulation in the Jurisdiction of the product manufacturer/fund manager and/or under the Member's current jurisdiction at the time of promotion and/or investment.

#### **Momentum Pensions Limited**

Stafford Court, 145 Washway Road, Sale  
Greater Manchester, United Kingdom M33 7PE

T: +44 (0) 161 972 2840

F: +44 (0) 161 972 2841

E: [uk@momentumpensions.com](mailto:uk@momentumpensions.com)

[www.momentumpensions.com](http://www.momentumpensions.com)

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