

Dentons SIPP Due Diligence

February 2018

Ownership

Dentons is a name that has been synonymous with delivering self invested pension expertise for over 37 years and has been operating in its current form of Dentons Pension Management Limited (Dentons) since 1989. Dentons Holdings plc owns the company with the majority shareholder being Martyn Rose, businessman and entrepreneur.

We believe we understand the needs and challenges for financial advisers and clients and tailor our services appropriately.

We've always been focused on delivering exceptional service and flexibility.

In addition, Dentons has no ties to any fund manager or insurance company which means the client is able to choose how their pension funds can be invested, from an extensive range of asset classes, so long as being compatible with HM Revenue & Customs (HMRC) and the Financial Conduct Authority (FCA) regulations.

Dentons has gained a reputation as a professional and efficient specialist pension administrator and continues to thrive, expand and grow organically through reputation and word of mouth and through suitable acquisitions.

We react appropriately to changes in the marketplace, making it easier for financial advisers and clients to do business with us.

Structure

Dentons is the Provider and Scheme Administrator of Dentons' SIPPs and its bare trustee companies act as a trustee and Scheme Administrator of its SSASs.

Dentons is authorised and regulated by the FCA, register number 461094.

Registered in England Company Registration Number 2352951.

Registered Office: Sutton House, Weyside Park, Catteshall Lane, Godalming, Surrey, GU7 1XE.

Dentons is part of the Dentons Holdings Group.

The principal permission granted to Dentons by the FCA is for the establishment, operating and winding up of personal pension schemes.

Whilst authorised to control client money, Dentons is not authorised to hold such funds on its own account.

Dentons' clients are introduced predominantly from Independent Financial Advisers (IFAs) and it is Dentons' philosophy that advice should come from IFAs.

Dentons has four bare trustee companies: the first two act as a co-trustee in a SIPP Sub-trust and TP Trustees Limited and Sippchoice Trustees Limited act as sole trustee:

Denton & Co Trustees Limited
Registered in England: Company Registration Number 01939029.

NTS Trustees Limited
Registered in England: Company Registration Number 01407848.

TP Trustees Limited
Registered in England: Company Registration Number 02604059.

Sippchoice Trustees Limited
Registered in England: Company Registration Number 6869793.

Dentons SIPP structure

SIPP Provider	Dentons Pension Management Limited (Dentons)
SIPP Trustees	Individual SIPP holder and Denton & Co Trustees Limited
SIPP Trust	Dentons SIPP established under master trust deed Member SIPP established under separate individual sub-trust
SIPP Administrator	Dentons Pension Management Limited (Dentons)

SIPP Master Trust

Dentons operates its SIPP under a 'Master Trust' arrangement with each individual SIPP established under a separate individual Sub-trust and each

SIPP holder being appointed as a co-trustee of the Sub-trust. This means that the client's SIPP fund and assets are ring-fenced from other Dentons SIPPs and from Dentons itself.

The assets bought by the SIPP are legally owned by the trustees.

Financial strength

Capital adequacy

Dentons has grown to manage over 6,000 SIPPs and approaching 800 SSASs with £4.3bn of assets under administration.

Dentons' capital resources position is such that it has consistently held reserves higher than that required by the FCA.

The capital adequacy rules introduced by the FCA came into effect from September 2016 and are accommodated within our current structure due to our financial resources and track record of profitability. We have controlled exposure to various non-standard assets resulting from our robust due diligence processes.

In force business levels as at 31 January 2018

Key Dentons statistics	SIPP	SSAS
Number of plans under administration	6,067	766
Average case size	£532,175	£1,429,986
Total assets under administration	£3.228 billion	£1.095 billion

Number of properties in our SIPP pension schemes: 1781

21.9% of Dentons' SIPPs currently hold a 'non-standard' asset.

"Dentons is something of a success story among SIPP providers."

Quote from FinalytiQ SIPP Financial Stability Guide September 2017/*based on 16 main SIPP players covered in the report.

Dentons' service proposition

Dentons has a clear focus on the delivery of a personalised and expert SIPP and SSAS administration service to their clients. The servicing proposition is led by the Pension Consultants, two of whom are members of the Dentons' board.

Dentons' Pension Consultants each head up a pension administrator team. Each team deals with a set amount of Dentons' client pension portfolios and provides a single point of contact for all client SIPP and SSAS transactions.

The servicing structure and training programme is designed to ensure that Dentons' pension administrators are comfortable answering any adviser and client queries across every aspect of SIPP and SSAS servicing.

All members of staff attend regular company training sessions and Dentons encourages and supports staff to take financial exams.

Dentons culture

We pride ourselves on looking after all members of staff. We work in a friendly and respectful office with a high level of team work across all departments in the company.

Dentons continually strives to reduce its carbon footprint by evolving into a paperless company, recycling and switching off electrical equipment at the end of the working day.

Sales and Marketing/Technical

The Sales and Marketing and Technical departments provide ongoing services to financial advisers and introducers through regular seminars, educational workshops and newsletters, as well as pre-sales support, asset approval, literature and illustrations.

We support financial advisers in developing professional connections through our frequent seminars held throughout the UK, often with investment managers, solicitors and accountants.

Online servicing

Dentons offers enhanced secure online functionality to advisers and clients with access to the most up-to-date valuations of the SIPP portfolio, cash balances, contribution and transfer history, and retirement benefits in payment, along with the facility to download recent documents such as bank statements.

Advisers can also access aggregated views of their Dentons' client list.

Dentons offers the provision of live data sharing links to certain platform providers (fund supermarkets and wraps) and Discretionary Fund Managers (DFM) and will continue to develop these data sharing relationships.

Pre-populated SIPP application

Dentons also provides a pre-populated application form for online completion. The form will pre-populate repeated fields and lead the adviser and/or client through the relevant sections of the application, missing those that don't apply.

At the end of each section details can be saved enabling them to be reviewed at a later date and the process continued.

Overview of our services

In addition to providing clients with the greatest choice and flexibility through our SIPP and SSAS, Dentons also offers a full range of specialist pension services with a variety of features to satisfy the most discerning clients, including technical guidance and information.

As part of our service you can request that one of our experts join your initial client meeting.

Dentons is authorised to provide restricted advice relating to regulated financial products.

We can help clients to investigate unique investment propositions and will check that they comply with current HMRC requirements.

Retirement options

When it's time to draw from their pension, we make sure your clients are in full control and will help them do it as tax-efficiently as possible.

We offer a range of flexible retirement options for when clients choose to take their benefits:

- > Capped Drawdown (for clients already in Capped Drawdown)
- > Flexi-access Drawdown
- > Uncrystallised funds pension lump sum (UFPLS)
- > Phased retirement.

Key personnel at Dentons

Key personnel

Dentons' staff offers advisers and introducers a wealth of SIPP and SSAS technical expertise, experience and knowledge.

Key personnel are professionally qualified with most senior staff having a long track record with Dentons meaning we retain skills, experience and industry knowledge.

Dentons' Directors have a 'hands-on' approach in terms of the day-to-day operation of the business and the core discipline of SIPP and SSAS servicing.

All Pension Consultants are encouraged to develop professional relationships with introducing firms and to gain an in-depth understanding of their requirements. They are always available to respond to, and seek solutions to, issues, problems and queries that introducers might have.

Administration teams

Dentons achieves the highest standards of service through efficient administration processes.

Our Pension Consultants are supported by experienced pension administrators to look after all aspects of a client's retirement provision. All work is undertaken by a specific team rather than a departmental approach, offering bespoke individual administration services and support.

Sales and Marketing

Dentons has grown its sales and marketing function and its industry profile in order to support the SIPP and SSAS proposition and contribute to the development of adviser relationships.

Sales and marketing support is provided by:

- > Director of Sales and Marketing: David Fox
- > Four regional Business Development Managers:
 - > Stephen McPhillips: Midlands, Mid Wales and Northern Ireland
 - > James Beal: North of England and Scotland
 - > Nathan Searle: South Wales and South West
 - > Salvatore Seminerio: East Anglia and Northern Home Counties
- > Marketing Manager
- > Marketing Assistant
- > Two support staff.

In addition, our technical service comprises:

- > Director of Technical Services: Martin Tilley
- > Technical Manager: Keith Gorbitt

All members of the team work closely together and speak with advisers on a regular basis.

Key personnel at Dentons (continued)

Advisers appraising the merits of partnering with a specialist SIPP and SSAS provider may wish to learn more about the key company personnel, their background and level of experience.

Dentons has 2 Executive Directors

Directors		Background and experience	
Derrick Fowler Executive Director	›	Joined Dentons in 1983	Joint Managing Director & Senior Pension Consultant
	›	Appointed to Dentons board in 2005	
	›	Over 30 years' SSAS and 20 years' SIPP experience Associate of the Institute and Faculty of Actuaries	
Ian Stewart Executive Director	›	Joined Dentons in 1994	Joint Managing Director & Senior Pension Consultant
	›	Appointed to Dentons board in 2005	
	›	30 years' SSAS and 23 years' SIPP experience Holds LLB (Hons)/DipPFS	
Senior Staff		Background and experience	
David Fox	›	Joined Dentons in 2011	Director of Sales & Marketing
	›	24 years' experience in developing adviser relationships	
	›	Specialised in SIPPs for past 15 years	
	›	Holds FPC and CII G60 pensions qualification	
Martin Tilley	›	Joined Dentons in 1988	Director of Technical Services
	›	Over 35 years' experience in pensions industry	
	›	Holds qualifications for the Associate of Pensions Management Institute and DipPFS	
Consultants		Background and experience	
Barry Bolland	›	Joined Dentons in 2016	Pension Consultant
	›	33 years' experience in pensions industry	
	›	Holds BA (Special Hons)	
Rod Doy	›	Joined Dentons in 1997	Senior Pension Consultant
	›	30 years' experience in pensions industry	
	›	Holds Diploma in Financial Planning	
Martin Friel	›	Joined Dentons in 2012	Senior Pension Consultant
	›	27 years' experience in the pensions industry	
	›	Holds Diploma in Regulated Financial Planning	
Paul Johnson	›	Joined Dentons in 1987	Senior Pension Consultant
	›	Over 38 years' experience in pensions industry	
	›	Qualified Chartered Insurance Practitioner	
	›	Holds Diploma in Financial Planning	
Richard Mann	›	Joined Dentons in 2015	Senior Pension Consultant
	›	26 years' experience in the financial services industry	
	›	Holds Diploma in Financial Planning	
Jacquie Pilcher	›	Joined Dentons in 2013 following the acquisition of Tenon Pension Trustees	Pension Consultant
	›	30 years' pension experience	
	›	Currently working towards Diploma status	
George Bonello	›	Joined Dentons in 2018 following the acquisition of Sippchoice Limited 20 years' pension experience Holds a BSc	Head of Administration and Operations, Sippchoice Bespoke SIPP

Permitted investment list

Dentons has over 37 years' experience within the industry and our pension consultants average over 20 years' experience in financial services, dealing with simple and complex investments, including property purchase. A principal feature of our self invested personal pension is the flexibility it provides when it comes to investment options.

Please note: a minimum fund value of £50,000 is required.

Our extensive range of available SIPP and SSAS investment opportunities:

Funds and equities

- > Equities quoted on the UK Stock Exchange including securities on the Alternative Investment Market (AIM)
- > Equities traded on a recognised overseas stock exchange
- > Insurance company managed funds and unit linked funds through pre-approved investment managers
- > Futures and options traded through a recognised exchange
- > Investment Trusts
- > Regulated Open Ended Investment Companies (OEICs) and Unit Trusts
- > Corporate bonds quoted on a recognised Stock Exchange
- > FCA recognised offshore funds
- > Trustee investment bonds
- > Hedge funds
- > UK unquoted equities (subject to individual consideration)
- > Unregulated Collective Investment Schemes (UCIS) (subject to individual consideration)

Deposit accounts

- > Deposit accounts with any authorised financial institution

Property

- > Commercial UK property or land
- > Complex property transactions including joint property with other pension vehicles, members or companies
- > Residential property through a qualifying collective investment vehicle

Other

- > Second-hand endowment policies via a recognised dealer
- > Commercial loans to unconnected parties (other than individuals and partnerships)
- > Trustee borrowing on commercial terms
- > Investment grade gold bullion
- > Intellectual property
- > CFDs & Foreign currency (as part of a collective investment scheme or portfolio with an FCA regulated discretionary fund manager, subject to approval)
- > All alternative investments can be considered – however complex – subject to them complying with HMRC rules. We will investigate each individual asset or investment to ensure that it will not be subject to tax charges within the SIPP.

We will not restrict members in the use of any authorised investment manager or investment platform and we have a number of established relationships with Investment Platforms and Discretionary Fund Managers allowing for a full and open architecture offering.

Should a client express an interest to open an account with a fund manager or platform where we have not previously carried out any due diligence, we will carry out the relevant due diligence and then open the account on its satisfactory inclusion to our permitted platform list.

Dentons does not allow the following investments:

- > Residential property
- > Overseas unquoted equities
- > Overseas commercial property
- > Off plan hotel developments
- > Carbon credits
- > Cloud lending
- > Land banking
- > Any taxable moveable property.

Commercial property

Dentons has specialised in commercial property acquisition and management within self invested personal pensions since its inception over 37 years ago and has considerable experience of dealing with complex investments and transactions. This includes joint property purchases in the UK.

Specific features of property purchase with Dentons:

- > Joint transactions with other providers and/ or individuals
- > Full property investment flexibility
- > Flexibility for your client to choose their own solicitor, valuer and lender
- > No compulsory property management agent
- > No obligatory block insurance
- > VAT registration, where applicable.

Examples of properties purchased by a Dentons SIPP:

- > Industrial units
- > Offices and shops
- > Farmland and forestry
- > Public houses
- > Nursing homes
- > Hotels
- > Marine berths
- > Airports
- > Gymnasiums.

Compliance structure

Compliance mission statement

Our experienced compliance team with their sector skills and knowledge, as well as regulatory experience, helps Dentons to achieve and maintain compliance within the FCA's regulations.

We combine expertise in risk analysis with a commercial perspective to build a safe business environment.

Our aim is to:

- > Operate in a compliant manner at all times
- > Promote greater understanding of the benefits of best compliance with the FCA rules and regulations
- > Establish and maintain a 'pro-compliance' culture
- > Maintain high professional standards and ongoing competence including ethical behaviour through education, training and continuing professional development

- > Encourage all business to be conducted with integrity, diligence and professionalism.

Key compliance personnel

Derrick Fowler is the Compliance Officer supported by a Compliance Manager, Rod Priest, who has been with Dentons for 3 years and is a Fellow of The Personal Finance Society (PFS). In addition Dentons uses the services of an external compliance consultant who has worked closely with Dentons since 2001.

Asset acceptance

The senior management of Dentons has initiated an Investment Committee as a way of monitoring and controlling nonstandard and sophisticated investments.

The Committee conducts an internal investigation as well as using the services of an external party – *in:review* to carry out 3rd party due diligence and provide investment reports.

This due diligence forms the basis of Dentons' decision making process for approving or declining such investments as suitable to be held within the SIPP and SSAS.

The Committee continually reviews its practices in light of increasingly sophisticated investments and regulatory good practice.

The Committee is made up from members of senior management, compliance and technical. Keith Gorbett, Technical Manager, can also assist with technical issues and due diligence over 'non-standard' assets.

Keith has worked in financial services since 1996 and has over 20 years' experience in the SIPP industry. He joined Dentons in 2012.

Complaints

Complaints are dealt with in accordance with our Complaints Procedure. Complaints should be addressed to the Compliance Officer at Dentons.

Quality of systems and controls

Treating customers fairly

The Dentons Board of Directors has long regarded Treating Customers Fairly (TCF) as a priority and every effort is made to cascade this down through line management and consultants to every member of staff, to ensure that everyone within the company understands and implements the fundamental requirements of the FCA's TCF rules and its application to the operation of Dentons' pension arrangements.

Consultants and administrative staff are encouraged at regular meetings to ensure they have satisfied the principles of TCF at all times.

Continuous monitoring

Dentons has an experienced review team who continually monitor client documentation, illustrations, disclosure and procedures to ensure their accuracy and technical validity.

All product literature is independently reviewed to ensure clarity and accuracy of content without the use of 'jargon'.

Data protection

Dentons operates its own bespoke administration system and database which can only be accessed by our own staff and our dedicated IT support personnel. All our computer data is backed up daily and is centrally held at a secure offsite location.

Dentons complies with the Data Protection Act 1998 which outlines how personal data will be handled and stored.

Business continuity

In the event of a catastrophic failure to the existing premises or systems, and to ensure business can continue, arrangements have been made for Dentons to operate from alternative nearby facilities.

Prevention of fraud

For Dentons, the underlying key to the prevention of fraud is that the SIPP holder must be a joint signatory to any payment made from their account. Internally, only senior staff are authorised to sign documents relating to asset ownership and reconciliations are undertaken regularly to minimise any fraud risk within the organisation. Reconciliation of SIPP bank accounts occurs monthly.

Dentons is unable to remove client funds upon its own authority.

Anti-money laundering

Dentons follows industry guidelines for anti-money laundering processes, as set out by the Joint Money Laundering Steering Group.

Dentons also works with introducers to ensure that the identity of clients is correctly confirmed.

Award winning SIPP and SSAS specialist

Winning the following externally accredited awards is a testament to our dedicated, knowledgeable and experienced consultants and administrative staff and to our range of self invested products.

Our level of client services and pension products continue to lead the way, backed by impressive customer assessment.

FinalytiQ report 2017

FinalytiQ is an independent company that benchmarks the financial strength and stability of the major players in the 'bespoke' SIPP market.

The report clearly demonstrates the strong position of Dentons within the sector with a GOOD 'B' rating.



'5 star' Financial Adviser Service Awards 2012, 2013, 2015, 2016 and 2017

For four years out of five Dentons has been recognised for its service by receiving this 5 star award, as voted for by IFAs. For 2013 & 2015, we were also awarded top performer in the Life & Pensions category of these awards. We were not eligible for an award in 2014.

This is an endorsement of our continuous focus on delivering exceptional service and flexibility, and reacting to changes in the marketplace to make it easier for advisers to do business.



Defaqto 5 Star rating for 2018

Defaqto is a leading UK independent financial research and software company.

The Defaqto team of experts analyse most SIPPs on the market, assessing the terms and conditions, policy details and key features. The rating shows the level of benefits provided by a financial product at a glance, allowing clients to base decisions on features, not just price.



Dentons default SIPP bank account

Whenever a SIPP is established with Dentons, a default sterling SIPP bank account is opened.

The default sterling bank account for the Dentons SIPP is provided by Cater Allen.

Clients are able to open additional deposit accounts with bank(s) of their choice.

The default sterling account is not intended as an investment account but for the facilitation of transactions.

Rates of interest

Dentons strives to pay a competitive rate of interest on its default sterling SIPP bank account.

Dentons will not retain any interest from this default account.

The following rates are effective from December 2017:

SIPP Deposit Amount	Gross % Interest Rate Payable
Up to £99,999	0.10%
From £100,000 to £499,999	0.25%
From £500,000	0.40%

Headline SIPP Fees

Standard fees

Establishment	£350	<ul style="list-style-type: none"> > Setting up the default bank account > Checking application details > Anti-money laundering verification > Processing of initial contributions > Reclamation of tax on contributions
Standard Administration	£552* per annum	<ul style="list-style-type: none"> > Preparation of the reconciled annual statement > Regular reconciliations during the year > Fulfilling regulatory requirements > Reclamation of tax on subsequent contributions
Setting up default bank account	£NIL	<ul style="list-style-type: none"> > Covered within our Establishment fee
Transfer In	£50	<ul style="list-style-type: none"> > Per transfer (cash)
Transfer In	From £170	<ul style="list-style-type: none"> > Per defined benefit cash transfer

*Clients can simply choose to invest funds within the default instant access bank account and any approved discretionary fund manager, fund supermarket or platform. A lower Annual Administration fee of £420 per annum plus VAT will apply where only a single investment manager or platform is chosen, for a minimum of 12 months from establishment of the SIPP, and is pre-approved by Dentons.

Payment of fees

- > Establishment fee is deducted once the SIPP is set up**
- > Standard Administration fees are normally deducted 6 months in arrears
- > All other fees are normally invoiced 6 monthly in arrears
- > Dentons' standard fees can be paid personally rather than having them deducted from the default bank account
- > All fees are subject to VAT

Financial adviser remuneration

Dentons' SIPP product is RDR compliant and the principles of adviser charging enable Dentons to pay the remuneration agreed between the client and the adviser.

For a full list of Dentons' current fees, please refer to our SIPP Fee Schedule.

**Please note: If you are a direct client we will require a cheque for £420 (inclusive of VAT) to cover the establishment charge when you submit your SIPP application form. Cheques should be made payable to 'Dentons Pension Management Limited'.



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