



# Merchant Securities

## ACCOUNT OPENING APPLICATION FORM

### CLIENT FACT FIND (SIPP ACCOUNT)

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#### Background to SIPPs

Self Invested Personal Pensions (SIPPs) are personal pensions which allow investors to choose where they want their retirement savings to be invested instead of leaving a pension company to make the decisions. You should only consider managing your own pension and investments if you have the necessary skill and experience and are prepared to take the time that it requires. And this is where Merchant Securities can help.

You can turn to Merchant Securities Limited (“MSL”) for advice on investments and benefit from our skill and experience (we offer Advisory Managed or Advisory Dealing Accounts) or you can delegate the management of your investments to us under a ‘Discretionary mandate’ where your day to day involvement in the management of your investments is handed over to us.

Please note that MSL as an investment adviser and manager, does not offer pensions and tax advice, but such services are available through the group’s IFA businesses: Merchant Securities Wealth Management and Merchant Cavendish Young.

Please note that Merchant Securities Limited does not offer “Execution-only” SIPP accounts.

#### Investment objectives and Attitude to Risk (ATR)

Before we act for you, it is important that we reach a shared understanding of your investment objectives and attitude to risk and that is the purpose of this fact find. We should like to be very clear: investment involves risk. As you will know, things do not always go to plan and the value of investments can go down as well as up. It is important to us therefore, that you make informed decisions, understand the risks and choose the most appropriate Merchant Securities Limited service for you.

When completing this Account Opening Application Form, if you are interested in our Advisory or Discretionary services, you are asked to decide on your **investment objectives** and **attitude to risk**; in doing this, please read the guidance on pages 11 to 14 of this form. We have also produced a separate “**Guide to Investments and Risk**” (on our website) to which you might also refer before you state your preferences in this Form.

#### Our Services

We offer 4 types of service:

1. Advisory Dealing Service
2. Advisory Managed Service
3. Discretionary Model Portfolio Managed Service
4. Discretionary Bespoke Portfolio Managed Service

If there is anything you do not understand or if you have any questions, please speak to one of our Investment Advisers. Call: +44 (0)20 7628 2200.

**Instructions** - Please complete in block capitals. Kindly insert the relevant information with amounts rounded to the nearest thousand pounds ( £000 ). All information will be treated as strictly confidential. State "NONE", or if the question is not applicable, then enter "N/A".

## SIPP Details

Account Name

### Member details

Title  Initial  First Name  Surname

Occupation

Date of Birth

National Insurance Number

Marital Status  Single  Co-habiting  Married  Divorced  Widowed

Country of Residence

Nationality

Country/place of Birth

Address

Post code

Tel (Home)

Tel Mobile

Tel (Work)

Email address

Name of SIPP provider

Address for correspondence

Post code

Telephone

Fax

Email

HMRC Ref

Please provide:

- Copies of HMRC approval documentation
- Authorised Signatories list

## Member Employment Details & Affiliations

### Member details

Employment Status	Employed	<input type="checkbox"/>	Retired	<input type="checkbox"/>	Not employed	<input type="checkbox"/>	Business Owner	<input type="checkbox"/>
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Occupation	
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Income source (if retired/not Employed)	
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Employer name	
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Nature of business	
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Employer Address	
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Are you a senior political figure, family member or close relative of a senior political figure?	<i>If yes, please provide details:</i>
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Are you a director, 10% shareholder or policy making officer of a public company or is a family member such a person?	<i>If yes, please provide details:</i>
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Will the investments into this account represent the entire SIPP assets?

Yes

No

If No, please summarise the SIPP's other assets / liabilities as follows:

Cash Deposits	£
National Savings	£
Property	£
Fixed Interest Securities	£
Equities and Equity Funds	£
Loans	£
Debts	£
Other	£

Future Requirements

When eligible, after age 55, can you foresee any reason for withdrawing capital from your SIPP?  
Please specify estimated amount:

1 year £

3 years £

5 years £

Members transfers

Are you going to transfer your benefits from one or more registered pension schemes into your SIPP account?

Yes

No

If yes, please provide details of the SIPP Provider:

The member's Investment Experience (Mandatory Information for Advisory SIPP accounts)

Product	Experience of holding and understanding of this type of investment (tick appropriate box(es) below to indicate your experience)	Number of years experience of the product	Trade frequency (please indicate the average number of times you have traded this product over the last 2 years)	Average trade size (in GBP)	Professional qualifications relating to the product?
Money market funds	<input type="checkbox"/> Hold <input type="checkbox"/> Have held <input type="checkbox"/> Understand				
Equities	<input type="checkbox"/> Hold <input type="checkbox"/> Have held <input type="checkbox"/> Understand				
Bonds (Corporate or Government)	<input type="checkbox"/> Hold <input type="checkbox"/> Have held <input type="checkbox"/> Understand				
Traded Foreign Exchange	<input type="checkbox"/> Hold <input type="checkbox"/> Have held <input type="checkbox"/> Understand				
Unit trusts	<input type="checkbox"/> Hold <input type="checkbox"/> Have held <input type="checkbox"/> Understand				
Exchange Traded Funds	<input type="checkbox"/> Hold <input type="checkbox"/> Have held <input type="checkbox"/> Understand				
Property funds	<input type="checkbox"/> Hold <input type="checkbox"/> Have held <input type="checkbox"/> Understand				
Structured products	<input type="checkbox"/> Hold <input type="checkbox"/> Have held <input type="checkbox"/> Understand				
Private equity Investments	<input type="checkbox"/> Hold <input type="checkbox"/> Have held <input type="checkbox"/> Understand				
Futures	<input type="checkbox"/> Hold <input type="checkbox"/> Have held <input type="checkbox"/> Understand				
Options	<input type="checkbox"/> Hold <input type="checkbox"/> Have held <input type="checkbox"/> Understand				
Warrants	<input type="checkbox"/> Hold <input type="checkbox"/> Have held <input type="checkbox"/> Understand				
CFDs	<input type="checkbox"/> Hold <input type="checkbox"/> Have held <input type="checkbox"/> Understand				
Spread Betting	<input type="checkbox"/> Hold <input type="checkbox"/> Have held <input type="checkbox"/> Understand				

**Members' Investment Objectives and Attitude to Risk**  
**(Mandatory Information for Advisory & Discretionary accounts)**

Please fill in this page to help us fully understand the member's investment objectives and tolerance to risk. The selection below should reflect the member's current attitude towards risk. To change this at any time, please contact your Merchant Securities account executive.

- |   | Y                        | N                        |
|---|--------------------------|--------------------------|
| • I have a short term outlook to investing money (fewer than 3 years)   | <input type="checkbox"/> | <input type="checkbox"/> |
| • I have a long term investment outlook (3 years or more)   | <input type="checkbox"/> | <input type="checkbox"/> |
| • I want to invest some or all of my money in short term, more speculative trading (see explanation on page 11) | <input type="checkbox"/> | <input type="checkbox"/> |
| • I want to build a diversified investment portfolio  | <input type="checkbox"/> | <input type="checkbox"/> |
| • I want to generate £ <input style="width: 100px;" type="text"/> annual income from the funds invested *       |                          |                          |

We ask member's to select their **attitude to risk (ATR)**. Prior to deciding on ATR, please read the information set out on pages (11 - 14). Please contact us if you do not understand anything contained in those pages prior to selecting ATR.

Primary objective:	Please Tick As Appropriate	Attitude to Risk	Please Tick One Only
Investing for Longer-Term Growth of capital	<input type="checkbox"/>	Lower Risk	<input type="checkbox"/>
Investing for Income *	<input type="checkbox"/>	Low/Medium Risk	<input type="checkbox"/>
Investing for Income & Growth *	<input type="checkbox"/>	Medium Risk	<input type="checkbox"/>
Short-term trading (higher risk clients)	<input type="checkbox"/>	Medium / High Risk	<input type="checkbox"/>
Other, please specify on page 7	<input type="checkbox"/>	Higher Risk	<input type="checkbox"/>

**\* Please note:**

Current legislation does not permit withdrawals of funds/income until the member is 55 years of age. Please detail below any specific income requirements i.e. both frequency and amount. Please note that income is normally paid in cash. If you have a preference to receiving income in scrip form (i.e. as additional shares/units) then please indicate below:

**Important Note:** It is your responsibility to inform us if you subsequently change your objectives or attitude to risk

Restrictions	Preferences
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Country or geographical		
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Ethical		
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Time		
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Other		
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[PLEASE USE THIS SECTION TO NOTIFY US OF ANY OTHER RELEVANT INFORMATION](#)

Required Services	Please Tick One
Advisory Dealing Service	
<p>This service is for those wishing to retain overall control of their investments whilst benefitting from our knowledge and expertise. After establishing your investment objectives and risk category we will give you as much advice on individual investments as you require, but all decisions to invest are ultimately yours and require your prior approval. We will give advice on the basis of our best judgement at the time but we cannot be held responsible if any investment fails to achieve our or your expectations for it. Therefore, with this service, you take full responsibility for monitoring the balance and risk of your investments.</p>	
Advisory Managed Service	
<p>Your Investment Manager will monitor your investments to ensure that they stay in line with your pre-agreed investment objectives. We will give advice on the basis of our best judgement at the time but we cannot be held responsible if any investment fails to achieve our or your expectations for it. Proposed investment decisions are discussed with you in advance and require your prior approval. In matching your investments to your individual objectives and risk tolerances, you will be able to consider all asset classes.</p>	
Discretionary Model Portfolio Service (“DMP”)	
<p>This service allows you to hand over the day to day management of your investment portfolio to our investment management team. We will monitor your portfolio and make the investment decisions on your behalf, based on our model portfolios and your individual objectives and personal attitude to risk.</p>	
Discretionary Bespoke Portfolio Service (“Bespoke”)	
<p>This service allows you to hand over the day to day management of your investment portfolio to our investment management team. We will monitor your portfolio and make the investment decisions on your behalf, designing an individual portfolio around your individual objectives and personal attitude to risk.</p>	

**NB:** We send all clients a statement of dealings and valuations twice a year, or on request. Our charges for the above services are detailed in ‘Appendix C’ of our terms of business.

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## SIPP Provider bank details

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Please note: to open an account we need the SIPP's bank details. Any funds payable to and from Merchant Securities will be via this bank account.

Bank name	<input type="text"/>
Bank address	<input type="text"/>
Account Name	<input type="text"/>
Account No	<input type="text"/>
Sort Code	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

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## Other Advisers

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Adviser Name	Address	Contact	Type of Adviser	Do you want us to provide personal information on request?

If you want Merchant Securities Ltd to deduct and pay an advisers fees from your portfolio, please complete the instruction below :

Adviser	Initial fee to be paid to adviser	Ongoing fee to be paid to adviser	Client Signature

## Receiving instructions from the SIPP

Please specify below the individual(s) at the SIPP Provider authorised to give us instructions on the member's behalf

Name		
Position		
Signature of Authorised person(s)	Signature	Date

## Declaration and documentary disclosures

Before we are able to open a new investment account we have to comply with the UK Anti-Money Laundering Regulations. The information you have provided will therefore be used to verify your identity. Please note, however, in certain circumstances we may have to request further documentary information from you. This application form & Terms of Business set out the basis of your relationship with Merchant Securities Limited. We intend to rely on these documents, and for your own benefit and protection, you should read these documents carefully before signing this form. If you do not understand something, please ask for further details.

Please read the following declarations and sign in the space provided:

### I/We confirm that:

- This application form has been completed to the best of my/our knowledge and that the information provided is accurate.
- I/We acknowledge receipt of Merchant Securities Limited's Terms of Business and have read and agreed the terms.
- I/We undertake to advise Merchant Securities Limited of any change in my/our circumstances relevant to the services provided to me/us.
- I/We have access to the internet. Please tick box if you do not.

### I/We expressly consent to the following:

- Merchant Securities Limited may execute any order on my/our behalf in any instrument outside of either a Regulated Market or a Multilateral Trading Facility.
- For Merchant Securities Limited not to make public any limit orders that are not immediately executed, unless I/we specifically instruct otherwise in relation to a specific limit order.
- Where appropriate, the provision of information, by means of our website ([www.merchantsecurities.co.uk](http://www.merchantsecurities.co.uk)), but only where I/we have access to the internet.
- Merchant Securities Limited may send me relevant communications by email, if you do not consent to this please tick this box.  (Your personal data will remain confidential and will not be passed to any other company).

(Please note this consent is to be read in conjunction with our Execution Policy)

Member - Name (please print)	Signature	Date
SIPP Provider	Signature(s)	Date

We will send you a copy of this completed fact find for your records.

### **Investment Objectives**

On page 6 we ask you to tick boxes to confirm your investment objectives and attitude to risk. In doing so, you will need to consider that investment returns take the form of either Capital Growth or Income with the relative bias between the two determined by the investor's individual objective. The following explanations are, by necessity, broad outlines, but it is important that you have the clearest possible understanding of them when agreeing your Investment Objectives with us.

#### **Investing for Longer Term Growth:**

If you choose this option, we shall understand by this that you have sufficient income from other sources and that investing for Income, for example, dividends on equities, or from fixed-income securities, is not your main objective. Investing for Longer term growth is to focus on capital appreciation and is for investors who are looking to hold diversified investments and are able to hold the investments for the longer-term (3 years plus).

#### **Investing for Income or Income & Growth:**

If you choose one of these options, you will need to explain the amount of income you require and the frequency of payments so that we can make suitable recommendations.

Investing for income is for investors who have a specific income requirement from their investments and who are looking to hold investments to provide income and who are able to hold the investments for the longer-term (3 years plus).

Investing for a combination of income and growth is for investors that wish to hold diversified investments and who are able to hold investments for the longer term (3 years plus), with no specific income requirements, but will receive whatever income is generated.

#### **Short-term Trading of Equities (NB Higher Risk Clients Only):**

Such clients are not concerned about Income or in building a portfolio of investments, but are interested in short-term trading and capital appreciation. Their objective is often very short-term, for example; one week, one month, and they are willing to take profits or losses early with no intention to hold for the longer term (i.e. three years plus). This trading strategy may result in clients having a high concentration of investments in a limited number of holdings. This will increase concentration risk - please see page 13 for more details.

Short-term trading, however defined, must be considered as a high-risk trading strategy.

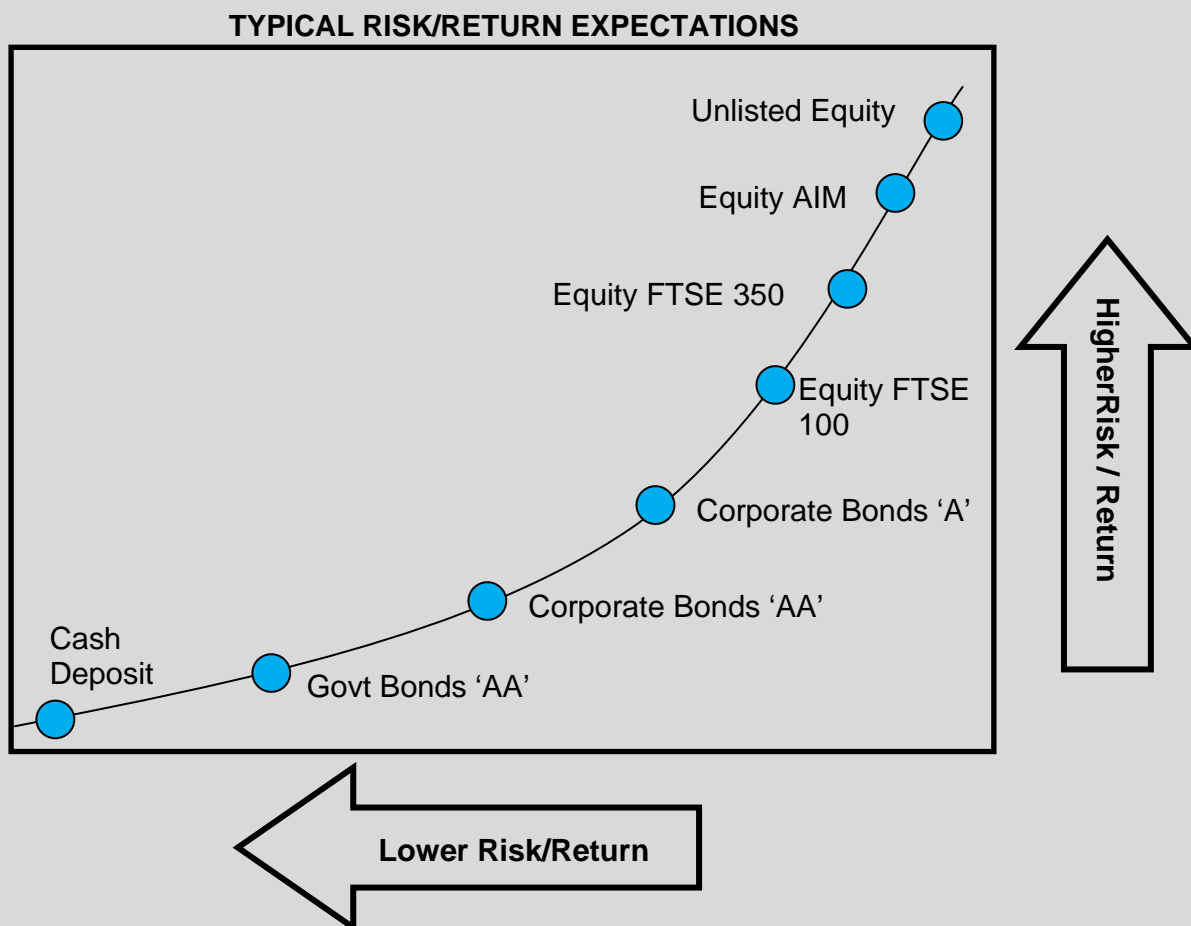
#### **Other:**

If your objective is none of the above, please detail your objective on page 7 of this Form, or speak to us about your specific requirements.

## RISKS

On page 6 of this Form, we ask you to select your Attitude to Risk category. Your agreed risk category will be one of: Lower-Risk, Low/Medium-Risk, Medium-Risk, Medium/High-Risk or Higher-Risk.

The risk category you select and we agree on, will determine the type of investments we may recommend as suitable for you. In addition, you may stipulate that you do not wish to receive a recommendation from us nor wish to invest in a particular type of investment. For example; you may state that you do not wish to invest in certain companies such as tobacco companies, on ethical grounds.



It is important you understand the inherent risk of each investment and that any number of factors including external risks or events can have an adverse or positive impact on the price and value of the investment.

There are of course many other types of investments, for example; Collective Investment vehicles (Investment Trusts, Unit Trusts and OEICs), Derivatives (Options and Warrants) and Structured Investment Products. The inherent risk of all investments depend on many factors, which include; the size and nature of the issuer, the risk that the issuer might fail and whether or not the investment offers any capital protection.

In short, there is no simple description that covers all risks or eventualities. However, to aid understanding it is true to state that some investments are inherently more risky than others. The above Graph plots the relative risk versus return of Equity (Shares), Debt (Government and Corporate Bonds) and Cash.

**Notwithstanding our obligation to only make suitable recommendations to you, you should be aware that as an Advisory Client, you are responsible for your investment decisions and for understanding the risks.** We will give advice on the basis of our best judgement at the time, but we cannot be held responsible if any investment fails to achieve our or your expectations for it.

You should also be aware that your attitude to risk (“ATR”) and risk category might change over time. If you feel that your ATR has changed, you should inform us accordingly as it will affect the advice we may provide. For example your ATR might change from Medium to Higher-Risk, as you perhaps become more willing to accept the risk of investing in Higher-Risk investments. If this happens, it is important that you are making informed decisions and that you understand the risks.

### No Restriction on Recommendations

There is no restriction on the type of investment we recommend to you other than as stipulated by you, for example, no tobacco companies. This means we might in certain circumstances recommend a Higher-Risk investment to a client with a Lower-Risk category, but in this case, only where the Higher-Risk investment is very small in relation to the overall value of your investments and cash on account. Clients are reminded that they are not bound to accept any recommendation and they can say ‘no’. We will not put pressure on clients if this is the case.

### Concentration Risk

Concentration Risk simply means that the number of investments held and their relative weighting will determine how well risk is spread. This spread of risk is also called “diversification”. For example, if an investor only holds two investments of equal value, his risk is concentrated 50% each. If one investment were to fail, the investor would lose 50% of the value of his holdings. In this example, it is clear that there is little diversification of risk.

If you have limited funds to invest, it may not be possible to adequately spread your risk by diversification across a number of holdings unless you invest in a collective investment such as an Exchange Traded Fund, Investment Trust or Unit Trust. In addition, dealing costs payable to Merchant Securities may result in disproportionate costs in percentage terms to clients as minimum charges apply – please see our **Schedule of Charges** at the back of our **Terms of Business**.

### Higher-Risk Investments

**If you wish to trade solely or mainly in equities and other higher-risk investments we will require you to select “Higher-Risk” under Attitude to Risk on page 6 of this form.**

### Guide to Investments and Risk

For further guidance on investments and risk, please see our “**Guide to Investments and Risk**” on our website: [www.merchantsecurities.co.uk](http://www.merchantsecurities.co.uk).

We offer two types of service: Model Portfolio Managed Service and Bespoke Portfolio Managed service.

### Discretionary Model Portfolio Managed Service

The Model Portfolio service allows clients to choose one of 5 models: Lower-risk, Low/Medium-Risk, Medium-Risk, Medium/High-Risk or Higher-Risk.

### Discretionary Bespoke Portfolio Managed Service

The Bespoke Portfolio service differs from the Model Portfolio service in that your investment portfolio can be built precisely around your requirements and to meet your specific requirements for income or capital growth. To help you decide, please review your answers to the Attitude to Risk questions on page 6 and please call us if you are unsure.

### How we manage Discretionary Portfolios

Our discretionary portfolio managers are not subject to any restriction on what type of investment they can choose, but you may specify restrictions if you wish. Furthermore, the exact mix of investments held across the portfolios will depend on the risk category of a client and that client's investment objectives.

Clients should note that even a Lower-Risk portfolio may contain a small percentage of higher-risk investments. There may also be times when the managers may use higher-risk investments to achieve the correct balance to the portfolio, or to manage risk.

**Please discuss your requirements with one of our Investment Managers or your financial adviser acting on your behalf.**

Please note: this guidance is not a substitute for obtaining professional advice on SIPPs and pensions and you should consult an appropriately qualified person for such advice.

### Background

Self Invested Personal Pensions (SIPPs) are personal pensions which allow investors to choose where they want their retirement savings to be invested instead of leaving a pension company to make the decisions. You should only consider managing your own pension and investments if you have the necessary skill and experience and are prepared to take the time that it requires. And this is where Merchant Securities can help.

You can turn to Merchant Securities Limited (“MSL”) for advice on investments (we offer Advisory Managed or Advisory Dealing Accounts) or you can delegate the management of your investments to us under a ‘Discretionary mandate’ where your day to day involvement in the management of your investments is handed over to us.

### The role of the SIPP Provider (Administrator)

The SIPP Provider will set up your SIPP (you are referred to as the “member”) under a Master Trust and fulfil the role of professional trustee. The main concern of the SIPP Provider and Trustee is to ensure the SIPP rules are adhered to and that the SIPP Provider and Trustee are not involved in individual investment decisions.

A SIPP is set up under a trust to ensure that funds are only used in accordance with the legislation governing pensions. Legislation stipulates where the pension can be invested and how and when benefits can be taken.

### Who owns the assets of a SIPP?

The Trustee is the registered owner of the SIPP, however the ‘member’ is the sole beneficial owner of the assets of the SIPP.

### Who decides which investments to buy/sell?

You, the member, make those decisions, taking advice from Merchant Securities, or where you have delegated management of your investments under a discretionary mandate, Merchant Securities will make those decisions. The SIPP Provider and Trustee are not involved and cannot by law be involved, in deciding which assets should be bought or sold.

### How do I buy/sell investments in my SIPP?

You, the member, simply instruct Merchant Securities when you wish to buy or sell investments in your SIPP. Merchant Securities will report all transactions to your SIPP Provider and Trustee and the Trustee will pay for your purchases of investments from your SIPP bank account. If selling, the proceeds will be paid into your SIPP bank account.

Note: if you have a Discretionary mandate, Merchant Securities will notify the SIPP Provider and Trustee of all transactions. For both Advisory and Discretionary clients of MSL, you, the member, will receive statements at least twice per year.

*For more information about how MSL advise on and manage investments, please contact your Merchant Securities Account Executive. For advice on Pensions, please contact Merchant Securities Wealth Management or Merchant Cavendish Young.*

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