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Date 22 October 2018

Dear Mrs Smith

## We're enhancing our service

To help enhance the service we offer, we're changing the technology and some of the associated processes and procedures we provide to you as part of the Ascentric Wrap Platform. These changes mean that we're amending your Terms and Conditions to reflect the way the updated Ascentric Platform and new processes will work.

Your new Terms will be effective from the date we move your Account(s) to the new technology. Please note that we'll also use slightly different terminology; this is explained in the updated document, which is now referred to simply as 'your Terms'.

## What's changing?

We've updated your Terms to make them easier to understand by using less technical and legal jargon. **We've included a document at the end of this letter summarising the key changes we're making and how we'll operate our service in the future.**

If you have an Ascentric Pension Account we've included another summary document which details changes we'll be making to the way we administer it. This is particularly relevant if you're taking benefits from your pension and it's important that you read it to understand what's changing.

These summaries are not intended to be a comprehensive description of all the differences from your existing Terms and Conditions, so please take some time to read your new Terms fully. If you have any questions about what the changes mean for you we recommend that you speak to your Financial Adviser in the first instance.

Please note that capitalised words in this letter and the enclosed documents have defined meanings which are set out in the existing Terms and Conditions or new Terms (as relevant).

## Find out more

You can read your new and existing Terms online at: [www.ascentric.co.uk/investors](http://www.ascentric.co.uk/investors)

If you want a copy, send us an email at [customerservices@ascentric.co.uk](mailto:customerservices@ascentric.co.uk) or give us a call on 0345 076 6140.

Trimbridge House, Trim Street, Bath BA1 1HB  
0345 076 6140  
[ascentric.co.uk](http://ascentric.co.uk)

## What you need to do

You don't need to respond to this letter or take any action; your new Terms will automatically come into effect when we move your Account(s) to the new technology. This is planned to take place between mid-November 2018 and early January 2019. However because of the way that we undertake the move to the new technology, we won't know the exact date until a few days beforehand. We'll inform you of the date that your new Terms became effective either via your periodic valuation statement or in a separate letter.

If you're in any doubt as to which Terms apply to you at any stage, please contact your Financial Adviser. They will have more information on the timing of the changes. As ever, you may close your Account(s) at any point (before or after the move) by providing us with written instruction.

## Clearer visibility of pension benefits

If you have an Ascentric Pension Account you will have clearer visibility of your pension(s) performance. In the future, your investments will be held in separate Accounts depending on the status of your pension(s) i.e. whether you are already taking pension benefits or your money is still accumulating. For the pension benefits you are already taking, there will be separate Accounts, one for each pension arrangement being used. These splits will be clearly visible for online users and we will refer to these separate Accounts in future correspondence. This new transparency means you will have a clearer picture of how your individual pension(s) perform, helping you to plan for your future.

## Using the Ascentric Platform

If you currently go online to access your portfolio, the screens and login process will change when you move to the new Platform. To find out more please contact your Financial Adviser or visit [www.ascentric.co.uk/investors](http://www.ascentric.co.uk/investors).

## Changes to normal business practice

During the period of mid-November 2018 to early January 2019 we will be preparing for the introduction of the new technology. This may mean some temporary changes to our normal business practice. We will provide specific details to your Financial Adviser, nearer the time. If you're planning any important withdrawals and Investments during this period then you should let your Financial Adviser know in advance.

## Further information

If you have any questions regarding this letter, or require further information, please call us on, 0345 076 6140 between 8:30am and 5:30pm Monday to Friday or drop us an email on [customerservices@ascentric.co.uk](mailto:customerservices@ascentric.co.uk).

Yours sincerely



Heidi Johnson  
Finance Director



## Key changes to your Platform Terms

Important please read

### 1.1 Calculation of Charges

We will calculate all fees and Charges based on your average daily balance rather than your month-end position. You will incur fees and Charges based only on the days that you are invested in a month. This approach reflects standard industry practice and, because we only apply fees and Charges on the days in the month in which your Account balance attracts a Charge, the charging arrangements are more accurate and reflective of your relationship with us. This helps ensure you're always paying the right amount. Charges will still be deducted monthly in arrears.

### 1.2 Valuation of Exchange Traded Instruments (ETI)

At present we report the value of the ETIs in your Account(s) using the 'Bid Price'; however, under your new Terms, we will value ETIs at the 'Market Mid Price' or 'open market value' (which is normally higher than the 'Bid Price'). This does not affect the actual value of your Assets but as the reported valuation of your ETIs is likely to increase, the Charges you pay on that Asset will increase accordingly. We are making this change to comply with HMRC guidance on the calculation of chargeable gains reporting. Due to this change in valuation method you may see a greater than expected difference in the value of your Assets the day before and after we make the changes.

### 1.3 Minimum cash balance

Your current Terms and Conditions allowed us to sell Assets from the largest holding to maintain the current minimum cash balance (2% or £2,000); however we have generally not enforced this process unless your Account became overdrawn or we were unable to pay you any requested income from your Account. Once new Terms are in effect there will be an automated process that will sell down holdings if necessary to meet Charges and withdrawals. Your Financial Adviser will help ensure there is enough cash available in your Account to meet Charges to avoid us having to sell Assets on your behalf.

### 1.4 Who receives periodic valuation statements

In accordance with our existing Terms and Conditions we send letters and regular valuation statements to all Clients linked to an Account (individuals, corporates and trust entities). Under your new Terms, whilst all Clients linked to individual Accounts will have access to Account information and statements, only the Primary Contact will be sent correspondence and statements; the Primary Contact is the first named person on the Ascentric client application form. In the future, charity, trust and corporate Account periodic valuation statements and online access will be given to one nominated person, not all those linked to the Account.

### 1.5 Application of gross interest on cash balances

We will calculate and apply gross interest to cash in your Account(s). This is calculated based on your daily cash positions and then we apply it to your Account(s) within 8 weeks of the end of the month in which it has been earned instead of 4 weeks as it was previously.

### 1.6 Eligibility restrictions

If you become ineligible to remain a Client on the Ascentric Platform for any reason (as explained in the Terms) you need to inform us of this immediately. Under your new Terms, we have the right, in this situation, to place restrictions on activities, sell Investments, or close any Account(s). This is to reflect that there are restrictions on certain types of Accounts and Investments (for example due to tax legislation) which prohibit ineligible investors. Your Financial Adviser should be able to help ensure that you are eligible to hold Account(s) with us.

### 1.7 Future changes to Terms

The new Terms also expand the circumstances where we may make future changes to the Terms. We will continue to provide 30 days' prior written notice, where possible, of any material changes.

### 1.8 Your personal data

Data protection law in the UK has changed, with the General Data Protection Regulation (the 'GDPR') having come into force on 25 May 2018, along with accompanying UK legislation. As you will see, paragraph 22.2 of the Terms explains that your personal data will be collected, used and stored by us as set out in our Client Privacy Policy which you can find at [www.ascentric.co.uk/investors](http://www.ascentric.co.uk/investors).

## Key changes to Platform procedures

### 1.9 Account numbers

New Account number(s) will come into effect when your Account(s) are moved. These new numbers will appear on valuation statements. They will also be visible if you access the Platform online. You will need to note the Account number change and quote the new number(s) on all correspondence and new payments onto the Ascentric Platform via standing orders, direct debits and cheques.

### 1.10 Standing orders and direct debits

Any new regular payments to the Platform will now be via direct debit rather than standing order. Direct debits offer more flexibility in making payments and provide other safeguards such as the 'direct debit guarantee' which facilitates refunds to disputed payments. Direct debits can only be set up with organisations that are approved 'originators' and who are carefully vetted. All existing standing orders will continue and remain in place unless cancelled by you.

### 1.11 Transaction history

Your transaction history will not be moved across to your new Account(s). The first transaction you will see in each Account will be an 'Opening Balance Transaction' for both the Assets you hold and in your Cash Account(s), this being the cash balance or unit holding(s) from the day of the move. You or your Financial Adviser will be able to obtain a complete transactional history through an archive report available on the new Platform.

### 1.12 Periodic valuation statements

In the future, we will provide valuation statements based on the value of your Account(s) as at the end of March, June, September and December.

### 1.13 The way we communicate

Our new technology stores all information about your Account (including valuation statements and correspondence) electronically. This can be accessed online and viewed as and when required by logging into the Platform. This is a secure and convenient way to cut down on your filing and means you can find everything you need in one centralised place. We intend to introduce fully electronic ways of communicating going forward so you can expect us to be in contact with you shortly about how you want to receive information in the future.



## Changes to Ascentric Pension Account Terms

Important please read

### 2.1 Administering your pension

Thanks to the introduction of the new technology we will be able to provide you with clearer visibility of the performance of your pension(s). In the future, your Investments will be held in separate Accounts depending on the status of your pension(s) i.e. whether you are already taking pension benefits or your money is still accumulating. For the pension benefits you are already taking, there will be separate Accounts, one for each pension arrangement being used. These splits will be clearly visible for online users and we will refer to these separate Accounts in future correspondence. This new transparency means you will have a clearer picture of how your individual pension(s) perform, helping you to plan for your future.

### 2.2 Applying Investments and tax relief

Currently we credit your Ascentric Pension Account with a cash amount equal to the basic rate of tax relief (currently 20%) as soon as your contribution has been received. The new technology applies this tax relief to all eligible Accounts at a specific time every working day, not on receipt of your contribution. This may mean tax relief is credited a day after your contribution with a different valuation price when traded.

### 2.3 Transfer payments in

For regulatory reasons all the required information to accompany 'transfers in' from another pension scheme must be received by us within one day of the transfer receipt. Without this we are required to return the cash or Investments to the previous pension provider.

### 2.4 Capped drawdown review

The new technology will trigger a review automatically 30 days before the review date rather than awaiting your instruction. Any income limit change will take effect from the drawdown anniversary.

### 2.5 Minimum cash balance

Your current Terms and Conditions allow us to sell Assets from the largest holding to maintain the current minimum cash balance (2% or £2,000); however we have generally not enforced this process unless your Account became overdrawn or we were unable to pay you any requested income from your Account. Once new Terms are in effect, if there is not enough cash to pay regular pension income there will be an automated disinvestment process that will be triggered 8 working days before the income is due.

## Ascentric Pension Account administration changes

2.6 Clients in drawdown	
Old technology	New technology
<p><b>Payment</b> Currently all your retirement income is paid as one single payment irrespective of the underlying pension arrangements you hold with us.</p>	<p>If you have more than one arrangement your retirement income payments will now be paid simultaneously but from each separate Account rather than one single payment.</p>
<p><b>Account structure</b> Your arrangements are amalgamated.</p>	<p>Each drawdown arrangement you hold with us must be held in a separate Account, giving you clearer visibility of any income each arrangement is providing. This may mean splitting your existing Wrapper(s) into more than one Account [<i>in different proportions than before</i>]; after the new Account structure is in place your Financial Adviser may wish to revisit your investment strategy.</p>
2.7 Instant pension payments	
Old technology	New technology
<p>We have allowed you to request instant pension payments which can be paid on the same day.</p>	<p>For HMRC to match and monitor payments, in practice you need to allow 2 working days for any ad-hoc payments.</p>
2.8 Your periodic valuation statements	
Old technology	New technology
<p>The periodic valuation statement shows the performance of your cash and Investments by Wrapper irrespective of the number of arrangements you have.</p>	<p>The new technology will generate a periodic valuation statement showing the performance of your cash and Investments split by Account to reflect each arrangement you have.</p>

