

... far be it from me to make demands, but this stuff is important. My clients come ready programmed asking for choice, choice and more choice. I just can't contemplate...

EE

Pot 5.25

CS

Red Cocoa 2.75

Cocoa 2.75

Cider 2.75

3.30/3.55

3.30/3.55

2.25

BLENDED

Vanilla Caramel

Mocha Fro

Almond Soy

Heath Bar Fran

Mauit Mocha Fran

BLENDED W/O COF

Strawberries creme

Vanilla Creme

Mango Creme

Chocolate Creme

ICED COFFEE

Iced Latte 3.10

Caramel Latte 2

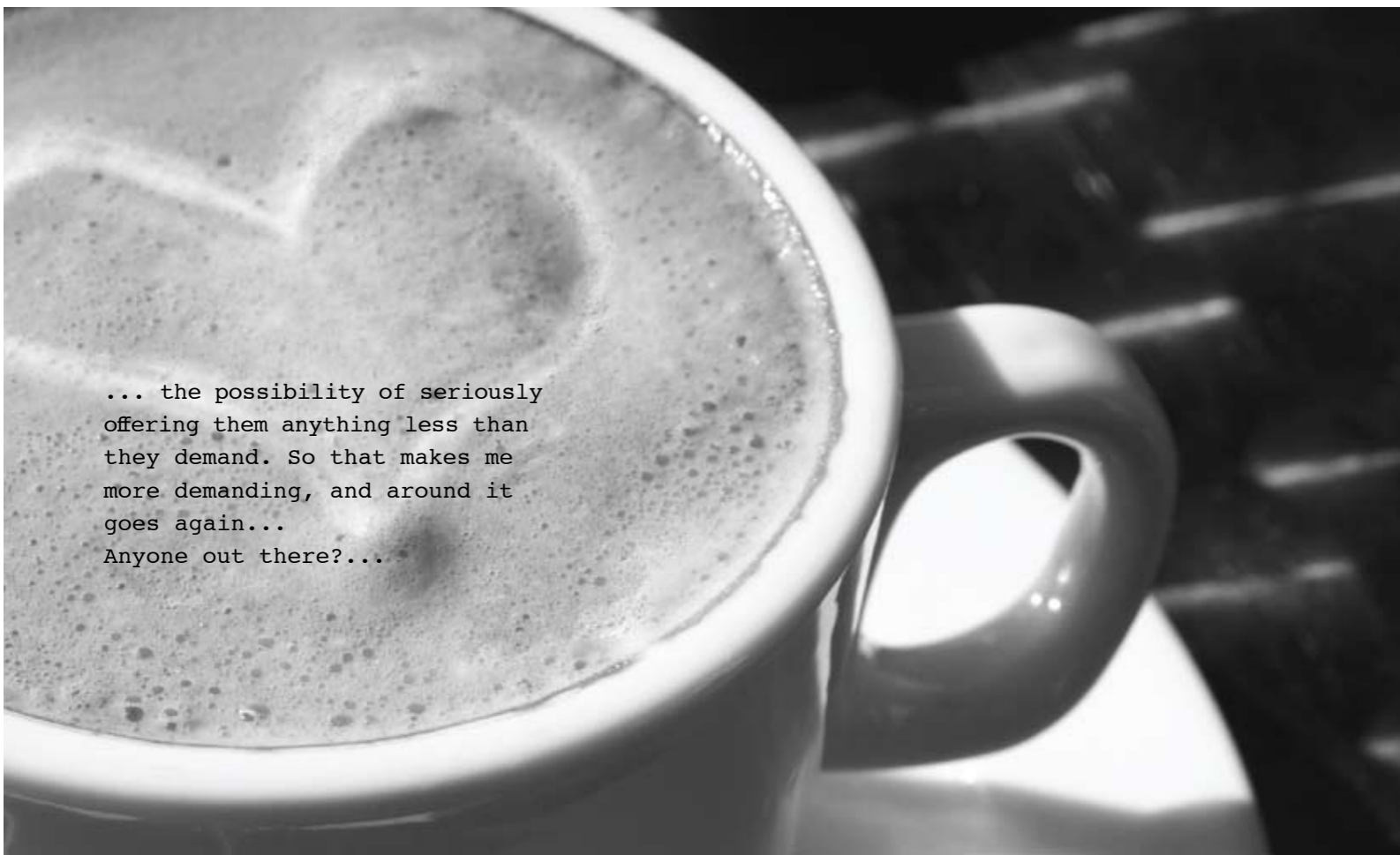
Mocha Latte 3

Investment Guide

The living SIPP, for the way you work



CARDIF PINNACLE
BNP PARIBAS GROUP



... the possibility of seriously offering them anything less than they demand. So that makes me more demanding, and around it goes again...
Anyone out there?...

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Who should read this guide?

This guide is designed for Independent Financial Advisers (IFAs) who are advising their clients to use the Cardif Pinnacle living SIPP to plan for their retirement. The guide examines the investment choices that are available to the SIPP member and you should read this guide to gain an understanding of the investment choices and options available under the Cardif Pinnacle living SIPP.

The Cardif Pinnacle living SIPP is a "full" SIPP by which we mean that it does not seek to restrict the investment choice to be made by the member. In addition it contains some exclusive investment choices such as the Cardif Pinnacle Cash Fund and the Investment Funds managed on behalf of Cardif Pinnacle by FundsQuest.

The Cardif Pinnacle living SIPP allows the member to invest in a comprehensive range of investment securities. (See pages 4/5).

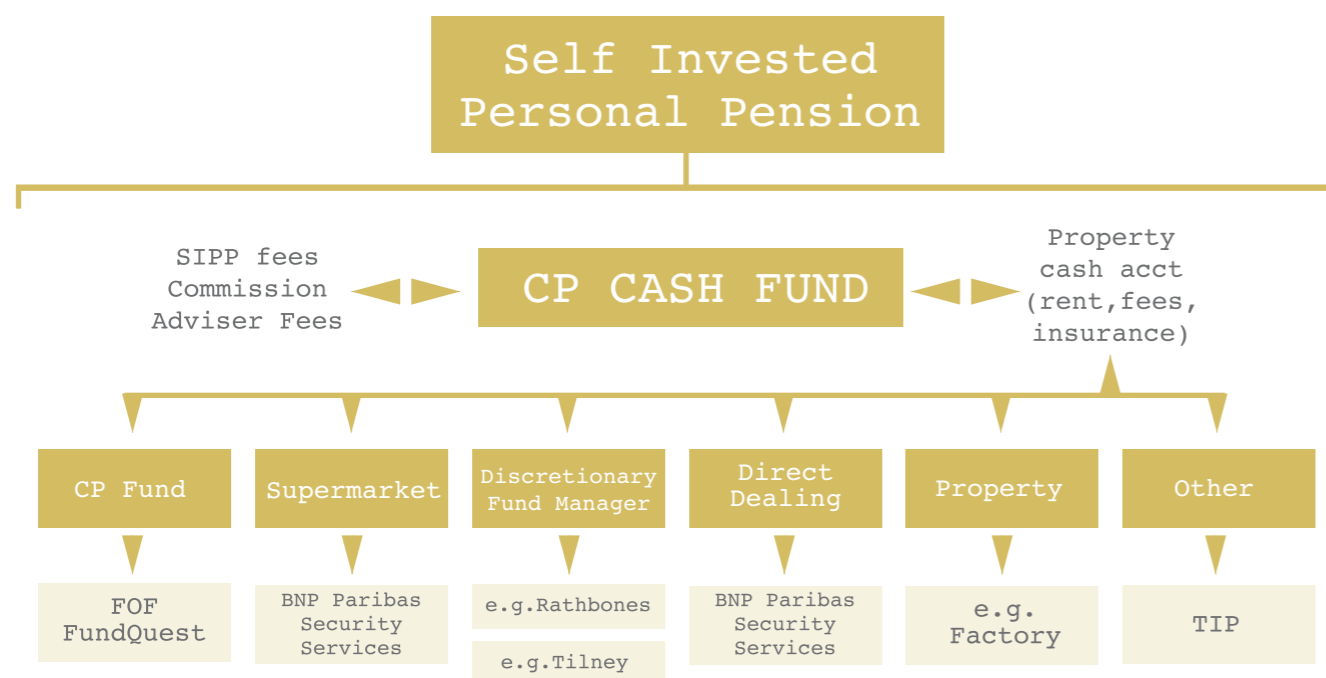
The best investment route for the way your clients are:

Option One - Advisory	Option Two - Portfolio Management	Option Three - Discretionary Management	Option Four - Direct Investment	Option Five - Combination
Where the adviser recommends a range of suitable collective investment funds (unit trusts, open ended investment companies and insurance company funds)	Where the adviser out sources to a specialist firm to arrange a suitable mix of collective investments and where that firm can change the collectives under a limited discretionary mandate	Where the SIPP fund is managed by a Discretionary Fund Manager, typically a stockbroker with full discretionary powers to buy and sell collectives and direct investments	Where the client makes the investment decisions, perhaps by buying SIPP assets such as stocks and shares directly	Of the above approaches depending upon the SIPP members investment requirements

Complete Investment Choice – for the way your clients are

The Cardif Pinnacle living SIPP is a “full” SIPP in that it does not restrict the investment choice of the member like some other SIPPs do. The Cash Fund is central to the way the Cardif Pinnacle living SIPP works. It is from this fund that all investment transactions are made. Cardif Pinnacle has a successful history of cash management currently managing in excess of £1 billion premium income per year for its investment bonds. (See page 6 for more details)

This chart illustrates the investment routes available with the Cardif Pinnacle living SIPP



Investment choice – in detail

Cardif Pinnacle ‘Cash Fund’

It generally makes sense to keep some cash in the living SIPP fund to pay any fees that are due and exploit any investment opportunity that arises. It is also sensible to keep some cash available to pay any benefits that are required in the short term in order to avoid having to disinvest from other asset classes at an inappropriate time, for example when equity markets are depressed.

It also makes sense to achieve the best possible interest rate possible on any cash in the SIPP. That’s where the Cardif Pinnacle Cash Fund is of real value. The Cash Fund is a unit linked fund and has a published goal of “growth through active cash management”. Cardif Pinnacle have demonstrated an impressive record of this through the management of its Life Funds.

All initial and subsequent contributions (including any transfers into the SIPP) are initially invested in this fund and then units are disinvested to pay fees, pay out any benefits and to make any investments, therefore a minimum of £2,000 of the SIPP fund is required to be maintained in this fund.

Cardif Pinnacle Investment Funds

Cardif Pinnacle offers a range of collective investment funds on a unit linked basis.

It may well be that one or more of these funds are suitable for the overall investment strategy of the living SIPP member.

The Cardif Pinnacle Investment funds are managed by FundQuest, the BNP Paribas Group investment management business. The available funds and their goals are set out below.

Cardif Pinnacle FQ Select Income Fund

The Cardif Pinnacle Select Income Fund was launched on 18 October 2004. It has been designed to offer a balance between sustainable yield and capital appreciation.

The Fund aims to provide income through highly diversified investment predominantly in authorised, recognised or unregulated funds. In line with the performance benchmark, the Fund will maintain a substantial weighting in the UK Market, but otherwise there will be no particular emphasis on any geographical area, industrial or economic sector.

Cardif Pinnacle FQ Select Fund

The Cardif Pinnacle Select Fund was launched on the 20 December 1999. The Fund aims to provide high total return (from both capital and income) through highly diversified investment predominantly in authorised, or recognised funds. In line with the performance benchmark, the Fund will maintain a substantial weighting in the UK Market, but otherwise there will be no particular emphasis on any geographical area, industrial or economic sector. The Fund may also invest in other transferable securities, money market instruments, cash and near cash, deposits, immovable property and gold.

The Cardif Pinnacle Select Fund has a composite benchmark of 50% FTSE All Share and 50% MSCI World Free. It is typically invested 50-55 per cent in the UK with the balance spread over the USA, Europe and the Far East. The fund is normally fully invested in equities but may retain short-term liquidity in the event of adverse market conditions. FundQuest adopts an active style of investment management within a risk averse framework.

The underlying fund is one of only 5 funds out of about 300 fund of funds to have a Standard & Poor’s Fund Research ‘AAA’ rating.

Full details can be found at www.cardifpinnacle.com/investments and in the separate fact sheet ‘Cardif Pinnacle SIPP FundQuest funds.’

Fund Supermarket Funds

Buying collective funds direct from a fund management group can sometimes be quite expensive (initial charges might apply) and be administratively complex (often a separate application form for each fund manager is required). It therefore makes sense where appropriate to buy the collective investment funds from a Fund Supermarket. This is because the economies of scale of such a "platform" often result in lower initial charges for the SIPP member.

In addition via the Cardif Pinnacle website valuations from a Fund Supermarket is facilitated thus enabling easier management by the adviser of the living SIPP portfolio. Fund switches are also generally much cheaper via a Funds Supermarket as the typical buying and selling charges are generally not applied.

Managing your client's SIPP from a single website will also save you time and reduce servicing costs. It will also facilitate the delivery of added value service to your client.

Cardif Pinnacle has arranged leading Fund Supermarket facilities.

Full details can be found at www.cardifpinnacle.com/investments and in the separate fact sheet 'CP SIPP Fund Supermarkets.'

Discretionary Fund Manager (DFM)

Some living SIPP members and their advisers may wish to outsource the investment management of the SIPP fund to a DFM, typically a stock broker. The Cardif Pinnacle SIPP allows all of the fund monies (except the £2,000 that must be retained in the Cash Fund) to be transferred to a third party DFM.

This delegation of investment powers allows the manager or broker to create a bespoke portfolio for the SIPP member.

The flow of information between the manager or stockbroker can potentially be enhanced by the facility for the member and adviser to access information, such as valuations and holdings, about the portfolio via a standard electronic interface between the DFM and the Cardif Pinnacle website.

For Her Majestys Revenue & Customs (HMRC) purposes the DFM provides to the Cardif Pinnacle SIPP all details of trade settlements, custody and asset servicing of the portfolio.

Full details can be found at www.cardifpinnacle.com/investments and in the separate fact sheet 'CP SIPP DFM services.'

Direct Dealing

Where you advise the living SIPP Member to invest directly in stocks and shares, this can be done simply and at low cost through our share dealing service.

As with any of the above, investments units in the Cash Fund will first of all be disinvested and transactions will then be carried out via a "market counterparty" who is responsible for settlement, custody of the assets and provision of information to the SIPP administrator.

Full details can be found at www.cardifpinnacle.com/investments and in the separate fact sheet 'CP SIPP Direct Dealing Services.'

Commercial property

For a combination of tax and other benefit reasons one of the key direct investments that may be attractive to living SIPP members is commercial property. This is particularly true for small business owners and partners in practice. One or more Cardif Pinnacle SIPP's can form a common investment agreement to purchase a specific property. This may be done with or without a mortgage facility.

The purchase of the property will be via a third party property manager. The manager will be responsible for all aspects of the property management such as mortgage repayments, holding of loan and title deeds payment of rent by the tenants of the property and the insurance for the asset.

Full details can be found at www.cardifpinnacle.com/investments and in the separate fact sheet 'CP SIPP Commercial Property'.

HMRC Permitted Investments

There are in fact few restrictions on the type of investment assets in which schemes might invest. The key difference is whether or not the investment creates a tax charge. The Cardif Pinnacle living SIPP will allow any investments that are allowed by the HMRC and which do not generate such a tax charge.

Examples of investments that are allowed and typically would not generate a tax charge are;

- Stocks and shares that are listed or dealt with on a recognised stock exchange.
- AIM listed securities
- Investment trusts
- UK Real Estate Investment Trusts (REITs)
- Venture Capital Trusts (VCTs)
- Futures and Options
- Units or shares in Collective Investment Schemes

- Insurance Company Managed Funds or Unit Linked Funds
- Traded Endowment Policies
- Deposit Accounts
- Structured Products
- National Savings & Investments
- Commercial Property

Again it should be noted that simply because an investment is allowed inside a SIPP it does not automatically follow that it should be made. Suitability of the investment for the goals and objectives of our living SIPP member is paramount.

Investment choice – where to find more information

Further detailed information is available from the website in respect of each of the following topics;

- Cardif Pinnacle Fund Fact Sheets
- Fund Prices and Performance Data
- Investment Bulletins
- Commercial Property Guide
- Product Information

This Investment Guide should be read in conjunction with the Cardif Pinnacle living SIPP Sales Guide and Technical Guide.

Dynamic Planner

This is a highly regarded investment modelling tool that is available, at no cost, to those Advisers who are considering recommending the Cardif Pinnacle living SIPP. It is a software tool that enables the adviser to work with the client to identify the most appropriate types of investment for their SIPP. The tool uses a number of steps to identify a clients attitude to risk, determine asset allocation and suggest appropriate portfolios to match this.

Dynamic planner can be accessed from www.cardifpinnacle.com/investments

“...ok, so now let's
actually talk...”

What next?

Once you have decided that the Cardif Pinnacle living SIPP is the right plan for your client you can obtain all the information that you need on-line. Ask for a personalised illustration and key facts document for your client.

This guide is designed to provide a basic outline of the investments that may be included in the Cardif Pinnacle living SIPP.

A more comprehensive description of each category of investment is available from our website www.cardifpinnacle.com/investments

Want to talk?

To find out more about how we can help you develop your SIPP business, contact your Cardif Pinnacle Account Manager.

Call: 0844 543 1685

Email: invest@cardifpinnacle.com

Visit: www.cardifpinnacle.com/investments

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