

# PIMS AND PENSIONS

## USING PIMS AS THE INVESTMENT COMPONENT OF A PENSION SCHEME

### USING AN INSURANCE BASED PRODUCT SUCH AS OUR PIMS OFFSHORE BOND AS THE PENSION INVESTMENT PLATFORM CAN OFFER A RANGE OF BENEFITS.

It is important to compare “like with like” when analysing the different investment platform costs and many may be surprised to know that PIMS can offer a cheaper alternative over the longer term than traditional investment platforms.

Product charges are a key consideration when recommending any investment platform, but how those charges are taken and more importantly for how long also matter.

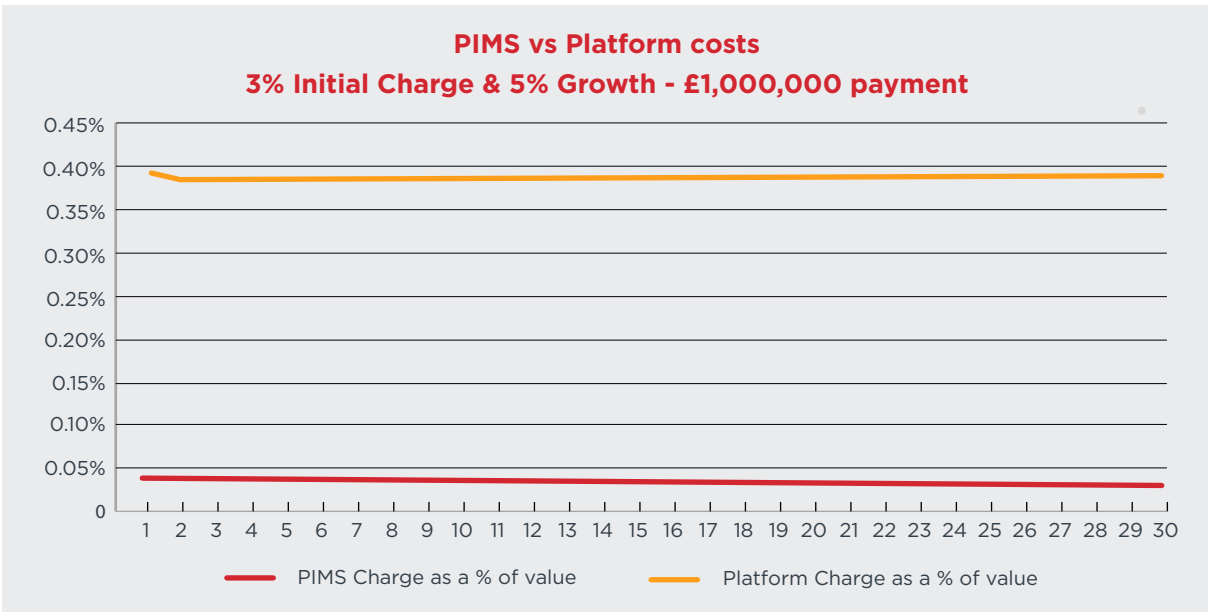
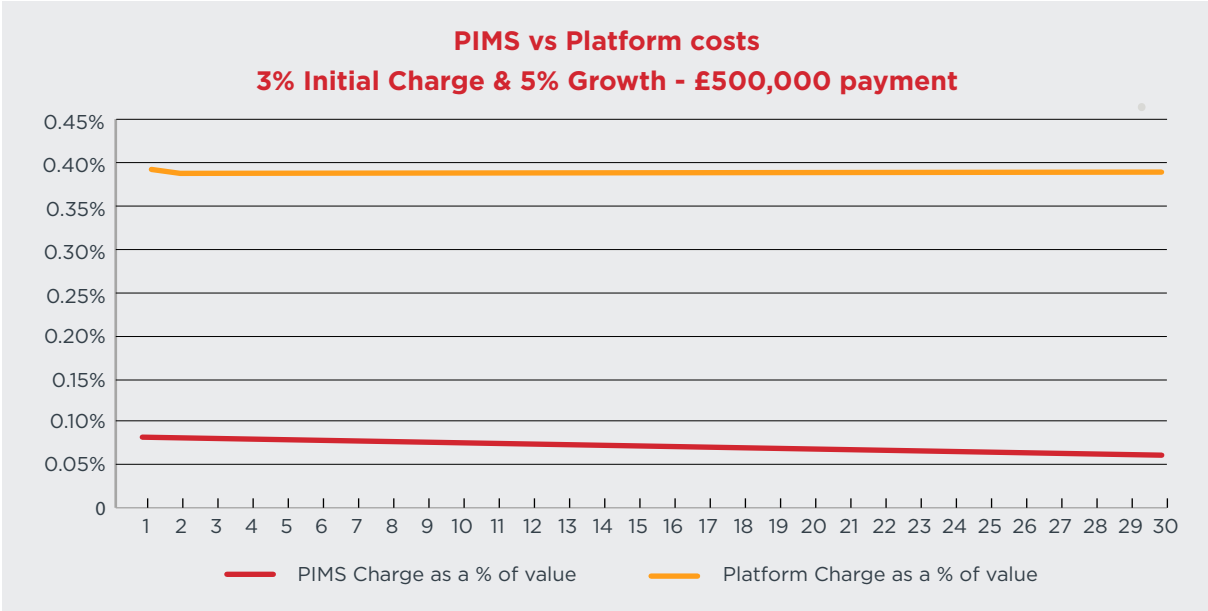
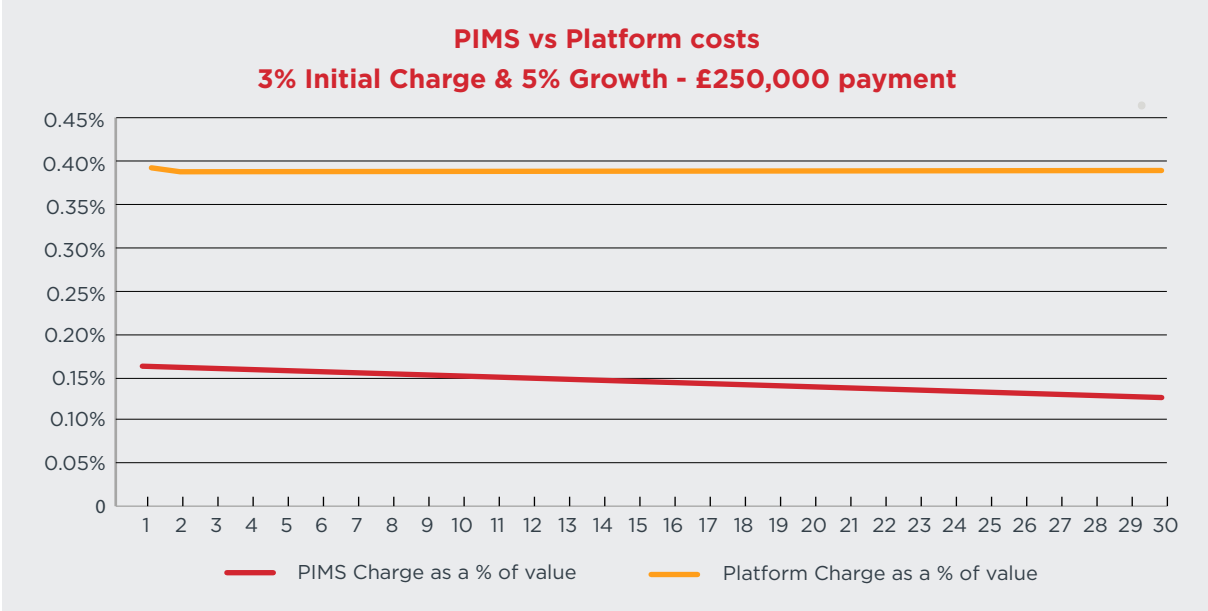
PIMS offers the option of upfront or ongoing charges which can be linked to the personal circumstances of the scheme member. For example years to retirement or the drawing down of benefits.

The following three graphs have been prepared which compare the ongoing administration charges for PIMS when compared to a standard investment platform with a 0.4% annual charge.

- Please note that each graph shows the ongoing administration charges only and excludes dealing and custody charges.
- Each graph highlights a £250,000, £500,000 and £1,000,000 initial premium respectively with a 3% initial commission taken at outset. It assumes a 5% growth per year on the invested funds over a 30 year period.

### PIMS - Key Features

- Multi-currency
- Wide range of investments
- Institutional fund discounts
- Appoint an IA or DFM
- 24/7 online access
- Online switching available
- Establishment charge and flexibility of how charge is to be taken
- Top-up existing PIMS plan within the same structure
- Segmentation
- Transparent charging structure
- Cancellation option within 30 days of receiving policy documents
- IOM protection
- Global Reach



Product charges are of course very important, but they should not be the only factor when considering whether PIMS is the most suitable product for a pension scheme. Flexibility of the of the product, making sure that its features meet the existing and future requirements of the pension scheme member plus the service levels/availability of the provider are also very relevant.

Here are some areas that you may have previously over-looked and which may be different to a traditional investment platform:

- Whilst most pension transfers are in GBP, PIMS can be set up in a choice of 7 currencies (GBP/EUR/USD/CHF/AUD/HKD/JPY). Payments out can also be made in any of those 7 currencies. These options can mitigate future exchange rate exposure by aligning the product to a currency that is more relevant to the personal circumstances of the scheme member.
- 24/7 Online Access to view PIMS and the Investments held within it.
- Online Switching available
- Global Reach – RL360 has offices in the Isle of Man, Middle East, Hong Kong, Malaysia, Uruguay and South Africa, so you should always be able to contact us at a time convenient to you no matter where you live in the world.
- Ability to appoint an Investment Adviser or Discretionary Fund Manager
- Whilst the pension scheme itself has number of tax advantages holding, PIMS is also a tax efficient product. This can be very useful in the event that the pension scheme is wound up and the PIMS is held directly.
- PIMS can be segmented which allows it to be split in the event of a pension sharing arrangement/divorce which avoids the need for cashing in investments at an unsuitable time
- Institutional fund discounts
- Being headquartered in the Isle of Man, RL360 must be fully transparent in respect of all product charges. Each investor must be provided with a Key Information Document and Illustration at the point of sale.
- Each Investor is also given cancellation rights which they can exercise if on reflection, PIMS isn't right for them.
- Finally, the Isle of Man Life Industry benefits from a Government-backed protection scheme which covers up to 90% of the plan value should the company fail. There isn't an equivalent scheme offered by platforms.

In summary, whilst headline charges are important, they are just one component of the investment product and should not solely form the basis of any recommendation. The product flexibility and features are equally relevant.

#### **IMPORTANT NOTES**

For financial advisers only. Not to be distributed to, nor relied on, by retail clients.