

Self Invested Personal Pensions (SIPPs)

Taking control of your future





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The decline of the final salary pension scheme over the last decade has left most people saving into schemes managed by insurance companies that provide little information about how they invest your money. In time your pension fund will grow to be one of your largest and most important assets and your income in retirement may depend on it. Yet most scheme members have little idea how much their various pension schemes are worth, how their money is being invested or how well it is performing.

We believe you should take control of your future.

AN INDIVIDUAL APPROACH

Savoy manages pensions for a wide range of individuals and companies ranging in size from large to small, each with a different plan for how and when benefits will be taken, how often and how much will be paid into their scheme and how their pension scheme sits within their overall finances. Our individual approach to investment recognises that your needs and circumstances are unique and that your investment policy should reflect this.

Your personal investment manager will establish your objectives and attitude to risk at the outset before agreeing an investment strategy with you. We can advise you or take full responsibility for your asset allocation, stock and fund selection ensuring that you are as in touch with your investments as you want to be. We are only ever a phone call away and you can also monitor progress via our secure internet site, www.savoyim.com.

Whether you are a company pension fund or an individual looking for more control of your pension we have the experience, skills and resources to manage your fund. Our investment team meets daily to review the news and to comment on financial markets and monthly to debate strategy and identify specific stock ideas. We meet companies and fund managers on a regular basis, receive research and investment views from some of the world's influential brokers and research houses and have in house expertise in a wide range of investments to ensure that your pension fund will be managed effectively.

A VERY PERSONAL PENSION PLAN

The Self Invested Personal Pension or SIPP that is approved by HM Revenue and Customs has all the tax benefits of a personal pension but offers you greater flexibility and control, more options at retirement and most schemes have the ability to appoint Savoy as investment manager. In effect it allows you, the investor, to decide your own investment decisions and strategies and change them at your choice.

Some of the benefits are summarised below but pension planning is a specialist area where the rules change regularly and taxation depends on your personal circumstance.

- Greater control
- Freedom to choose how and when you contribute
- Freedom to invest in a wider range of investments
- There is no requirement to purchase an annuity
- Your fund can remain invested beyond the age of 75
- Ease of administration

Most SIPPs can also invest in commercial property and many permit borrowing to help fund purchases.

RISKS

SIPPs are not suitable for all investors. All investment involves risk and pension assets are no exception. In the long term inflation is likely to erode the purchasing power of cash which means that an investment strategy based on riskier assets, for example fixed interest and equity investments, will be required to generate higher returns. This may lead to greater volatility and it is important that you understand that the value of your investments may fall and you may not get back what you invested.

In addition the charges, fees, investment performance, level of contributions you and your employer make, future tax treatment of contributions and benefits, and the annuity rate if you buy one at retirement will all affect the value of your fund and your retirement income.

If you are considering transferring existing schemes or stopping payments into a scheme you should be aware that they may have valuable benefits that would be expensive to buy in the open market. Before making any change to your pension arrangements you should take independent financial advice.



Frequently asked questions

WHAT ARE THE TAX BENEFITS?

As a personal pension plan a SIPP offers three main tax advantages: tax relief at up to 40% on personal contributions subject to certain rules; investment growth free of capital gains tax and further income tax liability and; in the event that you die before starting drawdown the fund can normally be distributed free of tax to your spouse and/or dependents.

WHAT ARE MY OPTIONS AT RETIREMENT?

The rules governing when you can start to take benefits from a SIPP are the same as for other personal pensions which means that from 6 April 2010 the minimum retirement age is 55 rather than 50.

When you start to take benefits you can take up to 25% of your fund free of tax to use as you wish. However if you have a SIPP there is no compulsion to buy an annuity immediately. Instead you can choose to draw an 'unsecured income' up to a maximum amount determined by HM Revenue & Customs and leave your fund invested to grow for the future. When you reach 75 you will normally purchase an annuity or take 'alternatively secured income' which is similar to unsecured income.

This means that your retirement income no longer depends on the annuity rate and level of financial markets that happen to prevail when you retire and that you have more control over how and when you start to take benefits.

HOW DO I INVEST?

If you already have a SIPP you can simply ask the SIPP provider to appoint Savoy Investment Management as the investment manager. If you do not have a SIPP you will need to consult an Independent Financial Adviser (IFA) in order to set one up. If you do not have an adviser we will help you find one.

CAN I TRANSFER MY EXISTING PENSIONS INTO A SIPP?

Yes. You may have accumulated several pension plans during your career and find a SIPP a convenient way to consolidate them into one scheme that is easy to keep track of and control. You must take independent financial advice first.

WHAT INVESTMENTS CAN BE HELD IN A SIPP?

Traditional schemes restrict your choice of investment to a small range of in-house funds. A SIPP can invest in a far wider range of investments, allowing your Savoy investment manager to select specific stocks or funds that offer greater opportunity or that provide diversification benefits. These can include UK and overseas stocks and shares, unit trusts and open ended investment companies (OEICs), investment trusts, insurance company funds, gilts and overseas fixed interest securities, cash and deposit accounts and possibly unlisted shares. Most SIPPs can also invest in commercial property and many can borrow to help fund purchases.

IS THERE A MINIMUM CONTRIBUTION?

No. You can choose how much or how little you pay into your SIPP on a regular or one off basis though there are limits on the amount that will qualify for tax relief. Your employer can also make contributions.

WHAT ARE THE CHARGES?

Savoy charge their normal fees and commission rates on your investments. Your SIPP provider will be able to provide details of their charges.

CAN I GET MY MONEY BACK IF MY CIRCUMSTANCES CHANGE?

No. Money cannot generally be removed from pension schemes until you start taking benefits, when you can remove up to 25% free of tax, or unless you die before you take benefits in which case the fund may be distributed to your spouse/dependents.

CAN I TRANSFER PROTECTED RIGHTS TO A SIPP?

Yes. If you opted out of SERPS, the State Earnings Related Pension Scheme that is now known as the Second State Pension or S2P you may also have built up substantial fund of protected rights. In October 2008 the rules governing this pool of pension assets changed to allow them to be included in SIPPs, though they are still subject to special rules.

TEAMWORK AND EXPERTISE

Savoy Investment Management provides a premier stock broking and investment management service to clients who demand a high level of personal service and performance. Our business is built on developing long standing relationships with our clients and working closely with them and their other advisers to help them achieve their long term goals and aspirations.

As a client you will deal directly with your own personal investment manager who will advise you on your investments or manage them for you on a discretionary basis leaving you free

to pursue your own interests if you prefer. Whichever route you choose your individual needs and special requirements are paramount. We will work with you to establish these, your attitude to risk and your time horizon before providing you with a bespoke investment service.

Over time we have found that this personalised approach attracts discerning individuals, charities, trusts, small institutions and pension schemes where our culture of personal service and global investment expertise is fully appreciated.

Our investment team meets daily to review the news and to comment on financial markets and monthly to debate strategy and identify specific stock ideas. We meet companies and fund managers on a regular basis, receive research and investment views from some of the world's influential brokers and research houses and have in-house expertise in a wide range of investments to ensure that your assets will be managed effectively. And as part of Syndicate Asset Management we work closely with EPIC Asset Management, the group's specialist institutional fixed interest investment management company and with the group's specialist collective investment fund experts at Rowan Ashcourt.



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