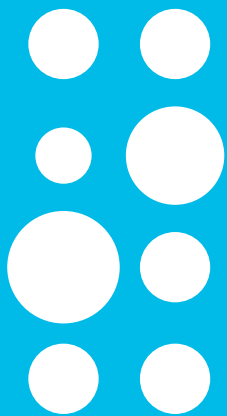




“ The key benefits being that I maintain control of the client relationship, whilst enjoying peace of mind that my clients benefit from specialist advice. ”

Delivering quality retirement
advice for your clients

Intelligent Pensions was established in 1998 to provide a specialist pension advisory service for IFAs and their clients. We provide comprehensive advice in all areas of retirement planning; from pre-retirement planning through to the most effective means for clients to take their pension benefits throughout retirement.



Working collaboratively with IFAs, we have established ourselves as the leading IFA supporter in this growing market and have in excess of £300m assets under management and have completed in excess of 8,000 individual pension transfers.*

Retirement planning is what we do and all we do

Intelligent Pensions has the expertise and resources to provide IFAs and their clients support in all aspects of retirement planning, including;

- Pre and post retirement planning
- Phased, capped and flexible drawdown
- Managing existing drawdown business (The Drawdown Partnership)
- Annuities and third way products
- Pension transfers
- SSAS wind-ups
- Pension sharing on divorce
- Consultancy services.

The majority of our work is for clients that are in or approaching retirement. This complex area of financial planning can legitimately require specialist support and advice to complement the service proposition of an IFA.

At Intelligent Pensions, we take ongoing compliance responsibility for any advice given and we therefore invest significant time and resource to understand all external changes and developments in our market as well as ongoing changes in your clients circumstances and objectives. With this information at our fingertips, Intelligent Pensions is able to provide your clients with an effective strategy and excellent service throughout their retirement.

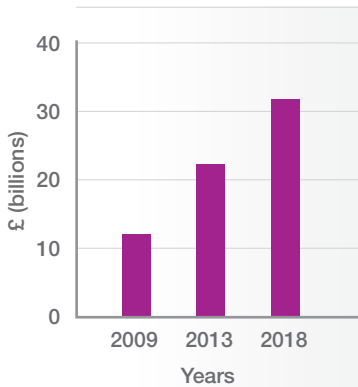
We are a progressive company and pride ourselves on developing innovative solutions and services for IFAs and their clients. We recently launched the 'Drawdown Partnership' in response to the imminent RDR changes that enables you to deliver excellent client service and value and secure a long term justified income to your business.

The retirement market

A growing opportunity for financial advice

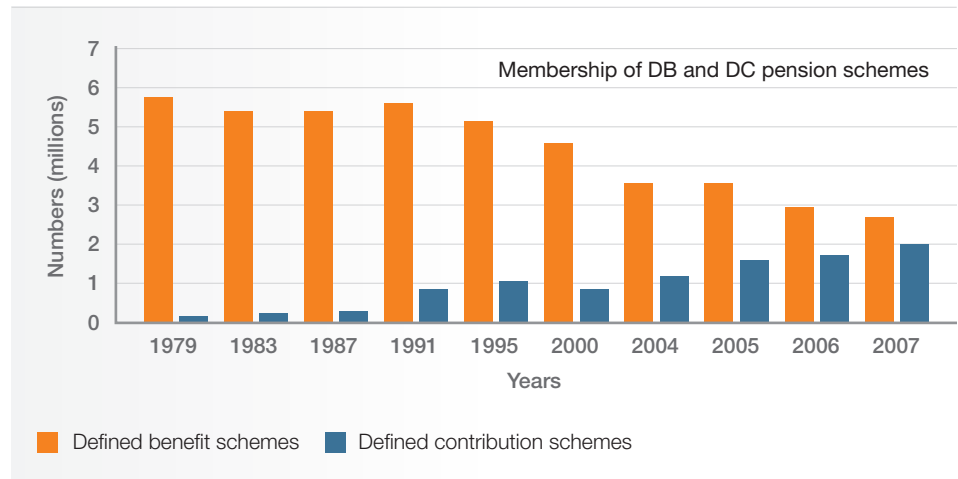
The number of clients seeking advice for retirement planning is on the increase, fuelled by the ever increasing onus on UK individuals to make their own arrangements in the absence of adequate employer or state provision.

UK at retirement premiums



Source: Watson Wyatt

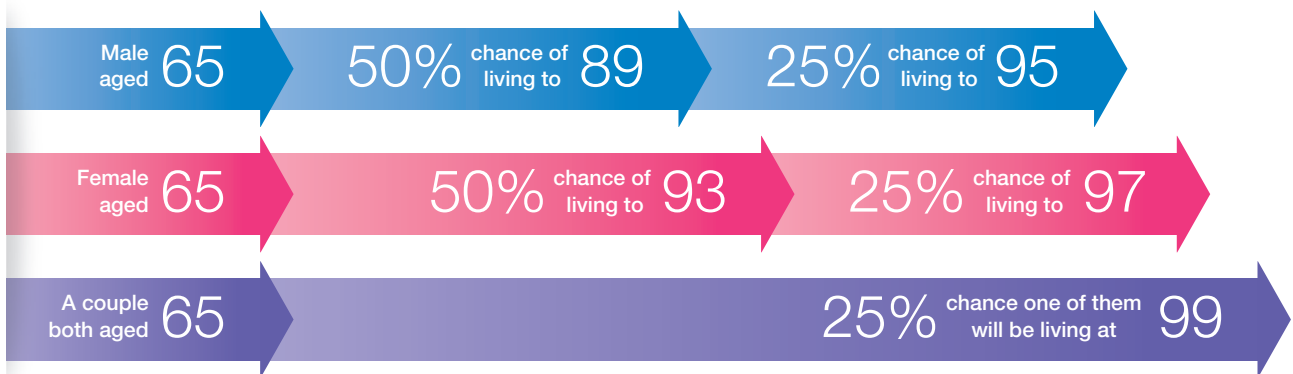
The nature of pension provision is changing...



At retirement, many clients have a natural desire to balance the provision of sufficient income, ongoing flexibility to meet changing needs and protecting the capital value of their pension fund on death.

People in the UK are living longer

Longevity risk



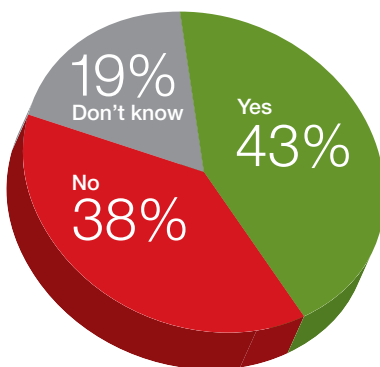
Source: CMI Bureau

There are a growing number of options available to meet the retirement needs of clients and with life expectancy increasing; retirement planning could be required for periods upwards of 20 or 30 years. As such, a retirement solution and investment strategy that is valid today may not be valid in the future.

Flexibility to meet changing needs in retirement is vital

Changes in client circumstances throughout retirement are somewhat inevitable and many changes are likely to have an associated financial impact. Whether it be a change in health, marital status or working patterns, moving house, birth of a grandchild or perhaps even an inheritance; all could represent a change in financial requirements and possibly a change in the most appropriate solution to meet their needs.

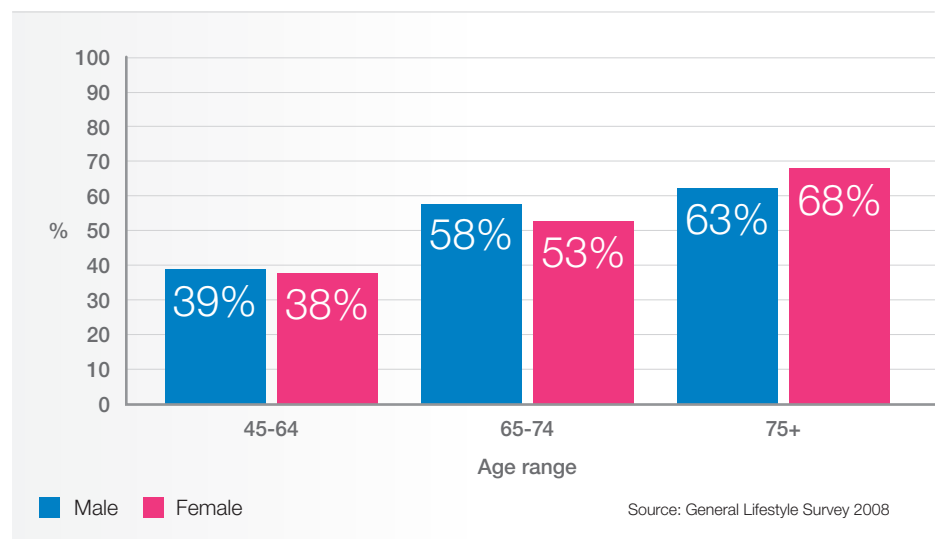
Continuing to work after retirement



Source: SLOC Sense Check at 60 (2010)

Over a third (35%) of people aged 65 and over still working expect to keep working until they are at least 71 years old, and 9% of this age group plan to be working past their 80th birthday.

Population with a long standing illness



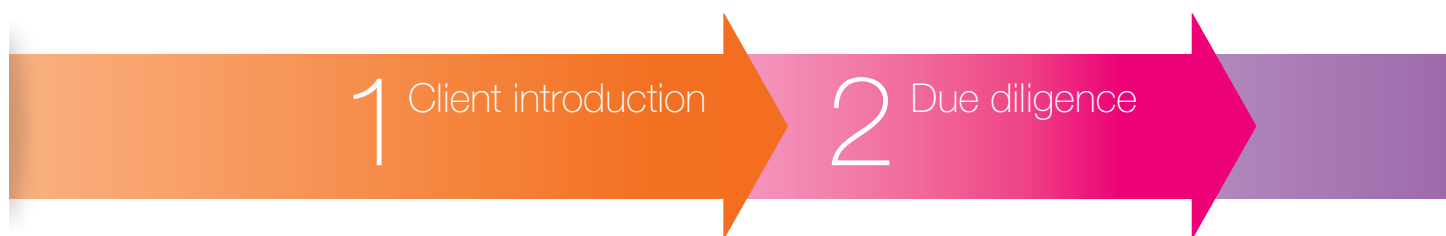
Flexibility to adapt to ongoing changes in clients circumstances and continuing to meet their needs is a vital part of ongoing quality retirement advice.

Retirement planning - an area of regulatory focus

Not surprisingly, recent FSA consumer guidance points very clearly at the need to provide ongoing suitability advice for clients and recent FSA fines for IFAs failing to demonstrate and deliver this requirement quite clearly show their intent.

The intelligent client referral process

Planning a clients retirement and completing pension transfers can be a lengthy and labour intensive process. Through our experienced local retirement analysts and Head Office support teams, we have the expertise and systems to deliver an efficient, comprehensive and professional service that keeps you and your clients updated at all times.



- Initial client referral
 - Client agreement and authority mandates completed
 - Roles and Obligations document completed
 - Fact find completed
 - Face to face meeting with client, you and your Intelligent Pensions retirement analyst
 - Your Intelligent Pensions retirement analyst presents and explains all retirement options available
 - Initial client retirement needs analysis and financial modelling completed.
- Detailed information obtained on all existing client arrangements
 - Analysis of existing arrangements to identify any material disadvantage for transfer
 - Report on each plan issued with recommendations
 - State pension forecasts obtained where relevant.

3

Recommendations

- Preliminary report sent with detailed feasibility analysis of clients retirement objectives and investment strategy
- Face to face meeting with client, you and your Intelligent Pensions retirement analyst to review client report and analyse 'what if' scenarios
- Adjustments to client objectives analysed
- Final report produced for client detailing comprehensive analysis and recommendations, including bespoke investment strategy.

4

Strategy implementation

- Application forms completed
- Transfer forms completed
- Bank account opened and transfers received
- Obtain clients investment instructions
- Commission paid directly to you by plan provider(s).

5

Ongoing advice and monitoring

- Investments monitored quarterly
- Regular portfolio rebalancing
- Annual reviews held to identify changes in client circumstances
- Analysis of progress against objectives, continued relevance of strategy and ongoing 'what if' scenarios.

The intelligent retirement modelling system

Our highly acclaimed INTELPEN retirement modelling system enables your retirement analyst to work with you to design each client's retirement. INTELPEN analyses client objectives, investment growth, inflation and all available resources to effectively produce a discounted cash flow of a client's retirement. This enables clients to visualise their retirement options from a variety of perspectives and, by trying different permutations and 'what if' scenarios, instantly see the effects.

- Client objectives
- Annuity income
- Pension drawdown
- Earnings
- Investments
- Other pensions
- State pensions

The following screens and commentary provide an example of how the INTELPEN analysis can work for your clients.

Screen 1 **Retirement analysis:**
Target income against forecast income



Screen 1 shows retirement analysis for a client age 60 and planning to retire at 65. The INTELPEN analysis system highlights the client's income objectives and shows how their available resources could combine to meet those objectives. The analysis is forecasting an income surplus from age 75.

(Recent changes to drawdown rules mean that age 75 is less significant as a date in the lifetime of a drawdown client. However, because drawdown becomes progressively less suitable as a client gets older and the effects of mortality subsidy increase rapidly as clients enter their 70's, we continue to use age 75 as a prudent guide for potential annuitisation when analysing a client's future retirement income.)

Screen 2 **What if I move to part-time employment?**



The client asks what impact there would be if they changed to part-time employment from age 62 and the analysis is updated to show screen 2. The revised analysis indicates the client would still meet their retirement income objectives if they moved to part-time employment at 62 and again, they are forecast to have an income surplus from age 75. Funding towards excess income in later years (when less income may be needed) makes little sense.

Undertaking this analysis with your clients immediately puts them at ease about several aspects of their financial position.

Clearly, investment performance, inflation and client circumstances can, and almost certainly will, change during the clients retirement. At every annual review your retirement analyst will reassess your clients retirement planning analysis and strategy to ensure your clients can continue to plan their retirement with confidence.

Screen 3A **What if I gift my investments to a trust at age 75 to mitigate IHT?**



The client is also keen to minimise Inheritance Tax and their IFA asks what would happen if the client gifted their investments to a trust at age 75, receiving no further income. The analysis is updated to produce screen 3a which indicates the client could still achieve their retirement income objectives and gift their investments to trust at age 75.

Screen 3B **What if there is a 30% fall in the stock market tomorrow?**



Your retirement analyst will also consider the effects of possible changes in market conditions, for example, a drop in the plan value or a fall in annuity rates. Following on from screen 2, screen 3b shows the effect of an immediate 30% stock market fall and identifies the client could have a small income shortfall from age 68 to 70. Our investment strategies are designed to hedge against adverse market conditions, while avoiding unnecessary and costly guarantees. However this extreme scenario analysis does enable clients to visualise and understand potential risks and adjust their expectations accordingly.

The intelligent investment strategy

At Intelligent Pensions, we recognise that a client's retirement investment strategy should be influenced by a number of key factors, including:

- Age and health
- Stage in the retirement process
- Attitude to investment risk
- Dependency on the pension fund to provide benefits in retirement
- The client's likely ultimate exit strategy.

All these variables mean that every client will require a bespoke investment strategy to meet their needs.

“the best investment strategy for payout solutions is to hold a significant proportion of pension assets in well diversified equity portfolios early in retirement, and switch to annuity and bond holdings progressively over time, taking into account individuals' specific circumstances. ”

Source: Rethinking Retirement Income Strategies – How Can We Secure Better Outcomes For Future Retirees? February 2009. European Fund and Asset Management Association (EFAMA).

At Intelligent Pensions, we are able to deliver ongoing bespoke investment solutions through our quarterly portfolio monitoring and annual investment reviews. We research and monitor investment markets on a continuous basis and with access to over 275 of the leading institutional funds, at specially capped low charges, we are able to design retirement portfolios that maximise your client's pension benefits. Furthermore, we also test market volatility with clients so that the impacts on their retirement fund and benefits can be articulated and fully understood.

The management of a drawdown portfolio is an inherent aspect of the retirement advice process, not a separate function. This requires a process of risk management, using well thought out investment strategies and dynamic asset allocation through negatively correlated portfolios, to provide a gradual transition towards ultimate security and peace of mind for your clients.

The benefits of using Intelligent Pensions

For your clients

- A tailored retirement and bespoke investment strategy
- Detailed annual reviews with a retirement specialist
- Ongoing investment monitoring
- Ability to understand and visualise their retirement strategy
- Peace of mind.

For you

- Capture your share of a growing market
- Retain control of your clients and strengthen relationships
- Deliver an excellent retirement service for your clients
- No compliance responsibility for retirement strategy
- Maintain an ongoing income for your involvement
- Free up your time to develop other profitable opportunities.

“ Their detailed analysis has undoubtedly helped to give my clients both confidence and also clear understanding of their potential retirement benefits.”

Brian Bartlett, Foster Denovo Ltd, Addlestone, Surrey.

“ As a company we have used the services of Intelligent Pensions for several years now and we have found that they enhance the service we provide to our clients. They are very professional in front of our clients and provide a first class service to both our clients and our company.”

Steve Race, Findlay & Company Financial Services Ltd, Dundee.

“ Using Intelligent Pensions gives us enormous peace of mind because we can undertake this type of business without any ongoing liability. Our clients benefit from Intelligent Pensions’ disciplined approach to asset allocation and annuity purchase as well as expert advice on ever-changing legislation. The annual reviews cement the relationship and ensure that the SIPP’s flexibility is used for the benefit of the client.”

Ben Appleby, Michael Butterfield Financial Planning Services LLP, Bristol.



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