



You can be young without money
but you can't be old without it

Tennessee Williams



Getting the most from your retirement investments

Making the most of your Pension

It's quite common for people, throughout their working lives, to collect a number of different pensions, either from former employers, their own personal pension plans or a combination of both. They tend to be parked in 'a bottom drawer' and usually forgotten about until they mature. Consequently, they are not always managed to their greatest potential.

The amount that can be accumulated in pensions during one's lifetime is probably not inconsiderable. It is therefore important that

investment and contribution strategies are assessed continually. It is also important that you have a full understanding of the likely levels of income that your savings will generate for you in retirement.

You may be happy with the way your various pension funds have performed since you invested in them. However, it is important to put a funds performance into context within its peer group and to ensure that the funds that you are invested in remain in-line with your attitude to investment risk.

Pensions can offer a simple, straightforward and tax-efficient route to plan for your retirement. However, different types of pension scheme combined with changing legislation means that they can be extremely complex.

Understanding your various pension arrangements can therefore seem daunting.

We have a great deal of experience advising both individuals and companies in relation to their pension matters. We can identify and explain your options clearly,



enabling you to make an informed decision on what is right for you and if appropriate, your business.

We offer assistance with selecting the most appropriate pension scheme for directors, individuals and employees including:

- ◆ Personal Pensions including Self Invested Personal Pensions (SIPP)
- ◆ Executive Pension Plans (EPP) and Small Self Administered Schemes (SSAS)
- ◆ Occupational and Group Pensions
- ◆ Pension Transfers

The Pension Review Service

The service that we provide is unique in a number of ways and is designed to help you keep on top of your pension plans, maintain the suitability of investments and monitor the adequacy of your contributions. Our services include:

- ◆ Consolidating your existing pension plans (where appropriate).

- ◆ Managing your pension funds within your defined risk parameters
- ◆ Providing Model Investment Portfolios monitored by our Investment Committee
- ◆ Ongoing active monitoring of your pension funds
- ◆ Quarterly performance updates
- ◆ Access to ongoing professional pension advice

These are just some of the benefits associated with being one of our clients.



Investment Risk and Asset Allocation

All investments include an element of risk. When we think about investment our focus usually turns to investment in shares. This is because we hear about this “asset” class on a regular basis from both radio and television news broadcasters reporting falls and rises in various indices such as the FTSE 100, FTSE Allshare, Dow Jones, Nikkei etc. These indices are made up of shares in individual companies.

Generally, there are four conventional asset classes:

- ◆ Shares
- ◆ Property
- ◆ Gilt and Fixed Interest
- ◆ Cash

Each asset class has its own individual risk and reward profile. However, in general it is

accepted that the greater the potential investment risks, the greater the potential investment returns.

These asset classes can further subdivide. For example; property can be subdivided into other categories such as retail, industrial and office. Shares can be subdivided into large and small companies or those that specialise in certain sectors like Banks and Pharmaceutical Companies. It is usually recommended that you spread your investments over a number of asset classes and the amount that you have in each will vary depending on your attitude to investment risk.

At the Pension Review Service we utilise collective investments to help us achieve this investment diversification. Collective investments are so called because they pool the funds of Smaller or Retail Investors into one fund, which is then actively managed by a fund manager and their team to reduce overall investment risk and potentially increase performance by investing in a wider spread of investments than might otherwise be available to the typical investor.



Building Your Unique Portfolio

Every individual has his or her own aspirations towards retirement. Not all want to retire at the age dictated by receipt of their state pension. So, individual investment time horizons will vary considerably.

It is therefore important to ensure that investments within pension plans are suitable for these time horizons and those individuals are not faced with potential falls in fund values due to market fluctuations just prior to their retirement. Hence, we believe that building and reviewing investment portfolios using Modern Portfolio Theory (MPT) to determine appropriate asset allocation is paramount.

Professor Harry Markowitz (Nobel Prize Winner Economic Sciences 1990) published his doctoral thesis "Portfolio Selection" in 1952, marking the beginning of what is known as Modern Portfolio Theory. He demonstrated that for every level of investment risk it is possible to construct an investment portfolio



that mathematically, delivers the maximum investment return.

A portfolio constructed according to MPT will place the portfolio on an "Efficient Frontier" i.e. where for every level of investment risk there is a portfolio with the highest expected return and for every level of return there is a portfolio with the lowest anticipated investment risk.

More research by Brinson, Singer and Beebower has shown that by far the dominant contributor to the variability of total portfolio returns is the asset allocation (that is the proportion held in

Building Your Unique Portfolio

shares, property, gilts, fixed interest and cash) of that investment portfolio. According to the seminal study on the subject, asset allocation, on average, accounts for 91.5% of the variation of portfolio returns over time. Subsequent studies have realised similarly significant results.

The ideal asset allocation differs from investor to investor and is a balance between the returns sought and the level of risk each individual is prepared to accept. The Pension Review Service in association with our Product Partner will determine an asset allocation appropriate for each individual's investment risk profile that in theory should provide maximum returns for each level of risk.

The Pension Review Service provides additional value in the way that we actively monitor your portfolio to ensure that (as far as possible) it reflects your attitude to investment risk. We also continually review the performance of the funds held and make recommendations to switch them if we feel that their performance is slipping.

Our aim is to outperform a weighted benchmark index over the medium to longer term. In other words, in each aspect of our portfolios we aim to outperform the average of each of the individual asset classes represented.

It is worth pointing out at this stage that past performance is not an indication of future returns. Future returns could be better or worse than any figures quoted and the value of your fund can go down as well as up.



Our Product Partner

One of the most important decisions we had to make during the development phase of the Pension Review Service, was to find a Product Provider whose pension contract is flexible enough to meet our, and your, ongoing investment requirements. We also needed to be certain that the technology we would rely on to provide this service to you was suitably robust and tested.

After exhaustive research, looking at the many systems available from the numerous pension product providers, we selected Skandia Life.

skandia :

Skandia is a forward thinking, leading provider of pension investment solutions. Launched in the UK in 1979, Skandia pioneered a whole new way of investing called Multi-manager which allows access to a wide range of leading investment houses and different fund managers.



Will your pension yield the retirement you dreamed of?

CLICK THE ONLINE CALCULATOR ON OUR WEBSITE AND DISCOVER THE TRUE PERFORMANCE OF YOUR PENSION



Our Product Partner

The Skandia Group is owned by Old Mutual one of Europe's largest insurers employing 53,000 people and has over £239 billion of funds under management (Source: Skandia Life October 2007).

The Way Forward

We offer free consultations to establish your current position. Initially, we will ask you to complete our Retirement Risk Questionnaire.

The results of this will guide us to the investment portfolio most suited to you.

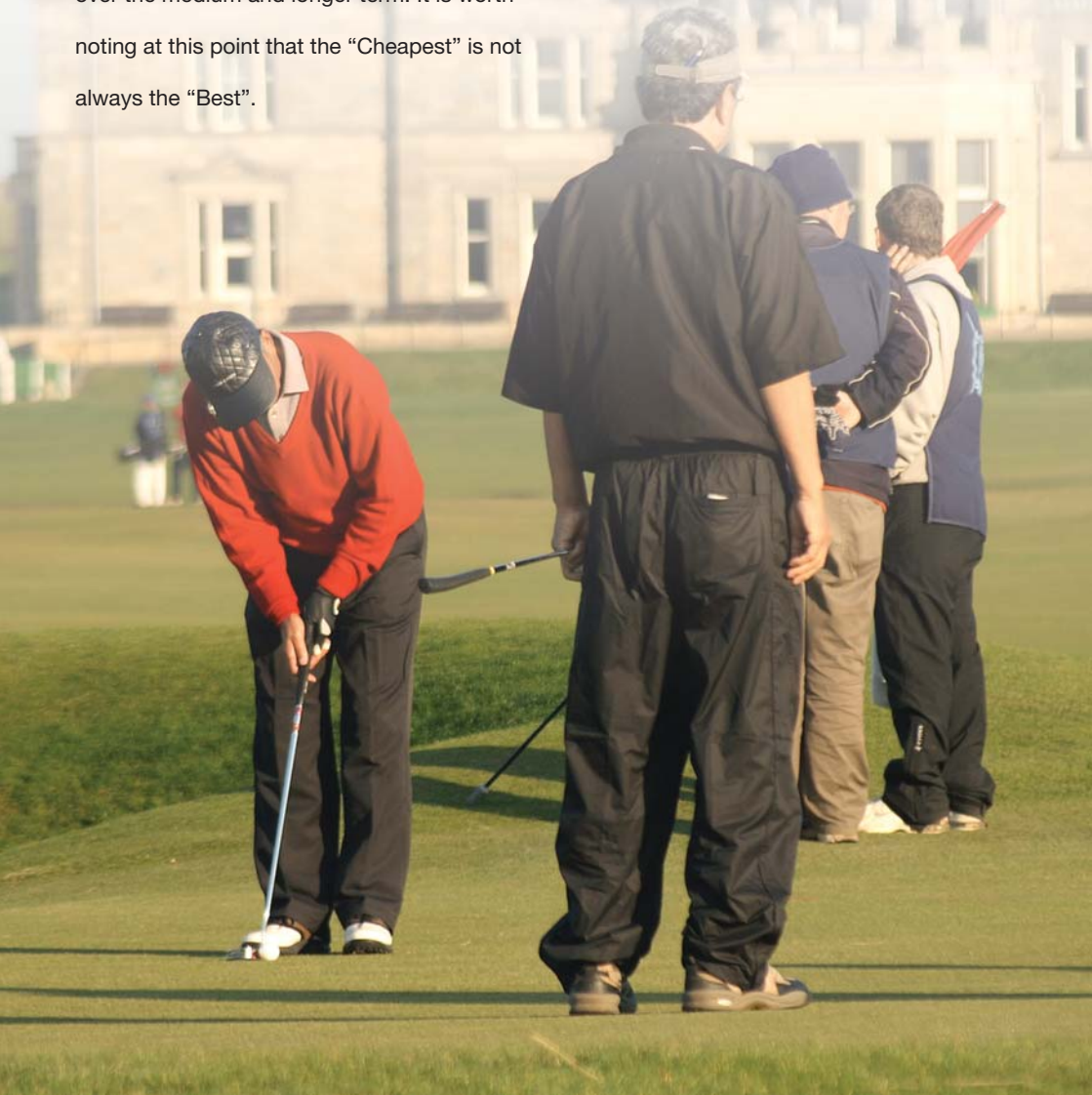
If we make a recommendation to switch your funds into the Pension Review Service we will provide you with a report informing you of the charges associated with your existing plans and a summary of your current investment funds. We will recommend a pension portfolio, in accordance with the results of your Retirement Risk Questionnaire, in order to provide you with the optimum growth potential in-line with your stated attitude to investment risk.



The Way Forward

Although charges are an important aspect over the term of your pension contract, they have to be taken in context with the level of service that you receive from your pension provider or adviser and the performance of your investment over the medium and longer term. It is worth noting at this point that the “Cheapest” is not always the “Best”.

Our administration team will co-ordinate your transfers and ensure that funds are invested as quickly as possible with Skandia Life. We will strive to make the whole process as painless as possible by helping you to complete all necessary documentation and forwarding it to all of your relevant pension providers.



Meet our experienced Investment Committee working hard to ensure that your money does the same for you!



Mark Abley
Independent Financial Adviser

Qualifications.
DipPFS

Experience
19 years

Mark is Managing Director of County Capital Wealth Management Ltd, the company behind The Pension Review Service. He began his career in Financial Services in 1989 and has over 13 years experience as an Independent Financial Advisor. He specialises in Pension Transfers and providing financial solutions to owner managed businesses and high net worth individuals.



Paul Robinson
Certified Financial Planner

Qualifications.
AIFP CFP
Dip PFS
Experience
15 years

Paul is a Certified Financial Planner and Head of Financial Planning at County Capital Wealth Management Ltd, the company behind the Pension Review Service. He began his career with Prudential in 1994 and has over 12 years experience as an Independent Financial Adviser specialising in Pension Transfers and building and monitoring investment portfolios for clients.



Kevin Moss
Independent Financial Adviser

Qualifications.
Cert Financial Planning
Experience
25 years

Kevin is Managing Director of 2020 Financial Services Ltd the only FSA regulated network specialising in accountancy firms. He has been an Independent Financial Adviser for over 18 years and specialises in client risk profiling, behavioural investing and is author of several self help guides to investing. This wealth of knowledge makes Kevin the ideal choice as an independent member of the investment committee.



Mark Heys
Independent Financial Adviser

Qualifications.
Cert APFS
Experience
29 Years

Mark began his financial services career in 1979 with TSB bank. He has over 10 years experience as an Independent Financial Adviser and is an Associate Director with a large regional firm of advisers with over £350 million under advice. Mark's experience and expert understanding of the investment process qualifies him to be one of the independent members of the investment committee.



Getting the most from
your retirement
investments



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