

Our Pension Services



A Guide for Professional Advisers



Kelly O'Donnell, Head of Distribution

www.alliancetrust.co.uk/adviser

About Alliance Trust

About Alliance Trust Savings

Alliance Trust Savings is part of Alliance Trust, an international investment and financial services group. Alliance Trust PLC, the parent company has assets of £2.8bn* and is the largest general investment trust company listed on the London Stock Exchange. It invests in property, bonds and equities and has become a leading investment company that invests in capital across regions and asset classes to create value for its shareholders. Our headquarters are in Dundee with offices in London, Edinburgh and Hong Kong.

Alliance Trust Savings (Alliance Trust) is the financial services subsidiary and offers investment dealing services, self-invested personal pensions and a choice of investment wrappers including ISAs and PEPs.

Pensions

We are one of the leading SIPP providers by number of plans. We administer over 11,000 SIPPs, from low cost share dealing SIPPs to fully bespoke SIPPs and over 500 small self-administered schemes (SSAs).

Our reputation speaks for itself

Over the past 20 years our pensions team has earned an excellent reputation in the specialist field of self-invested pensions. We continue to invest heavily in our systems and training to maintain that position.

Alliance Trust works closely with financial and other professional advisers for the benefit of all our mutual clients. We deliver a quality service providing expertise with a personal emphasis. We are committed to maintaining the technical expertise of all our staff by supporting all forms of training, both on the job and for professional qualifications, so we can continue to provide quality service in the future.

* (as at 31 January 2007)

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Our dedicated Technical Team

Our commitment to professional advisers

The vast majority of our business comes via introductions, financial advisers, accountants, solicitors, stockbrokers and other professional advisers, through whom we market our services. We are totally committed to working closely with you for the benefit of our mutual clients.

We fully understand that if we are to work together successfully then we must provide a level of service that is consistent with your own high standards. So we apply the following principles in order to ensure a successful relationship with you and your clients:

- **designated relationship manager** to work with you and **dedicated Adviser Support Team** so you will not constantly be dealing with a variety of different and anonymous administration personnel.
- **support service** including access to our specialist legal and technical resources, telephone support, seminars and, if required, attendance at meetings.
- **regular updates** to you through e-newsletters to ensure you are well equipped to advise your clients.
- **branded SIPPs** which can be positioned as a 'special service' for your clients.

- **keep you fully informed** and updated on the work we carry out for your clients to ensure that you remain in control.
- **illustrations** for transfers-in, contributions and income drawdown.
- **annual reviews for all clients** at no extra cost.
- **allow your clients the maximum investment flexibility** so their pension funds can invest in the full range of investments permitted by HM Revenue & Customs.
- **commitment to using state-of-the-art technology** to aim to provide an efficient and flexible administration service at a competitive cost.
- **keep you fully up-to-date** on all relevant legislative developments and are active members of the Association of Member-Directed Pension Schemes (AMPS).

In summary, we operate as industry experts, committed to providing the best SIPP and SSAS products and services available on the market.

“We’re people you can do business with”

Alliance Trust SIPPs

The Full SIPP

The Alliance Trust Full SIPP is an extremely flexible self-invested personal pension which is not tied to any fund manager or insurance company and allows investment in all the areas permitted by HM Revenue & Customs, including commercial property and unquoted shares. It also allows pension benefits to be paid using income drawdown and/or phased retirement as well as purchasing an annuity.

The Alliance Trust Full SIPP can accept contributions from the self-employed and from employees/directors (even if they belong to a company pension scheme). It normally accepts transfer values from most other types of pension arrangement. SIPPs are currently unable to accept contracted out benefits from these arrangements.

A separate bank account is opened and maintained for each member of the Alliance Trust Full SIPP.

Members of the Alliance Trust Full SIPP can:

- appoint a fund manager to manage the investments in their pension fund or use a wrap provider
- purchase and sell collective investments, e.g. unit-linked insurance policies, unit trusts, OEICs, etc.
- purchase commercial property and unquoted shares.

Adviser Remuneration

We are able to pay you adviser remuneration from the Alliance Trust Full SIPP at the level agreed by you with your client. This is an extremely flexible arrangement and can cover your initial and/or ongoing annual remuneration and be either a fixed amount or fund-related.

Dedicated Team of Property Specialists

Over the years we have purchased a large number of commercial properties for individual members and syndicates through the Alliance Trust Full SIPP and we have developed considerable expertise in this area. We have a dedicated property team which will be invaluable for any of your clients who wish to invest their pension fund in this way.

Charges

Our charges are straightforward, fully disclosed and compare extremely favourably with those of other SIPP providers.

Select Pension

This investment dealing SIPP allows you to choose from more than 3,000 UK securities including equities, fixed interest bonds, open ended investment companies (OEICs), unit trusts, exchange traded funds, AIM securities and cash. There are no set up or annual plan charges for the Select Pension and your clients only pay for the transactions carried out. This SIPP can be managed online or by post and dealing instructions can be given by telephone for those who are registered for that service.

If your clients also have ISAs and PEPs with Alliance Trust or securities held in our Investment Plan wrappers you can see the consolidated position of all their investments that we administer.

Working with Professional Advisers – a new Full SIPP



A Partner at a firm of advisers based in Kent had a client aged 38 who was ‘something in the City’ earning very good money and looking to retire ‘as soon as possible’.

The client wanted to invest his current and future pension savings into something that would give him access to a wide variety of investments – he had a stockbroker contact that specialised in IPOs and could apparently give him the latest ‘hot tips’.

The Adviser talked to one of Alliance Trust’s Business Development Managers and discovered that HM Revenue & Customs permitted the investment his client wanted to make

– as well as confirming that Alliance Trust does not impose any restrictions of its own and is happy to deal with anything HM Revenue & Customs allows, including unquoted shares.

The Adviser therefore suggested that his client take out an Alliance Trust Full SIPP because of the wide investment options and the competitive charges.

The client decided to invest part of his pension fund in an investment portfolio run by his stockbroker contact, a hedge fund run by an old school friend of his, keeping back some funds to run his own share portfolio via our online execution-only share dealing service.

Small Self-Administered Schemes (SSAS)

Small self-administered schemes are particularly suitable pension schemes for directors of private companies because:

- the pension fund can be invested in a very wide range of investments
- the pension fund can, within limits, be lent back to the Company and/or used to purchase its premises
- the Company's directors can be appointed as trustees of the scheme and in that capacity they can control the scheme's investments
- the operating charges are fully disclosed and competitive.

As the scheme rules usually require no contractual commitment to pay a given contribution level, the employer has maximum flexibility to set the contributions in line with its requirements. The SSAS members can contribute personally should they wish. Benefits can be paid at any time after reaching age 50 (55 from April 2010), without the requirement to stop working. It allows pension benefits to be paid using income drawdown and/or phased retirement as well as purchasing an annuity.

Flexibility and control continues throughout the lifetime of the SSAS as pensions can be paid from the fund on a very flexible basis through income drawdown (as unsecured pension up to age 75 and as alternatively secured pension after age 75) or by purchasing an annuity at any time.

“We have over 20 years’ experience of setting up and running SSASs”

Our bespoke SSAS service

We have established streamlined procedures to set up new SSASs. We can also take over the provision of administration services to existing SSASs and can convert ‘executive pension plans’ to SSASs. We administer a large number of SSASs and our SSAS administration team has a considerable amount of expertise in this field. Our bespoke SSAS service includes:

- the Trust Deed and Rules written in a format that gives flexibility to the trustees over contributions, investments and benefits
- the option to appoint us as an independent co-trustee, if desired, although we do not require to be a co-trustee of the SSAS
- assisting trustees in complying with the HM Revenue and Customs requirements, as well as looking after the administration of the SSAS
- a dedicated SSAS consultant and administration team working with you and for the Trustees of the scheme
- an in-house specialist technical pensions team who can provide guidance on the HM Revenue and Customs requirements. You can call on this knowledge and expertise at any time.

Adviser remuneration

We are able to pay you adviser remuneration from the Alliance Trust SSAS at the level agreed by you and the Trustees of the scheme. This is an extremely flexible arrangement and can cover your initial and/or ongoing annual remuneration and be either a fixed amount or fund-related.

EXAMPLE CASE STUDY

Working with Professional Advisers – a new SSAS

A small family business, started three years ago in Devon to provide catering to companies, had outgrown its current premises. It was looking for new premises to aid further expansion but didn't want to tie up working capital from the business. It wanted to minimise the business's liabilities with the bank and purchase premises in a tax-efficient way.

The three family members who own the business had a meeting with their financial adviser to discuss these issues. Following the meeting, their adviser got in touch with one of Alliance Trust's Business Development Managers and agreed that a SSAS could assist with these objectives.

The SSAS is a company pension scheme which is controlled by the family, who are both the members and trustees of the scheme. After making the decision to set up a SSAS, a contribution was paid in from the business and that payment was used as a deposit to buy the property with the balance being borrowed by the SSAS.

The SSAS then leased the property to the business, which is now paying a commercial rent to the SSAS for occupancy. Part of the rent services the mortgage and the excess is now enjoying a healthy return in an investment account. As the income and gains from the SSAS are tax exempt, in addition to the business's pension contribution qualifying for corporation tax relief, it has been an ideal solution.



Investment Dealing

We have a full range of share dealing options and wrapper products through our investment dealing business.

Online Dealing

Our new service, Alliance Trust Online offers you and your clients an exciting range of services and benefits available within a safe and secure online environment. The services are easy to use and are available to you and your clients for just £12.50* per transaction.

We have made the following functionality available specifically for professional advisers. You can:

- login to the system, select from a list of your clients and then view their particular details,
- view historical client data including transactions and valuations for dates of your choice,
- deal online on behalf of your clients, assuming you have authority from them to do so.

Please see our website www.alliancetrust.co.uk for more information and to login to Alliance Trust Online.

ISAs

The Alliance Trust ISA gives clients the freedom to invest tax-free in over 1,500 UK listed securities. Both Mini and Maxi ISAs are available and we only charge on a transaction basis without a set-up or annual plan charge.

PEPs

Although PEPs have been closed to new money subscriptions since April 1999, transferring your clients' existing PEPs to us will allow them to benefit from our wide and flexible investment choice and fair value charging structure.

Investment Plan

Whatever your clients are investing for, our Investment Plan gives them the opportunity to easily invest in more than 3,000 UK securities. There are no restrictions on when they can invest. We have no set up or annual plan charges and only charge on a value for money transaction basis.

Investing for Children

We have an investment plan tailored for individuals wanting to invest for their children's or grandchildren's future called 'First Steps'. This provides a great opportunity to help them to prepare for their financial future.

If you would like more details about any of the above products, please contact your Business Development Manager, call our dedicated Adviser Support Team (0207 496 1440) or visit our website www.alliancetrust.co.uk where you can find more information on our products and a dedicated adviser section.

* The dealing charge for OEICs and unit trusts is £15 for a purchase and £30 for a sale.



Contact us

Adviser Support Team:

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This communication is for professional advisers only and should not be relied upon by private customers.

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