If you are about to take advice on your pension or investment this FREE brochure will assist you on understanding what you should avoid

Confused by Pension and Investment charges?

Understand the impact of

Fees versus Commissions

Know the FACTS!

1. When you take financial advice, you can pay a fee or elect to have a provider pay a commission to your adviser
2. You are often told that where there is a commission it is FREE advice and this is understandably enticing
3. In comparison, fees appear a direct cost
4. However, it is what you are not told that does the damage. For one thing, the adviser is encouraged to recommend the product with the biggest commission rather than what is best for you
5. The bigger the commission the higher the ongoing charges and surrender penalties, and the bigger the impact on your returns and your future returns!

4 key points that everyone should know about commission:-

1. You pay **much higher charges for years** linked to the commission.
2. You have an access surrender charge on your fund(s) of **up to 10%.**
3. You pay additional higher charges linked to funds. **Often double.**
4. You may have been placed in **higher risk** investments to compensate for charges.

In addition to all these higher charges, we find that in many cases, you will also be put into other commission generating products

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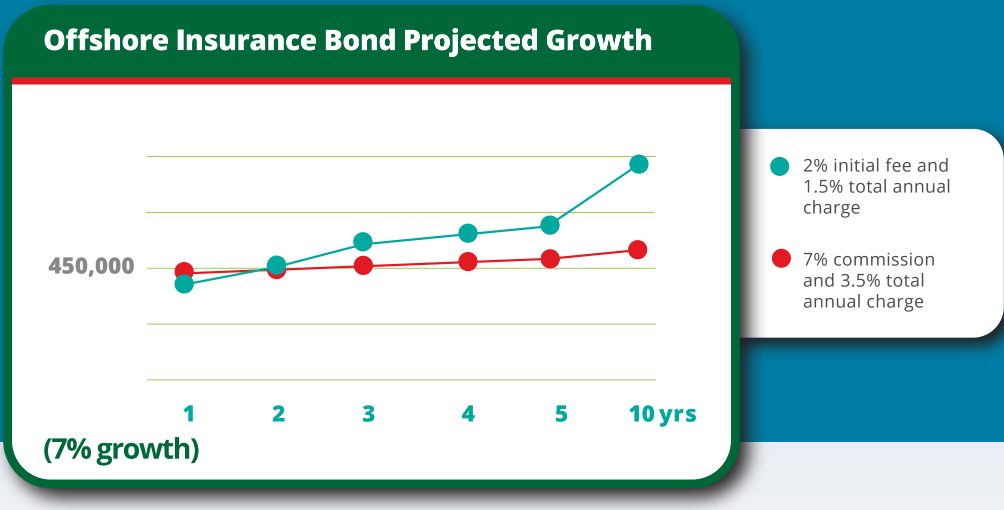
Why should you avoid commissions for your own wealth...

Commissions are often deducted in the form of additional ongoing charges applied for years.

These higher charges make a **BIG** difference to your investment returns as they act as a **DRAG**!



Fees

Advantages

- Client retains control of costs
- Removes salesperson commission/product bias
- Transparent – Agreed by clients at outset
- Lock in periods for commission removed
- Adviser truly independent of product company
- No need to sell a product if not needed
- No need to sell a product purely to earn fee
- 5 years charges less than commission charges
- Client chooses adviser now and in future!
- No hidden agenda- all transparent

Disadvantages

- Visible Cost – some clients do not like it
- Good advice is not Free advice
- Reduce initial investment by agreed fee
- May require paying via invoice

Commission

Advantages

- It is sold as “Free” advice
- No need to consider invoices
- Initial investment appears to have no fees deducted (Surrender penalties apply instead)
- Adviser has no requirement to justify fees if not disclosed fully
- May be only way to obtain advice locally

Disadvantages

- Control is taken away from client
- Salesperson has commission/product bias
- Lock in periods to cover commission paid
- Surrender or access penalties apply
- Not Transparent – often hidden from clients
- Salesperson only gets paid if they sell a product (even if not needed)
- Commission can be paid twice- double dipping
- Invariably significantly more expensive
- Does not need to be justified to clients
- Often hidden switching costs for investments
- Hidden fees = Hidden agenda

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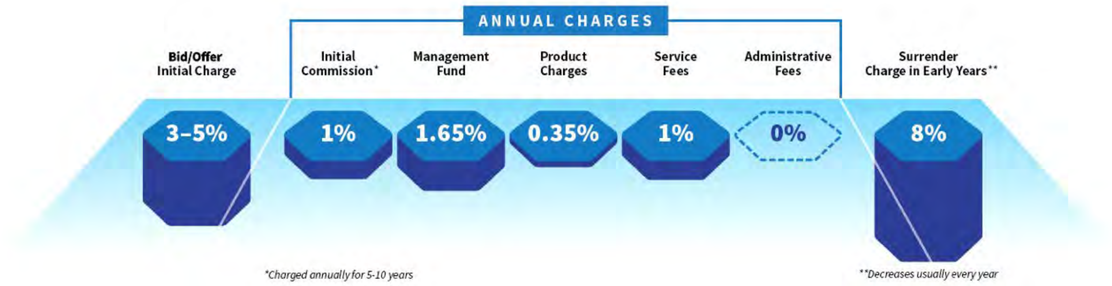
Our latest charges are in our “What we do and how we charge” document which we will provide you. An example of our typical charges are:

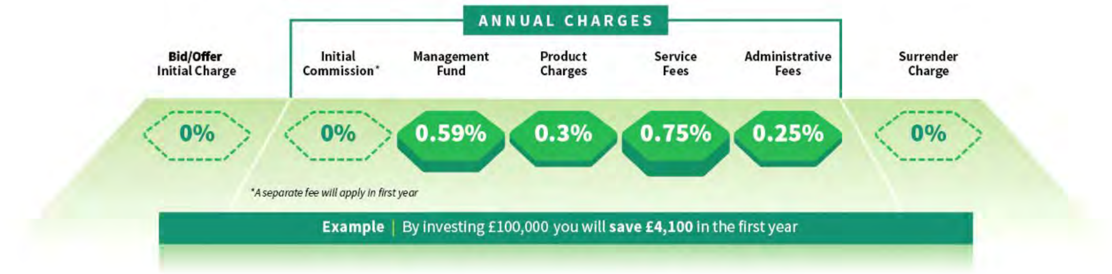
Type	Implementation Fees
Advising on and arranging lump sum investments excluding pension transfers. Payment due on acceptance of our recommendation and/or set up of a new investment/pension is a tiered fee based on the investment amount Service typically suitable for those with an existing investment, or a lump sum to invest of <u>**more than £150,000**</u>	**On the first £100,000 the charge is 2.5%** **The charge is 1.75% on additional amounts between £100,001-£350,000** **The charge is 1.5% on additional amounts between £350,001-£1,000,000** **Plus 0.75 % on the amount over £1,000,000** **For example:** You ask us to conduct a review of investments (excluding offshore) with a charge of £500 and then you elect to invest:

Investment Amount	Implementation Fee	Total Fee (Inc. Review fee)
£150,000	£3,375 (2.25%)	£3,875 (2.58%)
£250,000	£5,125 (2.05%)	£5,625 (2.25%)
£450,000	£8,375 (1.86%)	£8,875 (1.97%)
£850,000	£14,375 (1.69%)	£14,875 (1.75%)

Commission Model



Fee Model



Here is an example between the charges you can expect in the first year of a commission based product versus a fee based product. You can see that when you are told you are receiving **FREE** advice that it is anything but free!

What should you try to avoid?

If you do not want to lose large segments of your retirement and investment funds, like many other people have, then you should be aware of these potential red flags.

All of these reasons can lead you to believe you have to take the advice to invest or transfer. However, the question rarely answered is "What is the best way of achieving your goals that retains proper protection?"

5 POTENTIAL RED FLAGS

1. You may be advised to transfer pensions to a QROPS or international SIPP, spuriously, for benefits that do not exist.
2. You may be advised to transfer pensions and investments to offshore insurance bonds for supposed tax efficiency.
3. You may be lead to believe that you will receive 5% pa income tax free as a result of advice
4. You may be led to believe that you will obtain greater growth or investment freedom by transferring out of regulated territories
5. You may be lead to believe that your money will be safe from government tax grab and have greater protection

Question and Answer

Q. The advice I received was paid for by the product provider I was recommended. Why is that severely impacting on my investment fund?

A: Your product provider paid a commission to the adviser's company which is not reclaimable. If you want to access your funds in the early years (up to 10 years) YOUR funds have to repay this commission plus provider charges in the form of an access or surrender penalty. In the meantime additional charges are put onto your funds for years in order to recoup this commission. All these surrender penalties and charges impact on the future growth which compound up over the years to severely impact your retirement fund.

Talk to us!

We are SEC registered and FCA regulated and have advisers qualified to Certified and Chartered status, with the relevant specialist pension qualifications to review the advice given to help reduce the costs of your current arrangement. We can assist you in getting that much needed tax and investment advice.

Click for more details

TM P4E

Using a transparent, regulated, fee-based adviser will increase your chances of having alarger net income in the future. Paying taxes is not optional, but a fee based adviser alongside an accountant will assist you in helping to choose where you pay taxes to reduce them (perhaps to zero).

Your investment returns are damaged by the drag of higher ongoing charges often linked to higher commission.

Take advice in 1....2......3 Straightforward Steps

By reviewing how you will pay your charges at outset will save you a lot of heartache later on.

1. If you are advised to have a commission based solution that is FREE to you, including but not limited to QROPS / SIPP, an Insurance Bond wrapper or both then first ask what other options there are. If none are given, then walk away.

2. If you do not like haggling then go straight to a fee based adviser who will list their fee's much as we have done in this brochure!

3. Tailormade can review the pensions and investments, with a view to providing a more cost effective solution that may help you negate potential losses.

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