

Newsletter

ISSUE NO. 7 : OCTOBER 2009

Contents

Introduction	1
Administration and Service	1
Introducing The Flexible Pension Scheme	2
Introducing the Single Portfolio SIPP	3
Time to invest in the UK property market?	4
A Message from our Chairman	4
Contact Details	4

Welcome to the latest edition of the Denton's Newsletter. Despite the holidays it has been a very interesting and busy time in financial services and for Dentons.

As part of our continued commitment to providing flexible products and bespoke service we are pleased to announce the addition of two new SIPPs to extend our range of products. This Newsletter takes a closer look at them and also Commercial Property, our independent stance and our successful results in a recent customer satisfaction survey.

Administration and Service

Following the recent external evaluation of our service by Investor in Customers, we are pleased to announce that we received a "2★ - Outstanding" rating.

At a time when financial services providers are under the spotlight we feel this is further validation of our commitment to excellent customer service and, of course Treating Customers Fairly.

Investor in Customers is an independent organisation who take an in-depth look at customer experience and company perceptions of service.

Neil Craig, Managing Director of IIC commented "This tremendous result confirms Denton's position as the leading product provider on the IIC books and positions them in the top quartile of all results in the IIC database".

"Both IFA's and direct customers record high scores for "If asked, I would recommend them." Which is the acid test of how well regarded a company is."

All of the team at Dentons are very proud to have taken part in the project and are exceptionally pleased with the results. We truly believe that this is recognition of our understanding of the needs of our clients, IFAs and their customers and a valuable way of working with them to improve and grow our services going forward.

Some interesting milestones achieved by Dentons:

- Denton's Score from Financial Advisers is the highest on record for IIC
- Dentons are the first company to have achieved 100% staff participation in the survey.
- Dentons are in the top quartile of results for all firms who have taken part in Investor in Customers

Both advisers and clients see our key strengths as:

- Product and technical know how - "Staff are knowledgeable about the services they provide"
- Making things as easy as possible to deal with. In fact according to one client we "de-complicate pensions"
- Staff are always keen to help "they do what they say they will"

We would like to take this opportunity to thank everyone who took part in the project. We would like to assure you that all feedback will be acted upon.

iic ★
investor in
customers

Introducing The Flexible Pension Scheme



The Flexible Pension Scheme is designed for individuals or groups of individuals who want control and flexibility over their pensions.

A key feature of the scheme is the ability to provide continuing income through the use of Scheme Pension for individuals, particularly those who are aged 75 and over, in addition to the usual attributes of our Full SIPP. Scheme Pension can include an option to guarantee a minimum term certain pension of up to ten years and thus allows the freedom to continue to invest assets up to and sometimes past the date of death.

Case Study

John is 75 and has a history of illness in his family, his wife Margaret is also 75 and in poor health. John wishes to make provision for his wife in the event of his death, but thinks that even an insured annuity will not

offer value for money if the worst should happen. He is currently in Alternatively Secured Pension (ASP).

At age 77, his specialist informs him that his life expectancy is short and may only be another 2-3 years. At this point John is advised to move in to The Flexible Pension Scheme and selects a 10 year guarantee. By moving into Scheme Pension, he gives up any interest or right to the capital held within the scheme in return for a fixed income. The actuary calculates the pension, which in view of his condition is set to use the fund and its returns by the end of the guarantee period. The income level, in this case, will be higher than ASP. Sadly John dies two years later, however the pension payments continue, at the discretion of the trustees, to Margaret, who dies three years later.

The remaining 5 years of guaranteed pension payments are paid to the children and grandchildren on whom income tax will only apply to the income payments.

Introducing the Single Portfolio SIPP

Recent experience has indicated the need within the SIPP marketplace for a simplified version of our existing full SIPP offering. As a result, the Single Portfolio SIPP has been introduced, to allow investment with a range of single portfolio providers, which may be Discretionary Portfolio Managers, platform providers or stockbrokers as well as in the default bank account.

Dentons have already pre-approved the client agreements of a number of portfolio managers including:

Baring Asset Management

Ingenious Asset Management Ltd

London & Capital

Newton Investment Management Limited

Quilter

Simple Investments

Williams De Broë Limited

These firms are able to provide a bespoke and individual portfolio approach, constructed and managed to match the client's individual attitude towards risk and reward.

The selection of manager and mandate provided are, of course, at the control of the client.



Dentons are continuing to approve investment companies, if your chosen provider is not on this list please contact us and if we have not already approved the agreement, we will consider doing so for you. Investment companies are accepted at our discretion.

The simplified investment structure allows us to pass on administration cost savings with a lower standard administration fee, but without compromising our highly regarded administration services.

A key feature of the arrangement is the ability to upgrade to our full SIPP, with no cost to convert, should a more flexible investment strategy be required, however, the increased standard administration charge for our full SIPP will apply from the date of the upgrade.

The Single Portfolio SIPP retains the full SIPP functionality and features, including Phased Retirement, transfers and contributions in specie, USP and ASP options.

Time to invest in the UK property market?

We asked Brett Robinson, Director of Seven Dials Fund Management for his views.

The UK commercial property market fell by 44.2% between June 2007 and July 2009¹. Initial yields on the market index increased from 4.57% to 7.87% over the same period. By way of comparison, in the bear market of 89-93, the market fell some 27% over 43 months. So we have already had a faster and deeper fall than in the last major downturn. In addition to a fall in property values, there has also been a dramatic reduction in interest rates, with base rates reaching their lowest level since records began. This means that the yields on property look very attractive relative to the interest available on bank deposits but does this mean that now is a good time to invest?

The yields on property are high because, at least in part, the outlook for near term rental growth is very poor, i.e. yields are high for good reason. However, at

Seven Dials we consider that many parts of the property market now do offer good value because prices are over compensating for the poor near term outlook. This view is based on an analytical approach similar to dividend discount models in equities.

Over the last few months the general market indices have stabilised and yields on prime assets have fallen this year, signs that the market has reached a turning point. However, not all parts of the market are equally attractive and the risks involved vary considerably. We favour prime and good quality secondary assets, in the retail and industrial sectors, where much or all of the rental income is secure and there are good prospects for rental growth in the medium term. Such assets will also benefit from the fall in market yields as and when this occurs.

1: IPD UK Monthly Index

A Message from our Chairman - Martyn Rose

Rarely a month goes by and we see a merger in the news and with a bit of careful digging it doesn't take long to see links appearing between various companies that aren't always publicised and in the best interest of the clients, policyholders or advisers.

For me, the independent provider represents forward thinking, long standing and quality, it is nimble and can be flexible in its approach and it manages to avoid much of the red tape that is often associated with some larger organisations.

They say with age comes experience and knowledge and we are very proud to have celebrated our 30th anniversary earlier this year. I believe that this is one big vote of confidence. To not only survive and remain independent in the current market but to thrive, to expand, and grow organically through reputation and positive word of mouth. Surely this illustrates more than any brochure could, that we are doing something right.

With this in mind I'm proud that Dentons are independently owned and are fully committed to remaining this way. The results of the recent Investor in Customers programme are favourable and it's clear that our independent status allows us to fully embrace such initiatives and to continue to provide a high level tailored service for clients and advisers.



Contact Us

Please contact us, using the details below, if:-

- You would like to receive this newsletter electronically
- You feel that this newsletter would be of benefit to your colleagues
- You would like to suggest any topics for future editions

Dentons Pension Management limited

Marketing Department
Linden House, Woodside Park
Catteshall Lane,
Godalming, Surrey GU7 1LG

Tel: 01483 521521 Fax: 01483 521515
Email: enquiries@dentonspensions.co.uk
www.dentonspensions.co.uk

The views and opinions expressed in this publication are based on

Dentons Pension Management Limited's interpretation of the law and HMRC practice as at the date of publication.

The following companies, all of which are Registered in England, and with their Registered Offices being as above, comprise the Dentons Group: Dentons Pension Management Ltd (Reg No 2352951); Denton & Co Trustees Ltd (Reg No 1939029); NTS Trustees Ltd (Reg No 1407848) and Dentons Investment Services Ltd (Reg No3955927)
Dentons Pension Management Ltd and Dentons Investment Services Ltd are both Authorised and Regulated by the Financial Services Authority