

DENTONS

Look beyond the headlines!

At the time of writing, equity markets are retreating from their 2007 highs and Commercial Property funds, the safe haven of the past for many, are also seeing reductions and bleak prospects for the immediate future.

Whilst it may be a short term view, many pension investors are choosing to switch to cash to ride out the financial storm. One might think that an insurer's low cost pension product, such as a Stakeholder Pension, perhaps with charges of some 1 to 1.5% , and using a Deposit Fund, might be the most economic vehicle and, for the smaller investors, this could well be the case. However, for the larger amounts, a surprising fact is often missed.

It is a paradox that the most economical of cash based investment strategies might be from a Self Invested Personal Pension (SIPP) – especially from one that is headlined as being 'expensive'!

Dentons own SIPP has a standard annual administration charge of £485 + VAT. Given there are no other deductions taken from a cash invested asset, on a £100,000 fund, this amounts to an equivalent percentage charge of 0.57% - well under the 'normal' charge of 1 to 1.5% - which would take £1,000 to £1,500 of YOUR money.

Additionally, not all insurers are offering the top rates on their Deposit Accounts. Currently, Dentons are achieving an equivalent annual rate of 5.375% from the default Instant Access deposit account and 6.01% for a three month term deposit. Have a look at what YOU are getting – sometimes it is important to look behind the headlines to find the truth.

Dentons Pension Management Limited are Authorised & Regulated by the Financial Services Authority.



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