

The Complete Investment Solution

Self-Invested Fund Added to Complete Solutions Pension Range



Irish Life launched the eagerly anticipated Self-Invested Fund in February 2007, to packed rooms of brokers in 10 venues around the country. This was followed by thirty workshops which delved more deeply into the fund workings and the processes involved in transacting the business.

Since its launch, Complete Solutions has over €600 million invested and has proved to be an outstanding success in the broker market. It was designed to give you the broker all the building blocks to construct what you think is best for your client.

Since the relaxation of the borrowing rules in 2003 we have seen the small self administered pension schemes market increase rapidly from about 1500 registered schemes in 2002, to now well over 5,000 schemes in place. Since 2006 restrictions have been imposed in relation to property investment and this has seen the setting up of more one-member SSAPS.

The Self-Invested Fund was added to the Irish Life's existing Complete Solutions pension product range, giving your clients the opportunity to have a more "hands-on" investment approach with all the added benefits that an insured pension product provides.

By using the Self-Invested Fund alone or using it along with our carefully selected range of investment funds your clients can create a truly unique portfolio for their pension or retirement fund.

Our Self-Invested Fund allows your clients to choose where they want to invest their pension funds, while Irish Life will take care of any administration burdens. The broad investment categories which can be used for a Self-Invested Fund are:

- Individually selected property in Ireland and the UK (restricted property investment may apply to investment only plans))
- Mortgages with named institutions (Pre-retirement only)
- Deposit accounts with named institutions
- Publicly-quoted stocks, shares and Government bonds
- Other regulated assets such as unit trusts and other collective instruments

This is not a customer document and is intended for Brokers only.

self invested

for... Property

A lot of investors have been putting the question to you, should I invest in Property or a Pension? The Self Invested Fund provides the best of both worlds to your client by allowing them invest directly in residential or commercial property in Ireland and the UK through their pension plan. It also allows your clients receive tax relief on their plan, effectively covering the loan payments. The Self Invested Fund can also provide tax-free growth on the rent and property and of course, the property will be exempt from Capital Gains Tax on disposal. It's also very easy for you to set up a pension plan for your customer and have it buy the property.

Purchasing a property through the Self-Invested Fund gives your clients many tax advantages over buying a property directly.

- Tax relief on deposit - contributions to the Self-Invested Fund, up to Revenue limits, attract tax relief at your clients marginal rate. As such your client can claim tax relief on the deposit, or equity amount, they are bringing to the investment
- Tax relief on capital repayments - As pension contributions will be used to repay borrowings, your client can also claim tax relief on capital repayments. This is not possible when buying property directly.
- No tax on rental income - when buying property directly any rental income in excess of interest repayments (and expenses) is subject to income tax. This is not so with the Self-Invested Fund where all income within the fund is received tax free.
- No Capital Gains Tax - normally CGT is due on the sale of directly held property. Again the capital gains made within the Self-Invested Fund are not subject to CGT.

	Direct Purchase	SIF
Tax Treatment		
- Tax relief on equity	✗	✓
- Tax relief on capital repayments	✗	✓
- Income tax due on surplus rental income	✓	✗
- Exempt from CGT	✗	✓
Purchasing made easy	✗	✓

Purchasing Property Made Easy

If your client was to buy a property directly, he would normally have to.

- | | |
|-------------------------------|---|
| • Source the property | • Have it surveyed and valued |
| • Look for borrowing | • Organise the legals |
| • Organise a property manager | • Organise the disposal of the property |

With Complete Solutions Self Invested, the client will still source the property, but together with you the broker, we'll arrange the rest within the pension fund.

Borrowing within the Self Invested Fund

Obviously the lending is a key part of the process and as a result, we have partnered with the 2 leading broker lenders, **permanent tsb** and **IIB**. Both of these companies have an excellent track record in supporting brokers in the mortgage market and have been recognised for this with numerous IMAF awards.



permanent tsb are Ireland's biggest lender with new lending of €12.9 billion in 2006. They were recognised as "Ireland's Best Mortgage Provider" at the MoneyMate and Investor Magazine Awards for 2006.



IIB are wholly owned by Dutch bank KBC. Their focus on providing a tailored service for both residential and commercial lending has seen them win the IMAF Residential and Commercial Service Award for 2006. New lending for home-loans and residential investment property exceeded €3.5 billion in 2006.

Please note that ARF/AMRF clients cannot borrow within the Self-Invested Fund.

Revenue will allow borrowing on pre-retirement pension contracts, subject to the following conditions:

1. The client must satisfy the sole purpose test – i.e. that the investment is for pension funding purposes only
2. The property must be at arms length from the client
3. The maximum loan term is 15 years
4. The loan must be on a Capital and Interest repayment basis, i.e. interest only is not allowed
5. There can be no cross charging of assets
6. The lender can have recourse only to the property in question



With the Self Invested Fund, your clients can invest in stocks and shares that are traded on the main international stock exchanges. They can choose to do this either through a stockbroker or through our 'execution-only service'. Our partner stockbrokers are Citigroup Quilter, who offer a discretionary service and Bloxham, who operate on an advisory basis.



A discretionary service means that your client instructs us to invest part or all of their pension fund through Citigroup Quilter who then make investment decisions on your client's behalf without the need for them to get involved each time.



An advisory service means that Bloxham Stockbrokers give your client advice on stocks and shares investments to link to their fund. However, your client makes the final investment choice, as to which share to trade.



Execution-only - Irish Life also provide an execution-only service where we place orders to buy and sell stocks and shares, on your client's instruction.

As over 20% of the shares quoted on the Irish stock exchange are held by private individuals, there is little doubt that many of your clients are already in this market. However, what they may not be aware of is that using the Self-Invested Fund to hold their shares is far more tax efficient and convenient than a traditional share account. Not only does a pension contribution attract tax relief (up to certain limits), but shares held in the Self Invested Fund are not subject to CGT or Dividend Withholding Tax. Furthermore, the client does not have to make any tax returns in respect of the shares held in the Self-Invested Fund. Tax may apply on benefits when taken.

	Privately bought	SIF
Tax Treatment		
- Exempt from CGT	✗	✓
- Exempt from dividends tax	✗	✓
Hassle Free		
- No Tax Returns	✗	✓



Traditionally a pension limited your clients to the funds that we make available. However there is a huge array of funds and collective investments available in the wider marketplace. Once a desired fund meets the relevant criteria, Irish Life will deal directly with the fund manager to place your customer's investment with them.



Although the Self Invested Fund is about giving your customers a wider range of investment opportunities, there will be times when your clients will want to invest in cash.

They can do this in one of two ways: through Irish Life's existing cash fund within Complete Solutions or they can place deposits through us with a number of deposit-taking institutions who will offer a range of deposit terms. We currently offer this service in conjunction with IIB, AIB, BOI, Anglo Irish Bank and Ulster Bank.

Which of your clients will the Self Invested Fund help you do business with? Here are some ideas....

1. SSAP or SIF

You may have clients who are considering the benefits of investing in a Small Self Administered Pension Scheme (SSAP) versus an insured pension. A SSAP may not suit every client because of the administrative burdens involved. With the introduction of Self-Invested Fund the Complete Solutions range can offer clients the best of both worlds. The Self-Invested Fund offers the investment flexibility of a SSAP but with the convenience of a traditional pension plan. With Complete Solutions your clients can now take advantage of the traditional investment range available and have the option of taking out a Self-Invested Fund when they are ready.

2. The Self Employed Client

The self employed have been restricted in their investment options – they have no access to SSAPs and the alternatives were cumbersome. However, now you have a comprehensive solution for these clients.....in the Self Invested Fund.

3. The Experienced Client

This type of client may see himself as an investment expert but up until now, had to look elsewhere in order to satisfy his wide ranging investment appetite. However, now you can provide him with a far wider range of investment opportunities through the Self Invested Fund. He can also track the investment performance through our online services.

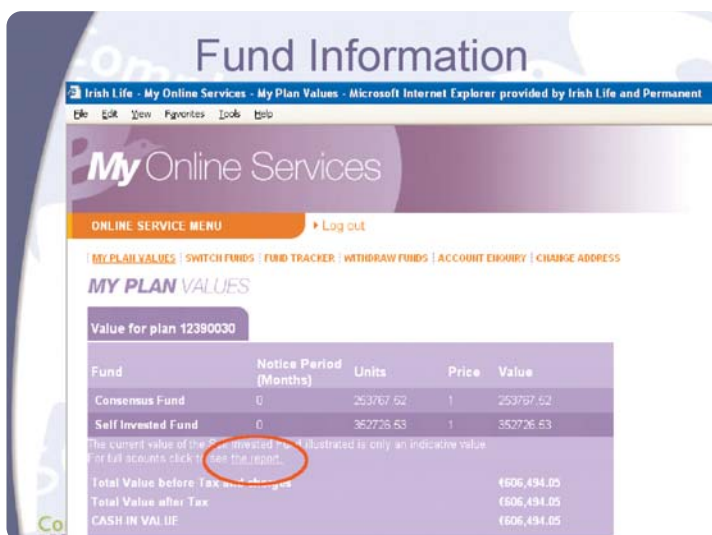
4. Single Asset Purchases

If your client is buying an asset - like a property – now he can do this through a pension plan and avail of the associated tax advantages. This approach is ideal for both property and share purchases.

5. ARF Client

Many clients have built up their pre-retirement pension in traditional funds. They are now looking to invest in an ARF and up until now, would have been exposed to many advisers / institutions offering alternatives. Now you can keep these clients close to you and offer them what they want using an insured ARF.

Self Invested Fund... ONLINE



Fund	Notice Period (Months)	Units	Price	Value
Consensus Fund	0	253767.52	1	253767.52
Self Invested Fund	0	352725.53	1	352725.53

Total Value before Tax: €506,494.05
Total Value after Tax: €506,494.05
CASH IN VALUE: €506,494.05

Currently, you can access your clients' plans and all their details on our B-line website, including values, projections and payment details for all Complete Solutions plans.









Clients who will be investing in a range of assets through the SIF for example will require up to date information flows.

You and your client are now able to access every transaction that takes place within this fund, including details such as the type of transaction, the amounts and the currencies involved.

So for example, your client could use the online service to establish whether the rent has been collected on his investment property in Manchester.

The Complete Solutions fund range

The Self-Invested fund is an exciting addition to an already extensive choice of investment funds available on the Complete Solutions product range. Clients can invest in any of the funds below alone or use them in conjunction with a self-invested fund to create a truly unique portfolio.

Fund Name	Asset class	Risk Rating	Risk
Cash Fund Capital Protection Fund (Guaranteed Fund) Secured Performance Fund	Secure Funds	1 1 1	
Pension Protection Fund Fixed Interest Indexed Fund	Fixed Interest Funds	2 2	
Consensus Fund Irish Life Active Managed Fund Diversified Assets Fund Logic	Mixed-Asset Funds	3 3 2 4	
Irish Life Pension Property Fund Irish Life Property Portfolio Fund Irish Life UK Property Fund	Property Funds	3 4 4	
Irish Life Global Opportunities Fund Fidelity Managed International Fund Fidelity Global Special Situations Fund Fidelity Global Property Shares Fund Fidelity European Opportunities Fund Fidelity India China Fund Bloxham High Yield Fund Bloxham Contrarian Fund Bloxham Intrinsic Value Fund PIIM International Share Fund	Actively Managed Equity Funds	5 6 6 6 6 7 5 6 5 5	
Indexed Global Equity Fund Irish Equity Indexed Fund UK Equity Indexed Fund European Equity Indexed Fund North American Equity Indexed Fund Japanese Equity Indexed Fund Pacific Equity Indexed Fund Ethical Global Equity Fund	Indexed Equity Funds	5 6 6 6 6 7 7 5	
Indexed Commodities	Indexed Commodities Fund	7	
Self-Invested Fund	N/A	7	

Assets selected for SIF must meet our asset acceptance policy. Certain assets can incur up-front charges which are not made uniformly during their term and this may result in the value in the early years being less than the original investment. We advise customers to read Irish Life's "Your guide to your Complete Solutions Self-Invested Fund". Pensions are long term savings plans that can only be taken at retirement. Pensions may fall as well as rise in value. Minimum investment in the SIF is €50,000. Irish Life Assurance plc is regulated by the Financial Regulator.