

PROFESSIONAL ADVISERS ONLY

# 7IM Illustration Guide

A helpful guide that takes you through  
the main features of our Illustration tool

Succeeding together

7IM

### **Capital at risk**

You should be aware that the value of investments may go up and down and you may receive back less than you invested originally.

Past performance is not a guide to future returns.

### **Purpose**

The purpose of this guide is to give a brief explanation of how to access our illustration tool and answer some common questions.

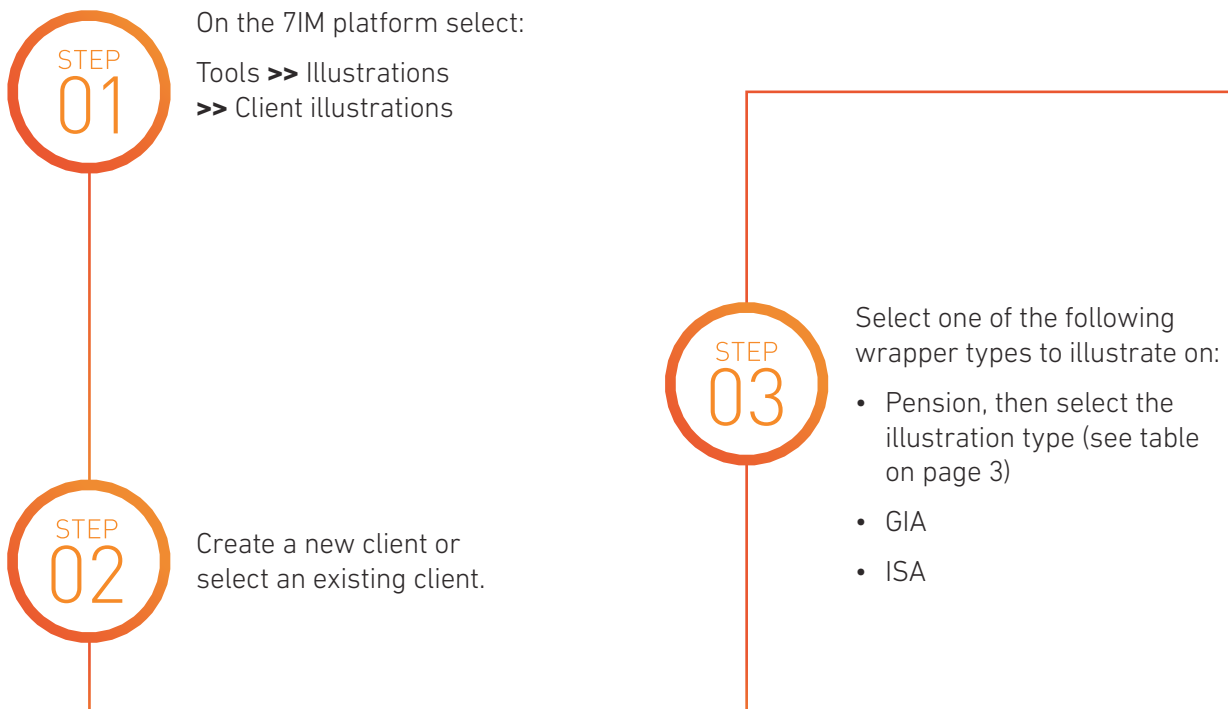
# Overview of 7IM illustrations

The matrix below shows what our illustration tool supports.

Feature	Wrapper		
	7IM SIPP	GIA	ISA
<b>Payment Types</b>			
Single personal payments	✓	✓	✓
Single employer payment	✓		
Regular personal payments	✓	✓	✓
Employer regular payments	✓		
Cash transfers	✓		
Inspecie transfers	✓	✓	✓
<b>Charges</b>			
Wrapper charges	✓	✓	✓
7IM Platform	✓	✓	✓
DFM charges	✓	✓	✓
Investment charges	✓	✓	✓
<b>Illustration Types</b>			
Pre-retirement	✓		
Full drawdown	✓		
Drawdown transfer	✓		
Part drawdown	✓		
Phased drawdown	✓		
Tailored drawdown	✓		
Existing client reviews	✓		
UFPLS	✓		
GIA / ISA illustrations		✓	✓

# How to generate an illustration

When creating an illustration you will go through the following steps. For a more detailed step by step guide, please watch our 'How to create an illustration' video available on our website.





STEP  
04

Input the requirements for the client:


- Any adviser charges
- Payments in (including transfers)
- Any income (where applicable)
- Investments (funds and models)



STEP  
05

Once all the information has been added, press 'calculate' to generate and view the illustration.

This illustration will then be stored for future retrieval.



# Key points

## Wrap valuation

If you wish to consider how the new illustrated assets will be charged considering any existing platform assets, enter the value of the existing assets you wish to include in the wrap valuation field.

Please note: this should only be funds that are charged against the 7IM platform fee – most 7IM funds are charged separately and therefore are not impacted by this field.

## Initial fees on regulars

When illustrating for an initial fee on regulars, please state the total initial fee and number of times it should be applied. If you would like to take fees on the first payment only, please input '1' to ensure it is taken once and not on every single payment for the term of the illustration.

Please note: that although we allow you to illustrate for initial fees on regular payments, unfortunately we cannot facilitate this and this is for illustrative purposes only.



## Review illustrations (7IM SIPP)

The review illustration allows you perform illustrations for the following scenarios that are not catered for in the pre-sales or drawdown illustrations:

- crystallised and uncrystallised values
- existing assets which will cater for top ups
- taking income including Tailored Drawdown and one off UFPLS payments.

EXISTING ARRANGEMENTS			NEW	?
Value	£15,000.00	Existing crystallised funds	DELETE	
Invest into	investment strategy			
Value	£20,000.00	Existing uncrystallised funds	DELETE	
Invest into	investment strategy			

TRANSFERS			NEW	?
Date	04/05/2021	Uncrystallised funds transfer	£10,000.00	DELETE
Invest into	investment strategy			
<input type="radio"/> In-Specie				
Date	04/05/2021	Crystallised funds transfer	£200,000.00	DELETE
Invest into	investment strategy			
<input type="radio"/> In-Specie				
<a href="#">PENSION PROTECTION</a>				?

# SIPP illustrations

There are several illustration types for the 7IM SIPP, so we have provided this quick reference guide to make it easier for you to determine which one you should use to meet your client's specific requirements.

Type	Payments in		Payments out		Additional comments
	Crystallised	Uncrystallised	PCLS	Income p.a.	
Pre-retirement	✗	✓	✗	✗	Uncrystallised funds will be received, and no crystallisation is required
Full drawdown	✗	✓	✓	✓	Uncrystallised funds will be received and 7IM will crystallise
Part drawdown	✗	✓	✓	✓	Uncrystallised funds will be received and 7IM will crystallise
Review	✓	✓	✓	✓	Option to have either crystallised and / or uncrystallised asset. 7IM will crystallise as appropriate
Transfer in drawdown	✓	✗	✗	✓	Asset already crystallised
Tailored in drawdown*	✗	✓	✓	✓	Uncrystallised funds will be received and 7IM will crystallise
Phased drawdown**	✗	✓	✓	✓	Uncrystallised funds will be received and 7IM will crystallise
UFPLS withdrawal	✗	✓	✓	✓	Uncrystallised funds will be received and 7IM will crystallise

\*Please refer to our tailored drawdown guide which gives you more information on how much income you take from the crystallised pot.

\*\*Please note: phased drawdown, you need to take the income that is generated as you crystallise.



# Questions and answers

## 1. What charges make up the categories in the investment summary page?

The following table demonstrates what the charges are made up of, please note some of these may not be applicable in all circumstances.

### Product charges

	Charge type	One-off costs	Ongoing costs	Transaction costs
<b>SIPP fees</b>			✓	
	Annual fee	✓		
	Crystallised funds transfer in fee	✓		
	Crystallisation fee			
	SIPP annual income payment		✓	
	Review of income levels	✓		
	Switch from capped drawdown to flexi-access drawdown	✓		
	Tailored drawdown crystallisation	✓		
<b>Investment charges</b>				
	Initial fund charge	✓		
	Annual ongoing charge		✓	
	Annual fund transaction cost			✓
<b>Platform fee</b>	Annual fee		✓	
<b>Discretionary fee</b>	Annual fee		✓	

## Questions and answers

### Continued

#### Service charges

Charge type	One-off costs	Ongoing costs	Transaction costs	Incidental costs	Ancillary costs
Initial adviser charge	✓				
Ongoing adviser charge	✓				

#### 2. Why does the charge % differ between summary pages?

The product and adviser charges section states the percentage that has been put into the illustration (**A**).

However, within the summary of charges, the percentage has been recalculated on the basis of the actual cost that have been worked out (**B**).

#### Adviser charges

These are charges that you've agreed to pay from the product to your adviser.

Adviser Ongoing Charge

For year one of the illustration this equates to £554.

1.00%

No decimal places

A

#### Itemisation of service charges for year 1

One-off costs

£0.00

0.00%

These are costs taken once throughout the term of the illustration.

Ongoing costs

£553.75

0.96%

These are costs taken each year for managing your product and investments.

2 decimal places

B

### 3. What growth rates do you use when calculating the illustration?

All of the growth rates used are subject to a cap imposed by the Financial Conduct Authority (FCA), these are known as the standard FCA growth rates.

<b>Wrapper</b>	<b>Low</b>	<b>Mid</b>	<b>High</b>
Savings	1.5%	4.5%	7.5%
Pension	2.0%	5.0%	8.0%

Therefore if the fund manager believed they would achieve higher than 5% we would still need to cap the growth in line with the wrapper being illustrated on.

This covers structured products, mutual funds and equities.

Please note our previously illustrations only projected at standard rates as above regardless of the asset class.

### 4. Why are some funds showing growth rates less than the standard FCA growth rates?

The FCA also prescribes that for certain assets these have to be projected as follows.

<b>Security Type</b>	<b>Low</b>	<b>Mid</b>	<b>High</b>
Physical cash	-1.5%	1.5%	4.5%
Corporate bonds	-0.2%	2.8%	5.8%
Government bonds	-0.1%	0.2%	5.0%
Equities	2.0%	5.0%	8.0%
Structured products	2.0%	5.0%	8.0%

### 5. How is a fund growth rate calculated for when a fund invests in a number of asset classes?

Where a fund is made up of a number of asset classes we will work out a blended rate based on the asset split % and put the fund into the following bands when determining the growth rate to be used.

0.5%   1.0%   1.5%   2.0%   2.5%   3.0%   3.5%   4.0%   4.5%   5.0%

The figure displayed is the mid growth rate.

## Questions and answers

### Continued

#### **6. Why in the effect of charges table does the amount I invested show less than I paid in?**

All values in this table have been inflation adjusted by 2.0% (which is prescribed by the FCA), the purpose of this is to show the value in real terms i.e. what your money would be worth in today's money.

This only applies to Pension products and not savings, therefore these will look different when you generate a savings illustration.

#### **7. How are the charges taken into account?**

We store and calculate all of the following charges, so you don't have to calculate these manually.

- The 7IM Platform Fee
- Fee for using 7IM Funds
- Fund OCF
- Transaction Fee
- SIPP charges where applicable
- Any adviser fees (initial and ongoing)

See the charging scenario in the following examples.

#### **8. Why can't I select some funds?**

We will only show funds that have an OCF and that are tradeable.

It may be that the fund you have selected is not available for ISA's or SIPPs.

If however there is a fund that you believe is tradeable and has an OCF please contact the Platform Service Team and they will look to get this resolved for you.

#### **9. Why is one of my model portfolios not available?**

A model portfolio will only be selectable if all funds are tradeable and have an OCF.

Please ensure that you keep the model portfolio updated on the platform ensuring only tradeable funds are included.

If you urgently need access to a model portfolio that is currently not set up on the illustration tool then please contact the Platform Service Team who will be able to assist you.

## 10. Can I illustrate where I am switching between funds?

Although the illustration has not been specifically built for this scenario, you can perform an illustration and enter a lump sum equal to the current value then input the funds you are switching into. Remember to only add an initial fee if you charge for switching.

## 11. Why are some model portfolios appearing on the illustration tool that I haven't set up?

There could be instances where a portfolio has been set up as a shell waiting for you to confirm you want to start using it.

Please contact the Platform Service Team if you see these and they will remove this from the illustration tool.

## 12. Why are there more Model Portfolios appearing on the platform but this is restricted?

It could be due to one of the issues highlighted in item 7 above or it could be that you belong to a network. In platform all model portfolios are displayed for all members of a network, but within the illustration tool we have restricted these to only show to the relevant practices.

## 13. What assets are is the ongoing charge calculated on?

Your ongoing adviser charge is calculated on all investments including cash.

## 14. How is the reduction in yield calculated?

The reduction in yield is calculated by deducting all charges from the mid growth rate, however the figures are calculated on a monthly basis in the following order.

- Any new monies are added.
- Any monthly charges are calculated.
- Any growth is applied.
- This then repeats on a monthly basis.

## Questions and answers

### Continued

#### **15. Are there separate log in details required for accessing the illustration tool?**

No, you can access the illustrations via our platform and will automatically be logged in. If however,

you are presented with a log on page, please contact our Platform Support Team, who will be able to help you.

#### **16. Why can't I see my client's details in the illustration screens?**

The illustration system does not automatically populate. Instead you will need to include some basic information to set up a client. This only needs to be done once. The illustration system will store the information provided for future use.

- Select the relevant pension product and 7IM SIPP then Illustration type of pre-retirement.
- Enter £500,000 as the transfer in amount.
- Add a wrap valuation of £300,000.

#### **Illustration details**

Will be based on a £500,000 investment charged as follows £200,000 at 0.30% and the remaining £300,000 at 0.25%.

If you would like further  
information regarding any  
of our services:



**020 7760 8777**



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