The smart investment platform

New SIPP Illustration

FAQs

Our new illustration tool, provided by Dunstan Thomas, enables advisers to generate illustrations for transfers into the Novia Global UK SIPP.

These FAQs explain how the tool works, the scenarios available and how to interpret the information shown in your illustrations.

Illustration scenarios

Which scenarios can I illustrate using the new tool?

There are two illustration scenarios available:

- **Uncrystallised transfer in** – for transfers of pension benefits that have not yet been crystallised.
- **Drawdown transfer in** – for transfers of pension benefits already in drawdown.

These reflect the two routes for transferring pension benefits into the Novia Global SIPP and are the same scenarios supported by our previous illustration system.

Can I generate an illustration for a Benefit Crystallisation Event (BCE)?

No. BCE illustration scenarios are not currently available through the new tool.

Illustration end dates

What end date should I use for an uncrystallised illustration?

An uncrystallised illustration covers the period before retirement, so the end date would normally reflect your client's intended retirement date.

The tool defaults to the client's 65th birthday, but you can change this to reflect their individual plans.

Why can't I change the end date on a drawdown illustration?

Drawdown illustrations cover the period after retirement. In line with FCA requirements, the illustration must run to the client's 99th birthday.

This end date is set automatically and cannot be changed.

Why does the drawdown illustration show an annuity purchase at age 99?

This is a regulatory requirement rather than an assumption that your client intends to purchase an annuity at age 99.

It provides a consistent basis for comparing illustrations from different pension providers.

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Critical yield

Can I calculate critical yields at different ages?

The tool provides critical yield calculations at ages 65, 70 and 75, and at the illustration end date of age 99.

Why doesn't my uncrystallised illustration include a critical yield?

Critical yield calculations are only included in drawdown illustrations.

Annuity details

Can I specify how much Pension Commencement Lump Sum (PCLS) my client intends to take?

The tool illustrates two scenarios:

- No PCLS taken (0%).
- Maximum PCLS taken (25%).

Both scenarios are included automatically in every uncrystallised illustration. It is not currently possible to enter an alternative percentage.

Multicurrency

My client's pension will be held in USD or EUR. Can I generate an illustration in that currency?

No. All illustrations are produced in GBP to meet UK regulatory requirements.

Transfers into the Novia Global SIPP are received in GBP, so this is the currency used for the illustration.

If the transfer value is held in another currency, you will need to convert it into GBP using the relevant exchange rate before entering the amount.

My client's existing investments are held in USD or EUR. How should I include these?

The illustration tool only accepts values in GBP.

You will need to convert the value of any existing investments into GBP using the relevant exchange rate before entering them.

Product charges

What is the initial dealing charge?

This is the cost of purchasing the investments selected for the illustration.

The calculation assumes that the investments are purchased once at the outset, which is why the charge is described as an initial dealing charge.

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Investments and investment charges

Where do the investment charges come from, and what do they mean?

Investment charge information is provided through a regular data feed from fund managers.

The charges are divided into three categories:

- **Ongoing costs:** The costs associated with managing and operating the investment.
- **Transaction costs:** Costs incurred by the fund manager when buying and selling investments within the underlying portfolio.
- **Incidental costs:** Charges that apply only in certain circumstances, such as performance fees.

Together, these represent the overall annual investment costs used in the illustration.

Investment growth rates

Why are the growth rates different from my expectations for a particular investment?

Illustration growth rates are based on broad asset categories rather than the expected performance of individual funds or investments.

They are not intended to predict future returns or reflect historical performance.

We review the assumptions periodically to ensure they remain appropriate and meet FCA requirements.

Why is the middle growth rate shown as 2.94%?

FCA projection rules prescribe a maximum middle growth rate of 5% a year before allowing for inflation. After adjusting for inflation of 2% a year and expressing returns in today's prices, this is equivalent to a real growth rate of 2.94%, which is the middle growth rate shown in this illustration.

Why do the high and low growth rates follow the same pattern?

FCA rules require the high growth rate to be three percentage points above the middle rate, and the low growth rate to be three percentage points below it.

These adjustments are applied before the figures are converted into inflation-adjusted (real) terms.

As a result, the differences shown in the illustration may not be exactly three percentage points.

Why does one of my investments show a negative low growth rate?

A negative real growth rate means that, under the low growth scenario, the investment is assumed to grow more slowly than inflation.

It does not necessarily mean the investment is expected to fall in value in nominal terms.

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Managing existing illustrations

Can I access or amend an illustration I've previously created?

Yes. Previous illustrations are stored within Imago rather than on the Novia Global website.

To access them:

1. Submit an illustration request through the Novia Global website to open the Imago interface.
2. Select **CLIENTS** from the menu at the top of the screen.
3. Find the relevant client in the list of recently created records.
4. Open the illustration to review or amend the available details.

Please note that some information, including charges, cannot be amended once submitted to Imago.

Can I access illustrations created by another adviser in my branch?

No. You can only access illustrations created using your own login.

Why has Imago created a duplicate client record when I generate another illustration?

Imago creates a new client record each time an illustration request is submitted.

It does not automatically match new requests to existing client records, so you may see multiple records for the same client.

Can I delete previous illustrations or client records?

No. Illustrations and client records cannot be manually deleted.

They are retained in Imago for five years, after which they are automatically removed.

Why can't I change the charges on an existing illustration?

Charges can only be entered when you first submit the illustration details.

Once the information has been transferred to Imago, these fields are locked and cannot be amended.

If you need to change the charges, you will need to start a new illustration request through the Novia Global website.

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