

## Press Release

### SIPP cost allegations naive

3rd July 2008

AJ Bell one of the UK's largest SSAS and SIPP providers believe that a greater understanding of SIPPs is required with many general allegations of high cost being naive.

Figures from the AJ Bell Group's SIPPcentre prove that it is crucial that you must look beyond general statements on costs and charges and consider some of the detail. The following case study clearly illustrates why greater understanding is needed.

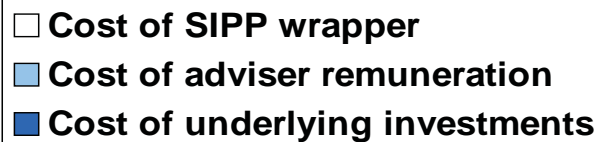
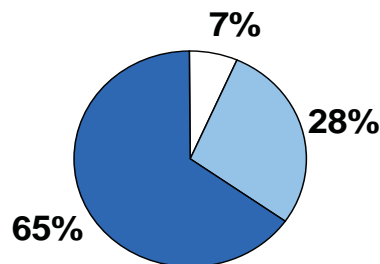
#### Client details

- Male client, 40 next birthday, TV £100,000, Normal Retirement Age of 60.
- Investment is into a range of collectives with an average Total Expense Ratio of 1.5% pa.
- Adviser remuneration of 3% initial plus 0.5% fund based has been requested and charged to the SIPP cash account.

Results - Total Reduction in Yield (RIY) shown on the illustration 2.50%.

Note - All figures and charges are based on a client investing into a SIPP on SIPPcentre.

The SIPP wrapper share of the 2.50% RIY is 0.17%, which AJ Bell argue is a reasonable price to pay for the flexibility and range of investment freedom on offer. The figures demonstrate that the underlying investments you select can often be responsible for the majority of the cost.



Billy Mackay, Marketing Director of A J Bell, says "In a world where investment freedom and un-bundled charges are becoming normal, these figures show that you must look beyond the headline rate. SIPPs satisfy a clear demand for flexibility and control, ultimately the total cost is driven from the decisions made by the client. The days of saying that one type of pension is categorically more expensive than another have gone".

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## Notes for Editors

Pictures available here or by contacting [kirsty.zollinger@ajbell.co.uk](mailto:kirsty.zollinger@ajbell.co.uk)

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Our customer proposition - Market leading, low cost, transparent, service, value, choice, leading functionality, integrity, award winning.

Our business - Market leaders, growing, innovative, own intellectual property, profitable, stable, we don't provide advice or investment management.

Established in 1995, A J Bell Group specialises in providing administration, trustee and actuarial services for SIPP and SSAS.

The A J Bell Group is now one of the largest SIPP trustee and administrators in the UK with in excess of 32,000 individual SIPPs and assets under administration exceeding £8bn. It provides third party SIPP administration services for Barclays Stockbrokers, Halifax Share Dealing, Skandia Life and E\*Trade.

Recent research by CoreData Research places SIPPcentre alongside Standard Life as advisers' two most preferred SIPPs.

A J Bell Group have won an array of prestigious industry awards recognising our reputation for leading products and services. A J Bell Group products include SIPPcentre, Sippdeal, Sippdealxtra and A J Bell.

