



MAC FINANCIAL

Corporate

The Independent *Advisor*

Winter/Spring 2008

This Issue:

MAC's First Four Years

Important Changes in the Pension Market

Meet our Wealth Management Team



Nigel Gregg, MAC Financial's new Client Services Director

The First Four Years – A Success Story

MAC Financial has just celebrated its 4th anniversary and is the largest Corporate IFA on the Island.

In January 2004 MAC Financial was born as a result of a management buy-out, led by *Jon McGowan*, of Aon Financial Services. In 2005 MAC acquired Marsh (IOM) Limited's Financial Services book of business and in 2006 acquired Anglo Irish Bank's IFA Division. In 2007 the MAC FreeSIPP was launched in anticipation of the proposed pension changes. Introduced in May, it has been the most successful product launch we have ever done. So what can MAC Financial promise for 2008?

The continued success of the organisation means that we have now outgrown our original site in Hope Street, and will shortly be moving to our new premises in Athol Street.

We are also delighted to welcome *Nigel Gregg* as Client Services Director (*left*). Nigel is an experienced Senior Director with an outstanding record for delivery and transforming established Financial Services companies in the UK and Offshore. His role within MAC will be to ensure that existing clients continue to receive a quality service and to identify new business opportunities and services which will support MAC's customers.

MAC Financial remains totally committed to supporting businesses and individuals on the Isle of Man and to providing an excellent service at all times. We achieve this through a combination of well qualified and professional staff, supported by efficient systems and infrastructure.

An example of our lateral thinking with regard to speed and quality of service is *Kim Rose*, a previous employee of MAC Financial on the Isle of Man, who is now living in Australia. Kim is linked into our systems on the Isle of Man and, while our office is closed overnight, Kim works on administration processes leaving the results for our staff to access when they arrive for work next morning.

We thrive on our close relationships with our clients, many of whom regularly refer new customers to us, exploring ways in which we can provide complementary services. We also work closely with Government departments to represent the interests of our clients and our industry. One of our beliefs is to innovate – we have consistently challenged accepted practice to redefine the Financial Services landscape.

We also establish partnerships with other leading companies where we believe that our combined skills provide the best level of service for our clients. The work we do with Capital International and Cube Treasury Services reflect this.

Our recent corporate client survey received an overwhelmingly positive response. The results were exceptionally reassuring and we would like to take this opportunity to thank everybody for their excellent feedback.

MAC FINANCIAL

MAC Financial administer 300 Corporate Schemes on the Island, helping to safeguard 4,500 employees.

99%

of our customers who responded thought that our service and products added value to their staff benefits package.



Chris Reynolds,
Senior Consultant,
Corporate Pensions

Significant Changes in the Pension Market

From April 2008 we will see major changes made to the pensions legislation on the Isle of Man. We set out below how this may affect your future plans.

KEY DIFFERENCES

- a) Greater flexibility on the investments possible within a pension plan. Most flexibility will come through a Self Investment Pension Plan (SIPP).
- b) The removal of the need to buy an annuity. It will be possible to take income withdrawals from the fund.
- c) The tax free lump sum limit is raised from 25% to 30%.
- d) The breaking of the link between the lump sum payment and the commencement of pension payments. The lump sum can be taken before pension payments commence.
- e) Trivial commutation level raised - whereby total pension benefits below a certain level can be commuted into a tax-free amount up to a specified limit with the remainder being liable to tax.
- f) The ability to be a member of a company scheme and to have a personal pension arrangement into which you can actively contribute.
- g) No lifetime allowance limits.
- h) Removal of the tax-free cash cap.

In May 2007 MAC Financial launched its new Self Invested Personal Pension contract (the FreeSIPP) which offers a wider choice of investments than a typical insurance based Personal Pension and more flexibility regarding how and when the benefits can be taken. The pension can be commenced at any time up to age 75 and taken in the form of income drawdown, an annuity or a mixture of the two. In addition up to 30% will be available as a tax free lump sum.

The MAC FreeSIPP is so named because there are no set-up, administration or trustee fees associated with the SIPP contract itself. As with all SIPPs, there are costs associated with the underlying investments – these are kept to an absolute minimum and reflect the “institutional-type” prices that MAC can achieve.

Contributions can be made as regular payments, single payments or the transfer of one or more other pension arrangements to the SIPP, subject to the minimum requirements. The minimum initial contribution is £75,000 and the minimum additional top-up payment is £5,000. It is proving very popular with Manx residents.

The underlying investments are managed by Capital International Limited through their Managed Portfolio Service, which offers a choice of three investment strategies. Alternatively, it is possible to invest in an extensive range of some 3,500 other investment funds from many of the world's leading investment groups.

It has been given Tax Office approval as a Qualifying Recognised Overseas Pension Scheme (“QROPS”) and therefore each separate SIPP contract does not require individual approval from the UK Revenue (HMRC).

We also believe that there could be significant tax savings for Expats who may not be living or residing in the Isle of Man but have accrued UK pensions benefits. We would be happy to discuss the potential opportunities with you.

MAC Financial, as the leading pension IFA on the Isle of Man, has extensive experience in pension provision both for individuals and organisations and would be pleased to discuss the available options with you.

Visit: www.FreeSipp.com

MAC FINANCIAL

Our Wealth Management Division continues to grow with assets under management now in excess of £125m. (see back page)

89%

of our customers who responded said they have or are very likely to introduce MAC to colleagues or friends.



“The MAC Financial Wealth Management team is dedicated to providing solutions to clients who have amassed wealth or who are looking to build wealth for their future.”



The MAC Financial Wealth Management Team (from left to right): Steve Shimmin, Consultant; Louise Reed, Technical Support; Clare Watson, Consultant; Jon McGowan, Managing Director.

We launched our dedicated Wealth Management division during the summer of 2007 to cater for the growing number of private clients we are dealing with. Many of these have come through our various acquisitions and our existing investment customers who were in need of a bespoke service.

The Wealth Management team is dedicated to providing solutions to clients who have amassed wealth or who are looking to build wealth for their future. The tailored services include Pensions, Investments and Protection Planning.

With our presence on the Island and our client base, we are able to secure preferential terms with

many of the product providers and ensure our clients benefit financially.

Steve Shimmin heads up our advisory team supported by Claire Watson and Louise Reed, with a dedicated administration team alongside.

One of our clients who has dealt with many financial advisers over the years, commented about how reassuring it was to deal with a professional team, free from any undue “sales” pressure who, they felt, was dedicated to their specific needs.

If you would like to obtain more information, please contact the office to arrange an initial discussion with one of our specialist advisers.

MBO for Mannin Media

MAC has recently been involved in the management buyout of *Mannin Media Group*, the Island’s leading printing and magazine publishing business.

We have had involvement in a number of these recently assisting with their employee benefit schemes and Actuarial due diligence.

Steve Brown, CEO Mannin Media, commented that he was delighted at the support received from the team at MAC during an intense period of transition.



Financial Due Diligence Provider:



Debt Provider



Pensions and Actuarial Due Diligence Provider:



All the support you will ever need.

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 MAC Financial Pension Trustees Limited is registered with the IPA as a Professional Retirements Schemes Administrator