

Case Study

Alternative Investments

Transferring his pension into a Pointon York SIPP has given William the flexibility to control how his retirement savings are invested, with choice from the widest range of HMRC allowable investments.

William, a successful business owner, was looking to invest some of his savings, and had noticed that while property prices had been falling, the value of gold had been sharply rising.

He consulted his Independent Financial Adviser (IFA), John, who warned that gold was a volatile asset and its historical performance could not indicate future performance, but highlighted its potential for high returns. John advised William that compiling a balanced portfolio was the most prudent hedge against any one asset falling in value, therefore investing in a range of assets including physical gold was an effective way of achieving this.

William was keen to invest, but was unsure how to go about it. John highlighted that physical gold was one of the range of investments permitted in a self-invested personal pension (SIPP). He explained that William would benefit from tax relief if he made the investment in gold via a SIPP, as well as benefiting from tax free capital gains on his investment. William also agreed that it would be a good idea to transfer his existing pension pot to a SIPP as it would consolidate his pensions into a single bespoke pension arrangement that would allow him to invest in a balanced asset portfolio to save for his ideal retirement. John recommended SIPP provider Pointon York for its strong reputation for undertaking shrewd due diligence to minimise investment risk.

In order to avoid tax issues, gold within a SIPP had to be stored securely where it was not accessible by the member. Pointon York worked closely with an established gold provider to ensure that William's gold would be stored in a secure depository authorised to hold the investment, and that the necessary insurance cover was in place. Once the due diligence team was satisfied that all parties were authorised, William transferred his existing pension pot of £300,000 and £15,000 of savings into a Pointon York Individual SIPP, and used it to purchase 28 units of gold (each 1 oz).

At the time of purchase, the value of gold was £538 per oz, therefore William's investment of 28 units of SIPP required purity totalled £15,064. Less than two years later the value of gold had risen to £866 per oz, and William's investment was worth £24,248. He had increased the value of his investment by approximately 60% (less buying costs) and was looking to invest more of his SIPP fund in other assets in order to hedge against future volatility.

Summary

Before

Business owner William was keen to invest some of his savings in gold. He had a pension pot with another provider worth £300,000 and was willing to invest £15,000 of his savings.

After

William has a Pointon York Individual SIPP which contains his existing pension pot and 28 units of physical gold. William received tax relief on his asset because he invested via his SIPP, and now has the flexibility to choose how his retirement savings are invested. He is currently looking to invest in a range of additional assets in order to create a balanced portfolio. William knows that his gold is stored securely and legitimately thanks to Pointon York's stringent due diligence checks, and he has seen a high return on his investment during the first two years.

For more information about
The Pointon York Individual SIPP
and other products in our range,
please contact our distribution team on
t: 01858 419300,
e: enquiries@pointonyork.co.uk
or visit our [website:](http://www.pointonyork.co.uk)
www.pointonyork.co.uk