Illustrate and Apply

Accessing the tool

Illustrate and Apply is currently only available for SIPP illustrations. For now, ISA & GIA illustrations will continue to use Imago.

How to access Illustrate & Apply:

1. On the Dashboard, click the **New Business** icon
2. Choose **+ Create client**
3. Basic client information is all that's required to create an illustration, here you'll only need to enter the client's **Name, Date of Birth, and Address details.** Then click **Create**
4. On the Client record page you can choose to enter additional client information by clicking **Edit** (this isn't mandatory until you move into the application itself), or continue by clicking **Illustrate and apply**

   Note – An illustration is always required before starting a SIPP application.
5. In the SIPP section, click **Create Illustration**

ISA & GIA journeys

You'll also need to follow steps 1-4 above, but you'll instead navigate to the 'Apply for other products' section and then you can access the Illustration, Fund Research Centre & Wrap Charges Calculator tools.

We positioned the journey like this to prepare Illustrate and Apply for our ISA & GIA products, which will be launching in the near future.

How it works

If both uncrystallised and crystallised events are chosen within Illustrate and Apply it will generate separate illustrations for each type.

For example, if you illustrate one uncrystallised and three crystallised transfers the system will generate two separate illustration documents.

Any exceptions?

We don't currently provide the option to illustrate or apply online in these scenarios:

- A bespoke investment strategy and a model portfolio (excluding PruFund and Model) in the same account
- Two (or more) separate accumulation accounts with two separate model portfolios/ bespoke investment strategies
- Partial or drip-feed drawdown where you want to instruct a different model or bespoke investment strategy for the decumulation account to the one selected for the accumulation account
- Bespoke DFM charge
- Third party contributions

Please refer to the examples on Page 3 for how to process some of these illustrations and applications.

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How to illustrate re-registration transfers

You can specify that the transfer is a re-registration and then indicate on the illustration and apply journey, the intended investment strategy once the assets hit the platform. The chosen investment strategy will show in the illustration but no investment instructions will be triggered.

Although the intended assets will be detailed in the illustration, the user will need to switch into these assets once the re-registered assets are received into the platform.

How to illustrate different investment strategies

You can easily clone illustrations for clients if you are running certain scenarios for different investment strategies, for example.

Multiple illustrations for various scenarios can be created quickly and easily.

Retrieving your illustrations

At the pre-sales stage only, when there are two illustrations, it's important to save these illustrations as one will disappear when you leave the "illustration complete" screen.

However you can access the Client record and re-run the illustrations again using the "clone" function to obtain updated versions of the two illustration PDFs. Remember to save it the second time!

Unused Pre Sales illustrations will disappear from the Client record as soon as the user submits the business.

Selected pre-sale and point of sale illustrations will be held on the Client record for 6 months after which the point of sale illustration can be viewed in the application form in the Correspondence area.

What happens when you submit an application?

The point of sale illustration will be attached to the end of the application form that is sent to the client via DocuSign. The application form (with attached Point of Sale illustration) will also be saved in the Client's correspondence, where it can be accessed by all users within the firm.

You will be asked if there is a requirement for the illustration and application that could not be chosen in the journey. If this applies, you must produce a manual illustration. If you do produce a manual illustration as noted in the scenarios below then we won't attach an illustration to the application.

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Example Scenarios

1 Multiple model approach

If you are looking to illustrate a two model approach, as in using a secondary account for investments into a second model, you will need to go through the Illustrate & Apply journey and then access the Imago tool to produce an illustration that covers the chosen strategy across the total SIPP value.

Example

Split investment strategies such as a £200k transfer with £100k split over 2 models.

How you'd set this up

Key through the illustration to show the £200k transfer Money in and select the primary model in the investment screen. Put £100k into the model, the secondary account value should be put in the cash position, £100k in this example.

You will then need to create the illustrations in the Imago single sign on section, to create the illustration for the £200k transfer going into both. Optionally, you can also access the WCC to create a Charges Summary Document (CSD) for each model scenario.

2 Hybrid approach (one model & bespoke assets)

If you are looking to illustrate a hybrid of a model and bespoke asset approach, you will need to go through the Illustrate & Apply journey and then access the Imago tool to produce an illustration that covers the chosen strategy across the total SIPP value.

Example

Single fund (excluding PruFund) and model such as a £200k transfer with £100k split over one fund and one model.

How you'd set this up

Key through the illustration to show the £200k transfer and select the primary model in the investment screen. Put £100k into the model and then the remaining value should be put in the cash position, £100k in this example.

You will then need to create the illustration in the Imago single sign on section to create the illustration for the £200k transfer going into the model and bespoke asset selection. Optionally, you can also access the WCC to create a Charges Summary Document (CSD) for the above scenario.

Please note for PruFund and a Model, known as Model Portfolio and Smoothed Funds, you can process this as normal within the Illustrate & Apply journey.

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Useful Information

Platform Charges

In the Product and Adviser Charges section we show the applicable platform charges. The charges are displayed as an overview of the tiers and rates.

However, we are unable to show the exact rate that applies to the client.

You will need to work out the tier and rate that applies based on the fund value and any other applicable values, such as Other products or Family Groups etc.

We recognise this is an area that could be improved.

Product Costs and Service Costs

These two cost categories are defined by MiFID rules. The MiFID rules require us to break these categories down further into the following sub-categories; one-off costs, ongoing costs, transaction costs, incidental costs and ancillary costs.
The following notes may be useful to help explain the categories:-

- Product Costs: all Fund Manager charges and all Platform charges
- Service costs: all Adviser Charges
- Transaction costs: costs related to transactions performed by the Fund Manager. For example, broker commissions, PTM levy, exchange fees, stamp duty etc
- Incidental costs: costs incurred by the Fund Manager not covered by transaction costs. For example, performance fees, carried interest.

MiFID Summary of Charges

In the MiFID section of the illustration (the Summary of Charges), the percentage charges shown are based on the fund value at the **end of the first year**.

To explain, if you have entered an initial charge of 1%, this will be charged on the fund value at the start of the year. For example, a 1% initial fee on £100,000 fund will equate to a monetary value of £1,000.

The monetary value is then compared to (divided by), the projected fund value at the **end of the first year**. For example, if the projected fund value is £102,000, the percentage will be calculated as 0.98% (£1,000 /102,000 x 100).

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