

Advance by Embark Platform – pre-funding at a glance

Do the platforms you use pre-fund? If not, your pension clients could be missing out on potential growth on Pension Relief at Source for up to 78 days on each contribution they make.*

Advance by Embark is a trading name of Sterling ISA Managers Limited (SIML), a wholly owned subsidiary of Embark Group.

One of the ways the Advance by Embark Platform can add real value to your client offering is by pre-funding certain investment transactions, including Pension Relief at Source – **this could be up to a period of 78 days!** This means we're able to reduce the amount of time your clients spend out of the market compared to some other platforms.

Platforms often emphasise the ease with which trades can be placed and administered. However, equally important is how money gets on and off a platform and how efficiently it moves during all transactions.

In many scenarios, the Advance by Embark Platform trades assets on sight of money or on confirmation of a trade. This means we can invest your client's money at the earliest possible opportunity.

You don't have to do anything to take advantage of pre-funding as the Advance by Embark Platform automatically provides it for everyone. Below you'll find summaries of how pre-funding applies at the following key stages:



01

When new money is added to a portfolio.



02

When trading takes place within a portfolio.



03

When money is paid out.

*For example, if investing in to a Retirement Account on 5 July, we will credit PRAS to your clients account immediately, but will not receive it back from HMRC until 21 September – a total of 78 days.



01

When new money is added to a portfolio

Once all necessary paperwork and payments have been received, normally the purchase of the requested assets will take place without the payments needing to clear.[†] In addition, the crediting of Pension Relief at Source on both regular and one-off payments to the Retirement Account is pre-funded.

It is important to understand whether the Platform(s) you are using pre-funds, or whether they transact on cleared funds only.

If a Platform only transacts business on cleared funds, this will result in a delay in trades being placed.



02

When trading takes place within a portfolio

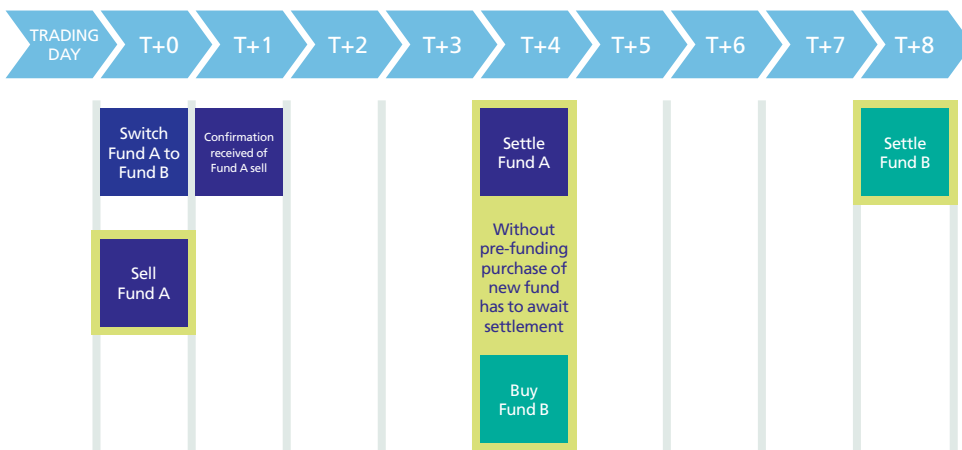
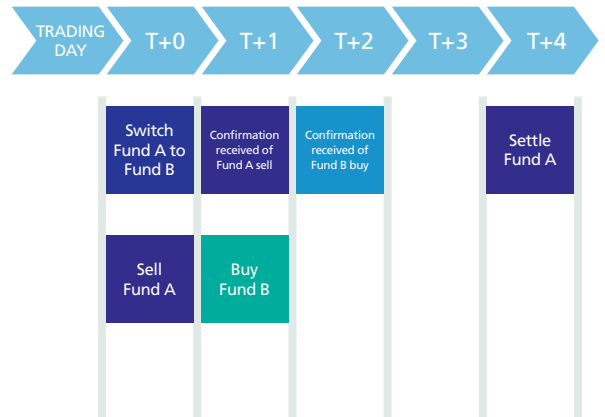
Once a trade has been confirmed, we will pre-fund investment switches while awaiting settlement – this reduces the amount of time your clients are out of the market.

Clients expect their adviser or investment adviser to be able to manage their investment risk and take decisive actions in a timely manner. It is therefore important to consider whether a platform does or doesn't pre-fund switches and whether it supports you in being able to react quickly when trading, reducing risk of time out of the market.

Example 1 – Applying pre-funding

Here's an example of how the Advance by Embark Platform operates a trade. Below is a simple switch from Fund A to Fund B. Fund A is sold on T+0 (day 1) and Fund B purchased on T+1. We do not await settlement of Fund A before purchasing Fund B.

The potential benefits of pre-funding increase further in the event of multiple trades; for example, when rebalancing a model portfolio on a quarterly basis.



Example 2 – Not applying pre-funding

In contrast, when pre-funding is not applied, a straightforward trade has to await settlement (yellow area indicated) before buying the new fund. The example assumes T+4 for Fund B to be purchased. It could take more or less time depending on each individual platform's processes and fund manager valuation points.

[†]Please note that the Advance by Embark Platform doesn't pre-fund in all instances. Where money must be cleared – for example, where money is coming onto the Platform from the client and/or third parties, and is to be immediately crystallised – the payment needs to clear fully before your client can take any benefits (including PCLS). This may take three to five working days. This also applies to one-off withdrawals.



03

When money is paid out

When clients need to withdraw money from the Advance by Embark Platform, cash will be made available once we receive confirmation of the sale price from the fund manager.[†] In such situations, your clients do not need to wait the extra days for the money to clear.

Retirement Account

With the Advance by Embark Platform, the payment of your client's Pension Commencement Lump Sum (PCLS) will be pre-funded. Cash will be available to pay out once the price has been received from the fund manager(s).[†] This allows clients to be in receipt of their lump sum up to a week before other platforms that do not pre-fund PCLS payments.



Investments

The Advance by Embark Platform will pre-fund one-off withdrawals out to your clients from the platform. While some competitor platforms will wait for receipt of funds (settlement) before allowing withdrawals to be made, we will make the cash available once we have received a price from the fund manager(s).[†] This means that your clients could receive their money up to five working days sooner on our platform than on others.



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