### THE PENSIONS MANAGEMENT INSTITUTE

**Questions 2021**

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| **Module** | Core unit 4 |
| **Session** | April 2021 |

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| **Question Number: 1** |
| (a) What is the objective of an Absolute Return Fund (3 marks)  (b) how is this achieved (7 marks)?  Maximum 10 marks |

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| **Question Number: 2** |
| Pension scheme liabilities are sensitive to movements in interest rates and inflation. Describe inflation risk giving a worked example.  Maximum 10 marks |

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| **Question Number: 3** |
| Explain what is meant by the Safe Withdrawal Rate (SWR) and describe the SWR and the sequence of returns risk (10 marks)  Maximum 10 marks |

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| **Question Number: 4** |
| List and briefly describe the authorisation criteria given by TPR for Master Trusts.  Maximum 10 marks |

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| **Question Number: 5** |
| (a) Briefly describe what CDI is (5 marks)  (b) List the options for a member with a DC pot under the "Pensions Freedoms" (5 marks)  Maximum 10 marks |