



Pensions Management Institute

Moving pensions forward

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Core unit 4 - Financing and Investing for Retirement Provision

WEDNESDAY 12 April 2023 2-4 PM

TIME ALLOWED: 2 HOURS

Pass Mark - 65

PMI Number	<input type="text"/>
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1. This contains several short answer questions. Attempt **ALL** questions. The total marks for this paper are 100.
2. Type all your answers in the answer box provided.
3. It is suggested to allocate your time according to the proportion of marks each question attracts.

Question Number: 1

Describe the various objectives of a decumulation strategy for a DC plan including how they can be met by an annuity or drawdown or a combination of the two.

Total Marks**20****Question Number: 2**

List the sections normally included in a typical IMA.

Total Marks**10****Question Number: 3**

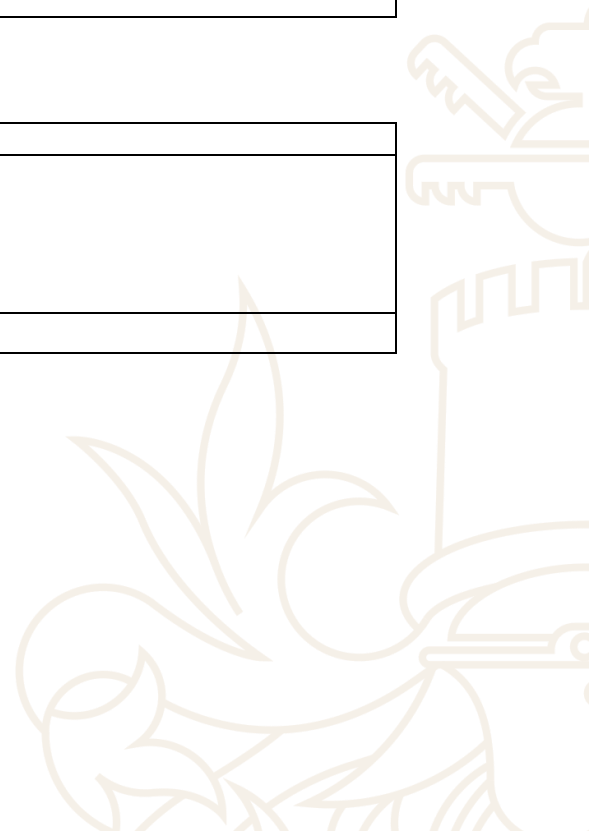
Outline the considerations that are relevant to the assessment of employer covenant and describe the ways in which the strength of the covenant can be improved.

Total Marks**20****Question Number: 4**

Explain what is meant by hedging and hedging ratio when discussing LDI.

Total Marks**5****Question Number: 5**

Define the FCA and list its objectives.

Total Marks**5**

Question Number: 6

Describe what a buy in is and how it differs from a buy out.

Total Marks**10****Question Number: 7**

List the four methods which investment professionals use to value a share price and describe how these are calculated alongside other key features.

Total Marks**15****Question Number: 8**

Describe what a bond is.

Total Marks**5****Question Number: 9**

Outline what the Retirement Living Standards are.

Total Marks**10**