



**Pensions  
Management  
Institute**

**Core Unit 4 -Financing and Investing for Retirement Provision**

**Wednesday 11th October 2023 2:15 – 4:15 PM**

**Time Allowed: 2 Hours**

**Pass Mark - 65**

- 1.** Answer **ALL** the questions.
- 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 services which are or may be offered by a custodian. (10 marks)

**Question Number: 2**

Describe the three different categories of funds which may be offered by a DC pension arrangement. (10 marks)

**Question Number: 3**

Explain what Cashflow Driven Investment is and how it differs from Liability Driven Investment.  
(5 marks)

**Question Number: 4**

List the objectives and statutory powers of the Pensions Regulator. (10 marks)

**Question Number: 5**

Describe the features associated with Ordinary Shares and Preference Shares .(20 marks)

**Question Number: 6**

- a. List and describe the two interpretations of a bond's duration.
- b. Briefly outline how bond managers can use duration and its relationship to changes in interest rates .

(8 marks)

**Question Number: 7**

Describe the Trustee's responsibilities for operating a bank account - you should include details relating to delegation to Third Party Administrators. (15 marks)

**Question Number: 8**

Describe the two ways in which tax relief is given on employee contributions. (10 marks)



**Question Number: 9**

List the Investment Governance Principles issued by the Investment Governance Group for DB and DC schemes . (12 marks)