Personal Retirement Savings Account (PRSA)

PROVIDING FLEXIBILITY, WIDE INVESTMENT CHOICE AND TRANSPARENCY FOR INVESTORS WHO WISH TO DIVERSIFY THEIR PENSION ASSETS.

This is a marketing communication.

Retirement Planning

Planning for retirement is now more important than ever. Longer life expectancies and earlier retirement ages mean that many of us will spend up to a third of our lives in retirement.

Retirement planning is crucial to help you maintain your current lifestyle during retirement. Pensions remain one of the most tax-efficient means of investing and accumulating assets over time.

To encourage people to plan more carefully for retirement the Irish Government introduced Personal Retirement Savings Accounts ("PRSAs") which provide everyone with the opportunity to plan for retirement, whether you are self-employed, a proprietary director, an employee, working from home or in part-time employment.

With the development of the self-administered pension market and the introduction of PRSAs, you now have the ability to manage and control the investment of your pension assets.

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Introducing the Cantor Fitzgerald Personal Retirement Savings Account (PRSA)

The Cantor Fitzgerald PRSA provides flexibility, wide investment choice and transparency. This product is attractive for investors who wish to diversify their pension assets.

Our comprehensive range of services includes:

- Dedicated Cantor Fitzgerald portfolio manager
- Online access to view your portfolio
- Full access to Cantor Fitzgerald's extensive equity research online
- A competitive and transparent charging structure
- No set-up costs or exit charges
- Excellent administration, reporting and client services

What are PRSAs?

Essentially, a PRSA is a tax approved investment account for retirement purposes. Its main objective is to combine elements of the existing personal pension and occupational pension regimes.

PRSAs were introduced by the Pensions (Amendment) Act, 2002 ("the Act"). Under the Act, a PRSA is an account established by an individual with a PRSA provider under the terms of a PRSA contract. PRSA providers are persons authorised to produce, market or sell PRSA products, under which they receive monies and invest them on behalf of the individual.

The PRSA benefits will be determined by the contributions paid by and on behalf of the contributor and/or employer and the investment return on those contributions. The PRSA contributor is the beneficial owner of the underlying assets.

There are two types of PRSA - Standard PRSA and Non-Standard PRSA. The main differences are:

Standard PRSAs

- Charges must not exceed 5% of each contribution received;
- Annual management charges are capped at 1% of the value of the fund; and
- Restricted investment options.

Non-Standard PRSAs

Charges are not capped and in most cases are higher than on Standard PRSAs. However, there is greater investment choice and flexibility.

The charges and fund choice available which apply to different PRSA products, particularly Non-Standard PRSAs, will vary between the different product providers. It is, therefore, important that anyone looking to take out a PRSA, whether Standard or Non-Standard, seeks advice on the range of products available.

This booklet details the Cantor Fitzgerald PRSA which is a Non-Standard PRSA.

Non–Standard PRSA Eligibility

- Business Owners
- Directors of investment and property rental companies
- Part time or casual employees
- Professionals
- Self-employed individuals
- Homemakers
- Carers
- Job seekers
- Contractors
- Employees
- Partners in a partnership

You can take out a PRSA if you are not resident for tax purposes in Ireland. However, you will not be eligible for tax relief on contributions to the PRSA if you are not resident in Ireland for tax purposes. Your self-employment, employment, or occupation must be liable to tax under Schedule D or E in the Republic of Ireland in order to claim tax relief on premiums paid into the PRSA.

You may also be able to take out a PRSA in respect of Additional Voluntary Contributions (AVCs) (an AVC PRSA) if you are a member of an Occupational Pension Scheme (OPS) with your employer.

PRSA Tax Savings

1. Contributions

Personal Contributions

Tax relief at the marginal rate is available on personal contributions into PRSAs up to a certain limit. The table below sets out those limits.

Age	% of Net Relevant Earnings
Under 30 years	15%*
30 – 39 years	20%*
40 – 49 years	25%*
50 – 54 years	30%*+
55 – 59 years	35%*
60 years and over	40%*

* Subject to maximum earnings of €115,000 p.a. which may increase at a rate determined by the Minister for Finance.

+ A 30% limit also applies to certain professional sportspersons who are less than 50, such as athletes and jockeys, in relation to their income from their sports occupation.

Employer Contributions

The maximum contribution* an employer can make to a PRSA on behalf of an employee is equal to 100% of an employee's salary. i.e. €100k salary would allow for €100k employer contribution. The current Standard Fund Threshold (SFT) limit of €2,000,000 applies.

*Employer contributions in excess of 100% of the employee's salary, may be subject to tax at source.

2. Investment growth

Investments in a PRSA roll up free of tax[1]. This gives them the potential to earn higher investment returns than similar investments that are subject to tax.

1. Some overseas investments may be subject to tax in the country of origin.

3. Retirement Benefits

Although you do pay tax on your retirement income, you will get a tax-free lump sum that is 25% of your accumulated fund* (except where the PRSA is an AVC PRSA).**

* The maximum level of a pension lump sum that can be paid tax free is €200,000. This is a lifetime limit. Any excess over this limit up to €500,000 (25% of the current Standard Fund Threshold (SFT)) is taxable at the standard rate of income tax. Any amount over €500,000 will be subject to marginal rates of tax including PRSI and the Universal Social Charge (USC).

** The Maximum tax free lump sum which can be taken from an AVC PRSA is subject to the general PRSA limits (set out above), the limits applicable to your occupational or statutory scheme and the limits set down by the Revenue Commissioners (the "Revenue").

This is based on current tax law and may be subject to change through future Finance Acts or legislation. Please see the risk disclosures section on page 10.

Contributions

Contributions to your PRSA can be made at any time with no minimum or maximum level requirements.

Bearing in mind the maximum personal contributions you can make for income tax relief purposes, your level of contributions will depend on your:

- Age;
- Current Income; and
- Expected time to retirement.

You can pay contributions into your PRSA regularly (monthly, quarterly, half yearly or yearly) and this can be done by electronic fund transfer (EFT) or cheque. Your PRSA can also accept once off transfers from another Personal Pension Plan ("PPP"), PRSA or OPS.

Please contact Cantor Fitzgerald to query if further restrictions apply in arranging a transfer value to your PRSA.

Increasing, Reducing or Freezing your Contributions

Such is the flexibility of your PRSA product that you are free to increase, reduce or freeze your contributions to suit your own personal circumstances as they change.

No charge or penalty will be levied for increasing, reducing, suspending or recommencing contributions.

Refund of Contributions

Refund of contributions outside the cooling off period can only arise in one circumstance:

1. If the value of the PRSA is equal to or less than €650 when the request for refund is made;

AND

2. No contributions have been received for at least 2 years.

Investing in a PRSA

OPTION 1: Specialist Investment Strategy

We have three investment services: Advisory, Discretionary Managed and Execution Only

- **Discretionary Managed**

  In a Discretionary Managed portfolio, all investment decisions are managed on your behalf within the parameters of an agreed investment proposal. The proposal will include a unique investment strategy recommendation, estimates of capital at risk and annual income, as well as a detailed explanation of how the PRSA investments will be managed. Cantor Fitzgerald will manage your portfolio against an agreed benchmark.

- **Advisory**

  In an Advisory account, at your request, we will provide you with investment advice and carry out instructions on specific transactions. Under this service, Cantor Fitzgerald will not manage your account against an agreed benchmark.

- **Execution Only**

  An Execution Only service allows you to instruct Cantor Fitzgerald to buy and sell shares on your behalf. All investment decisions are fully determined by you, with no input from your portfolio manager.

OPTION 2: Default Investment Strategy

As required by the Pensions Act 1990 (as amended) (the “Pensions Act”) the PRSA product has a Default Investment Strategy (DIS), which is the investment strategy to be used unless Option 1 is specified. The DIS aims to fulfil the reasonable expectations of a typical contributor for the purposes of making savings for retirement. The DIS is suitable for someone targeting a lump sum and ARF at retirement and is not suitable if you intend targeting an annuity. However, it does not avoid investment risk and does not offer any guarantees.

The Cantor Fitzgerald PRSA DIS will give exposure to three asset classes; equities, bonds and cash via three Zurich funds; Zurich International Equity Fund, Zurich Active Fixed Income Fund and the Zurich Cash Fund respectively. Further information about our DIS option is available on request.

When can I take my pension benefits?

You can normally take benefits from a PRSA when aged between 60 and before turning 75. In certain circumstances, you can take your benefits before then, such as:

on retirement from employment at age 50 or over*;

or

at any time in the event of serious ill-health.

In the case of retirement due to serious ill-health, you must be deemed to be permanently unable to work.

*Early retirement from age 50 is only available to employees who have retired from PAYE employment and are not working elsewhere either as an employee or in a self-employed capacity.

What are my options when I retire?

Lump sum:

For Non AVC PRSAs: up to 25% of your PRSA fund may be taken as a tax-free lump sum. The maximum level of a pension lump sum that can be paid tax free is €200,000. This is a lifetime limit. Any excess over this limit up to €500,000 is taxable at the standard rate of income tax. Any amount over €500,000 will be subject to marginal rates of tax, including PRSI and the USC.

For AVC PRSAs: The maximum tax free lump sum which can be taken from an AVC PRSA is subject to the general PRSA limits (set out above), to the limits applicable to your occupational or statutory scheme and to the limits set down by the Revenue.

With the balance of your PRSA fund after the deduction of any tax-free lump sum, you have the following four options:

1. Use it to buy a pension;
2. Leave your PRSA in force;
3. Transfer it to an Approved Retirement Fund ("ARF")
4. Take it as a taxable lump sum

Option 1. Purchase a pension:

You may use your fund to purchase a pension for the rest of your life after retirement with a life assurance company. You may also purchase a pension for your spouse which would begin on your death.

Any annuity payable must not be capable of surrender, commutation or assignment and any annuity must be a life annuity.

Income from a pension is liable to income tax under the PAYE system.

Option 2. Leave your PRSA in force:

The balance can remain invested in your existing PRSA account which is now a Vested PRSA. Taxable withdrawals can be made from the PRSA.

Although benefits must be taken from the PRSA prior to turning 75, from January 2024 you may take income from the Vested PRSA in the years following turning 75, as there is no longer a requirement to transfer to an Approved Retirement Fund.

Option 3. Invest in an ARF:

You may choose to invest the balance in an ARF. Taxable withdrawals can be made from an ARF.

Option 4. Taxable Lump Sum

You can take the balance of your fund as a cash sum (subject to income tax (at an individual's marginal rate of tax), PRSI and the USC).

Transfers into a PRSA

Potentially, transfer values can be paid into a PRSA from the following sources:

- A transfer value from another PRSA;
- A transfer value from a PPP, which is being terminated;
- A transfer value from an OPS in the state which will be subject to certain restrictions*;
- A refund of personal contributions from an OPS in the state. If the refund is paid to a PRSA, tax does not have to be deducted by the scheme from the refund; or
- A transfer value from an approved overseas pension arrangement.

It is important to note that no charges will be imposed on any transfers received to your Cantor Fitzgerald PRSA from the above sources.

* In the event that you wish to transfer from an OPS, Cantor Fitzgerald cannot invest the proceeds unless we are provided with a Certificate of (Benefits) Comparison setting out a comparison of the benefits that may accrue from the Self-Administered PRSA with the benefits from the OPS and a written statement of the reasons why such a transfer is or is not in your interest. In certain circumstances a Certificate of (Benefits) Comparison may not be required. An example of this would be where the scheme is being wound up or the transfer value is less than €10,000. Professional advice should be sought from your financial advisor in this regard.

Transfers out of a PRSA

Alternatively, if you wish to transfer the accumulated value of your PRSA from Cantor Fitzgerald to another pension arrangement, we can make a transfer to:

- Another PRSA;
- An Occupational Pension Scheme; or
- Approved pension arrangements outside the State.

It is important to note that no charges will be imposed for the above transfers.

What benefits are payable on death?

If you die before taking your benefits, your PRSA fund will be transferred to your estate. The fund will be free of income tax under section 787G(3)(c) Taxes Consolidation Act 1997 but could be subject to inheritance tax.

If you die after taking your benefits, then the benefits payable will depend on your chosen retirement option.

This is based on current tax law and may be subject to change through future Finance Acts or legislation. Please see the risk disclosures section on page 10.

Provision of Information

PRSA providers are obliged to provide PRSA holders with certain information about the PRSA. Under the Cantor Fitzgerald PRSA, you will receive the following information:

1. PRSA Terms and Conditions;
2. General Terms of Business;
3. A Preliminary Disclosure Certificate (PDC) at point of sale;
4. A Statement of Reasonable Projection (SRP) at the outset and annually thereafter;
5. Six month transaction statement of account;
6. Six month investment report; and
7. PRSA certificate(s).

A Preliminary Disclosure Certificate (PDC)

A PDC must be given to you BEFORE you sign the PRSA application form.

The format of the PDC varies according to whether the PRSA is Standard or Non-Standard.

The PDC shows a projection of the retirement benefits the PRSA might provide to the PRSA holder at retirement in return for certain contribution levels.

The PDC for Non-Standard PRSAs must also disclose the sales remuneration payable from the PRSA to the intermediary or financial institution selling the PRSA.

The PDC given to you at the point of sale will be a generic document i.e. based on assumed age and contribution level which would be typical of individuals taking out that PRSA.

Statement of Reasonable Projection (SRP)

Cantor Fitzgerald will issue you with an SRP:

- Within 7 days of starting the contract;
- Within 7 days of requesting an SRP;
- Within 7 days of any increase in the amount or number of charges made to the PRSA; and
- Annual statement must be in printed form.

The statement is designed to provide you with an indication of the 'level of benefit which you could reasonably expect' at specified dates in the future i.e. at retirement.

Investment Report

Cantor Fitzgerald will supply you with a half yearly investment report covering the performance of all investment funds in which your PRSA funds are invested.

Statement of Account

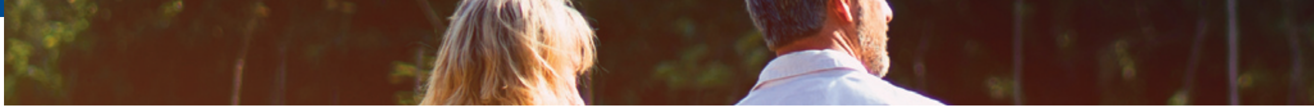
Cantor Fitzgerald will supply you with a half yearly statement of account showing:

- Total contributions made to the PRSA to date, split between employer and employee contributions;
- Total contributions made to the PRSA since the last statement of account, split between employer and employee contributions; and
- The transfer value of the PRSA at the time, if it were to be then transferred out to another PRSA or OPS.

Cooling off period

The PDC will also include information on the cooling off period allowed. The contract is not enforceable for a period of 30 days from the date on which you are provided with a Statement of Reasonable Projection. You are legally entitled to cancel this contract at any time during the aforementioned period.

Client contributions will be invested on expiry of the cooling off period. Cantor Fitzgerald reserves the right to invest contributions immediately or prior to the 30 day expiry.



TARGET MARKET ASSESSMENT

PRSAs	Target Market - Suitable for
The type of client to whom the product is targeted	• Retail clients. • Employed or self employed individuals. • Clients who want to supplement their occupational pension scheme savings. • Clients looking for the opportunity to manage their own pension funds, without the involvement of an insurance company. • Clients who wish to transfer all of their external Personal Pensions / PRSAs / Occupational Pension Schemes (with certain criteria being met) into the same PRSA product. • Clients who wish to save for retirement.
Time Horizon	• Clients who are prepared to invest for the long term. • Clients planning for retirement.
Knowledge and experience	• Basic knowledge and experience of pension products.
Financial situation with a focus on the ability to bear loses	• Will provide flexible pension contributions to suit financial situation. • Ability to bear losses cannot be determined as will be based on underlying investments chosen.
Risk tolerance and compatibility of the risk/reward profile of the product with the target market	• Cannot be determined as will be based on underlying investments chosen. • Values are not guaranteed and can decrease depending on underlying investment performance.
Clients' Objectives and Needs	• Clients who do not need access to their investment until retirement. • Clients who want the potential for long term capital growth. • Clients who want to leave their pension to their estate when they die. • Clients who are seeking a portable and transferable option.
Channel	• Direct and Intermediary - retail
Negative Target Market - Not suitable for	• Entities. • Individuals age 75 and over. • Individuals under age 18. • Clients with a short investment horizon. • Clients who need access to funds pre-retirement • Clients who require immediate access, whether capital drawdown or income, from their retirement funds without having reached retirement/ill health retirement age.

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Glossary of Terms

Additional Voluntary Contributions (AVCs)

These are extra contributions you pay in addition to the normal pension contributions you or your employer make if you are a member of an employer's pension plan. AVCs help boost the value of your pension fund or can be used to contribute to a tax free lump sum at retirement. You can claim tax relief on AVCs up to certain limits, as long as you earn an income.

Approved Retirement Fund (ARF)

These are funds managed by a Qualifying Fund Manager (QFM – see below for definition) into which you can invest the proceeds of your pension fund when you retire. Income and gains of an ARF are exempt from tax within the fund. Any amounts withdrawn from an ARF are referred to as a distribution. A distribution is treated as income from an employment. It is subject to income tax and the QFM must operate the PAYE system on it. An individual may have more than one ARF. Transfers may be made from one ARF to another ARF.

Occupational Pension Scheme (OPS)

Established by an employer for the benefit of employees.

Personal Pension Plan (PPP)

Self-employed or those in non-pensionable employment can take out a PPP.

Personal Retirement Savings Account (PRSA)

A PRSA is a long-term personal retirement account introduced by the Pensions (Amendment) Act 2002. It is designed to enable people, especially those with no pension provision, to save for retirement in a flexible manner. A PRSA is a contract between an individual and a PRSA provider in the form of an investment account. Subject to age and income-based limits; tax relief will be given for contributions to a PRSA.

Qualifying Fund Manager (QFM)

A financial institution authorised under the 1999 Finance Act to operate Approved Retirement Funds (ARFs) on behalf of the self-employed and proprietary directors. These include banks, building societies, credit unions, the Post Office Savings Bank, bodies authorised for collective investments such as unit trusts, UCITs, etc and members of the Irish or any EU Stock Exchange who have notified the Revenue Commissioners of their intention to act as QFMs.

Taxation of ARFs/ Vested PRSAs

ARFs and Vested PRSAs are subject to an imputed distribution regime. Under this regime, an annual payment/ distribution (based on a percentage of the fund of assets) is deemed to be made to the ARF/ PRSA holder (whether this payment is made or not) and this deemed distribution is subject to income tax.

ARFs and Vested PRSAs with assets valued at less than €2 million (on 30th November each year) are liable to a 4% deemed distribution for clients aged 61 to 70 and 5% for clients aged 71 and over. A deemed distribution rate of 6% will apply in the case of ARFs and Vested PRSAs with assets in excess of €2 million rather than just on the excess over €2 million.

Actual distributions made during the year may be deducted from the deemed distribution to arrive at the net deemed amount (if any) to be regarded as a distribution.

Vested PRSA

A PRSA in respect of which the assets have been made available or paid to the owner of the PRSA (other than by way of transfer to an ARF, a transfer on the death of the PRSA contributor or transfer to another PRSA).

Where the PRSA is in respect of AVCs, the PRSA will be vested when benefits become payable to the individual under the main scheme.

DISCLAIMER: This publication is for information purposes only. This publication should not be shown to or relied upon by any third party and we cannot take responsibility for any other party relying on the contents of this publication. We have no obligation to automatically update this publication in the future.

WARNING: This document is based on our understanding of current pensions and tax law and practice which is subject to change without notice and does not constitute tax advice.

WARNING: Investors should not place any reliance on the content herein. Investors should satisfy themselves independently of the taxation treatment in relation to their own personal circumstances.

WARNING: Past performance is not a reliable guide to future performance.

WARNING: The value of your investment may go down as well as up. You may get back less than you invest.

WARNING: These figures are estimates only. They are not a reliable guide to the future performance of your investment.

WARNING: The PRSA may be affected by changes in currency exchange rates depending on the underlying assets held in your PRSA.

WARNING: Cantor Fitzgerald Ireland are not authorised tax advisors and no information in this piece is to be considered tax advice. Investors should seek their own tax advice.

Cantor Fitzgerald Ireland

Since 1995, Cantor Fitzgerald Ireland has established a strong tradition in wealth management and financial services. Today, we offer a full range of of investment services, primarily in wealth management, pensions, fund management, debt capital markets and corporate finance. Our clients include private individuals and corporate entities, financial institutions, investment funds, credit unions and charities.

At Cantor Fitzgerald Ireland, we provide our clients with a global perspective that is unique to the Irish market, leveraging a global vibrant network of expert analysts and investment professionals. We operate from local offices in Dublin, Cork and Limerick, partnering with specialist staff in an entrepreneurial culture.

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