



**Pensions  
Management  
Institute**

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

**Tuesday 16th April 2024                      2-4 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.

<b>Question Number: 1</b>	
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(a) Describe the two approaches to pricing new issues of shares in the primary market (5 marks); (b) Explain how Government Bonds are issued in the UK (5 marks)	
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<b>Marks</b>	<b>10</b>
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<b>Question Number: 2</b>	
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Outline the four fundamental accounting concepts in the context of pension schemes.	
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<b>Marks</b>	<b>10</b>
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<b>Question Number: 3</b>	
Define Economic infrastructure, and Social infrastructure.	
<b>Marks</b>	<b>5</b>

<b>Question Number: 4</b>	
Describe the requirement for a long term funding and investment strategy for DB schemes introduced by the Pension Schemes Act 2021 and how schemes might meet this.	
<b>Marks</b>	<b>10</b>

<b>Question Number: 5</b>	
Outline the objectives which will affect a DC member's decumulation strategy, and explain how those objectives can be met through an annuity or through drawdown.	
<b>Marks</b>	<b>20</b>
<b>Syllabus Section</b>	
<b>Manual Section</b>	4, 2.3
<b>Page numbers</b>	60/61

<b>Question Number: 6</b>	
Describe the authorisation criteria for Defined Contribution Master Trusts.	
<b>Marks</b>	<b>15</b>
<b>Syllabus Section</b>	
<b>Manual Section</b>	5, 2.6
<b>Page numbers</b>	82

<b>Question Number: 7</b>	
Explain how passive managers try to mirror a particular market index or benchmark.	
<b>Marks</b>	<b>20</b>

**Question Number: 8**

List the trustee policies which must be included in the Statement of Investment Principles.

**Marks**

**10**