

# WHY CONSOLIDATE?

APRIL 2025

Historically, investing in collective investments, such as unit trusts or OEICs, meant investing **directly** with **each individual fund house**. Switching between investments was therefore **complicated** and **time consuming**, and generally meant several weeks '**out of the market**'. In addition, gaining a clear picture of your overall portfolio meant collating the information from several different providers, again a time-consuming task.

Since the advent of **fund platforms**, consolidating your holdings onto one platform (or perhaps just a couple of platforms) has become the default method of investment for most investors.

We explain why below.

# CONSOLIDATING YOUR INVESTMENTS

We often recommend that clients consolidate their investments, where possible, onto a fund platform. Most platforms enable unit trusts/OEICs to be held directly, and also within ISAs, SIPPs and insurance bonds. Some also offer the facility to hold investment trusts and individual shares.

Using a fund platform for the administration of an investment portfolio offers an investor several advantages including:

- Wide fund choice – access to a wide range of funds. Most mainstream funds will be available on all platforms, and a platform can almost always be found to accommodate any investments you may have. But please note, platforms may levy additional charges for more unusual investments.
- Simplicity – all of your investments can potentially be held on a single fund platform for ease of administration and reporting. For example, a single consolidated valuation of all holdings is usually available online (and also via the clarity website for Aegon, FundsNetwork, Transact, James Hay and Moventum).
- Ease of administration – investments and fund switches can easily be made between different fund managers and usually switches can be made with only one day out of the market.
- Low cost – there is usually no additional cost for using a platform versus investing with the fund manager directly. In addition, low cost switching may be available with no additional charges to pay.



# WHAT CAN I CONSOLIDATE?

It is easy to transfer your existing holdings onto a platform and in the majority of cases this can be done without disinvesting and then re-investing (known as an in-specie transfer).

All existing policies should be checked for exit charges and penalties before transferring.

If the fund platform does not support some of your existing holdings, the funds can still be transferred on to the platform and retain any tax wrappers that may exist, by being transferred in cash. In this scenario, there will be some 'out of market' time to take into consideration as well as any initial charges levied by the fund manager upon investment.

It is important to note, however, that if an ISA is transferred in this manner and you change your mind in the 30 day cancellation window, the funds cannot be returned to their original home without losing their tax efficient wrapper.

Before pensions are transferred, the existing policy should be checked to make sure there aren't valuable guaranteed annuity rates or other benefits which may be lost on transfer, and that the investor is currently in good health.

# HOW DO I CONSOLIDATE?

Please contact the office on 0800 368 7511 or [enquiries@clarityglobal.com](mailto:enquiries@clarityglobal.com) to request forms to facilitate a consolidation process. We will pre-complete these as much as possible but for any policies we do not hold information on you will need to have details of your current holdings to hand to complete. This will include the names of all the funds you hold and the account numbers.





**Important information:** Our views are based upon our understanding of current legislation in England, unless stated otherwise. Levels and bases of, and reliefs from, taxation are subject to change and their value to you will depend upon your personal circumstances.

**Risk Warning:** The past is not necessarily a guide to future performance. The value of your investment and the income from it can fall as well as rise and is not guaranteed. You may not get back the full amount invested. This document is provided for information only and does not constitute advice. You should not act on any of the information without seeking professional advice.

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