

# YOUR ANNUAL FINANCIAL REVIEW

## OUR ASSESSMENT OF THE ONGOING SUITABILITY OF YOUR INVESTMENTS

**The Markets in Financial Instruments Directive (MiFID) was introduced in 2018 to increase transparency and standardise regulatory disclosures. The MiFID made it a requirement that we conduct an on-going suitability review of your existing investments on an annual basis and that you receive a breakdown of all costs and charges that have been applied.**

### Our Review

All clients are provided with their secure online account, your Personal Finance Portal (PFP), where they are able to keep us up to date with any changes in their circumstances.

Please note: If there have been any changes to your circumstances (financial or otherwise) please ensure that you log into your account as soon as you can so that we can ensure that our assessment of ongoing suitability is correct.

### Services we provide for you

These are set out in our Terms of Business and other documentation which is available on our website and when you log into your account on The Personal Finance Portal.

### Costs and charges

You will receive a statement from your investment platform (Nucleus Financial or other platform) which will provide you with a breakdown of the charges that have been applied over the last 12 months. This statement is usually provided digitally via your platform account though some of you may receive it by post. For your convenience we have added a copy of this statement to your PFP account so that you can view all of the review documentation in one place.

Your platform statement provides details of fund, product, platform, and advice charges and you should note that these costs are necessary for your participation in the investment portfolios.

The provider report will show the value of your portfolio at the end of the review period and an estimate of what the value might have been in the imaginary and hypothetical situation if no charges had been applied. It will also state that the effect of these charges would reduce the end value of these investments by a specified amount.

**While this may be interesting information, we believe that it does not add to your understanding of the true value of our advice.**

When you receive this statement please let us know if you would like clarification or further information.

## The Real Value of our Advice - Your personalised EDVOA report

Please consider your provider statement alongside your personalised EDVOA report which demonstrates the value of our advice.

In addition to our portfolio management and administration services which are detailed below we provide additional services including financial / tax planning, asset allocation, behavioural coaching, withdrawal selection, investment strategies, and rebalancing. The research shows that these services typically add more than 3% a year to your investment return and in some cases can be even higher.

As well as these six quantifiable areas our service also adds non-quantifiable feel good factors such as 'peace of mind', 'happy retirement', support for you and your family, and saving you the time and worry of administration, so that we believe that our service provides you with real value for money.

## Explanation of services provided for our ongoing change:

When clients' investments are in place, we charge an ongoing fee for servicing of 1% per annum of the fund value (0.083% paid monthly).

This fee provides the following services:

1. Portfolio monitoring – we assess and review your model portfolio annually or more frequently if considered necessary
2. Portfolio switching when recommended
3. Asset Allocation to ensure diversity and minimise risk and volatility
4. Portfolio rebalancing – usually quarterly
5. Utilising tax strategies e.g. switching ISA allowance from GIA
6. Withdrawal strategies – choosing the correct product and correct fund when income is required or when a lump sum is requested
7. Fund analysis reports provided via the client's on-line account - at least annually or more frequently if requested or considered desirable
8. EDVOA report demonstrating value of advice
9. Risk analysis and confirmation that portfolio is consistent with client's risk profile and capacity for loss
10. Assessment of ongoing suitability of the investment using the information provided via the client's online account
11. Discussion by phone as many times as requested by client - arranged via online appointment booking system (this has never been restricted but a maximum of once a month is considered more than reasonable and adequate)
12. Behavioural coaching especially at times of stress whether due to market conditions or personal circumstances
13. Regular contributions: We set up regular contributions and variations without charge (this has never been restricted but a maximum of four times a year is considered reasonable and adequate)
14. Change of product (not change of provider) e.g. pension into drawdown
15. Management of all administration
16. We endeavour to provide happiness and instil peace of mind which of themselves have considerable value

In addition to the above services, lump sum additions to an existing product may be provided at a discounted fee depending on the client circumstances and our assessment of the specific requirements.

Clients are provided with an EDVOA report which provides a quantifiable demonstration of how our service typically adds a value of over 3% p.a. showing that our 1% fee provides real value because our clients typically receive a net gain of 2% or more by engaging our services.

## Important Information

These services are provided at no additional cost providing that the client is subscribing to our online life planning and financial planning service and they are providing and updating their personal and financial information using the online facility, including linking their bank accounts and other assets and liabilities.

Our online service ensures that we have all of the client's information available in the most cost-effective manner to enable us to comply with the FCA requirement to demonstrate ongoing suitability.

