



verve

# Retirement Planning Report

Prepared for:  
**Example Client**

Prepared on:  
**11 October 2024**

Prepared by:  
**Verve**

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FCA Number: 000000

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## SUMMARY OF ADVICE



### PENSION SWITCH

Transfer your Novia Self-Invested Personal Pension (SIPP) in-specie to a new SIPP on the Nucleus platform.



### PENSION CONTRIBUTIONS

Redirect your monthly pension contributions of £800 to the new pension. These regular contributions will be increased with basic rate tax relief to £1,000.



### INVESTMENT STRATEGY

Make no change to your current strategy meaning your pension will be invested in the Tatton Tracker Balanced Portfolio.



### ADVICE COSTS

There will be initial fee for this advice or the implementation of it.

We will continue to apply our ongoing service charge of 0.50% per annum. This ongoing charge would equate to around £1,250 a year based on the current value of your pension funds.



### Please note:

There are risks involved with any investment and these are detailed in this report. You should be aware the value of your investments can fall as well as rise.

## OBJECTIVES & RISK ASSESSMENT

### Objectives

We have documented your current situation and objectives in detail in our fact find and meeting notes. These documents are available to you to review on request. We have summarised below your primary objectives.



- Continue in your current role for another 5 years before looking at partial retirement options. Partial retirement to you means working around half the hours you currently do.
- Maintain your current level of spending (minus your mortgage) as you move into partial and full retirement. Your current spending is around £1,500 per month.
- Set aside £5,000 - £10,000 a year to travel and visit friends and family in different countries. You only expect to do this for the first five years of retirement.

### Risk Assessment

We have discussed risk with you in detail across our meetings. You can find detail on my assessment of your willingness and need to take risk and ability to tolerate risk in the 'Risk Assessment' report that is available alongside this report.

To summarise:



Need to take risk

- We have calculated you need to achieve a return of 3.85% per annum net of charges and inflation to meet your objectives.
- You therefore need to take what we would define as a medium level of risk to potentially achieve this.



#### Capacity for loss

- You will rely on these funds in 5-10 years to provide you with an income. We have calculated that an immediate loss of 23%, equivalent to £56,000, could result in you being unable to achieve your financial objectives over the long-term. You can withstand losses of up to 23% which we associate as being a medium level of loss tolerance.



#### Knowledge and experience

- You feel you have some knowledge of markets and how investments work.
- This has developed through working with an adviser and your own general interest as you approach retirement.



#### Attitude to risk

- You completed our risk profiling questionnaire with a score of 6 out of 10. This would make you a 'High Medium risk investor.
- We discussed this and felt this was too high due to your 'need for risk' and your ability to tolerate loss. The targeted return could potentially be achieved with a 5 out of 10 'Low Medium' risk profile which would in turn reduce the exposure to larger capital losses.
- We have therefore assessed you as having a Low Medium risk profile

Based on all the above, we have determined that you can afford to take the risks associated with a Low Medium risk profile. This reflects the current level of risk you take which was established by us when we originally advised you last year.

## RECOMMENDATIONS

We have considered the advantages of my recommendations against any possible disadvantages with this section detailing these.

### Why this recommendation is suitable for you



- The recommended platform has a lower annual charge and switching your pension will result in an annual saving of cost.
- There will be no cost to you in switching to the recommended provider.
- Our centralised due diligence has found Novia to no longer be a suitable platform based on your needs and circumstances. This is because the costs of the platform are becoming relatively more expensive compared to alternatives who offer similar standard of service and features.
- Transferring your funds 'in-specie' will allow the holdings to be transferred as they are, rather than sold into cash. This keeps you invested in the current strategy throughout the process of changing providers ensuring you spend maximum time in markets.
- Your existing investment strategy remains suitable in the level of risk being taken. It also remains suitable based on our assessment of the charges applied and the track record of the strategy.

### Please be aware of the following possible disadvantages:



- Providers can take longer to process in-specie transfers and there may be a delay in fully switching to the new provider.

## CHARGES

### Comparison of charges

The charges associated with the underlying investment strategy and advice are detailed further in this section. Looking specifically at platform charges, which will differ between your existing and the recommended plan, these compare as:

	Novia		Nucleus	
	%	£	%	£
<b>Platform Charge</b>	0.50%	£1,227.44	0.33%	£810.11

The recommended platform is cheaper, providing an annual saving of around £417.33 based on the current value of your pension fund.

### Initial charges

There are no initial charges in relation to my advice or the implementation of this.

### Total ongoing charges

Based on the value of your plan, the total annual charges would be as follows:

<b>Nucleus SIPP</b>	<b>£245,488</b>	<b>%</b>	<b>£</b>
Fund Ongoing Charges Figure (OCF)		0.28%	£687.37
Average Weighted Fund Transactional Charge		0.07%	£171.84
Provider Platform Charge		0.33%	£810.11
Ongoing Adviser Service Charge		0.50%	£1,227.44
<b>Total Ongoing Charges</b>		<b>1.18%</b>	<b>£2,986.76</b>

The charges in monetary terms are estimates based on the value of the plan. In reality, the underlying fund will fluctuate daily and this makes it impossible to predict the actual costs that will be incurred over a year. You will find in your personalised illustration information on how the charges can affect the value of your pension over time. The Reduction in Yield (RIY) figure will provide you with this detail.

### Ongoing advice service

Our ongoing service level charge will continue to be 0.50% and the amount paid in pounds will fluctuate depending on the value of your holdings. The following shows the initial plan value, and potential alternative values, to demonstrate the impact this would have on our annual fee:



### Potential decrease

Value £200,000

Adviser Fee £1,000



### Current value

Value £250,000

Adviser Fee £1,250



### Potential increase

Value £300,000

Adviser Fee £1,500

You are approaching the transition towards retirement which will involve changes to your personal and financial circumstances. You are continuing to build your pension and assets towards supporting retirement and working together through an ongoing service will allow us to provide regular annual advice on:

- Where you are in your retirement income plan
- How any changes to your personal or financial situation affects retirement
- How the returns within your investments affect your plans
- What you can potentially achieve and at which point
- What impact partial or early retirement might have on your overall plan

For the above reasons, I recommend using our ongoing service now and as you move into retirement. You do not have to engage on an ongoing basis with us and can also serve notice at any time to discontinue our relationship. Full details can be found in your client agreement.

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**As much as I can base my advice on my understanding of your objectives and overall situation, only you will fully appreciate your thoughts and feelings towards both. You must therefore carefully consider all the aspects of the recommendations, together with the potential drawbacks.**

**Please refer to the following to get an understanding of the risks involved:**

- The disadvantages section of this report
- The risks listed in your personal illustration and your Key Features Document (KFD)
- The risks listed in our client agreement

### What else did we consider?

Rather than switching to the recommended provider, we considered alternatives options with these being a switch to a Stakeholder pension plan and a switch to a qualifying workplace pension.



#### **Stakeholder Pensions**

These are a type of pension that is broadly available to all, with low minimum regular contribution levels, a range of fund choices and a cap on the annual charges that can apply. Stakeholder pensions are somewhat dated now, with modern platforms, like the one I am recommending, able to offer a wider range of fund choice and greater retirement options at a cheaper cost. I have not therefore recommended a Stakeholder pension.



#### **Workplace pension**

Your current workplace pension is relatively cheap with a charge of 0.20% per annum plus fund charges (which are currently 0.15%). Your investment options would be more limited through your workplace pension, and you would not have access to our recommended investment strategy, which uses an evidence based approach to invest in a globally diverse portfolio of assets.

I believe you will get more benefit in terms of fund choice, retirement options and the ability to use our ongoing service with the fees paid from your pension by not using your workplace pension.

## Cancellation Notice

As part of the documents you receive from the new provider, you will find details of your cancellation rights.

- If you wish to cancel the application you need only sign and return the relevant Cancellation Notice within 30 days of receiving it.
- The monies will then be returned to the ceding scheme. If your money has already been invested, the value returned will depend on the unit price at the point of cancellation – and this could mean you get back less than you invested.
- In addition, the ceding scheme is under no obligation to receive any returned funds and, in this instance, you will be liable for finding an alternative provider.

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## CONCLUSION

Our aim is to make this report and the supporting documents easy to read and understand. If you have any questions about the advice, or you need anything clarified, please let me know.

I trust that this letter will make clear why I believe the advice is appropriate for you. Should you wish to proceed with my recommendations, please sign a copy of the declaration below and return it to me.

SIGNED:		Adviser
DATE:		Independent Financial Adviser Verve Group

Your understanding and acknowledgement

I have noted the contents of this report and agree that it gives an accurate summary of my requirements and objectives.

I confirm that I wish to proceed with the recommendations and understand the costs, tax implications and associated investment risks.

I understand that the contents of this document are based on current rules and legislation which may change in the future.

SIGNED:		Example Client
DATE:		