verve

Retirement Planning the small print

Prepared for:
Example Client

Prepared on:
1 January 2026

Prepared by:
Example Adviser

CONTENTS

About this report

This report is additional reading for your retirement planning report dated the same day as this report. It provides further detail on the analysis we have undertaken and helps to provide further background on why we have recommended what we have recommended.

ASSESSMENT OF YOUR ABILITY TO TAKE RISK

There is always risk involved in any financial decision and it is our primary aim to ensure that the type and level of risk you take is matched with your goals and needs.

We consider four main things when looking at the risks you should take:

Your need to take risk	This measures the level of risk you need to take to achieve your objectives.
Your capacity for loss	This measures how much loss you can afford to tolerate before your current or future standard of living could be affected.
Your knowledge and experience	This looks at how much relevant knowledge and experience of investing you might have
Your attitude to risk	This measures how much risk you would be emotionally comfortable taking.

These factors may not always align with each other. Some people might have a higher attitude to risk than that which they can tolerate while others may have a very high need to take risk and a low attitude towards risk. Compromise may be needed at times.

Your need to take risk

Your pension funds are needed in the short term to support your retirement income objectives. You therefore need to increase the value of your pension as much as possible and the best way of doing is by investing in stock markets across the global economy, over the long-term. This will expose you to risk.

We have looked at what you are likely to need and calculated that you have a shortfall of around £4,500 which will be needed for around 5 years. You have a pension fund of c. £73,000, so your assets would need to achieve a return of 6.88% to maintain this over the long term. However, it is only for a short term that it is needed and therefore the requirement is £22,500 which should be achieved by this fund without taking growth into account. Once you have met your short-term income needs you aim to invest for growth in line with your risk profile with no specific requirement to meet a certain return.

Your capacity for loss

If an individual had a certain amount of money and needed access to this amount in a short period of time, they would have no capacity to withstand loss. This is the principle behind looking at your ability to tolerate loss.

You will be retiring a year's time and you will need access to these pension funds to support your retirement income. Losses in the value of your funds now may not recover by the time you start accessing your pension. We have calculated how much loss you can take before this has an impact on the standard of living you are looking to achieve in retirement. However, you have other sources of guaranteed income and these funds are to be used for additional income only.

You need around £22,500 over 5 years to meet your short-term needs. We have therefore calculated that you can afford to lose up to 70% of your pension fund with this having no impact on your standard of living. This means you have a very high capacity for loss.

Knowledge and experience

You have some knowledge of investments and how they work. You also have some experience of investing and seeing values fall as well as rise, sometimes over short periods of time.

We would therefore consider you to have a high level of knowledge and experience.

Your attitude to risk

3 out of 10

We asked you to complete a risk profiling questionnaire. Each answer in the questionnaire is scored and based on the answers you gave; you would be classified as a 3/10 risk investor. This means you are looking for lower, more stable returns.

We talked about your attitude to risk result and how the result fits in with our assessment of your need to take risk and your capacity for loss.

Considering everything together, we agreed that this is a suitable level of risk for you to take.

For further detail on this risk score, including the potential returns and losses associated with this level of risk, please refer to your risk profiling report.

Ethical considerations

It is possible to invest with specific ethical preferences (i.e., including or excluding certain industries and sectors, or even specific companies). Investing in this manner can restrict the number of options available to you and can in some circumstances mean compromising on performance potential or reducing costs.

You confirmed you do not have any ethical preferences or restrictions for your investments.

Environmental, Social and Governance (ESG) screening

A number of investments are now screened for their ESG characteristics. This means the fund manager will look at how the underlying business performs in these three areas with an overall score assigned to them. If an investment is below a certain threshold, it is not usually included in the portfolio.

We discussed ESG and you confirmed that you have no preference for investments of this kind. You are happy to invest in the most suitable strategy whether this contains fund with ESG mandates or not.

EXISTING PENSION ANALYSIS

Investment options

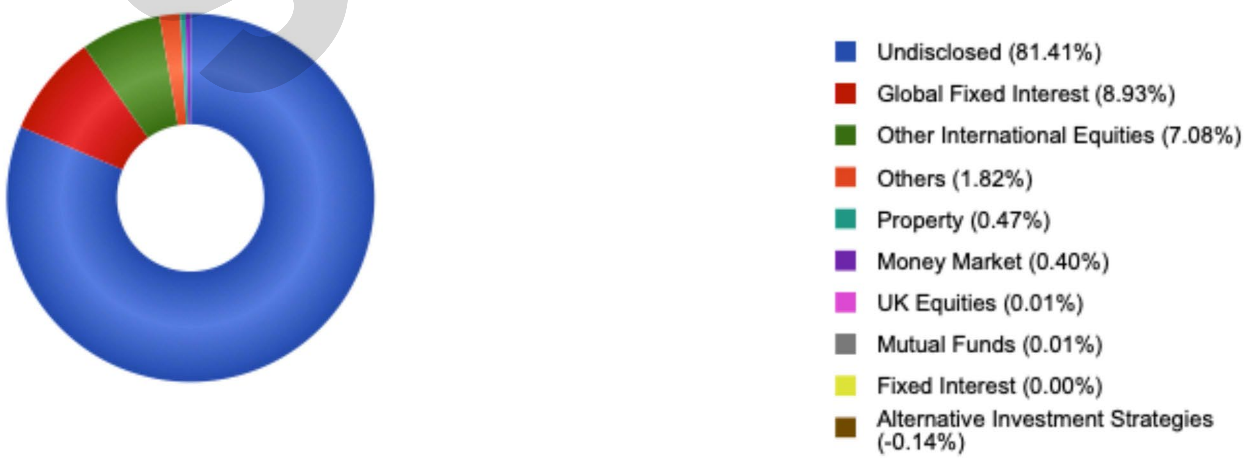
All investments carry with them at least a degree of risk. Some investments will usually bring less risk but less prospect for returns, while some will bring higher risk but more chance of a higher return. The word 'usually' here is important as there are no guarantees with any investment and there have been times where investments behave in unexpected ways.

As part of determining the overall suitability of your pension, we start by looking at what you are invested in.

	Fund	Value
Standard Life Group Pension Scheme	SL Sustainable Multi Asset Pre Retirement (AP)	£9,746
	SL Sustainable Multi Asset (AP)	£7,731
	SL At Retirement Universal (AP 10 Year)	£3,685
	Total	**£21,162**
ReAssure Personal Pension Plan (Unit Linked) – XXXXX1	BL Pensions Enterprise (500) S2	£5,133
	BL Pensions Enterprise (Combined Income) S2	£8,880
	Total	**£14,013**
ReAssure Personal Pension Plan (Unit Linked) – XXXXX2	BL Pensions Enterprise (500) S2	£13,687
	BL Pensions Managed (Combined Income) S2	£23,400
	BL Pensions Equity S3	£4,140
	Total	**£41,228**
	Total	**£76,403**

Asset Allocation

The combined asset allocation of your pensions is as follows:



A large part of your overall fund composition is made up of undisclosed assets, and this is due to being invested in a number of lifestyling options. Lifestyling is when there is a structure to your investments which reduce the risk as you move closer to retirement, to stabilise the investment prior to taking an annuity. As you plan to remain invested over the medium to long term, and will be taking from this fund only gradually, you do not require a reduction in risk and this strategy is not appropriate for you.

Fund range

We have also looked at the fund options available in your plans.

Standard Life	200+ funds
ReAssure	22 funds

Your plans do not offer access to a range of suitable funds, or the portfolio which I am recommending. As such, I recommend a switch to a new plan.

They are also limited in retirement options which is another reason for considering a switch to an alternative provider.

Performance

The following graph shows the performance of the existing overall strategy against its sector average benchmark, over the longest possible timeframe.

Sector average benchmark: This is a blend of the sectors to mirror the allocation you are invested in. For example, if 10% of your funds are invested in UK Equity assets, the sector average benchmark contains a 10% allocation to the 'UK Equity Sector'. The use of the sector average provides a benchmark that is aligned with the level of risk currently being taken with your funds.

The existing strategy has achieved a higher return compared to the sector average benchmark over the period.

Please remember that past performance is no guarantee of future returns.

How much am I paying?

Charges are deducted from your pensions throughout the year and those that apply to your plans are currently:

Standard Life Group Pension Scheme	£21,162	%	£
Fund Ongoing Charges Figure (OCF)		0.40%	£85.21

ReAssure Personal Pension (Unit Linked) - XXXXX1	£14,013	%	£
Fund Ongoing Charges Figure (OCF)		1.00%	£140.13

ReAssure Personal Pension (Unit Linked) – XXXXX2	£41,228	%	£
Fund Ongoing Charges Figure (OCF)		0.98%	£404.00

The fund charges in monetary figures are estimates over a 12-month period based on the current plan values (which is subject to fluctuation).

Comparison to our recommended pension

We have compared the charges of these pensions to the pension I am recommending. This charge is first on a like for like basis, to reflect the fact no ongoing adviser charges are currently paid from the plans, and secondly on a full basis to show you the full charge difference.

Like for like (excluding adviser charges)	VALUE	TOTAL CHARGE	
Standard Life Group Pension Scheme	£21,162	0.40%	£85.21
Transact Personal Pension	£21,162	0.95%	£201.04

Full comparison (including adviser charges)	VALUE	TOTAL CHARGE	
Standard Life Group Pension Scheme	£21,162	0.40%	£85.21
Transact Personal Pension	£21,162	1.70%	£359.75

Like for like (excluding adviser charges)	VALUE	TOTAL CHARGE	
ReAssure Personal Pension (Unit Linked) - XXXXX1	£14,013	1.00%	£140.13
Transact Personal Pension	£14,013	0.95%	£133.12

Full comparison (including adviser charges)	VALUE	TOTAL CHARGE	
ReAssure Personal Pension (Unit Linked) - XXXXX1	£14,013	1.00%	£140.13
Transact Personal Pension	£14,013	1.70%	£238.22

Like for like (excluding adviser charges)	VALUE	TOTAL CHARGE	
ReAssure Personal Pension (Unit Linked) – XXXXX2	£41,228	0.98%	£404.00
Transact Personal Pension	£41,228	0.95%	£391.67

Full comparison (including adviser charges)	VALUE	TOTAL CHARGE	
ReAssure Personal Pension (Unit Linked) – XXXXX2	£41,228	0.98%	£404.00
Transact Personal Pension	£41,228	1.70%	£700.88

For your ReAssure plans, you can see the recommended plan is cheaper on a like for like basis. The difference is when including our ongoing adviser charge.

The new plan is more expensive than Standard Life, even on a like for like basis. The reasons detailed in the financial planning report dated the same day as this report demonstrate why I believe these higher charges are worth paying.

The following is further detail to our recommendation report dated the same day as this report.

Death benefits

I recommend a Nomination of Beneficiaries form is completed to ensure the trustees know who to pay any remaining pension benefits to on your death.

Without this nomination, the scheme administrators will decide who to pay your pension fund to and this may not reflect your actual wishes.

Options considered

Fund Switch

You could leave the money in your current pensions and simply change the investment strategy. I have ruled out this option as:

- A fund switch would not meet your objective of consolidating your plans to simplify your holdings.
- The fund range is limited across your existing plans and it would not be possible to use a consistent strategy across these plans.
- The costs are higher on your ReAssure plans compared to the alternative I am recommending.
- None of your plans are suitable as plans because they do not offer flexible retirement options such as flexi access drawdown, which you would like to access as potentially early as next year.

Workplace Pension

Instead of opening a new pension scheme to transfer into, you could transfer the money to your current workplace pension scheme. The benefit of this is that they are typically low-cost schemes and this would keep your affairs relatively simple in that more of your money is held in a single place.

This option has however been discounted for the following reasons:

- Although your workplace pension has a low charge, it is limited in the strategies in can offer both for investment and also retirement.
- Your workplace pension cannot permit adviser charging to be added and you do not wish to pay this charge separately.

- Your scheme has limited retirement options and transferring into it will just require you to consider transferring again in a short period of time.
- Your workplace pension does not offer access to the sophistication of the investment strategy that I am recommending for your funds.

Stakeholder

A Stakeholder pension is a type of pension plan that was created to give people access to a pension that was capped on the charges that could apply and able to accept contributions as low as £20 per month. This is because providers are able to otherwise set their own charges and conditions such as contribution levels.

I have discounted a Stakeholder for your funds as:

- The charging structure for a Stakeholder (up to 1.50% for the first ten years and 1% thereafter) is outdated now and many plans are cheaper than this.
- Stakeholders are more limited in fund choice. You can typically only access a range of the providers' own funds rather than funds managed by different companies.
- Stakeholders are also limited in retirement access options.

RECOMMENDED INVESTMENT STRATEGY & PROVIDER

Investment Strategy

Active investment management can see the use of a portfolio of funds monitored and managed by an individual/adviser, the use of a bespoke Discretionary Fund Manager (DFM) or the use of a Managed Portfolio Service (MPS).

In your case I am recommending investment in an MPS.

Managed Portfolio Service

The service developed as an alternative to bespoke Discretionary Fund Management, which typically dictates minimum investment amounts and commands higher ongoing fees (due to the level of management required).

The MPS evolved to provide a service where an individual can have access to a highly diversified and professionally managed investment portfolio but without the limitations and costs associated with a DFM. An MPS typically operates a range of portfolios, each with a risk rating and general investment objective.

The team running the portfolio manage the funds within the portfolio according to the remit and needs of the portfolio with clients' monies pooled together. A portfolio manager uses the widest range of third-party funds to construct a portfolio of typically 15-25 funds aimed at achieving certain performance and risk-managed targets.

The pooling of investor monies allows the managers to achieve economies of scale and the overall costs therefore are marginally similar if not the same as that which would be applied selecting a range of funds, which would have to monitored and managed in a way not included as would be the case with an MPS.

The defining features of an MPS are therefore as follows:

- An individual's investment into a portfolio is pooled with the investment of other individual's monies into that portfolio.
- The management team purchase the underlying funds according to the remit of the portfolio and operate the strategy in this way, rather than by reference to a bespoke strategy.
- Access to a large number of third-party funds provides access in turn to thousands of global investments affording a high level of diversification and the ability to reach sectors potentially inaccessible without the effects of pooled investment.
- Management fees are typically much lower than bespoke DFMs reflecting the absence of a bespoke service.

- The funds are managed under a discretionary remit however, in that the investment managers have discretion in switching holdings between the funds and making changes to the allocation as and when required.
- Using a dedicated investment management team will allow you to access the research and investment methodology used successfully and can provide you with a hands-off approach to investment management. The portfolio will continually adhere to a set level of risk and objective and this will be followed without the need for your input.

Having taken into consideration our discussions around risk, and your objectives, the recommended investment strategy for your funds is:

Portfolio	Split	OCF	Trans	MPS
Timeline Classic (non-REIT) 30	100%	0.16%	0.08%	0.15%

OCF – Ongoing Charges Figure, Trans – Transactional Charges, MPS - Managed Portfolio Service Charge

Timeline

Timeline is an asset management provider offering a low-cost, evidence-based, discretionary MPS exclusive to financial planning firms. They use technology to cut costs and inefficiencies, while improving long-term investment returns for clients.

Their core beliefs are:

- Risk and return are related
- The capital markets work
- Asset allocation and portfolio structure drive portfolio return
- Consistent outperformance is rare
- Costs matter
- Investor behaviour is a key determinant of long-term outcome
- Diversification is essential
- Rebalancing should be driven by market movements.

Keeping your Investments within your Risk Tolerance

Timeline Portfolios monitor your investments regularly. If your more volatile assets start to outperform your more stable assets, leading to your portfolio being skewed to higher risk assets, they will sell the more volatile ones and replace them with more stable ones. In market downturns, the opposite can happen, in which case they would re-balance your portfolio in favour of the higher performing, riskier assets to ensure you get the returns your financial plan needs.

The Re-balancing Strategy

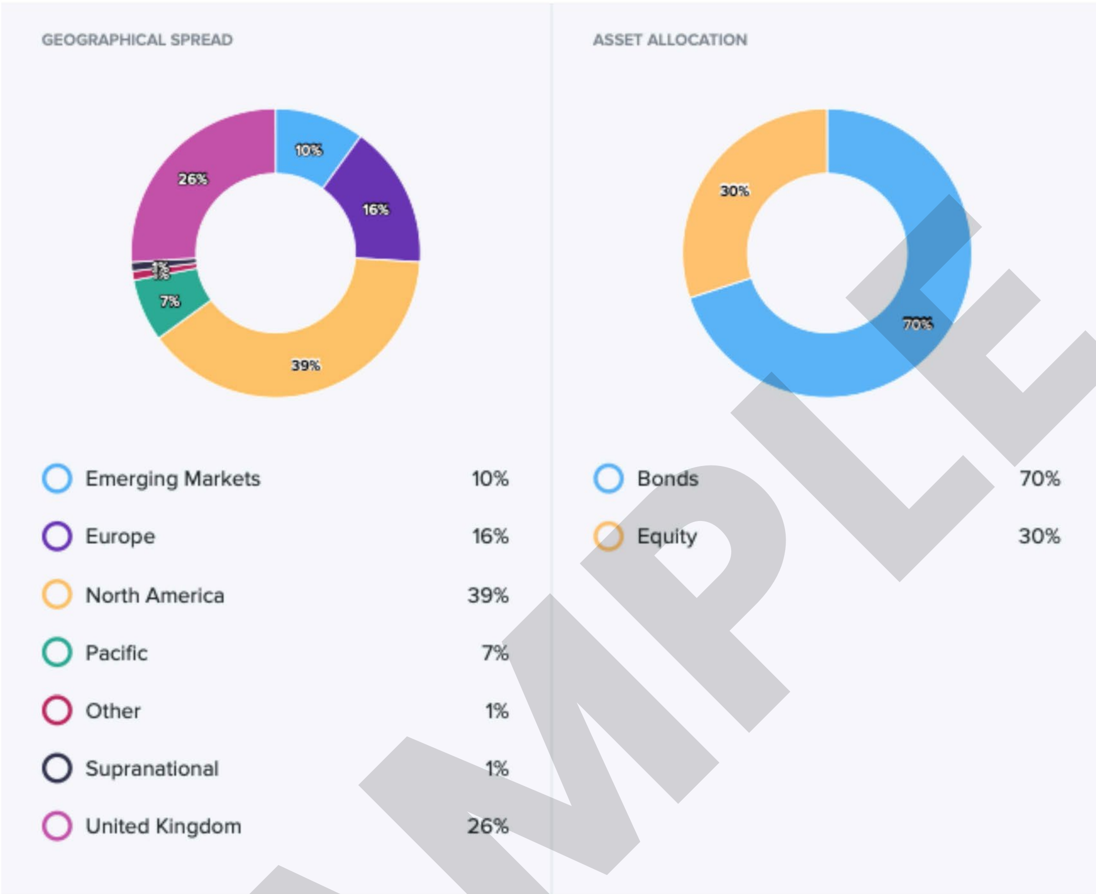
Timeline Portfolios will re-balance your portfolio once the ratio of your growth and defensive assets drifts by 10%. This means your growth assets have more time to grow before being sold than other re-balancing strategies, leading to potentially higher returns for you.

Classic (non-REIT) 30 Portfolio

This portfolio aims to deliver returns in excess of inflation (RPI +0.5%) over a period of 10 years or longer, by investing in a mix of equities and bonds globally. While returns will vary from year to year and there will be periods of uncertainty, the diversified nature of the portfolio makes it less susceptible to country-specific risk and more likely to capture returns across different markets. Furthermore, by keeping cost low, and adopting a patient, disciplined and evidence-based approach, we aim to avoid behavioural mistakes that often damage returns.

Asset allocation

The current asset allocation and geographical spread on this portfolio can be summarised as:

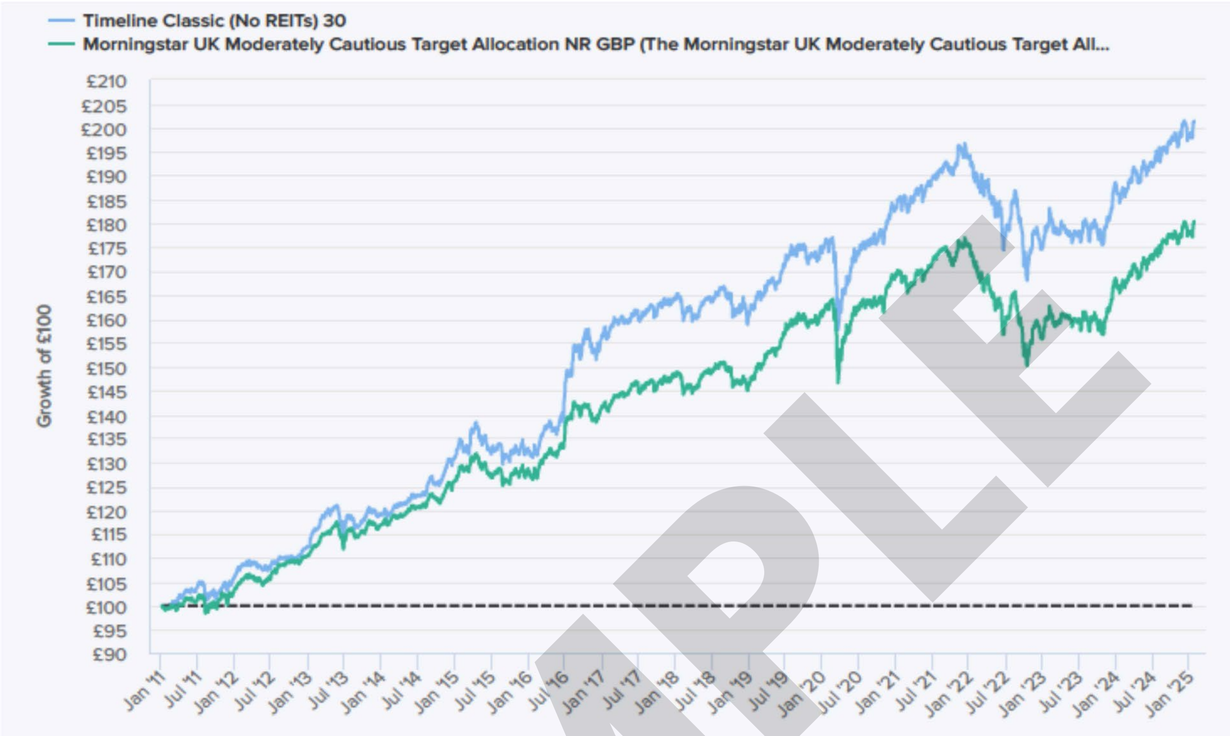


As you can see, the recommended strategy accesses a range of asset types across a variety of global regions.

The portfolio holds more in asset types that are typically lower risk (cash, fixed interest and corporate bonds) and likely to provide some income and growth return while aiming to preserve the value of the investment. There is however some allocation to asset types (equity and property) that are considered higher risk and this gives the portfolio potential for above inflation growth over the long-term.

Performance

The following graph shows the performance of the recommended portfolio against its relevant independent benchmark, over the longest possible timeframe.



The recommended portfolio has achieved a higher return compared to the independent benchmark over the period and has shown strong growth.

Please remember that past performance is no guarantee of future returns.

Provider Plan type

There are a variety of pension plans available. These range from simple to complex in what they can do with the costs to you typically increasing as complexity increases.

In your case, I am recommending you access a Personal Pension via the Transact Platform.

Platforms

A platform is a place in which an individual can combine investing in funds (and sometimes other assets) with managing various tax wrappers. Modern platforms offer a range of additional reporting, tax management and custodian benefits but put simply, a platform allows you to combine fund and investment management with the tax wrapper itself.

Transact

Transact is a provider that we recommend to clients as part of our centralised investment proposition. We conduct ongoing reviews of the providers we recommend and if at a future review we find the provider recommended is no longer suitable to your specific needs, we will consider your options with you.

Transact was the first wrap service to launch in the UK, in 2000. Over the years they have harnessed systems, technology, and their in-depth knowledge of the UK investment market to provide a more efficient and simpler way for advisers to manage clients' financial portfolios.

"Transact" is the name of the investment administration platform service offered by Integrated Financial Arrangements Ltd (IFAL), which was established in 1999. IFAL is a company within the IntegraFin Holdings PLC group of companies. IntegraFin is listed on the London Stock Exchange and are a constituent of the FTSE 250 index.

Financial strength

Transact has been profitable every year since 2003 and has been awarded an 'Excellent' financial performance rating for the last nine years to 2022 in the FinalytiQ Advised Platform Report. Transact works exclusively through financial advisers and is 100% focused on servicing the UK market. With their strong financial track record, clients and their advisers can be confident that Transact can be relied upon for the long term.

Platform charge

The Transact platform charge is tiered and is based on whether total wrap holdings meet certain thresholds. The charges differ where total holdings are between £0 and £100,000 or above £100,000. The charges for total portfolios below £100,000 are as follows:

Value		**Charge**
From	**To**	
£0	£60,000	0.50%
£60,000	£100,000	0.26%
Wrapper		**Charge**
Personal Pension / SIPP		£20 per quarter (£80 per annum)

For you, this equates to a charge of 0.45% per annum. This charge will reduce in percentage terms as the value of your holdings increase, as per the thresholds in the table above.

There is also a £80 per annum (£20 per quarter) Pension Facility Fee payable. Based on the value of your pension this equates to 0.11% per annum.

In addition, there are adviser and fund charges; these are detailed in full within the associated report.