

Your Financial Plan

Michael Morgan

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Financial
Advisers

In this report

1. Your current position

4

We look at your current financial position including your incomes, expenditures, investments, and pensions to measure the likelihood of meeting your financial objectives

2. Your questions answered: How long will my money last?

6

We forecast how long you might be able to sustain your level of expenditure based on your available level of income and by drawing down on your investments.

3. Your income and wealth forecast

7

Based on your current financial position, we forecast the potential for future growth and income from your portfolio.

4. Next steps

12

As part of our ongoing review service, we explain the next steps to take to ensure you have the best chance of meeting your financial plan.

A: About your plan

14

B: Your full incomes, expenditures, and net wealth forecast

16

C: Your alternative forecast outcomes

18

D: How we built your plan

23

E: Glossary of terms

25

Welcome to Your Financial Plan

Dear Michael,

Following our recent discussions and meetings, I am pleased to present your financial plan.

This shows how you may be able to meet the financial goals we discussed. It shows how the investment portfolio we have created for you might perform over the coming years, including the income it might generate to help meet your day-to-day expenditure.

As the future is uncertain, we cannot guarantee any particular outcome. To show the likelihood of different outcomes, we have included a forecast which shows a range of possible results that could be achieved by your portfolio.

At the back of this report we have also shown a summary of your financial arrangements, income and expenditure, along with the key assumptions we have made in preparing this plan.

If anything in the report looks inaccurate or you require further explanation, please do not hesitate to get in contact.

Your financial needs are, of course, constantly evolving. We will review and update your progress against this plan as part of the annual review service we provide to you. In the meantime, if there are any changes to your circumstances or goals that could affect your financial plan, do let me know.

Kind regards,

Paula Gill

1. Your current position

We look at your current financial position including your incomes, expenditures, investments, and pensions to measure the likelihood of meeting your financial objectives

About you

Name	Current age	State retirement age
Michael	55	67

Your expenditure levels explained

In your report, we group your expenditure into three different levels to help with planning and forecasting and so you can see how your plan could be affected at these different expenditure levels. Your three levels of expenditure are:

- **Must do** - This level covers all your essential expenditure and your everyday living costs.
- **Like to** - This level covers all your "**Must do**" expenditure plus those little luxuries like a holiday or club memberships.
- **Dream of** - This level covers all your "**Must do**" and "**Like to**" expenditure plus big items like multiple holidays and new cars.

Your incomes and expenditures

CURRENT INCOME (BEFORE TAX)	CURRENT INCOME (AFTER TAX)	CURRENT EXPENDITURE	SURPLUS / DEFICIT
£56,109	£44,586	£27,600	£16,986

From the information provided you expect to have a positive cash flow over the next 12 months based on your "**Like to**" level of expenditure. This means that you plan to spend less than you receive in income, after tax. This may enhance your overall wealth.

Your life phases

To help map out your financial plan, we agreed upon the following broad life phases for you.

Phase name	Phase duration	Phase ages
Pre-retirement	Aug 2025 - Feb 2037	55 - 66
Retirement	Mar 2037 - Feb 2050	67 - 79
Late retirement	Mar 2050 - Feb 2070	80 - 99

Your portfolio

We have listed the investments and other assets you hold and their current values. This portfolio, if required, will be used to help provide the income you are looking to take at your chosen retirement date.

	Valuation date	Value	Risk profile
Michael			
Individual Savings Account (Quilter)	01/08/2025	£0	4
Pension (Aviva) Ref: 123456	01/08/2025	£50,000	4
Savings Account (NatWest)	01/08/2025	£25,000	1
Total		£75,000	

2. Your questions answered: How long will my money last?

We forecast how long you might be able to sustain your level of expenditure based on your available level of income and by drawing down on your investments.

In this analysis we use our forecast to predict when you may run out of money to pay for your **"Like to"** level of expenditure. To do this, we simulate withdrawing money from your savings, investments and pensions to avoid you going into debt, unless you've indicated they should not be used.

We have modelled thousands of potential paths for the growth of your portfolio to identify how many of those result in you running out of money:

Be prepared for this (very low growth)	Plan for this (average growth)	Be pleasantly surprised (very high growth)
There is a 5% chance that your money would last this long.	There is a 50/50 chance that your money would last this long.	There is a 5% chance that your money would last this long, but remember this is quite unlikely.
Aug 2042 Age 72	Aug 2045 Age 75	Aug 2051 Age 81

There are many influencing factors to this projection, including performance of your investments and changes to your incomes and expenditures. Remember that there is always a chance that you could run out of money sooner than the earliest predicted date.

What we have assumed

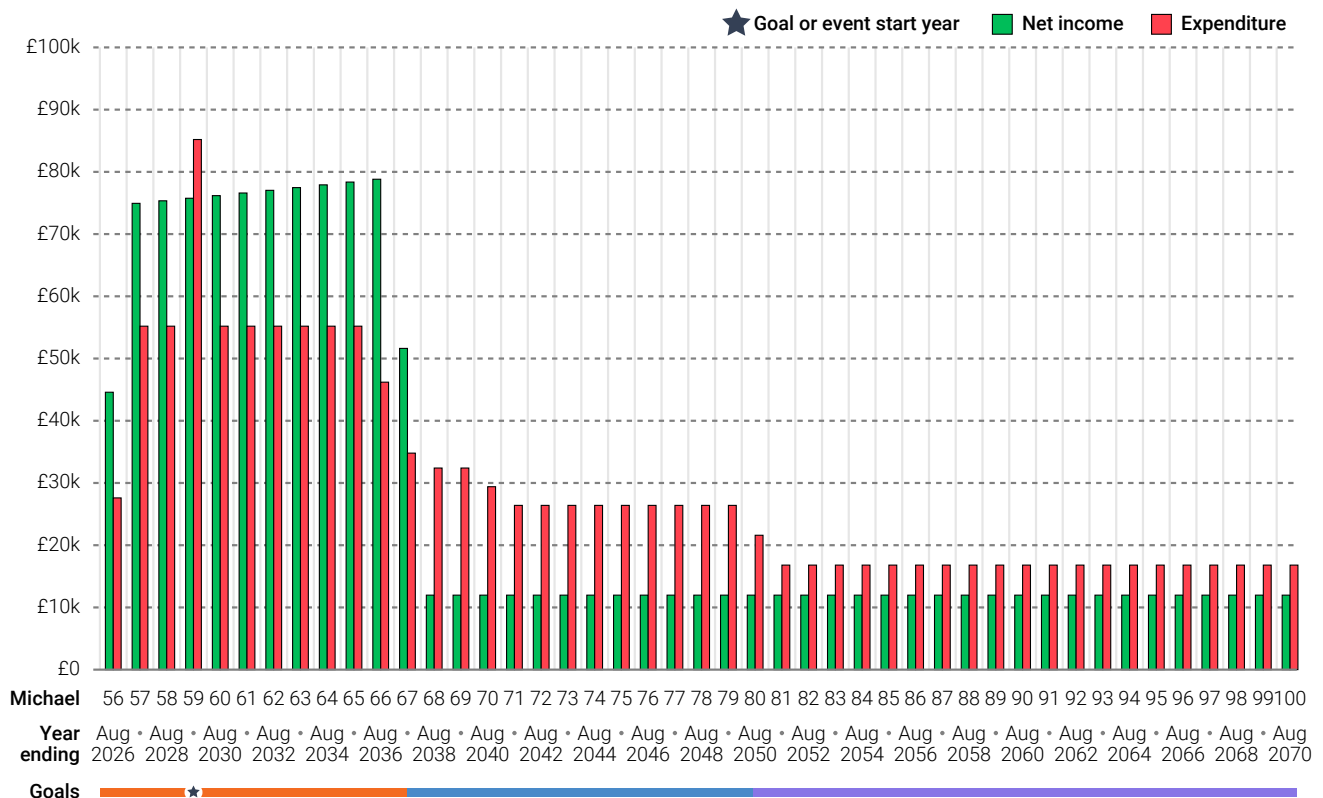
The analysis above is based on the following assumptions:

- In years where you've already covered your expenditure and have money left over, you spend the money on things outside of this plan.
- Meeting your **"Like to"** level of expenditure over the duration of your plan.
- The analysis includes any planned withdrawals, provided they are affordable.
- The ranges shown are not finite and your portfolio could always do better or worse than the values shown.
- At the point you run out of money, you may still have capital that is inaccessible and cannot be immediately used to fund your expenditure. This could include pensions which can only be used to provide income from the minimum pension age onwards. This age can vary from pension to pension and is listed in the appendix 'About your plan'.

3. Your income and wealth forecast

Based on your current financial position, we forecast the potential for future growth and income from your portfolio.

Your income forecast



Year ending	Goal	Starting	Ending	Amount
Aug 2029	Holiday to Jamaica	Dec 2028		£30,000 one-off

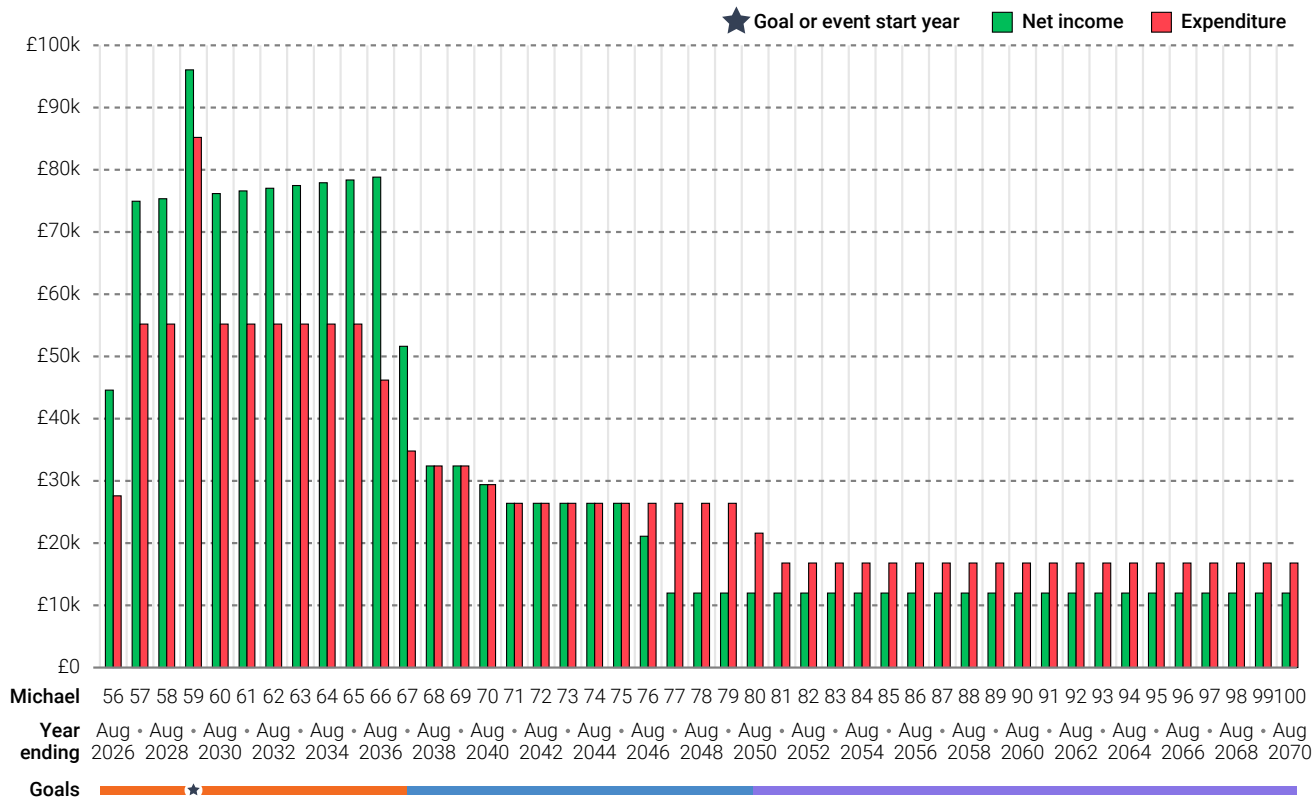
The chart above shows your forecast net income (after tax) and your projected **"Like to"** expenditure. This forecast is based on your portfolio growing in line with the 'Plan for this' outcome.

You can also see the lower 'Be prepared for this' and higher 'Be pleasantly surprised' growth outcomes in the appendices to this report.

Income tax has been calculated based on the current tax year's standard UK tax rates and bands, excluding Scotland. The forecast is shown in 'real' terms - i.e. what your future income would be worth in today's money - and assumes annual inflation (how much the prices of goods and service rise) based on the Bank of England target rate.

Where you can see that your expenditure is greater than your income, we refer to this as a shortfall. When this occurs in real life you have to take some action; borrow, spend less, earn more or spend your investment.

As we are forecasting the future, the chart below shows a different income and expenditure outcome with the necessary income being taken from your investment to meet the shortfall. This does not mean that this will happen. When you find yourself in this situation you should take our advice as to the best option depending on your circumstances at that time.

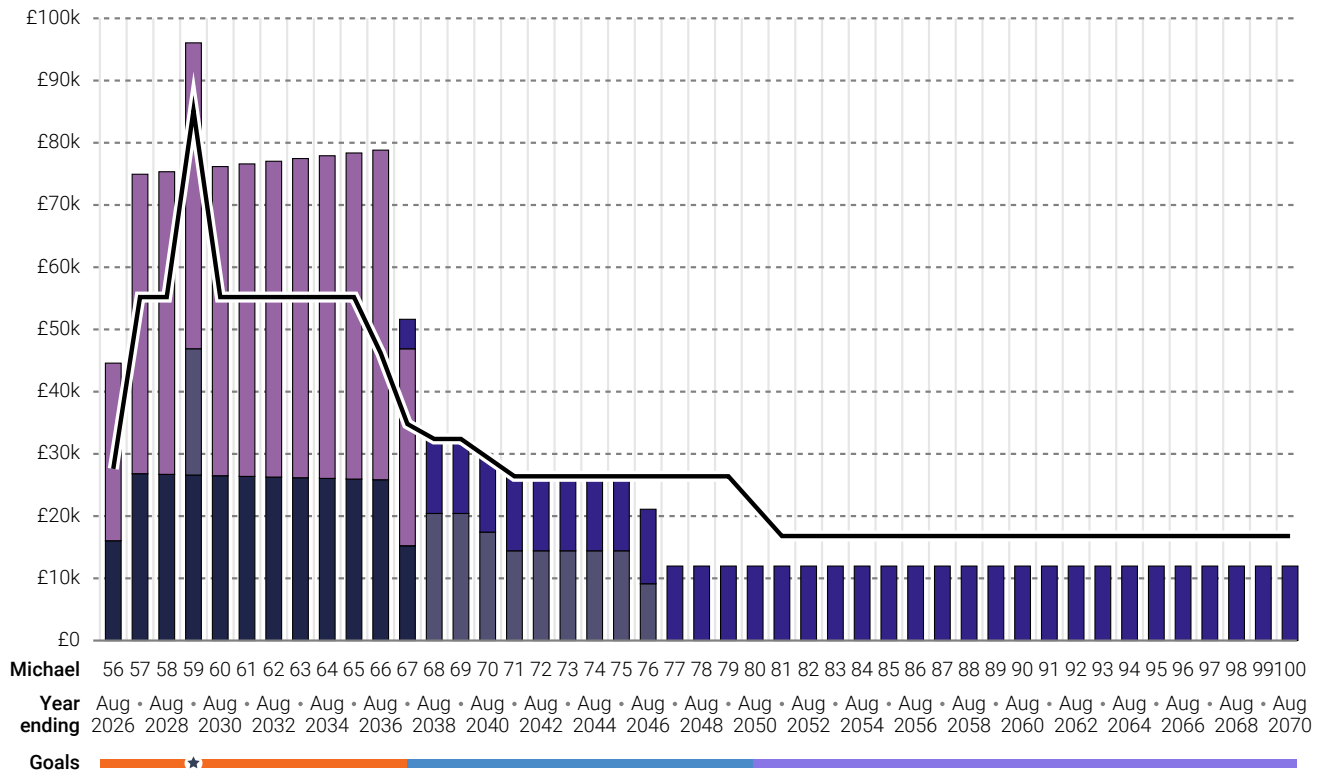


Where you have several investments for the purpose of the forecast, we have applied current best practice as to which investment would normally be spent first and which would be left invested longest. This is only indicative and when the time comes you should take advice which considers your current situation, the general tax rules and the specific rules applying to your investments.

Your income in detail

To help bring your income forecast to life, we have broken it down into the various sources of income you expect to receive. Here, we itemise some of the largest sources of income and group the remainder as 'other'. Any money that is planned to be taken from your investments in the future is listed under the 'portfolio withdrawals' label. This chart shows the necessary money being taken from your investments to meet any shortfall, as explained earlier.

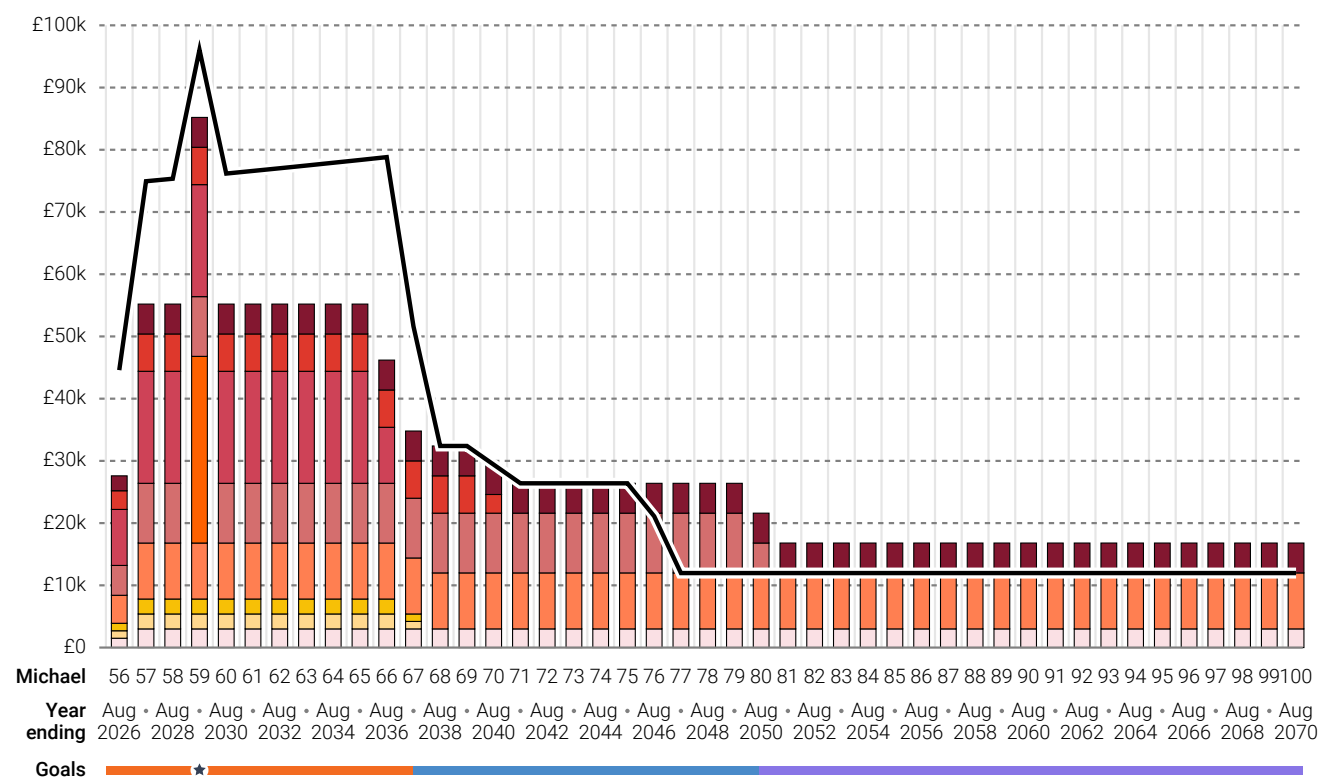
It is of course important to note that the amount of money going into your bank account may change in the future. This is why this should be regularly reviewed.



Key	Description
	State pension for Michael
	Salary
	Portfolio Withdrawals
	Bonus (non-guaranteed bonus/overtime)
	Expenditure

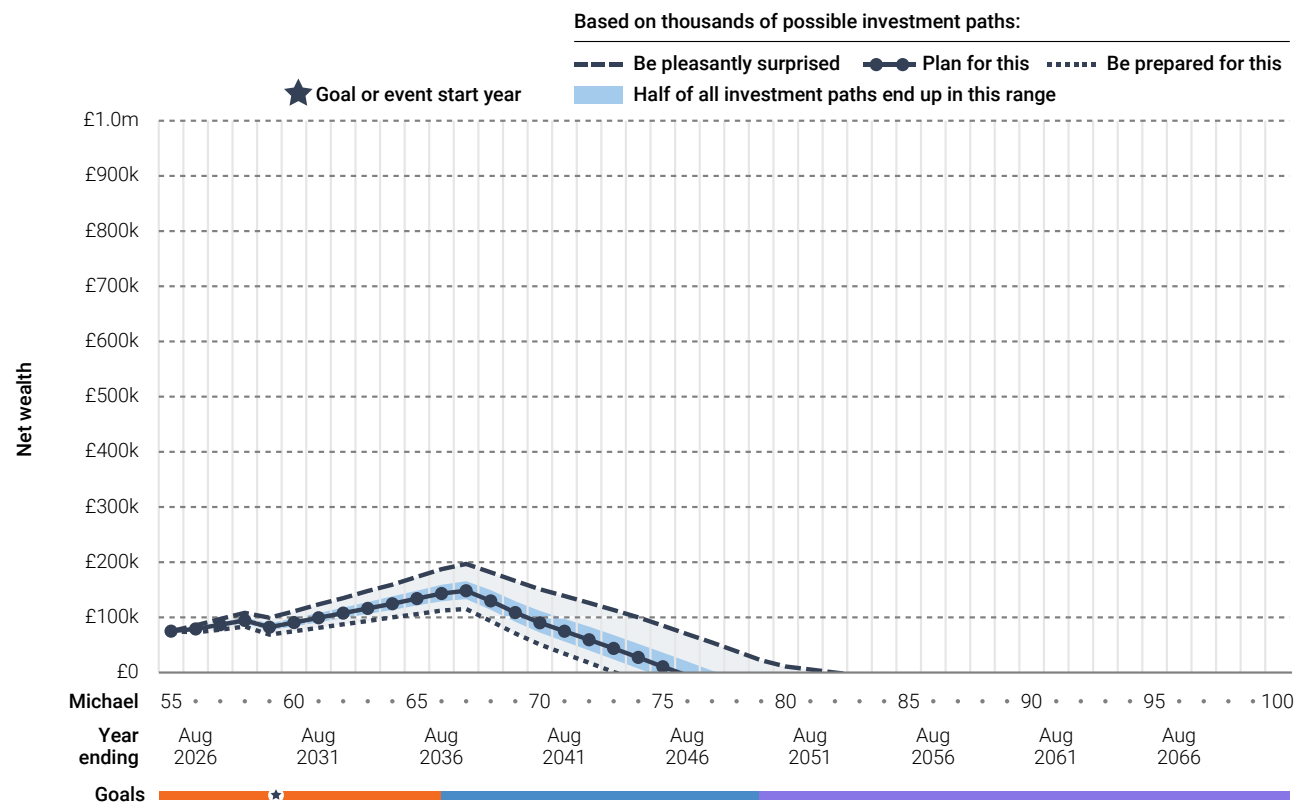
Your expenditure in detail

To help bring the chart to life and to think about where you spend your money, we have broken down the expenditure that you like to incur. For ease of understanding, we show some of the largest expenditures and group the remainder as 'other'. Sometimes a large one-off expenditure would be added to 'other' because there other expenditures that are larger across the duration of your plan. This chart shows the necessary money being taken from your investments to meet any shortfall, as explained earlier.



Key	Description
■	Utilities
■	Transport
■	Housing
■	Holidays & Leisure
■	Holiday to Jamaica
■	Food & Drink
■	Contribution (Personal pension plan)
■	Contribution (Fund/savings account)
■	Clothing & Personal
—	Income

Your wealth forecast



The wealth forecast above shows the potential future value of your investment and pension portfolio after charges. If in any year your required expenditure cannot be met by the income generated by your portfolio, a portion of your portfolio would be disinvested to make up the shortfall, which could reduce your portfolio's overall value.

The three outcomes which are shown are:

- 'Be prepared for this' - This outcome assumes a lower-than-average level of investment growth, including investment loss. There is a 5% chance of your portfolio seeing this outcome or worse.
- 'Plan for this' - This outcome assumes an average level of investment growth (and is the assumption we use throughout this report). There is a 50/50 chance of your portfolio performing better or worse than this.
- 'Be pleasantly surprised' - This outcome assumes a higher- than- average level of investment growth. There is a 5% chance of your portfolio seeing this outcome or better.

For a full breakdown of the inputs, assumptions, and data used to calculate this forecast please see the appendices at the end of this report.

4. Next steps

As part of our ongoing review service, we explain the next steps to take to ensure you have the best chance of meeting your financial plan.

- We show how your portfolio is working to meet your financial goals.
- We have included a forecast which shows a range of possible results that could be achieved by your portfolio.
- We show a summary of your financial arrangements, incomes, and expenditures, along with the key assumptions we have made in preparing this plan.

Please review this report and come back to me with any questions or comments.

Once you are happy with this report, please sign and return a copy to me and retain the other copy for your records.

Appendices



A: About your plan

Lots of information has been used to help create a suitable financial plan for you. Below are details of your current and expected income and expenditure, and the current composition of your investment portfolio. Do let me know if anything is incorrect or missing so I can ensure my advice to you is based on the most accurate information.

Your incomes

These are sources of regular income you are currently receiving or expect to receive in the future.

Name	Type	Amount	Annual increase	Frequency	Starting	Ending
Bonus (non-guaranteed bonus/overtime)	Guaranteed bonuses or overtime (gross)	£10,000	Price inflation	Quarterly	When Michael is 56 (Mar 2026)	Feb 2037
Salary	Salary or wages (gross)	£6,000	Earnings inflation	Monthly	When Michael is 56 (Mar 2026)	Feb 2037
State pension for Michael	State pension (gross)	£998	Price inflation	Monthly	Mar 2037	Rest of life

Your expenditures

These are the key day-to-day and one-off expenses you expect to have to meet out of your income.

Name	Amount	Annual increase	Frequency	Starting	Ending
Housing	£1,500	Price inflation	Monthly	When Michael is 56 (Mar 2026)	10 years
Transport	£500	Price inflation	Monthly	When Michael is 56 (Mar 2026)	When Michael is 70 (Mar 2040)
Holidays & Leisure	£800	Price inflation	Monthly	When Michael is 56 (Mar 2026)	When Michael is 80 (Mar 2050)
Clothing & Personal	£250	Price inflation	Monthly	When Michael is 56 (Mar 2026)	Rest of life
Food & Drink	£750	Price inflation	Monthly	When Michael is 56 (Mar 2026)	Rest of life
Utilities	£400	Price inflation	Monthly	When Michael is 56 (Mar 2026)	Rest of life
Holiday to Jamaica	£30,000		One-off	Dec 2028	

Your investments and pensions

These are all the holdings included in your investment portfolio, including any new investment contributions you are making and any withdrawals you are taking out. 'Disinvestment priority' indicates the order in which you wish investments to be sold to meet any shortfall in the income you need to receive from your portfolio.

Individual Savings Account (Quilter)

Value	Risk profile	Assumed charges (%)	Disinvestment priority
£0	4	0.00%	2

Savings Account (NatWest)

Value	Risk profile	Assumed charges (%)	Disinvestment priority
£25,000	1	0.00%	1

Contributions

Amount	Frequency	Starting	Ending
£200	Monthly	When Michael is 56 (Mar 2026)	Feb 2037

Pension (Aviva)

Value	Risk profile	Assumed charges (%)	Disinvestment priority	Minimum pension age
£50,000	4	0.00%	3	55

Contributions

Payer	Amount	Frequency	Starting	Ending
Michael	£200	Monthly	When Michael is 56 (Mar 2026)	Feb 2037
Employer	£200	Monthly	When Michael is 56 (Mar 2026)	Feb 2037

B: Your full incomes, expenditures, and net wealth forecast

Below are full details of your forecast year-by-year incomes and expenditures and the potential changes in the value of your portfolio. Expenditure is based on the **"Like to"** level. Portfolio performance is based on our average 'Plan for this' forecast outcome.

Year ending	Client age	Income (net real)	Expenditure (real)	Net wealth	Shortfall
Initially	55	-	-	£75,000	-
Aug 2026	56	£44,586	£27,600	£79,038	£0
Aug 2027	57	£74,942	£55,200	£86,667	£0
Aug 2028	58	£75,348	£55,200	£94,489	£0
Aug 2029	59	£96,056	£85,200	£82,202	£0
Aug 2030	60	£76,178	£55,200	£90,611	£0
Aug 2031	61	£76,602	£55,200	£99,271	£0
Aug 2032	62	£77,032	£55,200	£107,717	£0
Aug 2033	63	£77,469	£55,200	£116,244	£0
Aug 2034	64	£77,912	£55,200	£124,670	£0
Aug 2035	65	£78,361	£55,200	£134,046	£0
Aug 2036	66	£78,817	£46,200	£143,212	£0
Aug 2037	67	£51,630	£34,800	£148,245	£0
Aug 2038	68	£32,400	£32,400	£129,846	£0
Aug 2039	69	£32,400	£32,400	£108,690	£0
Aug 2040	70	£29,400	£29,400	£90,256	£0
Aug 2041	71	£26,400	£26,400	£74,926	£0
Aug 2042	72	£26,400	£26,400	£59,380	£0
Aug 2043	73	£26,400	£26,400	£43,737	£0
Aug 2044	74	£26,400	£26,400	£27,470	£0
Aug 2045	75	£26,400	£26,400	£10,537	£0
Aug 2046	76	£21,103	£26,400	£0	-£5,297
Aug 2047	77	£11,973	£26,400	£0	-£19,724
Aug 2048	78	£11,973	£26,400	£0	-£34,151

Year ending	Client age	Income (net real)	Expenditure (real)	Net wealth	Shortfall
Aug 2049	79	£11,973	£26,400	£0	-£48,578
Aug 2050	80	£11,973	£21,600	£0	-£58,205
Aug 2051	81	£11,973	£16,800	£0	-£63,032
Aug 2052	82	£11,973	£16,800	£0	-£67,859
Aug 2053	83	£11,973	£16,800	£0	-£72,686
Aug 2054	84	£11,973	£16,800	£0	-£77,513
Aug 2055	85	£11,973	£16,800	£0	-£82,340
Aug 2056	86	£11,973	£16,800	£0	-£87,167
Aug 2057	87	£11,973	£16,800	£0	-£91,994
Aug 2058	88	£11,973	£16,800	£0	-£96,821
Aug 2059	89	£11,973	£16,800	£0	-£101,648
Aug 2060	90	£11,973	£16,800	£0	-£106,475
Aug 2061	91	£11,973	£16,800	£0	-£111,302
Aug 2062	92	£11,973	£16,800	£0	-£116,129
Aug 2063	93	£11,973	£16,800	£0	-£120,956
Aug 2064	94	£11,973	£16,800	£0	-£125,783
Aug 2065	95	£11,973	£16,800	£0	-£130,610
Aug 2066	96	£11,973	£16,800	£0	-£135,437
Aug 2067	97	£11,973	£16,800	£0	-£140,264
Aug 2068	98	£11,973	£16,800	£0	-£145,091
Aug 2069	99	£11,973	£16,800	£0	-£149,918
Aug 2070	100	£11,973	£16,800	£0	-£154,745

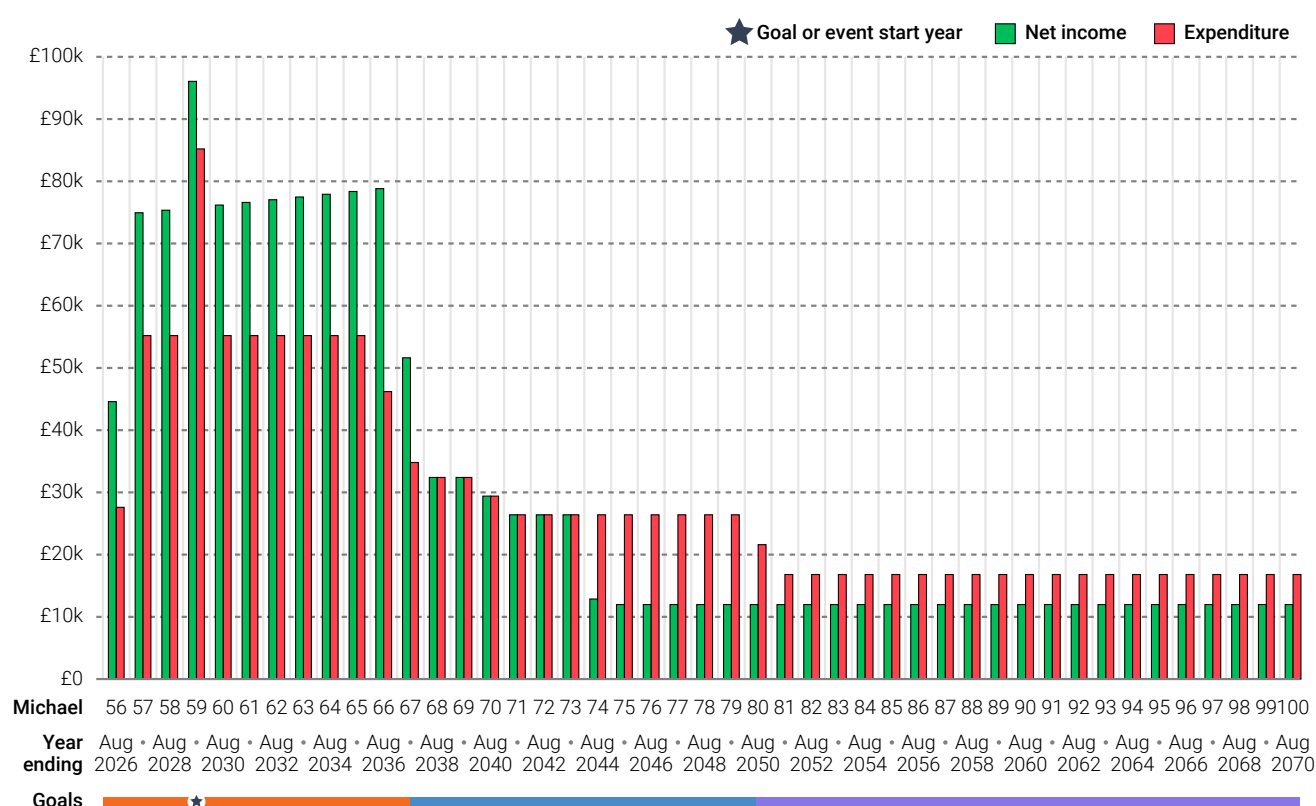
C: Your alternative forecast outcomes

As the future is uncertain, we cannot guarantee any financial outcome. We therefore look to show a range of possible results that could be achieved by your portfolio under different market conditions.

Throughout this report, we have used figures based on our 'Plan for this' forecast, which assumes average returns from investment markets. Below are two further forecasts to show the potential impact of very different market conditions on your portfolio. Please note that these forecasts are for illustration only and we cannot guarantee what outcome will be achieved.

The 'Be prepared for this' outcome

This is our worse-than-average scenario, which shows what could happen to your portfolio if investment markets suffer poor returns including sustained losses. There is a 5% chance your portfolio could achieve this performance or worse, so it is important to be prepared for it.



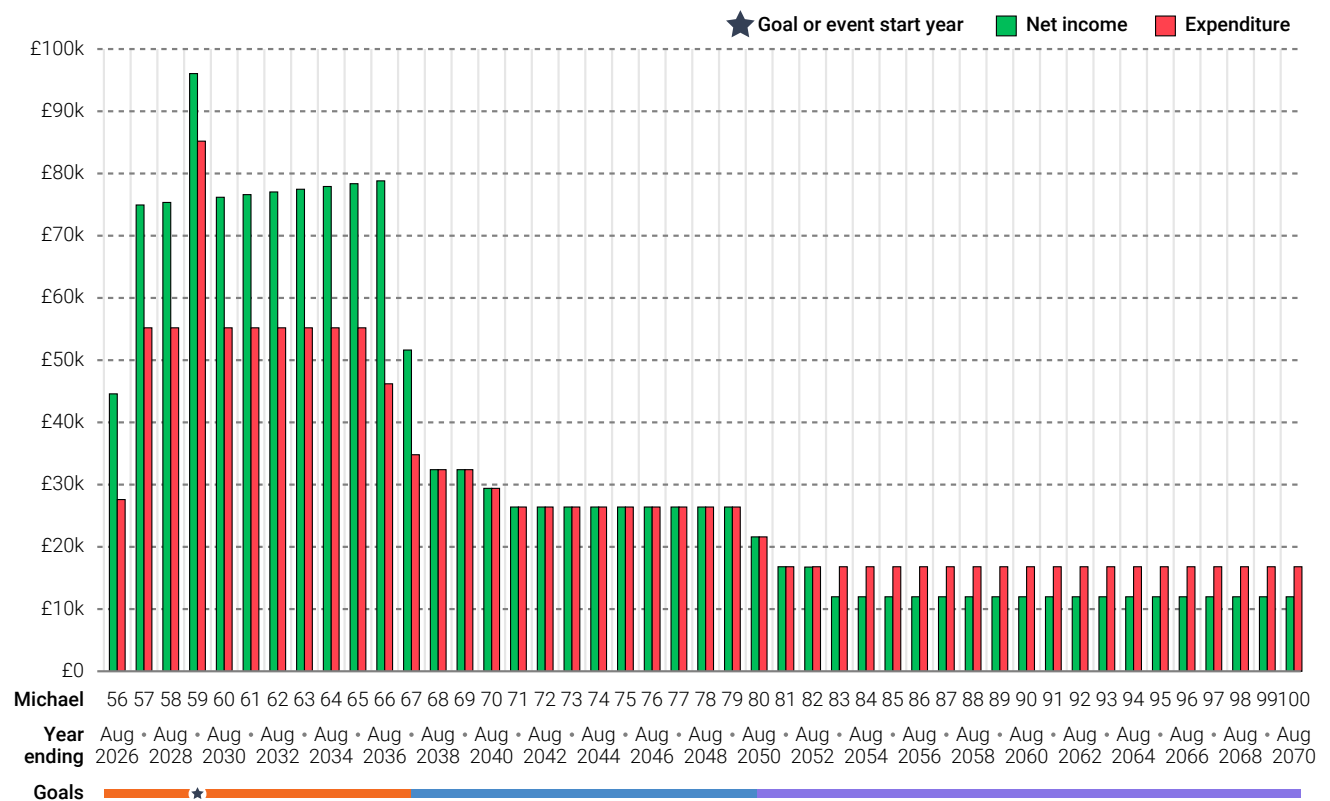
Year ending	Client age	Income (net real)	Expenditure (real)	Net wealth	Shortfall
Initially	55	-	-	£75,000	-
Aug 2026	56	£44,586	£27,600	£72,914	£0
Aug 2027	57	£74,942	£55,200	£77,654	£0
Aug 2028	58	£75,348	£55,200	£83,347	£0
Aug 2029	59	£96,056	£85,200	£68,805	£0

Year ending	Client age	Income (net real)	Expenditure (real)	Net wealth	Shortfall
Aug 2030	60	£76,178	£55,200	£74,851	£0
Aug 2031	61	£76,602	£55,200	£81,062	£0
Aug 2032	62	£77,032	£55,200	£87,427	£0
Aug 2033	63	£77,469	£55,200	£93,408	£0
Aug 2034	64	£77,912	£55,200	£100,076	£0
Aug 2035	65	£78,361	£55,200	£105,865	£0
Aug 2036	66	£78,817	£46,200	£112,325	£0
Aug 2037	67	£51,630	£34,800	£115,243	£0
Aug 2038	68	£32,400	£32,400	£93,256	£0
Aug 2039	69	£32,400	£32,400	£70,944	£0
Aug 2040	70	£29,400	£29,400	£50,796	£0
Aug 2041	71	£26,400	£26,400	£34,158	£0
Aug 2042	72	£26,400	£26,400	£17,771	£0
Aug 2043	73	£26,400	£26,400	£909	£0
Aug 2044	74	£12,865	£26,400	£0	-£13,535
Aug 2045	75	£11,973	£26,400	£0	-£27,962
Aug 2046	76	£11,973	£26,400	£0	-£42,389
Aug 2047	77	£11,973	£26,400	£0	-£56,816
Aug 2048	78	£11,973	£26,400	£0	-£71,243
Aug 2049	79	£11,973	£26,400	£0	-£85,670
Aug 2050	80	£11,973	£21,600	£0	-£95,297
Aug 2051	81	£11,973	£16,800	£0	-£100,124
Aug 2052	82	£11,973	£16,800	£0	-£104,951
Aug 2053	83	£11,973	£16,800	£0	-£109,778
Aug 2054	84	£11,973	£16,800	£0	-£114,605
Aug 2055	85	£11,973	£16,800	£0	-£119,432
Aug 2056	86	£11,973	£16,800	£0	-£124,259
Aug 2057	87	£11,973	£16,800	£0	-£129,086
Aug 2058	88	£11,973	£16,800	£0	-£133,913
Aug 2059	89	£11,973	£16,800	£0	-£138,740

Year ending	Client age	Income (net real)	Expenditure (real)	Net wealth	Shortfall
Aug 2060	90	£11,973	£16,800	£0	-£143,567
Aug 2061	91	£11,973	£16,800	£0	-£148,394
Aug 2062	92	£11,973	£16,800	£0	-£153,221
Aug 2063	93	£11,973	£16,800	£0	-£158,048
Aug 2064	94	£11,973	£16,800	£0	-£162,875
Aug 2065	95	£11,973	£16,800	£0	-£167,702
Aug 2066	96	£11,973	£16,800	£0	-£172,529
Aug 2067	97	£11,973	£16,800	£0	-£177,356
Aug 2068	98	£11,973	£16,800	£0	-£182,183
Aug 2069	99	£11,973	£16,800	£0	-£187,010
Aug 2070	100	£11,973	£16,800	£0	-£191,837

The 'Be pleasantly surprised' outcome

This is our better-than-average scenario, which shows what could happen to your portfolio if investment markets experience strong performance. There is a 5% chance your portfolio could achieve this performance or better - so although there is a small likelihood it could happen; it must never be relied upon.



Year ending	Client age	Income (net real)	Expenditure (real)	Net wealth	Shortfall
Initially	55	-	-	£75,000	-
Aug 2026	56	£44,586	£27,600	£85,409	£0
Aug 2027	57	£74,942	£55,200	£97,151	£0
Aug 2028	58	£75,348	£55,200	£108,221	£0
Aug 2029	59	£96,056	£85,200	£99,416	£0
Aug 2030	60	£76,178	£55,200	£110,950	£0
Aug 2031	61	£76,602	£55,200	£123,551	£0
Aug 2032	62	£77,032	£55,200	£134,861	£0
Aug 2033	63	£77,469	£55,200	£147,854	£0
Aug 2034	64	£77,912	£55,200	£159,276	£0
Aug 2035	65	£78,361	£55,200	£173,415	£0
Aug 2036	66	£78,817	£46,200	£187,338	£0
Aug 2037	67	£51,630	£34,800	£196,795	£0
Aug 2038	68	£32,400	£32,400	£181,676	£0
Aug 2039	69	£32,400	£32,400	£166,066	£0
Aug 2040	70	£29,400	£29,400	£150,910	£0
Aug 2041	71	£26,400	£26,400	£138,745	£0
Aug 2042	72	£26,400	£26,400	£126,224	£0
Aug 2043	73	£26,400	£26,400	£113,388	£0
Aug 2044	74	£26,400	£26,400	£100,033	£0
Aug 2045	75	£26,400	£26,400	£84,987	£0
Aug 2046	76	£26,400	£26,400	£69,531	£0
Aug 2047	77	£26,400	£26,400	£54,510	£0
Aug 2048	78	£26,400	£26,400	£38,427	£0
Aug 2049	79	£26,400	£26,400	£22,192	£0
Aug 2050	80	£21,600	£21,600	£10,956	£0
Aug 2051	81	£16,800	£16,800	£5,526	£0
Aug 2052	82	£16,752	£16,800	£0	-£48
Aug 2053	83	£11,973	£16,800	£0	-£4,875
Aug 2054	84	£11,973	£16,800	£0	-£9,702

Year ending	Client age	Income (net real)	Expenditure (real)	Net wealth	Shortfall
Aug 2055	85	£11,973	£16,800	£0	-£14,529
Aug 2056	86	£11,973	£16,800	£0	-£19,356
Aug 2057	87	£11,973	£16,800	£0	-£24,183
Aug 2058	88	£11,973	£16,800	£0	-£29,010
Aug 2059	89	£11,973	£16,800	£0	-£33,837
Aug 2060	90	£11,973	£16,800	£0	-£38,664
Aug 2061	91	£11,973	£16,800	£0	-£43,491
Aug 2062	92	£11,973	£16,800	£0	-£48,318
Aug 2063	93	£11,973	£16,800	£0	-£53,145
Aug 2064	94	£11,973	£16,800	£0	-£57,972
Aug 2065	95	£11,973	£16,800	£0	-£62,799
Aug 2066	96	£11,973	£16,800	£0	-£67,626
Aug 2067	97	£11,973	£16,800	£0	-£72,453
Aug 2068	98	£11,973	£16,800	£0	-£77,280
Aug 2069	99	£11,973	£16,800	£0	-£82,107
Aug 2070	100	£11,973	£16,800	£0	-£86,934

These figures show you your net income (i.e. after tax has been paid) and your projected "**Like to**" expenditure. Income tax has been calculated based on the current tax year's standard UK tax rates and bands, excluding Scotland. The forecast is shown in 'real' terms - i.e. what your future income would be worth in today's money - and assumes annual inflation (how much the prices of goods and service rise) based on the Bank of England target rate.

Where you have several investments for the purpose of the forecast, we have applied current best practice as to which investment would normally be spent first and which would be left invested longest. This is only indicative and when the time comes you should take advice which considers your current situation, the general tax rules and the specific rules applying to your investments.

D: How we built your plan

Forecasting methodology

It is impossible to know for sure what will happen with investment markets in the future, so we have shown the typical range of potential outcomes by forecasting what could happen to your investments in the future. These projections are designed to give a feel for the likely outcome and are not a guarantee.

Your investments have been projected forwards using the Geometric Brownian motion model, which is widely used in finance and investment. It means that each month, the investment value changes, sometimes it goes up, sometimes it goes down, but is more likely to be close to the average than far away. The size of jump in price is linked to the volatility of the portfolio, and the tendency to rise rather than fall. The extent of this tendency is linked to the assumed average growth rate. The growth in previous months does not impact what might happen in the future.

The projection is repeated thousands of times, to give a view of the likely range of outcomes. The middle line of the charts (the 'Plan for this' line) is the middle outcome of the projection, half the projections are below it and half are above. 5% of the projections end up below the 'Be prepared for this' line and 5% end up above the 'Be pleasantly surprised' line.

Dynamic Planner forecasts the spending power of your investments. This is generally referred to as showing your finances "in real terms" and means that the values you are seeing have been adjusted for inflation at each point in time. For example, today it might be possible to buy a loaf of bread for £1.00. In ten years' time, a loaf of bread may cost you £1.25. Inflation rates can peak and trough quite considerably during volatile periods and we mirror this behaviour in the growth of your investments. For your planned spending we use a single averaged rate for inflation based on the target set by the Bank of England. This means that for each month and year of your plan, the growth of both your investments and your planned spending includes inflation, so that the projections reflect your future spending power (the £1.25 in our earlier example).

Assumptions

Your plan has been constructed based on the following assumptions:

- Standard UK tax rates and bands (excluding Scotland) have been used when calculating your net income (i.e. after tax). Unless stated otherwise, all figures are quoted in 'real' terms - i.e. what your future income would be worth in today's money.
- Investment projections are based on real returns and allow inflation to vary in line with each projection.
- Income and expenditure are adjusted to be shown in real terms and assume annual inflation (how much the prices of goods and service rise) based on the Bank of England target rate. More information on the Bank of England target rate can be found here <https://www.bankofengland.co.uk/monetary-policy/inflation>.
- The inflation assumption used within this report for income and expenditure is 2.50% a year.
- Other than income tax, no other personal tax has been included in our calculations. It is possible that you may be liable for additional taxes, such as capital gains tax on any profits you make on selling an investment. We will always look to advise you on the tax implications of any change to your financial plan, based on your financial position.
- The likely future growth of your investments has been determined using the risk profile listed. For each risk profile, an average growth rate and level of volatility are assigned, based on the assumptions developed by independent risk-profiling specialists Dynamic Planner, shown in the table below.

Dynamic Planner risk profiled portfolio	Assumed average growth rate	Assumed average volatility
Portfolio 1	-2.37%	0.01%
Portfolio 2	-0.20%	3.16%
Portfolio 3	1.20%	5.27%

Dynamic Planner risk profiled portfolio	Assumed average growth rate	Assumed average volatility
Portfolio 4	2.22%	7.42%
Portfolio 5	3.18%	9.44%
Portfolio 6	3.95%	11.54%
Portfolio 7	4.87%	13.64%
Portfolio 8	5.31%	15.80%
Portfolio 9	5.83%	17.87%
Portfolio 10	6.33%	19.53%

E: Glossary of terms

ANNUAL REVIEW

The yearly assessment of your financial plan by your adviser to check that it is still suitable and performing as expected.

ASSET ALLOCATION

How a portfolio is allocated across different asset classes (e.g. cash, bonds, and equities/shares) to match an investor's objectives and risk profile.

CAPITAL GAINS TAX

A personal tax payable on the profits made on an investment or other asset (e.g. the difference between the value when it is bought and when it is sold, net of costs).

CASH FLOW

The balance between your income and your expenditure. If your cashflow is positive, you are receiving more income than you spend. If it is negative, you are spending more than the income you receive.

CASH ISA

A tax-free individual savings account created to hold savings deposits.

DISINVESTMENT PRIORITY

The order in which arrangements in your portfolio would be disinvested in any year to make up any shortfall in your required income.

EXPENDITURE LEVELS

Expenditure refers to the costs you need to meet out of your income. Three levels of expenditure can be included in your financial plan:

"Must do" - this level covers all your essential expenditure and every-day living costs.

"Like to" - this level covers all your "must do" expenditure plus those little luxuries like a holiday and club memberships.

"Dream of" - this level covers all your "must do" expenditure plus big items like multiple holidays and new cars.

FINANCIAL CONDUCT AUTHORITY (FCA)

The regulatory body that oversees financial services companies include financial advisers and asset managers.

FINANCIAL OMBUDSMAN SERVICE

An independent service to which consumers can appeal if they believe poor advice or service from an FCA-authorised firm has resulted in financial loss.

FINANCIAL PLAN

A plan created by an adviser in collaboration with a client to determine their financial objectives and how these should be achieved.

FORECASTED VALUE

The algorithm when used for the same input, may produce a different output in different runs.

FORECAST

An illustration of how much growth or income a portfolio might achieve in the future, based on certain performance assumptions.

GENERAL INVESTMENT ACCOUNT

A plan that lets you hold investments outside of a tax-efficient product such as an ISA or pension. There tends to be no limit to how much you can invest in a general investment account.

GROSS INCOME

The income from your investments or salary before any relevant income tax is taken off.

INCOME TAX

A personal tax payable on salary and interest and other income earned on savings and investments.

INDIVIDUAL SAVINGS ACCOUNT (ISA)

A tax-free investment wrapper that protects investments from income tax and capital gains tax liabilities.

INFLATION

The rate at which the prices of goods and services rise each year.

INVESTMENT PLATFORM

An online service that allows an investment portfolio, including ISAs and SIPPs to be monitored and managed securely and easily in one place.

LIFE PHASE

The different phases of your life, from work to retirement - each of which will have its own priorities and financial-planning requirements.

MINIMUM PENSION AGE

This is the earliest age you can withdraw money from your pension.

NET INCOME

The income you receive from your investments or salary once income tax is taken off.

OBJECTIVE

The goal for an investment; what the proceeds of investment are ultimately to be used for.

ONGOING REVIEW SERVICE

The service provided by an advisory firm to a client to ensure their arrangements remain suitable - typically includes an 'annual review' meeting and regular progress reports.

OPEN ENDED INVESTMENT COMPANY (OEIC)

A type of professionally managed investment fund that pools lots of different investments together. It is divided into shares of equal size whose price will rise and fall in line with the value of the fund's underlying investments.

PORTFOLIO

An individual investor's collection of investments.

REAL TERMS

A monetary value that has been adjusted to consider the effects of inflation on its buying power.

RISK

The potential for an investment to fluctuate in value or lose money.

RISK PROFILE

An assessment of an investor's attitude to, and capacity for, investment risk, based on their personal circumstances and preferences.

SELF-INVESTED PERSONAL PENSION (SIPP)

A type of pension plan that offers an investor extensive freedom as to what investments they hold in it.

STOCKS & SHARES ISA

A tax-free individual savings account created to hold stock market investments.

VOLATILITY

The tendency of investments and investment markets to fluctuate in value.

I confirm that I have read and understand the full content of this report.

Client signature

Michael Morgan

Adviser signature

Paula Gill

Date

Date

Contact information

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