

OCT 2023

Suitable solutions for a defined target market

Clients looking to grow their wealth



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DIVITIO
WEALTH

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Introduction

This document summarises the client information that we have obtained and considered for **Clients looking to grow their wealth on 13 Oct 2023**, completed by **Kat Flanagan**.

It sets out the criteria that has been applied using our skills, knowledge and experience to research the market, and identify compatible products and services that would be in the best interests of clients within this target market.

Finally, it summarises the products and services that we intend to distribute to this target market, the distribution strategy and why having sufficiently researched the manufacturer's information, they are compatible for this target market.

Target market definition

Clients looking to grow their wealth

This group of clients have established an element of security and status in their employment and have implemented plans to meet their aspirations towards their goals and objectives to achieve financial stability at retirement.

Typical demographics

Age	45 - 60
Wealth	£500,000 - £1,000,000

Investment objectives and requirements

Primary objective	Accumulation
Typical transactions	Lump sum and regular
Complex products suitability	Complex

Risk levels

1	2	3	4	5	6	7	8	9	10
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Sustainability profiles

Low Importance	Some Importance	Medium Importance	High Importance	Very high Importance
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Target market compatibility criteria

The target market's needs, characteristics and objectives have been captured in the target market description. This enables a clear and concise set of criteria to research products and services which would be compatible with this group of clients. We defined the below criteria using our understanding of the target market as well as suitable manufacturer target market definitions.

Positive criteria

The criteria that a product would need in order to be compatible are:

- Must be a Dynamic Planner Risk Profiled or Risk Target Managed investment solution
- Must be a Dynamic Planner Premium rated investment solution
- Should respond quickly to market conditions
- Able to view investments online
- Multiple tax wrappers and ability to move between them within the same product

Negative criteria

The criteria that would make a product incompatible are:

- OCF greater than 0.80%
- MSCI ESG quality score less than A
- Product with exit penalties
- Unregulated Collective Investment Schemes

Target market conclusions and review

Conclusions

Through defining, assessing the criteria, needs and objectives of this target market, we have summarised our conclusions and / or proposed offering below.

For a summary of the platform research we have conducted, please see Pages 10-11 of this report; of selected products, Pages 12-13; and for research of investment solutions, please see Pages 14-16.

Target market service and proposition

Service

Having identified the characteristics and objectives of this target market, and the products and investment solutions that we will offer, here we describe the nature of the advice and service needed to support the clients and their use of these solutions.

Where relevant, we will provide:

- Annual review reports
- Cash flow modelling
- F2F meetings

Value

Through defining the nature of the advice and service needed to support the clients, we have summarised the charge for each service we may provide.

Our advice charges are as follows:

- 0.50% pa to clients who receive annual reviews
- 0.75% pa to clients who receive annual reviews and cash flow plans
- 1.00% pa to clients who receive annual reviews and are invested in one of our advised model portfolios

Product research

Our methodology

In order to provide the highest quality Product recommendations to these clients, we have conducted thorough research across the market using Dynamic Planner.

Our research method is structured around the selection of relevant tax wrappers, funds and preferred features that meet the requirements of the target market we have defined.

ISA and SIPP products list

Below is the selection criteria, results and relevant justification for the construction of this Product list as per the target market compatibility criteria.

Wrapper, preferred features and fund availability requirements

Tax wrapper selection

We have conducted the research on the following tax wrappers:

Tax wrapper	Selected
Investment products	
Investment Account	
ISA	✓
Onshore Bond	
Offshore Bond	
Junior ISA	
Lifetime ISA	
Retirement products	
Personal pension plan	
Self invested personal pension	✓
Drawdown / Unsecured Pension	
Executive pension plan / Deferred SSAS	

Product entry requirements

For each product we have applied the below preferences for product entry criteria:

Age range: 45 - 60

Minimum Investment criteria (Lump sum / regular): Any amount / Any amount

Product features required

For each product we check if each of the below features is available:

Feature	Definition
General features	
Digital Signature	Clients can digitally sign documents
Dynamic Planner integration	This provider can link directly to Dynamic Planner allowing client portfolios to be risk monitored.
Online valuations	Clients can monitor and produce a valuation online.
Fees and charges	
Free switching	Clients can switch one or multiple investment funds without incurring a transaction fee

Fund requirements

The following funds form part of our investment proposition for this target market. We have checked the availability of these funds, model portfolios, and shortlists within the researched products:

Investment solutions
Individual funds
BlackRock Consensus 85 D
Fidelity Multi Asset Allocator Adventurous W Acc
HSBC Global Strategy Dynamic Portfolio C Acc
L&G Multi-Index 6 I Acc
Santander Atlas Portfolio 6 IA
Vanguard LifeStrategy 80% Equity A Shares
VT AJ Bell Moderately Adventurous Acc
WS Canlife Portfolio VI C Acc
Model Portfolios
Suitable funds for ISA and SIPP
Shortlists
Shortlist of ISA and SIPP funds

Provider requirements

While we have conducted the research on a **whole of market basis** and no specific provider exclusions have been applied, we have stated a preference for a **provider AKG rating of at least B**.

How platforms and providers meet the requirements

The following summarises the results of the research based on each of the requirements in the previous section.

Our research has generated the following results showing the platforms/providers and where they match the search criteria. Each platform/provider may have additional features which have not been considered as a requirement for this target market.

	Wrappers	Financial strength	Entry preferences	Product preferences	Funds	Model Portfolios	Shortlists	Selected
Quilter	2 / 2	B+	1 / 1	4 / 4	8 / 8	1 / 1	1 / 1	
abrdn Elevate	2 / 2	A	1 / 1	4 / 4	8 / 8	1 / 1	1 / 1	✓
abrdn Wrap	2 / 2	A	1 / 1	4 / 4	8 / 8	1 / 1	1 / 1	
Fidelity Adviser Solutions	2 / 2	B	1 / 1	4 / 4	8 / 8	1 / 1	1 / 1	
M&G Wealth	2 / 2	B+	1 / 1	4 / 4	8 / 8	1 / 1	1 / 1	✓
Aviva Wrap UK Ltd	2 / 2	B+	0 / 1	4 / 4	8 / 8	1 / 1	1 / 1	
Novia	2 / 2	B	0 / 1	4 / 4	8 / 8	1 / 1	1 / 1	
James Hay Modular iPlan	2 / 2	B	1 / 1	4 / 4	7 / 8	1 / 1	0 / 1	
Advance by Embark	2 / 2	B+	0 / 1	4 / 4	7 / 8	1 / 1	0 / 1	
embark platform	2 / 2	B+	0 / 1	3 / 4	8 / 8	1 / 1	1 / 1	
James Hay	2 / 2	B	0 / 1	4 / 4	7 / 8	1 / 1	0 / 1	
Parmenion	2 / 2	B	0 / 1	4 / 4	7 / 8	1 / 1	0 / 1	
Transact	2 / 2	B+	0 / 1	3 / 4	8 / 8	1 / 1	1 / 1	
7IM Platform	2 / 2	B	0 / 1	4 / 4	7 / 8	1 / 1	0 / 1	
Aegon Platform	2 / 2	B+	0 / 1	3 / 4	8 / 8	1 / 1	1 / 1	
AJ Bell	2 / 2	B+	0 / 1	3 / 4	8 / 8	1 / 1	1 / 1	
P1	2 / 2	Unknown	0 / 1	4 / 4	8 / 8	1 / 1	1 / 1	
Morningstar Wealth Platform	2 / 2	B-	1 / 1	3 / 4	7 / 8	1 / 1	0 / 1	
AEGON ARC	2 / 2	B+	1 / 1	4 / 4	8 / 8	1 / 1	1 / 1	
Scottish Widows	1 / 2	A	0 / 1	3 / 4	8 / 8	1 / 1	1 / 1	
Standard Life	1 / 2	B+	0 / 1	3 / 4	8 / 8	1 / 1	1 / 1	

	Wrappers	Financial strength	Entry preferences	Product preferences	Funds	Model Portfolios	Shortlists	Selected
Nucleus	2 / 2	B	0 / 1	4 / 4	0 / 8	0 / 1	0 / 1	
Prudential	2 / 2	A	0 / 1	4 / 4	0 / 8	0 / 1	0 / 1	
LV=	2 / 2	B	1 / 1	3 / 4	0 / 8	0 / 1	0 / 1	
Credo	1 / 2	Unknown	0 / 1	3 / 4	8 / 8	1 / 1	1 / 1	
Fundment	2 / 2	Unknown	0 / 1	3 / 4	0 / 8	0 / 1	0 / 1	
Canada Life Limited	1 / 2	B+	0 / 1	4 / 4	4 / 8	0 / 1	0 / 1	
Aviva Life UK	1 / 2	B+	1 / 1	4 / 4	8 / 8	1 / 1	1 / 1	
YorSipp Ltd	1 / 2	D	0 / 1	4 / 4	0 / 8	0 / 1	0 / 1	
InvestAcc	1 / 2	B-	0 / 1	4 / 4	0 / 8	0 / 1	0 / 1	
Curtis Banks Plc	1 / 2	B	0 / 1	2 / 4	0 / 8	0 / 1	0 / 1	
XPS Pensions	1 / 2	B-	0 / 1	3 / 4	0 / 8	0 / 1	0 / 1	
AtSIPP (@SIPP)	1 / 2	C	0 / 1	2 / 4	0 / 8	0 / 1	0 / 1	
Dentons Pensions	1 / 2	B-	0 / 1	1 / 4	0 / 8	0 / 1	0 / 1	
Canada Life International	0 / 2	B+	0 / 1	0 / 4	0 / 8	0 / 1	0 / 1	
Prudential International	0 / 2	B+	0 / 1	0 / 4	0 / 8	0 / 1	0 / 1	
Royal London	0 / 2	B+	0 / 1	0 / 4	0 / 8	0 / 1	0 / 1	
Standard Life International	0 / 2	Unknown	0 / 1	0 / 4	0 / 8	0 / 1	0 / 1	
Utmost PanEurope dac	0 / 2	B+	0 / 1	0 / 4	0 / 8	0 / 1	0 / 1	

Total platforms and providers compared: 39

Choosing a range of products for the target market

Based on the platform research results above, a panel has been constructed of specific platform/provider products for DT Academy, Kat Flanagan.

Individual Savings Accounts and Self-Invested Personal Pensions are flexible products which allow customers to accumulate growth in a tax-efficient way to meet their savings and retirement goals.

Product	Tax wrapper type	Justification
abrdn Elevate		
		The abrdn Elevate platform is an online investment platform that provides advisers with access to different investment and savings products to help meet their customer's needs. These products include the Pension Investment Account (PIA) and the Stocks and Shares Individual Savings Accounts (ISAs).
ISA	ISA	The abrdn Elevate Stocks and Shares ISA provides a tax efficient way for customers to invest over the medium to long term, for either capital growth or income (or a combination of both) subject to the annual contribution limit.
Pension Investment Account	Self invested personal pension	The abrdn Elevate PIA is a self-invested personal pension (SIPP) that lets customers access a wide range of investments and flexible options and allows them to build up a pension fund in a tax efficient way – benefitting from contribution tax relief and tax free growth.
M&G Wealth		
		The M&G Wealth Platform offers access to a wide range of investment options and assets. These cover a wide spectrum of risk profiles to suit individual customer's needs and an option to benefit from a wide range of flexible products such as ISAs and SIPPs.
ISA	ISA	The M&G Wealth ISA is an Individual Savings Account that lets customers accumulate tax-efficient savings, subject to the annual ISA subscription limit. This product is suitable for customers who wish to invest for capital growth over 5 years or more.









Product	Tax wrapper type	Justification
SIPP	Self invested personal pension	The M&G Wealth Pension Account is a self-invested personal pension [SIPP] and a drawdown product. All from the same plan, customers can save for their retirement, bring pension assets together, and take income drawdown, normally from the age of 55. It is suitable for customers who have a good level of overall retirement savings and it has the potential to build a good retirement fund.

Investment solutions

We have performed extensive market research to identify appropriate investment solutions for this target market.

Fund shortlists

A shortlist is a list of preferred funds suitable for those clients with shared characteristics and goals, as outlined in the target market compatibility criteria, conclusions and review.

Funds	Risk profile	Fund accreditation	Justification
Shortlist of ISA and SIPP growth funds			
			This is a list of preferred, available funds for the selected ISAs and SIPPs from the conducted product research.
L&G Multi-Index 7 R Acc			This fund has been selected because it is a risk target managed fund, guaranteed to remain aligned within the selected benchmark risk level and designed to provide capital growth over the medium to long term.
Santander Atlas Portfolio 7 IA			This fund has been selected because it is a risk target managed fund, guaranteed to remain aligned within the selected benchmark risk level and designed to provide capital growth over the medium to long term.
VT AJ Bell Adventurous I Acc			This fund has been selected because it is a risk target managed fund, guaranteed to remain aligned within the selected benchmark risk level and designed to provide capital growth over the medium to long term.
WS Canlife Portfolio VII C Acc			This fund has been selected because it is a risk target managed fund, guaranteed to remain aligned within the selected benchmark risk level and designed to provide capital growth over the medium to long term.









Model portfolios

A model portfolio is a list of funds linked to a specific risk profile suitable for those clients with shared characteristics and goals, as outlined in the target market compatibility criteria, conclusions and review.

Model portfolio	Benchmark risk profile	DP calculated risk profile	Justification
Growth funds	7	7	This model portfolio has been researched with a specific risk profile in mind and is available to select with the providers outlined in the product list.

Growth funds

This model portfolio has been researched with a specific risk profile in mind and is available to select with the providers outlined in the product list.

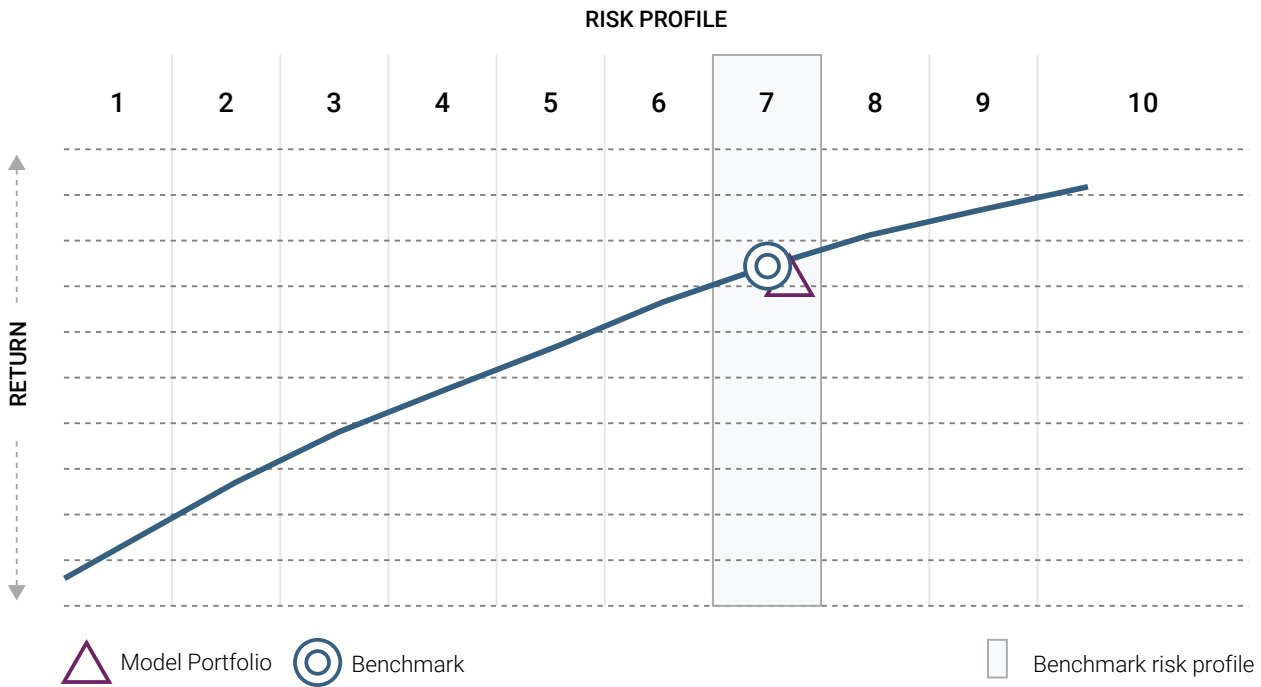
Funds	% of model	Risk profile	Fund accreditation	Justification
BNY Mellon Multi-Asset Growth B Acc	8.00	 7	 PREMIUM	This fund has been selected because it is a risk profiled fund designed to provide capital growth over the medium to long term.
Embark Horizon Multi-Asset V Z Acc	59.00	 7	 PREMIUM	This fund has been selected because it is a risk profiled fund designed to provide capital growth over the medium to long term.
L&G Multi-Index 7 I Acc	23.00	 7	 PREMIUM	This fund has been selected because it is a risk target managed fund, guaranteed to remain aligned within the selected benchmark risk level and designed to provide capital growth over the medium to long term.
Rathbone Enhanced Growth Portfolio S Acc GBP	10.00	 7	 PREMIUM	This fund has been selected because it is a risk profiled fund designed to provide capital growth over the medium to long term.

Growth funds

Risk

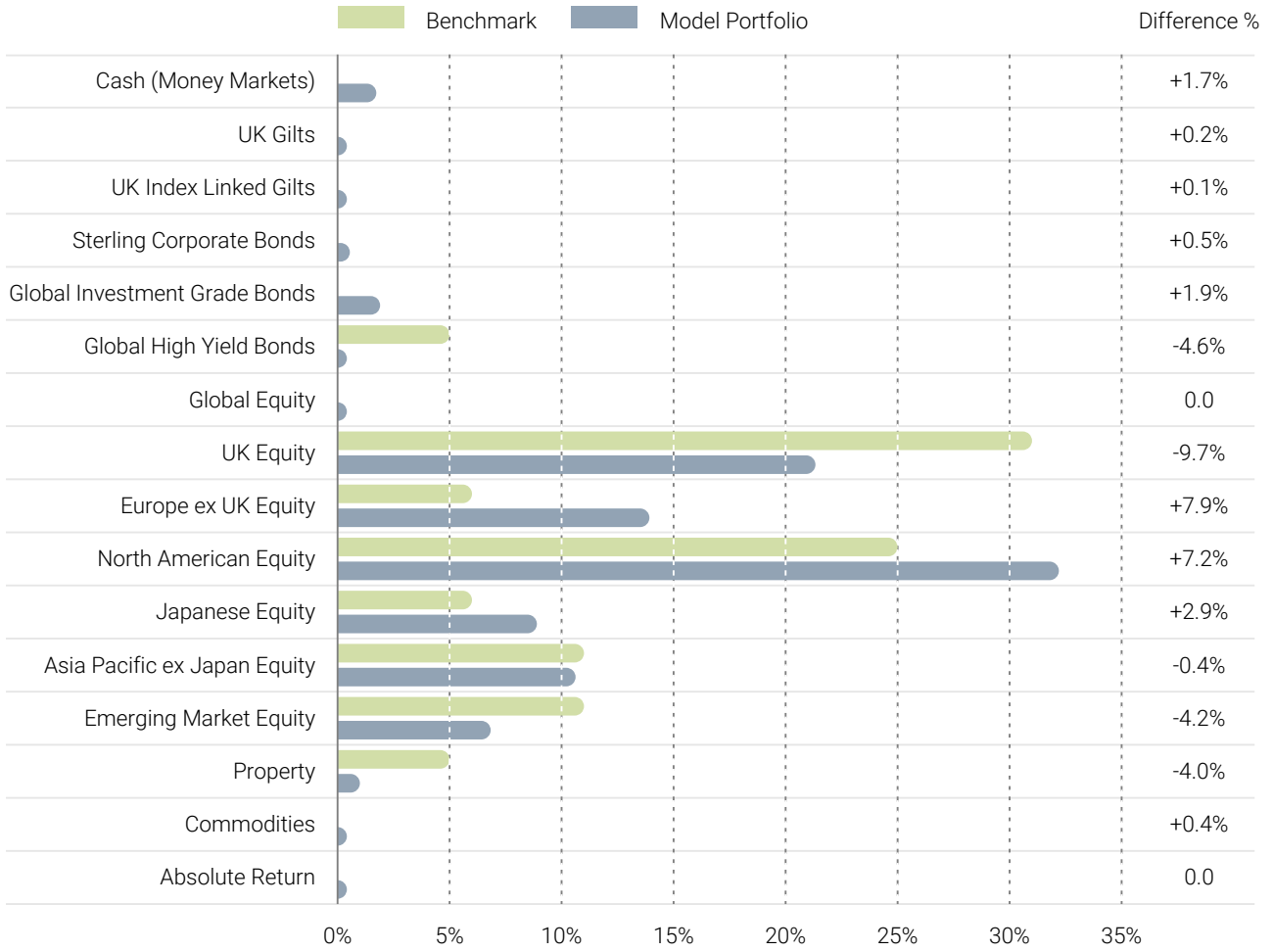
For this target market we've created this model to target a benchmark risk profile of: 7

The Dynamic Planner calculated risk profile of this model is: 7








	Risk profile	Return	Volatility
Model Portfolio	7	4.24%	14.09%
Benchmark	7	4.44%	13.66%

Asset Allocation



Fund accreditations and diversified portfolio

We work in partnership to produce this report with Dynamic Planner who are the leading fund risk and research analysts. They do a great deal of work behind the scenes on our behalf that is reflected in certain funds receiving certain accreditations. Should your funds be accredited you should be reassured by the following explanations.

Fund accreditation	Symbol	Overview
Risk Target Managed		When you see a fund with this Gold symbol it is what we call a Risk Targeted Managed fund. Its objective is to operate to the level of risk assigned to it. This is very closely monitored and controlled through close interaction with the Dynamic Planner analysts and deep and diligent assessment of everything that it is invested in, why it is invested in it and for how long. Importantly we understand how the team are going to run the fund. You can be confident that it will take the same level of risk throughout your investment journey.
Risk Profiled		When you see a fund with this symbol it is what we call a Risk Profiled Fund. It has been risk profiled. While it has an objective other than meeting the risk profile we are able to accurately assess its risk through deep and diligent assessment of everything that it is invested in, why and for how long. Importantly while we do understand how the team are going to run the fund there is no guarantee that it will remain in the risk profile forever. Rest assured should the assigned risk profile change it will be updated by Dynamic Planner and shown here.
Risk Managed Decumulation		When you see a fund with this purple symbol it is what we call a Risk Managed Decumulation fund. Its objective is to operate to the level of risk assigned to it even when you are spending a fixed amount of the investment each month. This is very closely monitored on a monthly basis and controlled through close interaction with the Dynamic Planner analysts and deep and diligent assessment of everything that it is invested in, why it is invested in it and for how long. Importantly we understand how the team are going to run the fund to reduce monthly as well as annual risk. You can be confident that it will take the same level of risk throughout your investment journey.
Premium		When you see a fund with this symbol it is what we call a Premium Fund. This is because to date it has demonstrated superior risk adjusted performance, net of fees, over 5 years.
Select		When you see a fund with this symbol it is what we call a Select Fund. This is because to date it has demonstrated superior risk adjusted performance, net of fees, over 3 years.

