

AUG 2026

Your Financial Plan

Alan & Amy Aston

Prepared by:
Paula Gill
03 Sep 2026 - 01 Dec 2066

Quilter
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 our 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

13

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

15

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

17

C: Your alternative forecast outcomes

19

D: How we built your plan

24

E: Glossary of terms

26

Welcome to Your Financial Plan

Dear Alan & Amy,

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
Alan	59	67
Amy	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
£71,637	£58,832	£83,184	-£24,352

From the information provided you expect to have a negative cash flow over the next 12 months based on your **"Like to"** level of expenditure. This means you plan to spend more than you receive in income, after tax. This may reduce your overall wealth as you will either need to draw on your long-term savings, investments or take on debt to fund your expenditure.

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	Sep 2026 - Dec 2033	Alan 59 - 66	Amy 55 - 62
Alan retirement	Jan 2034 - Dec 2037	Alan 67 - 70	Amy 63 - 66
Amy retirement	Jan 2038 - Dec 2050	Alan 71 - 83	Amy 67 - 79
Late retirement	Jan 2051 - Dec 2066	Alan 84 - 99	Amy 80 - 95

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
Alan & Amy			
ARC GIA (AEGON ARC) Ref: 77777725	26/08/2026	£65,000	4
Alan			
Collective Retirement Account SIPP (Quilter)	05/08/2026	£75,000	5
Individual Savings Account (Quilter) Ref: 12345678	26/08/2026	£62,000	4
Amy			
ARC ISA (AEGON ARC) Ref: 7778978	26/08/2026	£20,000	5
Collective Retirement Account PP (Quilter) Ref: 7777777	26/08/2026	£250,000	0
Total		£472,000	

2. Your questions answered: How long will our 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 2052	Aug 2056	Aug 2064
Alan 85	Alan 89	Alan 97
Amy 81	Amy 85	Amy 93

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

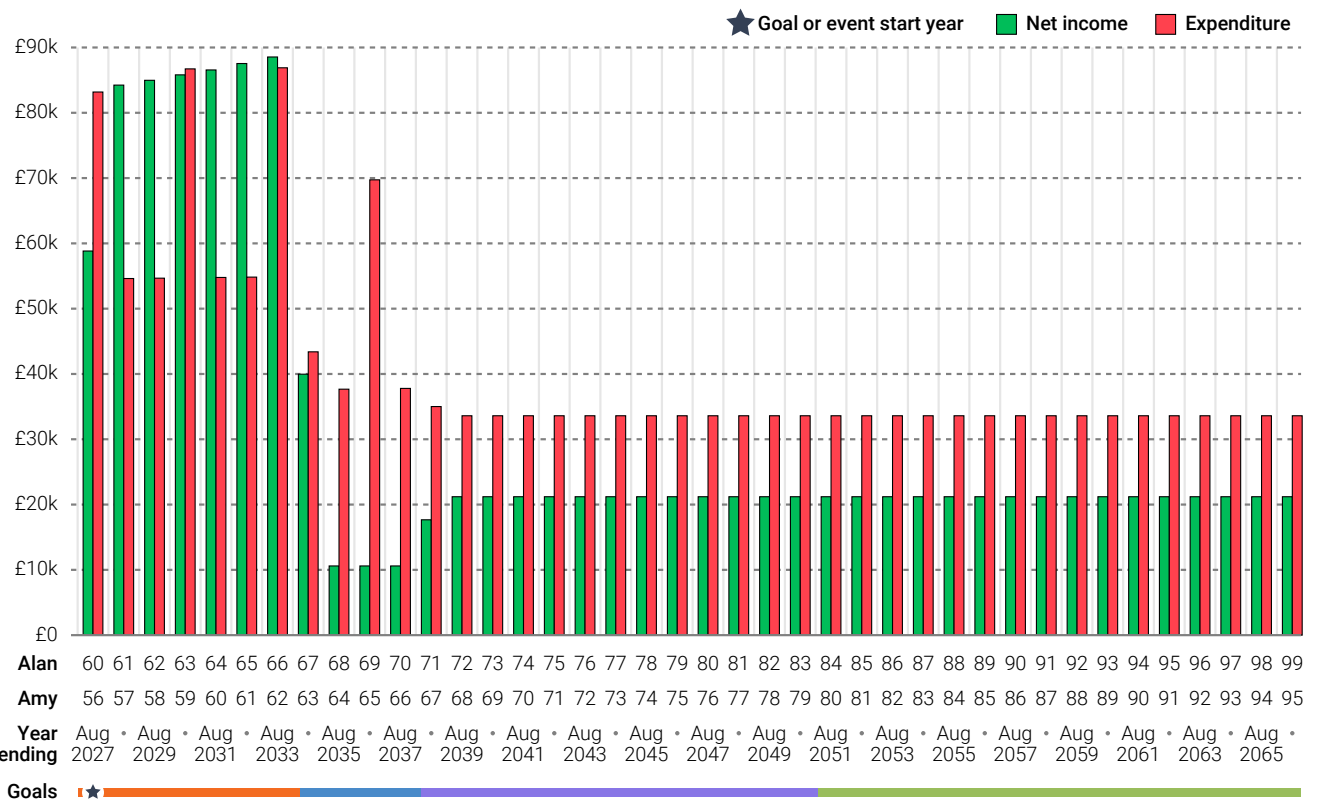
The analysis above is based on the following assumptions:

- 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 2027	Family Car	Jan 2027	Jan 2037	£32,000 every 3 years
	Mortgage	Jan 2027	Jan 2034	£845 per month

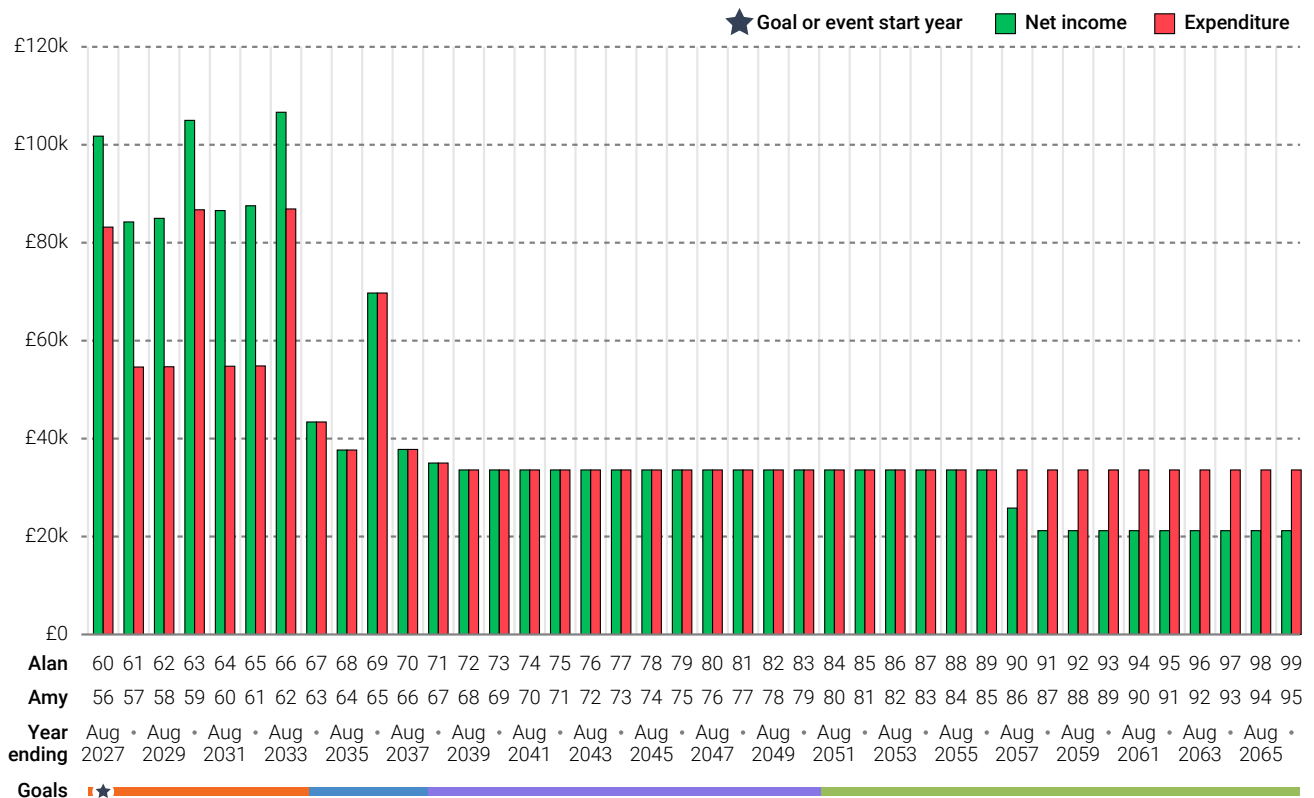
The chart above shows your forecast net income (after tax) and your projected "Like to" expenditure. This forecast is based on your portfolio growing in line with the 'Plan for this' outcome.

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

Standard UK tax rates and bands (excluding Scotland) have been used when calculating your net income (i.e. after tax). Tax bands are assumed to remain frozen until the forecast year 2031, after which they increase with inflation. Unless stated otherwise, all figures are quoted in 'real' terms - i.e. what your future income would be worth in today's money.

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.

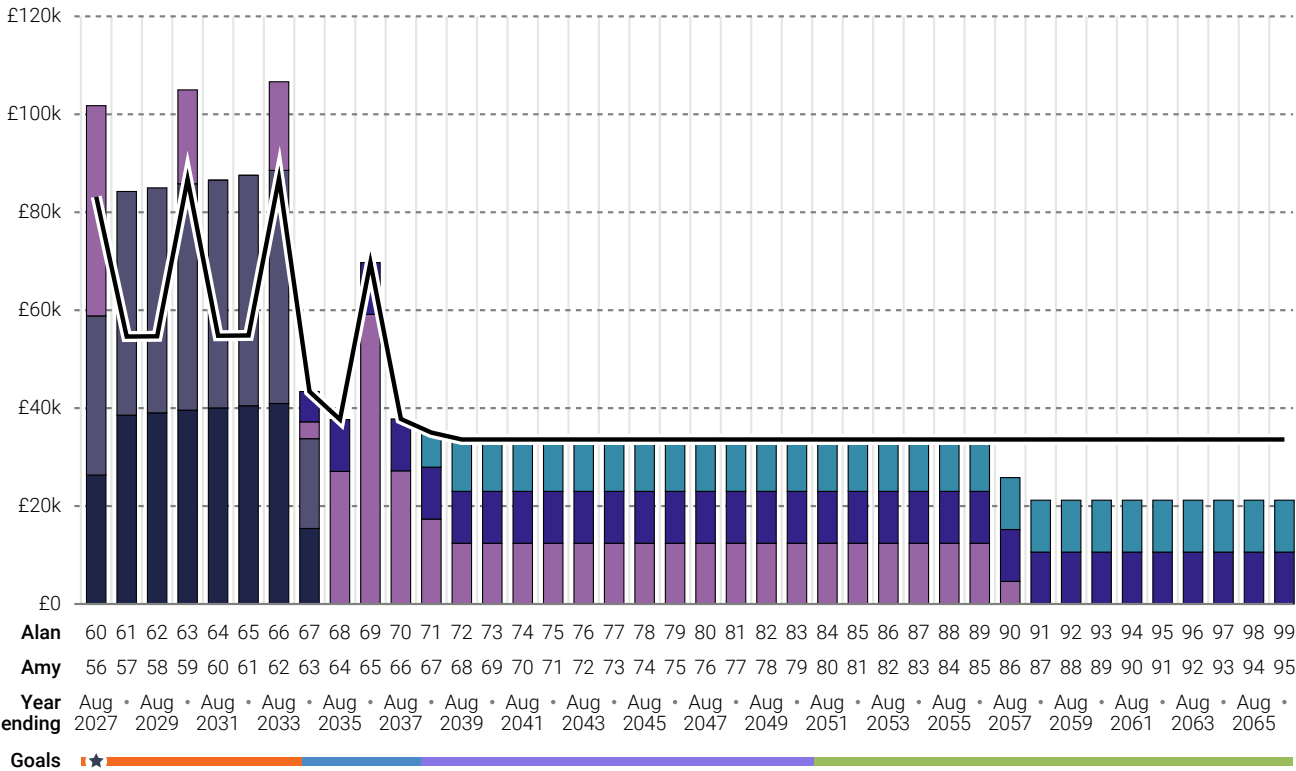


Where you have several investments for the purpose of the forecast, we have applied current best practice as to which investment would normally be spent first and which would be left invested longest. This is only indicative and when the time comes you should take advice which considers your current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

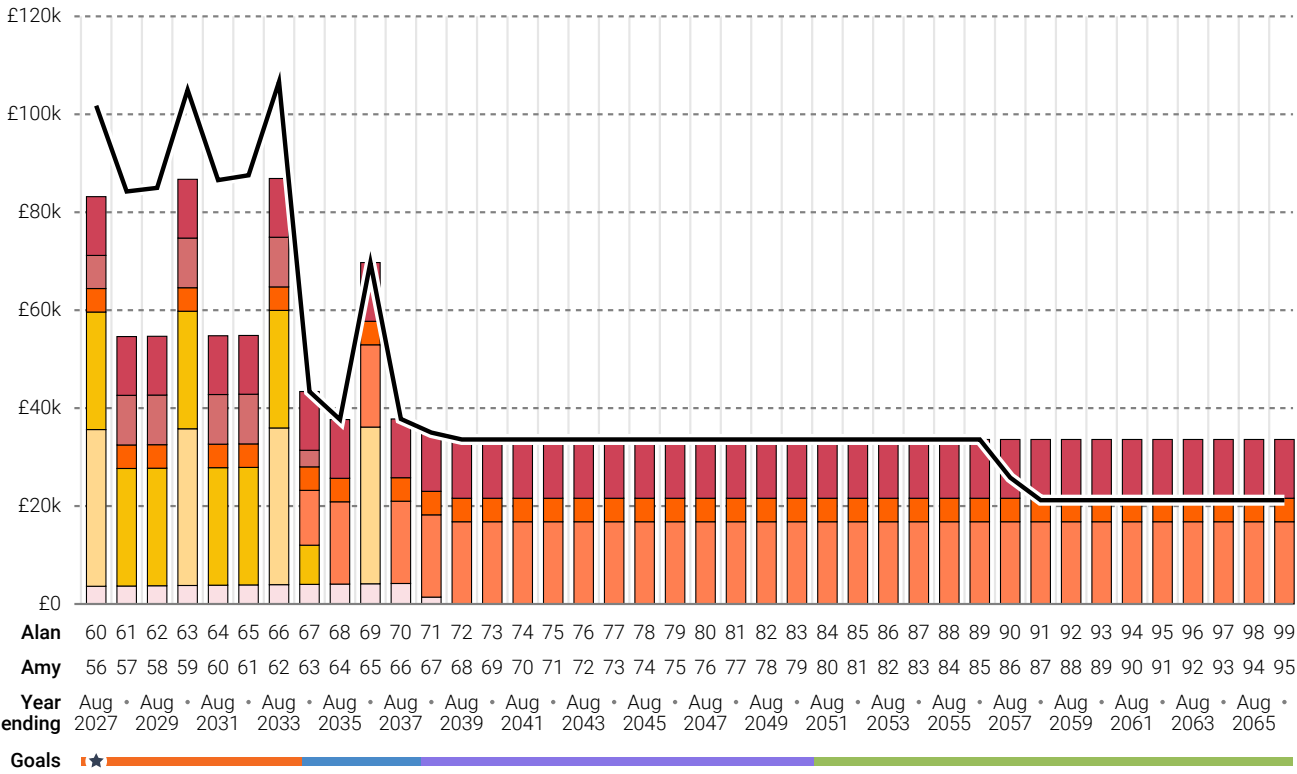
It is of course important to note that the amount of money going into your bank account may change in the future. This is why this should be regularly reviewed.



Key	Description
	State pension for Amy
	State pension for Alan
	Portfolio Withdrawals
	Employed Salary
	Amy Aston
	Expenditure

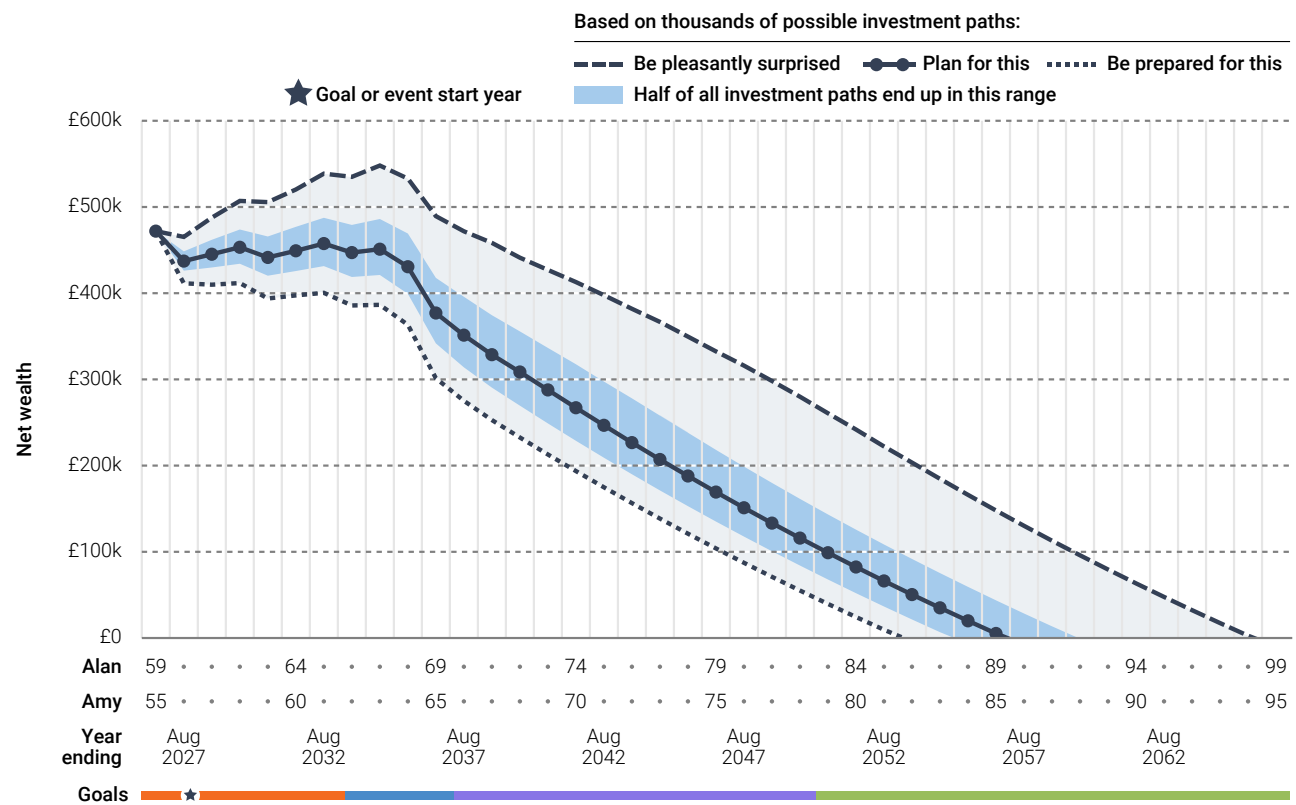
Your expenditure in detail

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
	Mortgage
	Insurance
	Groceries Post retirement
	Groceries
	Family Car
	Contribution (Personal pension plan)
	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.

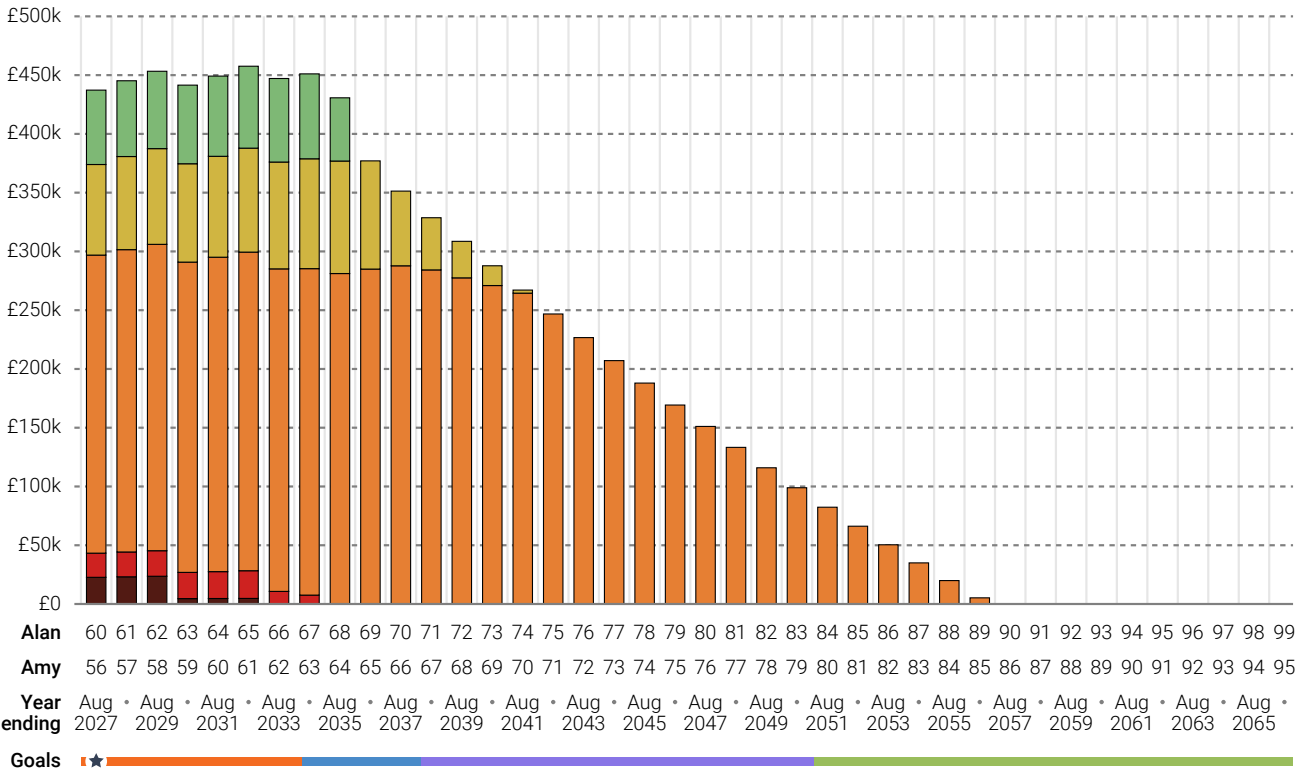
The three outcomes which are shown are:

- '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.

What might each of your savings, investments and pensions be worth over time?

This chart shows a breakdown of your savings, investments and pensions based on the 'Plan for this' forecasted returns. Remember that this is an illustrative example, and the values may turn out to be higher or lower than this.



Key	Description
	Individual Savings Account (Quilter) / Alan
	Collective Retirement Account SIPP (Quilter) / Alan
	Collective Retirement Account PP (Quilter) / Amy
	ARC ISA (AEGON ARC) / Amy
	ARC GIA (AEGON ARC) / Alan & Amy

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	Owner	Amount	Annual increase	Frequency	Starting	Ending
Amy Aston	Salary or wages (gross)	Amy	£3,917	Earnings inflation	Monthly	When Amy is 56 (Jan 2027)	Dec 2033
Employed Salary	Salary or wages (gross)	Alan	£5,000	Earnings inflation	Monthly	When Alan is 60 (Jan 2027)	Dec 2033
State pension for Alan	State pension (gross)	Alan	£883	Price inflation	Monthly	When Alan is 67 (Jan 2034)	Rest of life
State pension for Amy	State pension (gross)	Amy	£883	Price inflation	Monthly	Jan 2038	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	Owner	Amount	Annual increase	Frequency	Starting	Ending
Insurance	Alan & Amy	£400	Price inflation	Monthly	Mar 2025	Rest of life
Utilities	Alan & Amy	£1,000	Price inflation	Monthly	Aug 2026	Rest of life
Groceries	Alan & Amy	£2,000	Price inflation	Monthly	Sep 2026	Dec 2033
Mortgage	Alan & Amy	£845	Price inflation	Monthly	When Alan is 60 (Jan 2027)	7 years
Family Car	Alan	£32,000	Price inflation	Every 3 years	When Alan is 60 (Jan 2027)	When Alan is 70 (Jan 2037)
Groceries Post retirement	Alan & Amy	£1,400	Price inflation	Monthly	Jan 2034	Rest of life

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.

ARC ISA (AEGON ARC)

Owner	Value	Risk profile	Assumed charges (%)	Disinvestment priority
Amy	£20,000	5	0.00%	2

Individual Savings Account (Quilter)

Owner	Value	Risk profile	Assumed charges (%)	Disinvestment priority
Alan	£62,000	4	0.00%	3

ARC GIA (AEGON ARC)

Owner	Value	Risk profile	Assumed charges (%)	Disinvestment priority
Alan & Amy	£65,000	4	0.00%	1

Collective Retirement Account PP (Quilter)

Owner	Value	Risk profile	Assumed charges (%)	Disinvestment priority	Minimum pension age
Amy	£250,000	0	0.00%	5	55

Contributions

Payer	Amount	Frequency	Starting	Ending
Amy	£300	Monthly	When Amy is 55 (Jan 2026)	When Amy is 67 (Jan 2038)
Employer	£500	Monthly	When Amy is 55 (Jan 2026)	When Amy is 67 (Jan 2038)

Collective Retirement Account SIPP (Quilter)

Owner	Value	Risk profile	Assumed charges (%)	Disinvestment priority	Minimum pension age
Alan	£75,000	5	0.00%	4	55

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	Alan's age	Amy's age	Income (net real)	Expenditure (real)	Net wealth	Shortfall
Initially	59	55	-	-	£472,000	-
Aug 2027	60	56	£101,761	£83,184	£437,229	£0
Aug 2028	61	57	£84,241	£54,617	£445,199	£0
Aug 2029	62	58	£84,976	£54,671	£453,279	£0
Aug 2030	63	59	£104,984	£86,726	£441,493	£0
Aug 2031	64	60	£86,560	£54,781	£449,180	£0
Aug 2032	65	61	£87,546	£54,837	£457,565	£0
Aug 2033	66	62	£106,641	£86,894	£447,123	£0
Aug 2034	67	63	£43,392	£43,392	£451,060	£0
Aug 2035	68	64	£37,671	£37,671	£430,709	£0
Aug 2036	69	65	£69,730	£69,730	£377,031	£0
Aug 2037	70	66	£37,791	£37,791	£351,328	£0
Aug 2038	71	67	£35,010	£35,010	£328,677	£0
Aug 2039	72	68	£33,600	£33,600	£308,580	£0
Aug 2040	73	69	£33,600	£33,600	£287,794	£0
Aug 2041	74	70	£33,600	£33,600	£267,113	£0
Aug 2042	75	71	£33,600	£33,600	£246,760	£0
Aug 2043	76	72	£33,600	£33,600	£226,673	£0
Aug 2044	77	73	£33,600	£33,600	£207,086	£0
Aug 2045	78	74	£33,600	£33,600	£187,971	£0
Aug 2046	79	75	£33,600	£33,600	£169,308	£0
Aug 2047	80	76	£33,600	£33,600	£151,085	£0
Aug 2048	81	77	£33,600	£33,600	£133,283	£0
Aug 2049	82	78	£33,600	£33,600	£115,908	£0

Year ending	Alan's age	Amy's age	Income (net real)	Expenditure (real)	Net wealth	Shortfall
Aug 2050	83	79	£33,600	£33,600	£98,943	£0
Aug 2051	84	80	£33,600	£33,600	£82,371	£0
Aug 2052	85	81	£33,600	£33,600	£66,199	£0
Aug 2053	86	82	£33,600	£33,600	£50,411	£0
Aug 2054	87	83	£33,600	£33,600	£34,999	£0
Aug 2055	88	84	£33,600	£33,600	£19,951	£0
Aug 2056	89	85	£33,600	£33,600	£5,259	£0
Aug 2057	90	86	£25,812	£33,600	£0	-£7,788
Aug 2058	91	87	£21,200	£33,600	£0	-£20,188
Aug 2059	92	88	£21,200	£33,600	£0	-£32,588
Aug 2060	93	89	£21,200	£33,600	£0	-£44,987
Aug 2061	94	90	£21,200	£33,600	£0	-£57,387
Aug 2062	95	91	£21,200	£33,600	£0	-£69,786
Aug 2063	96	92	£21,200	£33,600	£0	-£82,186
Aug 2064	97	93	£21,200	£33,600	£0	-£94,586
Aug 2065	98	94	£21,200	£33,600	£0	-£106,985
Aug 2066	99	95	£21,200	£33,600	£0	-£119,385

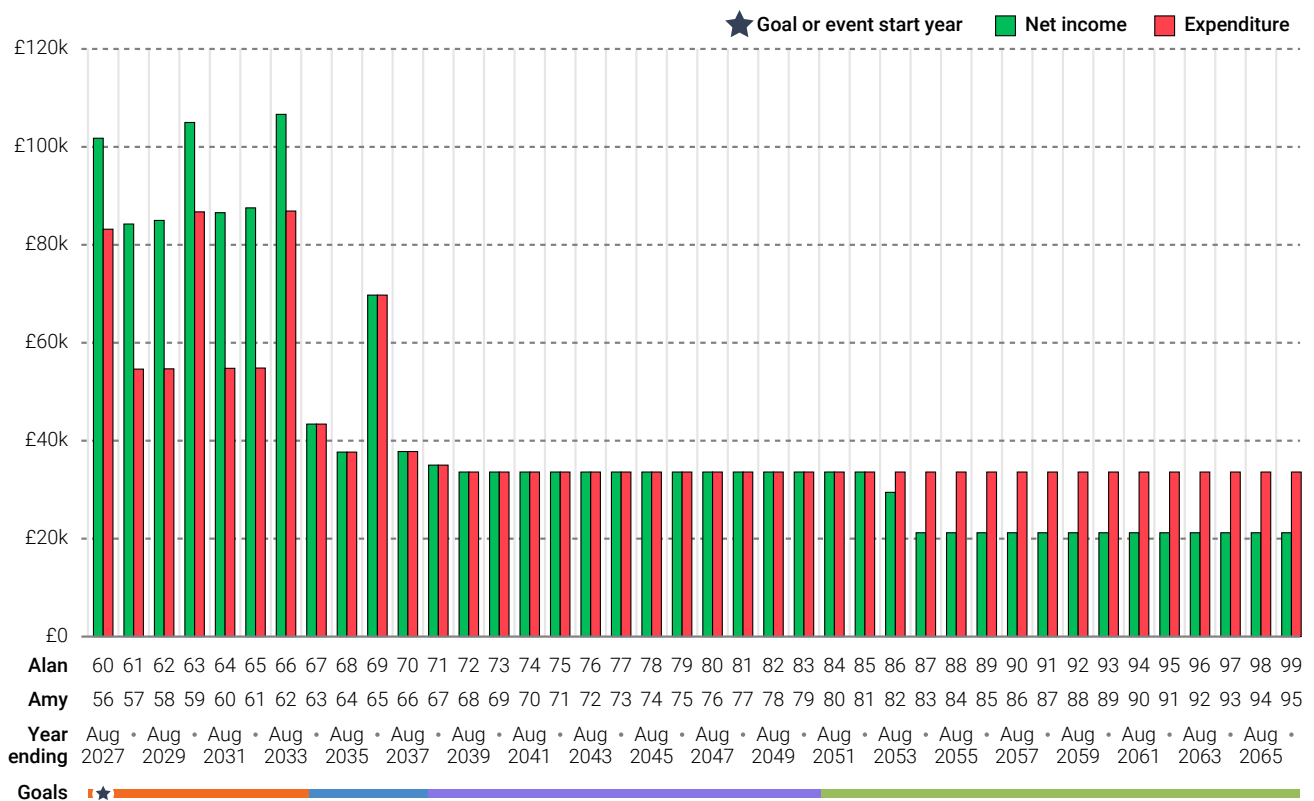
C: Your alternative forecast outcomes

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 worst-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.



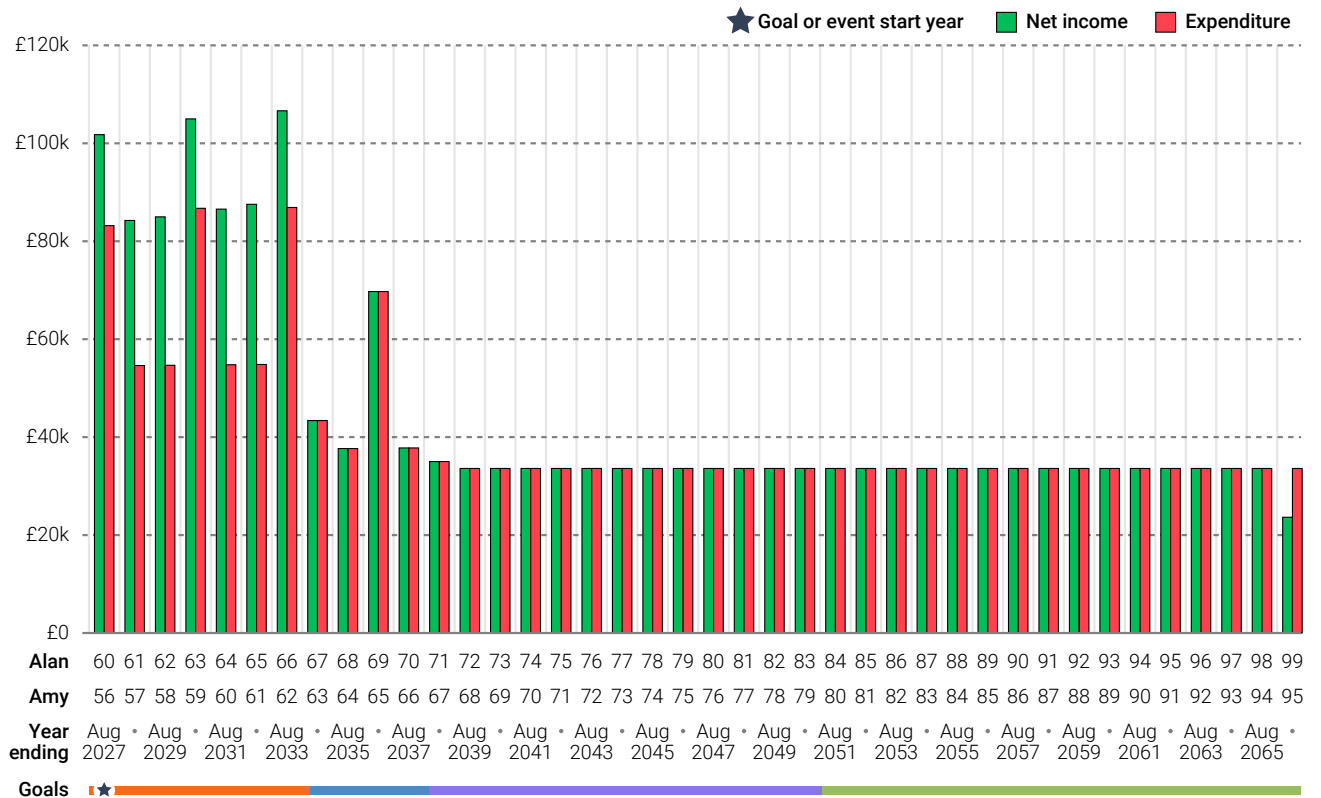
Year ending	Alan's age	Amy's age	Income (net real)	Expenditure (real)	Net wealth	Shortfall
Initially	59	55	-	-	£472,000	-
Aug 2027	60	56	£101,761	£83,184	£411,475	£0
Aug 2028	61	57	£84,241	£54,617	£409,860	£0
Aug 2029	62	58	£84,976	£54,671	£411,742	£0
Aug 2030	63	59	£104,984	£86,726	£393,827	£0

Year ending	Alan's age	Amy's age	Income (net real)	Expenditure (real)	Net wealth	Shortfall
Aug 2031	64	60	£86,560	£54,781	£397,438	£0
Aug 2032	65	61	£87,546	£54,837	£400,427	£0
Aug 2033	66	62	£106,641	£86,894	£385,766	£0
Aug 2034	67	63	£43,392	£43,392	£386,492	£0
Aug 2035	68	64	£37,671	£37,671	£363,330	£0
Aug 2036	69	65	£69,730	£69,730	£301,340	£0
Aug 2037	70	66	£37,791	£37,791	£275,191	£0
Aug 2038	71	67	£35,010	£35,010	£252,864	£0
Aug 2039	72	68	£33,600	£33,600	£232,642	£0
Aug 2040	73	69	£33,600	£33,600	£212,922	£0
Aug 2041	74	70	£33,600	£33,600	£193,653	£0
Aug 2042	75	71	£33,600	£33,600	£174,847	£0
Aug 2043	76	72	£33,600	£33,600	£156,498	£0
Aug 2044	77	73	£33,600	£33,600	£138,564	£0
Aug 2045	78	74	£33,600	£33,600	£121,044	£0
Aug 2046	79	75	£33,600	£33,600	£103,947	£0
Aug 2047	80	76	£33,600	£33,600	£87,261	£0
Aug 2048	81	77	£33,600	£33,600	£70,976	£0
Aug 2049	82	78	£33,600	£33,600	£55,073	£0
Aug 2050	83	79	£33,600	£33,600	£39,547	£0
Aug 2051	84	80	£33,600	£33,600	£24,393	£0
Aug 2052	85	81	£33,600	£33,600	£9,597	£0
Aug 2053	86	82	£29,457	£33,600	£0	-£4,143
Aug 2054	87	83	£21,200	£33,600	£0	-£16,542
Aug 2055	88	84	£21,200	£33,600	£0	-£28,942
Aug 2056	89	85	£21,200	£33,600	£0	-£41,342
Aug 2057	90	86	£21,200	£33,600	£0	-£53,741
Aug 2058	91	87	£21,200	£33,600	£0	-£66,141
Aug 2059	92	88	£21,200	£33,600	£0	-£78,540

Year ending	Alan's age	Amy's age	Income (net real)	Expenditure (real)	Net wealth	Shortfall
Aug 2060	93	89	£21,200	£33,600	£0	-£90,940
Aug 2061	94	90	£21,200	£33,600	£0	-£103,340
Aug 2062	95	91	£21,200	£33,600	£0	-£115,739
Aug 2063	96	92	£21,200	£33,600	£0	-£128,139
Aug 2064	97	93	£21,200	£33,600	£0	-£140,538
Aug 2065	98	94	£21,200	£33,600	£0	-£152,938
Aug 2066	99	95	£21,200	£33,600	£0	-£165,338

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	Alan's age	Amy's age	Income (net real)	Expenditure (real)	Net wealth	Shortfall
Initially	59	55	-	-	£472,000	-
Aug 2027	60	56	£101,761	£83,184	£465,293	£0

Year ending	Alan's age	Amy's age	Income (net real)	Expenditure (real)	Net wealth	Shortfall
Aug 2028	61	57	£84,241	£54,617	£487,654	£0
Aug 2029	62	58	£84,976	£54,671	£507,045	£0
Aug 2030	63	59	£104,984	£86,726	£505,642	£0
Aug 2031	64	60	£86,560	£54,781	£520,246	£0
Aug 2032	65	61	£87,546	£54,837	£538,682	£0
Aug 2033	66	62	£106,641	£86,894	£534,971	£0
Aug 2034	67	63	£43,392	£43,392	£548,076	£0
Aug 2035	68	64	£37,671	£37,671	£532,946	£0
Aug 2036	69	65	£69,730	£69,730	£489,371	£0
Aug 2037	70	66	£37,791	£37,791	£471,824	£0
Aug 2038	71	67	£35,010	£35,010	£458,381	£0
Aug 2039	72	68	£33,600	£33,600	£441,205	£0
Aug 2040	73	69	£33,600	£33,600	£426,978	£0
Aug 2041	74	70	£33,600	£33,600	£412,934	£0
Aug 2042	75	71	£33,600	£33,600	£397,712	£0
Aug 2043	76	72	£33,600	£33,600	£381,909	£0
Aug 2044	77	73	£33,600	£33,600	£366,694	£0
Aug 2045	78	74	£33,600	£33,600	£349,637	£0
Aug 2046	79	75	£33,600	£33,600	£332,495	£0
Aug 2047	80	76	£33,600	£33,600	£316,002	£0
Aug 2048	81	77	£33,600	£33,600	£298,181	£0
Aug 2049	82	78	£33,600	£33,600	£279,918	£0
Aug 2050	83	79	£33,600	£33,600	£260,720	£0
Aug 2051	84	80	£33,600	£33,600	£241,893	£0
Aug 2052	85	81	£33,600	£33,600	£222,220	£0
Aug 2053	86	82	£33,600	£33,600	£203,501	£0
Aug 2054	87	83	£33,600	£33,600	£184,672	£0
Aug 2055	88	84	£33,600	£33,600	£166,073	£0
Aug 2056	89	85	£33,600	£33,600	£147,893	£0

Year ending	Alan's age	Amy's age	Income (net real)	Expenditure (real)	Net wealth	Shortfall
Aug 2057	90	86	£33,600	£33,600	£130,172	£0
Aug 2058	91	87	£33,600	£33,600	£112,869	£0
Aug 2059	92	88	£33,600	£33,600	£95,974	£0
Aug 2060	93	89	£33,600	£33,600	£79,477	£0
Aug 2061	94	90	£33,600	£33,600	£63,367	£0
Aug 2062	95	91	£33,600	£33,600	£47,651	£0
Aug 2063	96	92	£33,600	£33,600	£32,301	£0
Aug 2064	97	93	£33,600	£33,600	£17,314	£0
Aug 2065	98	94	£33,600	£33,600	£2,684	£0
Aug 2066	99	95	£23,636	£33,600	£0	-£9,964

Standard UK tax rates and bands (excluding Scotland) have been used when calculating your net income (i.e. after tax). Tax bands are assumed to remain frozen until the forecast year 2031, after which they increase with inflation. Unless stated otherwise, all figures are quoted in 'real' terms - i.e. what your future income would be worth in today's money.

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). Tax bands are assumed to remain frozen until the forecast year 2031, after which they increase with inflation.
- 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.

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

Client signature	Client signature	Adviser signature
Alan Aston	Amy Aston	Paula Gill
Date	Date	Date

Contact information

Email: paulagill@dynamicplanner.com

