Private & Confidential

Suitability Report and Recommendations

for

Mr A G Client

encompassing the following items:

- Review of your existing investments

7th September 2015

Antony Walsh

of

Churchill Wealth Management Limited

Introduction

This report confirms the reasons for my recommendations. It will act as a valuable reference in the future and should be kept with the client agreement that was provided to you on the 19th Month 2015 and your other financial documents. The recommendations made are based on the client profile that we completed and signed on the same day.

How is the report laid out?

The report will summarise your current personal and financial circumstances as relevant to the recommendations made. I will record your aims and objectives and give a general overview of what I consider to be your needs. I will include a statement should your priorities differ from what I feel to be appropriate. Some of the information may seem irrelevant, but the purpose is to paint as full a picture of the circumstances surrounding the recommendation as possible.

I will then explain my specific recommendations, together with how and why I arrived at the recommendations, and conclude with the action required to implement those recommendations.

I will also detail the options I could have chosen and the reasons why I feel these alternatives are not appropriate as an appendix to this report.

Please note that:

This report focuses only on advice about constructing an investment portfolio. No other matters are addressed here.

- I am authorised to give advice in this area of financial services as I am an Independent Financial Adviser. As an Independent adviser I will act on your behalf as your agent and am able to provide unbiased unrestricted advice on retail investment products based on a comprehensive and fair analysis of the market.
- The report is designed to give you sufficient information to make an informed decision about the proposed investment and avoids jargon as much as possible.
- Details and explanation of the recommended product, its fees, charges and cancellation rights are given in the report as well as in the accompanying documentation regarding the recommended product. Please read this documentation as an integral part of this report.
- You should ensure that you have understood the issues and any risks involved with the recommendation and inform me if this is not the case.
- You should check the accuracy of the background information as the advice is based on this data.
- If you feel that the advice is based on any misunderstanding you should notify me of any revisions which may be needed as soon as possible.
- The recommendations contained in this report are based on my understanding of the current law and tax situation.

Summary of recommendation

		Page reference
Aims	You would like a review of your existing investments.	7
Affordability	The funds come from your existing investments and savings, not from your income.	5
Attitude to risk	You have a 'high-medium' approach to investments.	8
Plan recommended	Construct an investment portfolio in accordance with your individual attitude to risk and objectives.	10
Investment amount	Bank ISA £xx,000 Cash £xx,000 **TOTAL** **£** xx,000	15
Next steps	Read this report, its appendices and enclosures in full, referring any questions to Antony Walsh. To proceed with the recommended strategy, please complete and return the enclosed papers	27

Appendix A: Features & Taxation of an ISA?

Appendix B: Alternatives considered and rejected

Appendix C: Investment strategy and portfolio construction

Appendix D: Risk ratings and portfolios

Current Personal and Financial Circumstances

Personal Details

You were born on 26th Month 1949 and are 65 years old. You are a non-smoker and are in good health. You have two adult daughters, and no financial dependants.

Employment & Pensions

You have recently retired and are in receipt of a pension of £ xx,000 gross per annum from your employment with the Ministry of XXXXX.

As of September 2015 you will also be in receipt of a Department of Work and Pensions pension of £XX,400 gross per annum, and you will receive a lump sum payment of £XX,000.

You have deferred taking your State Pension benefits until September 2015, when you will receive a pension of £6,500 per annum, and a lump sum payment of £5,200 due around the end of the year.

You are currently a basic rate taxpayer.

Income and Expenditure

I have not completed a full budgetary assessment as the pension under consideration is already held. There is no intent to involve "new money" or any regular financial commitment therefore no check on "affordability" is required. The source of the funds is known and is reputable.

You confirmed that you currently have more than sufficient income to meet general day to day expenditure, with a surplus of around £250 most months.

Your Home:

You own your home which you estimate is worth around £xxx,000. You do not have any mortgages or loans attached to your property.

Other Assets & Investments

You have the following cash held in various accounts which includes your emergency funds.

Cash Accounts	Total
Bank Current Account	£x,000
Bank E-Savings Account	£xx,000
Bank Cash ISA	£x,000
Bank Cash ISA	£x,000
CURRENT TOTAL	**£xx,000**

Investments	Total
Bank Stocks & Shares ISA	£xx,000
TOTAL	**£xx,000**

Cash Reserves	£xx,000
Investments	£xx,000
Grand Total	**£xxx,000**

You have used your current part of the ISA allowance for tax year (2015/16) as you are making monthly contributions of £x00.

It is important that you keep sufficient emergency funds. I would normally suggest holding around 3 months' worth of expenditure as cash.

You are not a professional investor, although you have invested in equities and collective funds (via stocks & shares ISA's and investment bonds) before and have some understanding of the vagaries of equity markets although you would not claim to be an expert.

Other Financial Planning Issues

Lasting Powers of Attorney

A Lasting Power of Attorney is a legal document that allows you to appoint someone (known as an 'attorney') to act on your behalf if you become incapacitated. A different person can be appointed to look after your Health & Welfare, and either the same person or someone else to administer your property and financial affairs.

It is always sensible to have a Lasting Power of Attorney in place to avoid the rigmarole of referring to the Court of Protection if you become incapacitated.

Your solicitor will be able to arrange this for you, or you may wish to arrange it yourself by visiting the Government's website:
https://www.gov.uk/power-of-attorney

Wills/Inheritances/Gifts

Your estate is worth approximately £xxx,000, so if you were to have died yesterday your estate would slightly exceed the inheritance tax threshold (currently of £325,000).

The new government has proposed potentially excluding homes from inheritance tax (if left to direct descendants) however legislation has not yet been passed to affect this change.

You are not expecting to receive any inheritances, nor do you plan making any gifts (other than normal birthday/Christmas gifts) in the foreseeable future.

Aims and Objectives

This report is to review your existing Bank Stocks & Shares ISA investments, and arrange the investment of an additional £xx,000.

Your aims in respect of your investment portfolio are to:

- Receive ongoing advice about your investment;
- Continue contributing £x00 per month to an ISA;
- ensure your investments are managed in line with your attitude to risk;
- achieve capital growth;
- to invest tax efficiently where possible;
- have access to a wide range of funds;
- you have an investment timeframe of around 7+ years, however, you would like your investment portfolio reviewed annually. This will be addressed separately, on or around the anniversary of our meeting.

You have confirmed that you will not require access to this money in the near future but are more likely to leave this money invested for the medium term (at least 7+ years). You understand that due to investment volatility you may suffer a loss if you do not leave your money invested for the long term. You have other funds at your disposal should you require cash in the shorter term.

Special Requirements / Ethical Concerns

On discussing the various funds, companies and types of investment available, you stated that you have no ethical investment requirements.

You have indicated that you cannot foresee any major changes to your financial or personal circumstances which would have an effect on this assessment in the near future.

Attitude to Investment Risk and Capacity for Loss

In determining attitude to investment risk we recognise ten risk/reward profiles for our clients:

1. Lowest	6. High Medium
2. Very Low	7. Highest Medium
3. Low	8. High
4. Lowest Medium	9. Very High
5. Low Medium	10. Highest

During our meeting on the 19th Month 2015 we discussed your attitude to investment risk in retirement in detail. You later completed a specialised questionnaire. I highlighted the importance of this information as it is a key part of assessing the suitability of my recommendations for your needs and circumstances. Should you want a copy of the questionnaire we used, please let me know and I will send you a copy.

I have entered the results of the questionnaire into a risk profiling tool developed by Distribution Technology Ltd. The Dynamic Planner Risk Profiler is a set of questions based upon the social science of psychometrics and developed by Distribution Technology Ltd in association with Oxford Risk an industry leading psychometric profiling company.

Your individual results showed a low medium risk approach to risk, with a score of 6. Should you read this and consider that it is not entirely correct, please let me know as soon as possible so that we can re-address the recommendation. It is this attitude to risk that will guide my recommendations to you.

I will base my recommendation on the following risk profile. These risk categories are explained below, and in Appendix D.

'High-Medium'

An investor who is a **Risk Profile 6** is prepared to accept some losses, particularly in the short term, to achieve higher returns than by simply investing in low-risk investments. An investment portfolio within this profile would consist mainly of higher-risk investments such as shares with some lower and medium-risk investments.

Typical Portfolio for Risk Group 6

Latest Asset Weightings

	Name	Weight %
■	UK Equities	38.06
■	North American Equities	23.93
■	European Equities	12.06
■	Property	9.74
■	Global Fixed Interest	5.21
■	UK Corporate Fixed Interest	3.76
■	UK Fixed Interest	2.86
■	Money Market	2.42
■	Asia Pacific Equities	1.29
■	Others	0.68

There have been no other material changes to your circumstances likely to affect the advice being given.

Capacity for loss

In assessing your attitude to risk, we have ascertained that you are accepting of some stock market volatility and appreciate your holdings will fluctuate and could fall in value. This is a risk you are prepared to take and could be described as your level of tolerance.

Your capacity for loss is, however, another issue. It is effectively a measure of the amount of capital or income that you can afford to lose without unacceptable consequences, i.e. would losses adversely affect your day to day standard of living in retirement and whether you have the capacity to absorb losses.

As you are not relying on an income from your investments, **your capacity for loss is medium.**

This means that if your pension or investments were to fall in value and not recover, your day to day lifestyle in retirement would be affected.

RECOMMENDATIONS:

Having considered your aims, attitude to risk and capacity for loss, I recommend:

1. **Reviewing your current fund selection, and designing a suitable portfolio to include the additional £xx,000;**

2. **Identify an appropriate Platform to hold the investment portfolio:**
   - **Investment Company has been selected;**

3. **Reviewing the suitability of your investments and using your full ISA allowance annually.**

The following pages of this report will explain each of the parts to this recommendation.

1. **Review your Bank Stocks & Shares ISA: £xx,000**

Having established your aims and objectives for your investment portfolio, I have then reviewed your existing investment arrangements to assess their suitability for you.

Current Portfolio	**Inv %**	**TER**
Bank Cautious Portfolio	100.00%	2.19%
Weighted Average Charge		**2.19%**

The Bank website confirms that:

Since 6th April 2014, as an Bank Client,you haven't been able to:

- Purchase new funds
- Make additional payments (top funds)
- Switch between funds
- Increase the value of contributions
- Transfer in assets from other providers

Risk

I have used Dynamic Planner, an independent analysis tool, to assess the risk profile and performance of your existing investments. The risk ratings of your existing investments are shown below. On the same scale your attitude to risk is rated as a 6.

Investment	**Risk Rating**
Bank Stocks & Shares ISA	2

This means that in terms of risk your existing ISA is out of line with your attitude to risk. A lower risk strategy is unlikely to provide the capital growth you are looking for.

Performance & Underlying Assets

The following pages show extracts from FE Analytics reviewing the investment performance and the underlying assets within your investments.

In terms of performance, the FE Analytics reports show that whilst your existing investments have achieved good returns, they have not performed as well as the portfolio we are recommending.

FE Analytics Analysis: Bank ISA vs Recommended Portfolio:

The recommended portfolio is blue, and the existing portfolio is shown in red,

Recommended Portfolio Details

Annualised Ratios Over 36 Months

Name	Volatility	Alpha	Beta	Sharpe	r²
Models\Client Conventional Portfolio Risk 6 J2015	8.49	11.33	0.71	1.72	0.77
FTSE All Share	10.48	n/a	n/a	0.49	n/a

Original Asset Allocations

UK Equities	38.63
North American Equities	23.83
European Equities	12.09
Property	9.51
Global Fixed Interest	8.58
UK Fixed Interest	2.59
Money Market	2.28
Asia Pacific Equities	1.34
Other International Equities	0.49
Others	0.66

Original Region Allocations

UK	53.43
North America	25.44
Europe ex UK	15.85
Money Market	2.28
Asia Pacific	1.34
International	0.50
Japan	0.47
Pacific Basin	0.19
Australasia	0.18
Other	0.32

Original Sector Allocations

Consumer Products	15.73
Financials	12.81
Industrials	11.04
Telecom, Media & Technology	9.94
Health Care	9.79
Real Estate	7.68
Services	7.17
Basic Materials	5.01
Undisclosed	5.00
Others	15.83

Existing Portfolio Details

Annualised Ratios Over 36 Months

Name	Volatility	Alpha	Beta	Sharpe	r²
Clients current portfolio\Thomas Barclays	4.59	0.46	0.39	0.07	0.77
FTSE All Share	10.48	n/a	n/a	0.49	n/a

Original Asset Allocations

Global Fixed Interest	35.60
Other International Equities	32.80
Money Market	20.50
Alternative Investment Strategies	3.80
Property	3.30
Global Emerging Market Equities	2.70
Commodity & Energy	1.30

Original Region Allocations

UK	26.50
International	24.00
Money Market	20.80
North America	18.30
Europe ex UK	6.70
Japan	3.70

Original Sector Allocations

Cash & Cash Equivalents	20.80
Investment Grade Corporate Bonds	14.40
Financials	12.50
Government Bonds	9.70
Corporate Bonds	6.90
Industrials	4.30
Services	4.30
Telecom, Media & Technology	4.00
Consumer Products	3.80
Others	19.30

Design an investment strategy for the portfolio

Having established your aims and objectives for your portfolio, I have then constructed a suitable investment portfolio for the pension fund.

We offer an advisory investment service so we do not have your authority to change investments on your behalf without obtaining your agreement in advance.

<u>Basic Features</u>

An advisory investment service aims to provide you with:

- The opportunity to increase the value of your capital.
- The ability to spread your investment amongst different types of investment funds from a number of leading fund management groups.
- Different investment funds with different aims.

Full details of the Churchill Wealth Management Team are given at the end of this report in Appendix C.

Risk

In order to best meet your investment objectives and your attitude to investment risk and capital loss I suggest the portfolio shown on the following page.

I have used Dynamic Planner, an independent analysis tool, to assess the risk profile and performance the proposed portfolio to ensure that it matches your risk profile. On the same scale your attitude to risk is rated at 6.

The recommended funds are compatible with your risk profile. Past performance is no guarantee of future returns.

Please see Appendix C for details or our investment strategy and fund selection process, and important risk warnings about investments.

This portfolio will match your needs and requirements as well as your attitude to investment risk and capital loss because the geographic spread of assets will provide a degree of stability and diversification which helps to reduce the risk of the investment, whilst giving you access to those markets, sectors and stocks which we believe offer excellent growth potential.

Recommended Investment Portfolio:

Investment Funds	Inv %	TER %
Property Fund	10.00%	0.87
Managed Income Fund	5.00%	0.60
European Focus Fund	5.00%	0.87
UK Alpha Fund	13.00%	0.80
Global Ex UK Bond Fund	3.00%	0.83
US Select Fund	9.00%	0.55
UK Growth Inc Fund	13.00%	1.04
UK Mid Cap Fund	12.00%	0.82
Corporate Bond Fund	5.00%	0.60
Global Equity Fund	10.00%	0.95
North American Fund	9.00%	0.95
European Opportunities Fund	6.00%	0.94

Weighted average AMC of the portfolio is 0.84%.

One of your objectives is to achieve capital growth in excess of inflation.

This graph shows that since 2009 the recommended portfolio has substantially beaten inflation and returns on the AFI Balanced Index.

2. Identify an appropriate Platform to hold the investment portfolio:

Based on your stated aims and objectives I recommend holding your investment portfolio within an Individual Savings Account (ISA) and General Investment Account (GIA) provided by Investment Company.

Current Structure:

Owner	**Type**	**Value**
Mr Client	Bank Stocks & Shares ISA	£xx,000
Mr Client	Bank E Savings account	£xx,000
Mr Client	*Bank Current Account*	£xx,000
Mr Client	*Bank Cash ISA*	£xx,000
Mr Client	*Bank Cash ISA*	£xx,000
Total		£xxx,000

Recommended Structure:

Owner	**Type**	**Value**
Mr Client	Investment Company Stocks & Shares ISA	£xx,000
Mr Client	Investment Company General Investment Account	£xx,000
Mr Client	Bank E Savings account	£xx,000
Mr Client	*Bank Current Account*	£xx,000
Mr Client	*Bank Cash ISA*	£xx,000
Mr Client	*Bank Cash ISA*	£xx,000
Total		£xxx,000

Income withdrawals: **None**

Regular Contributions: **£xx0 per month into Investment Company ISA**

Investing via ISAs.

In previous years you have contributed to Individual Savings Accounts (ISAs) and understand the desirable tax efficiency conferred by continuing to hold investments inside such tax 'wrappers'. Please refer to Appendix A for more information about ISAs.

From the 1st of July 2014 ISAs were reformed into a simpler product, the 'New ISA' (NISA) and all existing ISAs will become NISA. From that date an overall annual subscription limit for these accounts has been increased to £15,240 for 2015/16.

Alternatives Considered and Rejected

In making our recommendations we have considered other options which are available to you, for example internal fund switches, or other types of investments and savings accounts. Please see Appendix B for details of these, and a brief explanation of why they are not as appropriate for you.

Investing via Investment Company

I recommend that you use Investment Company for the following reasons:

1. Low cost
2. Offers ISAs, General Investment Accounts and pensions so all your assets can be managed together.
3. Good technical support
4. Use their own proprietary software
5. Potentially increased fund values through greater fund performance.
6. Unrestricted range of funds
7. Please see attached Investment Company Key Features Document and illustration.
8. Good Administration

I have recommended Investment Company for your investment provider as I am confident that this represents the most suitable recommendation based on your circumstances. Whilst it is intended that making this investment will improve your future investment returns there is no guarantee that it will do so. My research was based on Capita Synaptic and was carried out on 3rd September 2015. Should you wish to see my analysis and research then I would be pleased to show this to you.

The selected company is **Investment Company.** This is how **Investment Company** describe themselves:

"Investment Company is the future of low cost flexible pensions and is exclusively available through Financial Advisers.

Investment Company brings together the expertise of the UK's leading investment institutions with the flexibility of one of the most cost effective SIPPs in the market place. Options include:
Advisory - Access to approximately 1,900 unit trusts and OEICs, more than any other Fund Supermarket. See Funds List for further details.
Investment Partner - Select one of the other fund supermarkets or appoint one of our discretionary fund managers to manage the SIPP on an advisory or discretionary basis.
Execution Only - The client can deal in UK shares, unit trusts and OEICs on an execution only basis.
Fully Flexible - The SIPP can invest in a wide range of investments, including all of the above, commercial property, trustee investment plans and more."

Investment Company investment platform is well-costed compared to its peers and is one that we frequently use as we have found the administration to be outstanding.

This approach will allow ease of management for you. It will also allow us to design and operate a portfolio in line with your stated objectives and also access ethical funds and individual equities where appropriate.

A fund or investment platform is commonly known as a supermarket. A fund supermarket is typically a web site that can provide an alternative, more convenient way of investing in collective unit trust investment funds. Fund supermarkets, pioneered in America, were introduced to the UK investor at the end of 1999. The 'supermarket' term reflects the way in which they operate; a variety of funds can be purchased from a number of different management groups in one online place. Similar to real life supermarkets, the online counterparts have different goods on offer and services, size and cost vary greatly.

Many fund supermarkets offer significant discounts on the initial charge of a unit trust fund. Although many have low initial charges (that can often be cheaper than through a discount broker) the annual and most significant charge usually remains intact. Some fund supermarkets operate a tiered charging system, even though they offer discounts. In this circumstance you could be double charged for using the system.

Portfolio tools and consolidated statements enable viewing all of your investments online.

Some supermarkets offer instant transfer of funds which ensures that your money is never out of the market. Some have no charge for switching between funds and management groups. A major advantage is the ability to invest and manage your account through a range of channels: online, over the telephone or via paper methods.

Please note that it is possible to invest into many of these funds and shares without using a platform but by investing directly with the fund managers or on the Stock Market. In practice however this can become very cumbersome, may actually be more expensive as the platform providers obtain bulk discounts. Overall therefore, given the facilities available from platforms, we rarely use this method.

3. Ongoing Annual Reviews

The funds have been selected using an 'asset allocation' approach, with certain percentages invested in different sectors, in line with your attitude to risk. Your portfolio will need to be reviewed periodically and rebalanced where necessary, to ensure it continues to be suitable. Otherwise, a portfolio made up of individual funds to meet a certain asset allocation will become unbalanced over time and this may mean the structure no longer meets your attitude to risk or personal circumstances.

When we have arranged any investments on your behalf, we will invite you to an annual review, but will be glad to advise you at any time you ask us to do so.

In between annual reviews, as part of the service, your portfolio will be rebalanced every three months to ensure it stays in line with the initial recommendation.

The quarterly rebalancing and annual reviews are paid for by the annual servicing charge explained below.

Risk Warnings

For full details of the recommended investment please read the attached illustration and accompanying Key Features Document. I would draw your attention to the following risks which are applicable to an ISA and GIA:

- You need to be aware that moving your investment to new plan managers means having to sell your existing units and purchase new ones within an ISA environment. During the time when your unit holding is sold and is being repurchased, you will not be actively invested in the market and you will not benefit from any rise in unit value during this time. Equally, should the market fall, you should not suffer from a falling unit value during this time.

- The price of units is governed by the value of the underlying securities in the fund. This price will rise and fall with movements in the price of assets in which the unit trust/OEIC is invested. The value of a unit trust/OEIC investment and the income from it can therefore go down as well as up.

- You should be aware that investments linked to the stock market, such as Unit Trusts/OEICs, are regarded as medium to long term holdings. No matter how good past performance looks, future returns cannot be guaranteed. Market conditions can cause values to fall as well as rise from time to time. It follows, therefore, that values of investments recommended in this report may also fluctuate in line with the markets to which they are linked.

- Currency/Overseas Risk Warning - Where fund managers invest overseas, and in currency other than Sterling, changes in exchange rates may cause the value of the investments to fall or rise which could exaggerate any increase or decrease in the value of your holding.

- Property Funds Returns from property are dependent on the market conditions and the ability of managers to lease property. You may not be able to immediately cash in your investment as the land and buildings in the fund may not be easy to sell. In some cases the managers may put off encashing your investment for six months or more in exceptional circumstances; the managers will use the prices that apply at that time. The value of land and property is generally a matter of a valuer's opinion rather than fact. Property funds which include property equities as well as 'bricks and mortar' will be more volatile than those without, as these equities are traded freely and their value can fall and rise in line with daily market conditions.

- This recommendation is made using current legislation and tax laws, which may be subject to change.

Investment Risk Warnings

- Fixed Interest Funds (Gilt and Corporate Bond) have interest rate risk and rising interest rate movements may decrease the value of investments

- Corporate Bond Investments have Credit Risk. This is the risk of the issuer defaulting on the debt. We have looked to carefully diversify risk in this area and have recommended a combination of high yield bond funds and investment grade funds. Generally, the higher the yield the higher the perceived credit risk of the issuer.

- Exposure to a single country/market increases potential volatility.

- Investment into Emerging Markets tends to be more volatile than mature markets, the value of investments can move up and down sharply. In some cases investments may become illiquid which may constrain the Manager's ability to realise some or the entire portfolio. Political and adverse economic conditions are also more likely to affect your investment than with mature markets.

Charges and Valuation Movements

A fee is being charged for the advice relating to the investments (details below).

Initial Adviser Charges

Based on an investment of £xx,000 the initial advice fee is 2% or £Xxxx.

If the fees are paid from the investments, rather than from your cash reserves the result of this will be that the value of your new General Investment Account and ISA will initially be lower than otherwise and it may take time to recover its value.

None of the recommended funds have any initial costs, if investing via Investment Company platform.

For full details of the recommended investment please read the attached illustration and accompanying Key Features Document. Investment Company has no initial charge and an ongoing annual management charge of 0.2 %.

Transaction Costs

Investment Company charges £3.95 for each sale and purchase, unless the bulk switching facility is used in which case the charge falls to £1.50 per trade.

Please see the attached illustrations and Key Features Document for more details and also projections of possible benefits using the Financial Regulator's prescribed growth rates (not guaranteed of course).

Reduction in Yield

In the illustration the costs are represented by the "Reduction in Yield Figure" (RIY) which is a hypothetical application of these charges to a growth rate of 5% (ISA) or 4.5% (GIA) (for illustration only – it is not guaranteed). The RIY for the recommended plan and funds is 1.1%.

If the Adviser Charges are taken from the pension fund, the Reduction in Yield increases to 2.3%. I should explain that the higher the RIY figure, the higher the impact of charges on the plan.

If you hold your investments with Investment Company, you will be charged the following <u>product and fund fees</u>:

ONE OFF INITIAL PLAN CHARGES (Assuming £xx,000**)**

Investment Company	Initial Charges	Plus VAT	Total
Initial Set Up	Nil	Nil	Nil
Transfers In	Nil	Nil	Nil
Initial Fund Charges	Nil	Nil	Nil
TOTAL			**Nil**

ANNUAL PRODUCT + FUND CHARGES (Based on an initial fund of £xx,000**)**

Investment Company	Annual Charges	Plus VAT	Total pa
Annual Platform Charge	0.20%	no	£xxx
Annual Fund Manager Charges	0.84%	no	£xxx
Quarterly Admin Charge	Nil	no	Nil
TOTAL		**1.04%**	**£xxx**

These charges are for the account provider and the underlying fund charges.

- These charges are for the account wrapper and fund charges.
- The annual fund manager charges will vary over time.
- Please see the attached illustrations and Key Features Document for more details and also projections of possible benefits using the Financial Regulator's prescribed growth rates (not guaranteed of course). Please note that the illustrations use our latest valuations, not rounded figures as in the report.

<u>Breakdown of Existing Product Charges for Comparison</u>

Existing Investment	Value	Ongoing Charge %	Adviser Charges %	Overall Charge %
Bank Stocks & Shares ISA	£xx,000	2.19%	Nil	£x,000
TOTAL COSTS				£x,000

Remuneration: Adviser Charges

In accordance with our signed Terms of Business, upon execution of the proposed investments Churchill Wealth Management Limited will receive an initial 2% Adviser Charge of the amount invested, which based on the values detailed (rounded to £x,000) would be £x,000

In addition as part of the Annual Review Service we will receive an on-going adviser charge of 1%, which based on the same values, would be approximately £xxx per annum. This on-going charge covers our servicing agreement with you encompassing regular reviews, updates and fund switches as required. Future annual servicing payments will be subject to an increase or decrease dependant on the value of the funds held. The ongoing service arrangement can be cancelled at any time in the future if you choose to do so.

A meeting to review your investments and personal situation including reconfirming your attitude to risk (ATR) will take place each year on or around the anniversary of the new investments. During the interim period the portfolios will be reviewed and rebalanced on a quarterly basis to ensure they remain in line with your requirements.

As agreed with you these charges will be taken directly from your ISA accounts. Please note that these are not commissions (which since December 2012 are no longer paid on investment accounts) but fees and if you would prefer to pay them by cheque in advance you may do so.

Please also be aware that you are not obliged to take up our annual servicing arrangement but we do strongly recommend that such reviews are carried out to maintain the portfolio's suitability for your circumstances.

Taxation

Unit Trust/OEIC managers do not have to pay tax on any gains realised within their funds. So they can change the balance of their investments without any restrictions caused by potential tax liabilities.

When dividend income is received it carries a 10% credit (regardless of whether the dividend is paid as cash or stock).

As the investments are NOT held within an ISA, the 10% tax credit only fully covers the liability for Basic Rate taxpayers. Higher Rate taxpayers must pay the outstanding tax via their Self-Assessment tax returns.

If no income is being taken and the dividend or interest is being reinvested in the unit trust/OEIC in accumulation units or reinvested income units, it still counts as being income for the investor and will be subject to the same tax treatment as income that is distributed.

Cancellation Rights

You have a statutory right to change your mind. Should you wish to cancel this investment you will have 30 days in which to return the cancellation notice to Investment Company. You should be aware that if the value of your investment falls during this period you may not get back the full amount invested.

Compensation and Investor Protection

Details of the compensations scheme(s) covering the recommended investments are given in the accompanying Key Features Documents and provider literature. Further details of the UK Financial Services Compensation Scheme can be found at www.fscs.org.uk.

General Information about Investing

- For full details of the recommended investment please read the attached Key Features Document. The price of units is governed by the value of the underlying securities in the fund. This price will rise and fall with movements in the price of assets in which the portfolio is invested. The value of such a portfolio investment and the income from it can therefore go down as well as up.
- This type of contract should be viewed as a long-term investment and past performance should not be taken as an indication of future performance. You should expect to leave them in place for at least five years, if not longer. In this way you are less likely to be adversely affected overall by short term market fluctuations
- Your capital could reduce in value if you were to take income payments that exceed the growth of your investment funds.
- The current charges on the contract recommended are not guaranteed and there is a possibility that charges may increase in the future.
- The value of your shares and the income from them will rise or fall as the value of the underlying investments in which your money is invested changes.
- Favourable tax treatment is subject to Government changes.
- It is important to review your investments on a regular basis.
- Please bear in mind that whilst cash held on deposit is secure and easily accessible, the return on this investment can fluctuate in value.
- When you sell your investment you may get back less than you invested.
- Movements in exchange rates may cause the value of your investment to go up or down.

Summary

In the process of writing this report I have considered other products that are available from the whole market. The products recommended are those more suited to your needs.

I have based the recommendation in this report in accordance with the risk level set by you and specified within the definitions of attitude to risk**. If your attitude to risk does not agree with that stated you should advise me accordingly, as the recommendation set out may not be appropriate to your needs.**

The recommendations contained in this report are made in good faith and are based on my understanding of current Revenue and Customs regulations. I cannot accept any responsibility for any future regulation that may retrospectively affect the advice given, so on-going reviews of the plan will be needed.

I look forward to discussing these recommendations with you in more detail at our next meeting. This report should contain all the necessary information to allow you to make an informed decision. If you are then satisfied, we can proceed to complete the necessary application forms.

Your policy documents and various contract notes will follow once the investment has been made on your behalf. You should read all documentation carefully as it provides precise details on your proposed investments. In particular the attaching illustrations and Key Features Documents from Investment Company should be read as an integral part of this report. I appreciate that there is quite a lot of it!

I have given you an appropriate Investment Company brochure containing full details of the investment and charging structure, which you should read carefully. If you have any questions on this or any of the other documentation provided, please do not hesitate to contact me.

The Next Steps

Please be sure that you agree with all of the recommendations that we have made. If any points are unclear please let us know immediately.

Please read the enclosures and accompanying documents.

The following action is now required to proceed with these recommendations:
- **Please sign and return the application forms to say you are in agreement with these investment recommendations.**

I hope this is all clear, but please contact me for clarification of any of the above points.

Conclusion

Taking into account your tax position, your aim of investing some of your cash reserves and having an investment review, and your attitude to risk, the above plan has been constructed on the basis of your current situation, details of which were furnished at our meetings and recorded on your personal profile.

Your overall situation both now and in the future would appear to be satisfactory but will need to be reviewed from time to time. If your attitude to risk does not agree with that stated in this report please advise me immediately, as the recommendations set out may not be appropriate to your needs.

In this regard, it would be wise to keep me informed of any change in circumstances in the future in order to ensure that your financial plan is still the most appropriate for your needs.

This letter is based on information supplied by **A CLIENT. CHURCHILL WEALTH MANAGEMENT LIMITED** has relied upon this information to provide the above recommendation.

Please contact **CHURCHILL WEALTH MANAGEMENT LIMITED** immediately if you require clarification of any points, if you require any further information or this report does not accord with your view of the outlined position.

Adviser Details

Adviser Name	ANTONY WALSH
Company Name	CHURCHILL WEALTH MANAGEMENT LIMITED
Regulatory Authority	CHURCHILL WEALTH MANAGEMENT LIMITED IS AUTHORISED AND REGULATED BY THE FINANCIAL CONDUCT AUTHORITY
Registration Number	670373
Qualifications	Chartered MSCI

Selection made by **ANTONY WALSH**

Signature ………………………………………………. Date ………………………

The undersigned has received and read this report, and have received and read the relevant Terms and Conditions and Key Investor Information Documents. The recommendation falls within our risk profile and is within our level of affordability.

Agreed by **MR A CLIENT**

Signature ………………………………………………. Date ………………………

This Financial Report is prepared on the basis of our understanding of the law and Inland Revenue practice to date. We cannot accept responsibility for (a) any future changes in legislation which may adversely affect the suitability and effectiveness of an investment nor (b) any errors and omissions it may contain. Investors should remember that the value of units and the income derived from them can go down as well as up.

Enclosures

Investment Company Documentation:
- ISA Illustrations
- Key Features,
- Terms & Conditions
- Platform Charges & Rates
- Key Investor Information Documents

Appendix A: Features & Taxation of an ISA?

Appendix B: Alternatives Considered and Rejected

Appendix C: Investment Strategy and Portfolio Construction

Appendix D: Risk ratings and portfolios

APPENDIX A: Features & Taxation of an ISA?

As an incentive, any interest earned on savings or bonds and any capital gains made on investments held within an ISA are tax free. This is particularly advantageous for people on higher incomes who are taxed at the rate of 40% on all their savings and investment income, but may also be beneficial for basic rate taxpayers too.

Unit Trusts/OEICs aim to provide capital growth and this investment has the potential of achieving growth greater than that obtainable from bank or building society accounts over the medium term. They can invest in a range of assets including UK and overseas equities, fixed interest security and property.

Unit trusts/OEICs reduce investment risk by providing a diversified portfolio of holdings in many different shares. They also give you the advantages of professional investment management and administrative simplicity.

There are both general unit trusts/OEICs and specialist funds. Some may aim to generate higher than average income; others are expected to generate longer term growth, possibly with less income. Some unit trusts/OEICs cover the whole UK market; others specialise in particular areas. Unit trusts/OEICs can be an excellent way to invest overseas – either through funds which concentrate on particular markets such as Europe, the Far East and North America or general international funds.

A unit trust is a fund of stock market investments divided into equal portions called units. Their prices are calculated regularly, normally on a daily basis. Two prices are quoted – the higher (offer) price is the price the investor pays to buy units, and the lower (bid) price is the price the investor will receive on selling the units/an open ended investment company (OEIC) is a fund of stock market investments divided into equal portions called shares. Their price is calculated regularly, normally on a daily basis.

The main benefits for investors are easy access to their money and tax-free returns, as income generated by ISA savings and investments is free from personal UK Income and Capital Gains Tax. Anyone who has subscribed to an ISA during a previous tax year is entitled to maintain this investment within this tax advantaged ‘wrapper’.

Unit Trust/OEIC managers do not have to pay tax on any gains realised in their funds. So they can change the balance of their investments without any restrictions caused by potential tax liabilities.

When dividend income is received or accumulated by the fund manager it carries a 10% credit.

A non taxpayer, basic rate taxpayer or higher rate taxpayer needs to take no further action. The 10% tax credit fully covers the liability. Non taxpayers cannot reclaim the tax credit from the Inland Revenue. Therefore whilst the investment is not totally tax free for investors it is more tax-efficient than ordinary non-ISA holdings in equities. Cash holdings in cash-only ISA's are totally free of tax as are holdings in corporate bonds provided that the fund holds at least 60% in appropriate corporate bonds. Cash held in stock and shares-only ISA's will be taxed. Rents arising from direct property funds are also free of tax within an ISA.

If no income is being taken and the dividend or interest is being reinvested in the unit trust/OEIC in accumulation units or reinvested income units, it still counts as being income for the investor and will be subject to the same tax treatment as income that is distributed.

A fund platform is commonly known as a supermarket. A fund supermarket is typically a web site that can provide an alternative, more convenient way of investing in collective unit trust investment funds. Fund supermarkets, pioneered in America, were introduced to the UK investor at the end of 1999. The 'supermarket' term reflects the way in which they operate; a variety of funds can be purchased from a number of different management groups in one online place. Similar to real life supermarkets, the online counterparts have different goods on offer and services, size and cost vary greatly.

Many fund supermarkets offer significant discounts on the initial charge of a unit trust fund. Although many have low initial charges (that can often be cheaper than through a discount broker) the annual and most significant charge usually remains intact. Some fund supermarkets operate a tiered charging system, even though they offer discounts. In this circumstance you could be double charged for using the system.

Many supermarkets accept also ISA as well as unit trust transfers. More supermarkets now allow a mix funds from several different management groups in one ISA wrapper, combining high risk and low risk funds from a wider range. Portfolio tool and consolidated statements enables viewing all of your purchases online and receipt of a statement, usually twice a year (this is useful if you have chosen the mix and match ISA option).

APPENDIX B: Alternatives Considered and Rejected

There are many regulated investment products as well as unregulated collective investments (UCIS). Some carry very high investment risk and the potential for serious capital loss, and others carry little or no consumer protection. Based on your aims and objectives and attitude to investment risk and capital loss I have considered and rejected the following investments, which I believe to be the section of the market most relevant to your circumstances:

Possible Investments	**Reason for rejection**
Internal Fund Switches	The Bank ISA is not currently allowing fund switches.
Building Society Account	Would not offer potential for the capital growth you require.
Bank Account	Would not offer potential for the capital growth you require.
National Savings	Would not offer potential for the capital growth you require.
Capital Investment Bond	The use of an ISA gives greater flexibility and possibly more tax efficiency.
Offshore Investment Bond	As above and probably even more expensive so discounted.
Individual Savings Account	Recommended.
Unit Trust or OEIC	Recommended as part of the portfolio.
Venture Capital Trusts and Enterprise Investment Schemes	Whilst you have sufficient funds to consider such investments, and the available tax reliefs on investment are attractive, they carry much higher risk than your attitude to risk would allow. The funds would lose their current ISA status.

APPENDIX C: INVESTMENT STRATEGY & PORTFOLIO CONSTRUCTION

The Churchill Wealth Management Ltd Investment Team

Churchill Wealth Management Ltd. offers a comprehensive investment management service providing access to multiple investment strategies ranging from low risk income portfolios to aggressive growth strategies. Churchill Wealth Management Ltd. employs modern psychometric risk profiling systems to ensure that all recommendations perfectly match each client's individual requirements.

The investment team comprises of:

Antony Walsh, Managing Director, Chartered Wealth Manager, Chartered Fellow CISI, CISI Masters in Wealth Management

Antony is a Chartered Wealth Manager and has achieved the Masters in Wealth Management qualification. He is responsible for designing Churchill Wealth Management Limited's investment process, including the firm's asset management strategy.

Matthew Barrett, Chief Investment Officer, Chartered Wealth Manager, Chartered MCSI, PhD, MSc, MSc, BSc

Matthew has a PhD in Investment Management, a MSc in Accounting and Finance and a MSc in Business Management Research. Matthew worked in portfolio management for two of the country's leading wealth management firms. Matthew is responsible for performing financial analysis on client's portfolios and prospective investments here at Churchill Wealth Management.

Sue Wilson, IFP, Dip PFS
Sue is a member of the Institute of Financial Planning and worked for the investment team at Lloyds Private Banking before joining Churchill Wealth Management. Sue has achieved the Investment Advice Certificate and sits on our investment committee helping our client's portfolios outperform their benchmarks within stated risk and investment guidelines.

Churchill Wealth Management Ltd. has a transparent charging structure, full administration and investment research. Having direct contact to the firm is an advantage to clients and possible as the service is not being out sourced to a third party. Online valuations are available to clients at no extra cost.

We will undertake a quarterly rebalancing of your portfolio holdings in order to ensure that they continue to match their correct asset allocations for your attitude to risk. We use analysis provided by Distribution Technologies which takes into account factors including historic data, current market yields, estimates of risk premiums as well as other factors such as corporate bond default rates and inflation.

This service is provided by us at no extra cost and is part of our active management strategy but there may be minor associated costs from the investment platform provider.

Investment Strategy

Unit Trusts / Open Ended Investment Company (OEIC) Explanation

Unit Trusts/OEICs aim to provide capital growth and this investment has the potential of achieving growth greater than that obtainable from bank or building society accounts over the medium term. They can invest in a range of assets including UK and overseas equities, fixed interest security and property.

Unit trusts/OEICs reduce investment risk by providing a diversified portfolio of holdings in many different shares. They also give you the advantages of professional investment management and administrative simplicity.

There are both general unit trusts/OEICs and specialist funds. Some may aim to generate higher than average income; others are expected to generate longer term growth, possibly with less income. Some unit trusts/OEICs cover the whole UK market; others specialise in particular areas. Unit trusts/OEICs can be an excellent way to invest overseas – either through funds which concentrate on particular markets such as Europe, the Far East and North America or general international funds.

A unit trust is a fund of stock market investments divided into equal portions called units. Their prices are calculated regularly, normally on a daily basis. Two prices are quoted – the higher (offer) price is the price the investor pays to buy units, and the lower (bid) price is the price the investor will receive on selling the units/an Open Ended Investment Company (OEIC) is a fund of stock market investments divided into equal portions called units. Their price is calculated regularly, normally on a daily basis.

Different types of investments held in a portfolio behave in different ways and have different market risks. This list is not exhaustive but covers the major investment sectors:

Corporate Bond Funds
These stocks have similar investment characteristics as gilt-edged securities. But whereas gilt-edged securities are issued by the Government, corporate bonds are issued by companies and can, therefore, be of higher risk depending on the company's credit rating. Given that there may be a greater chance that the issuer may default, the yield is normally higher than that available for gilts. The actual risk profile of the fund will depend very much on the types of bond being issued. Where a bond fund income/running yield is greater than the redemption yield, this may erode capital.

Those that invest in highly rated and secure companies tend to fall into the low-medium risk category, but higher yielding corporate bond funds tend to invest in poorer quality bonds, which carry a higher risk of default. These may include 'junk bonds', which will probably be categorized as medium or even higher risk.

Property Funds
Returns from property are dependent on the market conditions and the ability of managers to lease property. You may not be able to immediately cash in your investment as the land and buildings in the fund may not be easy to sell. In some cases the managers may put off encashing your investment for six months or more in exceptional circumstances; the managers will use the prices that apply at that time. The value of land and property is generally a matter of a valuer's opinion rather than fact. Property funds which include property equities as well as 'bricks and mortar' will be more volatile than those without, as these equities are traded freely and their value can fall and rise in line with daily market conditions.

Currency/Overseas Funds
As some funds invests overseas, and in currency other than Sterling, changes in exchange rates may cause the value of the investments to fall or rise which could exaggerate any increase or decrease the value of your holding.

Emerging Markets
Investments in Emerging Markets can have greater price variations than more general funds. This is due to factors such as restrictions in those areas or possibly the size of the companies involved. Such funds can also be less liquid leading to increased price fluctuations and the inability to redeem your investment. For investments in emerging markets, these are usually considered to carry a greater degree of risk relating to dealing, settlement and custody practices, than investments in established markets. Funds that primarily use derivatives as the main vehicle are considered higher risk.

Fixed Interest Funds

Fixed income securities are subject to the risk of an issuer's ability to meet principal and interest payments on the obligation (credit risk), and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk). The fixed income securities in which the Fund may invest are interest rate sensitive. An increase in interest rates will generally reduce the value of fixed-income securities, while a decline in interest rates will generally increase the value of fixed-income securities. The performance of the Fund will therefore depend in part on the ability to anticipate and respond to such fluctuations on market interest rates, and to utilise appropriate strategies to maximise returns, while attempting to minimise the associated risks to investment capital.

Taxation

Portfolio managers do not have to pay tax on any gains realised in their funds. So they can change the balance of their investments without any restrictions caused by potential tax liabilities.

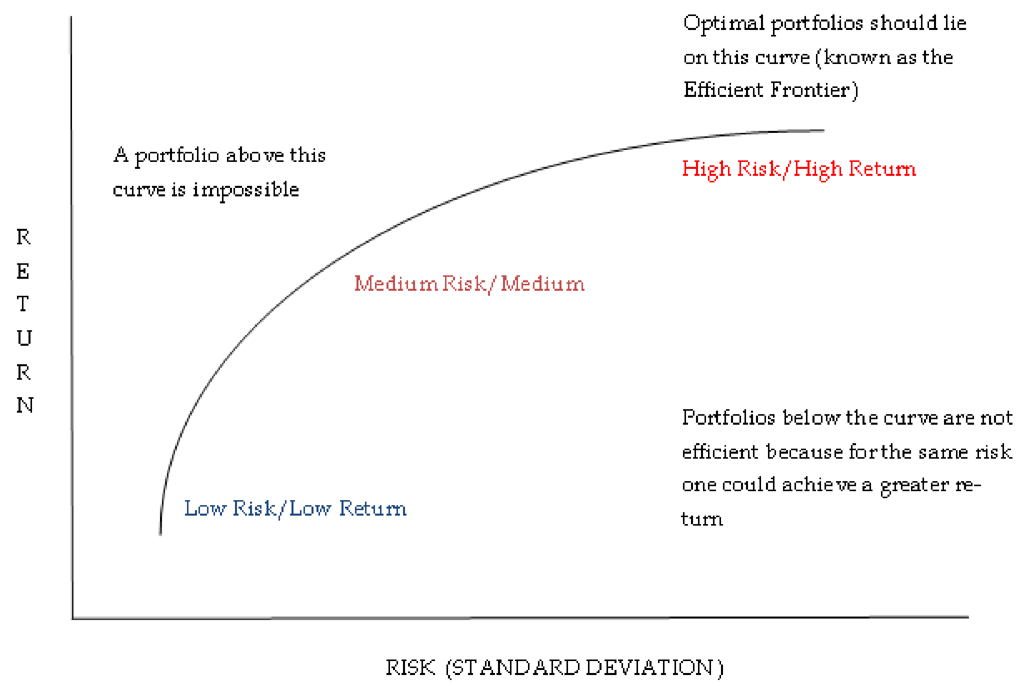
When income is received or accumulated by the fund manager it carries a 10% credit. The 10% tax credit fully covers the liability. Cash holdings are totally free of tax as are holdings in corporate bonds.

Efficient Frontier

The graph below shows an **efficient frontier**. The efficient frontier line shows the highest, most likely return you can expect for any level of risk you are prepared to take. This assumes average growth forecasts for the generic asset types. Anything under that efficient frontier line is said to be an inefficient portfolio. This is because you could either be achieving the same level of return for less risk or could achieve more return without increasing your risk.

Our proposed portfolio lies on the efficient frontier when analysed on the Dynamic Planner research platform and you will note that the recommended funds and equity holdings are in line with your agreed attitude to investment risk which was graded as 6 out of 10. This means the proposed portfolio is ideal for a 'high-medium' investor prepared to accept the potential of a fluctuation in the value of capital in order to potentially generate an above average return.

The portfolio we have designed for you is in keeping with your current risk profile.



Our Proposed Portfolio

We believe that a portfolio of investments consisting of our proposed asset mix is more appropriate for you given your risk profile and will achieve your aim of beating inflation. The portfolio contains funds that are both higher and lower than your stated attitude to investment risk but the overall aim is to meet your risk expectations.

Different types of assets, such as equities or bonds, behave in different ways. The first step in forming any investment strategy is to achieve the right balance between the major asset classes. This “asset allocation” is fundamental to meeting your investment goals in the medium to long term. In fact, asset allocation can be as important as the choice of the individual funds themselves.

Asset allocation therefore is a crucial factor affecting the level of risk and likely return that you might face when investing over the medium to long term. If you hold most of your money in cash then your chance of losing money is low but so will any returns be. If you invested most of your money in stocks and shares, the chance of losing money in the short term is higher, but in the long term the chances of a greater return are also higher.

Your investment portfolio should match both where you are now and where you want to be in the future. The challenge is to find the proper mix of investments with just the right amount of money in a variety of investments. Asset allocation is a strategy that can be used to maximise long term performance and reduce the volatility of returns.

Investment Risk Warnings

- Fixed Interest Funds (Gilt and Corporate Bond) have interest rate risk and rising interest rate movements may decrease the value of investments

- Corporate Bond Investments have Credit Risk. This is the risk of the issuer defaulting on the debt. We have looked to carefully diversify risk in this area and have recommended a combination of high yield bond funds and investment grade funds. Generally, the higher the yield the higher the perceived credit risk of the issuer.

- Exposure to a single country/market increases potential volatility.

- Investment into Emerging Markets tends to be more volatile than mature markets, the value of investments can move up and down sharply. In some cases investments may become illiquid which may constrain the Manager's ability to realise some or the entire portfolio. Political and adverse economic conditions are also more likely to affect your investment than with mature markets.

- Currency/Overseas Risk Warning - Where fund managers invest overseas, and in currency other than Sterling, changes in exchange rates may cause the value of the investments to fall or rise which could exaggerate any increase or decrease in the value of your holding.

- Property Funds - Returns from property are dependent on the market conditions and the ability of managers to lease property. You may not be able to immediately cash in your investment as the land and buildings in the fund may not be easy to sell. In some cases the managers may put off encashing your investment for six months or more in exceptional circumstances; the managers will use the prices that apply at that time. The value of land and property is generally a matter of a valuer's opinion rather than fact. Property funds which include property equities as well as 'bricks and mortar' will be more volatile than those without, as these equities are traded freely and their value can fall and rise in line with daily market conditions.

APPENDIX D: RISK RATINGS AND PORTFOLIOS

Portfolios Risk Graded 4 (Cautious)

An investor who is a **Risk Profile 4** would probably be concerned about the possibility of losing money on their investments, but may also want to achieve higher returns than are offered by bank accounts and low-risk investments. As a result, these investors are willing to accept only small losses by investing in some medium-risk assets such as property and possibly some shares, in order to achieve a higher return.

<u>Typical Portfolio for Risk Group 4</u>

Latest Asset Weightings

Name	Weight %
UK Equities	31.32
Property	23.35
Global Fixed Interest	16.66
North American Equities	12.02
European Equities	9.64
UK Fixed Interest	4.26
Money Market	2.25
International Equities	0.40
American Emerging Fixed Interest	0.09
Others	0.02

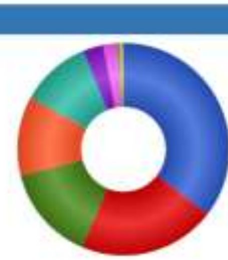
Portfolios Risk Graded 5 (Balanced)

An investor who is a **Risk Profile 5** is prepared to accept small losses, particularly in the short term, to gain higher returns than simply investing in low-risk investments. An appropriate investment portfolio would consist of a balanced mix of lower and medium-risk investments such as bonds and property as well as some higher-risk investments such as equities.

<u>Typical Portfolio for Risk Group 5</u>

Latest Asset Weightings

Name	Weight %
UK Equities	35.55
North American Equities	20.84
Property	14.60
Global Fixed Interest	12.12
European Equities	10.73
UK Fixed Interest	3.10
Money Market	1.97
Asia Pacific Equities	0.70
International Equities	0.32
Others	0.08



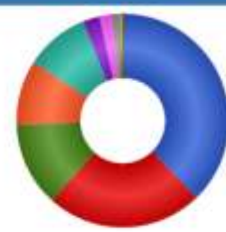
Portfolios Risk Graded 6 (Balanced)

An investor who is a **Risk Profile 6** is prepared to accept some losses, particularly in the short term, to achieve higher returns than by simply investing in low-risk investments. An investment portfolio within this profile would consist mainly of higher-risk investments such as shares with some lower and medium-risk investments.

Typical Portfolio for Risk Group 6

Latest Asset Weightings

Name	Weight %
UK Equities	37.86
North American Equities	23.75
European Equities	12.75
Global Fixed Interest	9.84
Property	9.73
UK Fixed Interest	2.52
Money Market	1.83
Asia Pacific Equities	1.40
International Equities	0.25
Others	0.06



Portfolios Risk Graded 7 (Growth)

An investor who is a **Risk Profile 7** would want to make higher returns on their investments, although they are still concerned about medium sized losses on their investment portfolio. An appropriate portfolio for this profile would primarily contain equities with a few lower and medium-risk investments such as bonds and property.

Balanced Portfolio for Risk Group 7

Latest Asset Weightings

Name	Weight %
UK Equities	44.32
North American Equities	21.91
Asia Pacific Equities	10.60
European Equities	10.37
Property	3.89
Asia Pacific Emerging Equities	3.45
Global Fixed Interest	3.03
Money Market	1.50
UK Fixed Interest	0.77
Others	0.16