Private & Confidential

Retirement Planning Report and Recommendations

for

Mr G Client

20th October 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 18th September 2015 and your other financial documents. The recommendations made are based on the client profile that we completed on 18th September 2015.

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 mention the alternative options I could have recommended and the reasons why I feel they are less appropriate as an appendix to this report.

Summary of the recommendation		Page
Aims	Review your pension arrangements as you prepare for your retirement next spring. You want to be able to access your retirement benefits easily and without unnecessary delay, when you choose to do so.	8
Plans included in this advice	Pension Co 1 £93,699 Pension Co 2 £49,285 £142,984	11
Recommendation	Transfer into a Pension Co 3 Personal Pension. Redirect your employer's contributions into the new plan.	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	31

Please note that:

- **This report is focussed on advice about your pension arrangements and no other matters are addressed**
- 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.
- 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.
- 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.

Personal and Financial Circumstances

Personal Details	You were born on the xth Month 1949 and are 66 years old. You are married to C who is 61, and together you have two children who are now adults. You are both non-smokers and are in good health.
Your home	Together with C you own your home which you estimate is worth around £xxx,000 You do not have any mortgages or loans secured against it.
Income and expenditure	You are employed as a xxxxxxxx, earning £xx,000 gross per annum. You also receive your state pension of £10,600 pa. This makes you a basic rate taxpayer.

Savings and investments	National Savings 3 year pensioner bond	£xx,000
	Bank cash ISA	£xx,000
	Bank joint account	£xx,000

C keeps her financial affairs separate from you (other than the joint account). You confirmed that you have more than sufficient income to meet general day to day expenditure and that you are currently paying your state pension into savings.

It is important to confirm that you can afford to continue committing the funds invested for a long term period, as you will not be able to access them instantly.

You have not used your 2015/16 ISA allowances.

The values shown are rounded for convenience and are not guaranteed. They may fall or rise depending on market conditions.

Existing Pensions

Over the next pages I will summarise your existing retirement provision, and indicate which plans I am reviewing. I will explain my advice about those plans under the 'Recommendations' section of this report.

PENSION CO 2 - OCCUPATIONAL PENSION - xxxx

Plan Owner	Mr Client
State Date	28-Nov-84
Plan Status	Paid Up
Contribution History	£25 per month 1984 - 1993
Current Regular Contributions	None
Fund Switching	None
Nominated Retirement Age	passed - was 50
Current Fund Value	**£xx,000**
Transfer Value	£xx,000
Death Benefits	Fund value
Plan Charges	not explicit
Guaranteed Annuity Rates	Yes - **see details below**
Protected Tax Free Cash	Yes – **CM say the entire plan can be taken as tax free cash.**

For confirmation, you are invested in the following fund:

Fund Details		
Fund Name	Allocation	AMC
With Profits	100%	not explicit

Guaranteed Annuity Rates
This plan offers annuity rates which are a lot higher than those available on the open market (examples below). These annuity rates are only available if you stay in this plan, they would be lost on transfer.

Guaranteed Annuity Rate	would provide	£1,453 pa
Open Market Annuity	would provide	£810 pa

Because the Guaranteed Annuity Rates available within the plan are so much higher than those available elsewhere, they offer very good value for money.

PENSION CO 2 - PERSONAL PENSION - xxxxxxx

Plan Owner	Mr Client
State Date	28-May-09
Plan Status	Paid Up
Total Contributions	£xx,000
Current Regular Contributions	None
Alternative funds	Yes, 6 fund managers
Nominated Retirement Age	75
Current Fund Value	**£xx,000**
Transfer Value	£xx,000
Death Benefits	Return of fund value
Plan Charges	0.9% pa
Guarantees /Safeguarded Benefits	None
Retirement Benefit Options	Lump sums (UFPLS) or annuity. No Flexi Access Drawdown

For confirmation, you are invested in the following portfolio:

Fund Details		
Fund Name	Allocation	AMC
Pension Co 2 UK Equity Income Acc	100%	1.00%

Pension Co 2
Inflation (RPI)
AFI Balanced benchmark

The fund performance has been volatile over the last few years, and has not always beaten inflation. It has been slightly worse than the AFI Balanced benchmark.

In terms of risk, we have used Dynamic Planner, an independent analysis tool, to assess the risk profile.

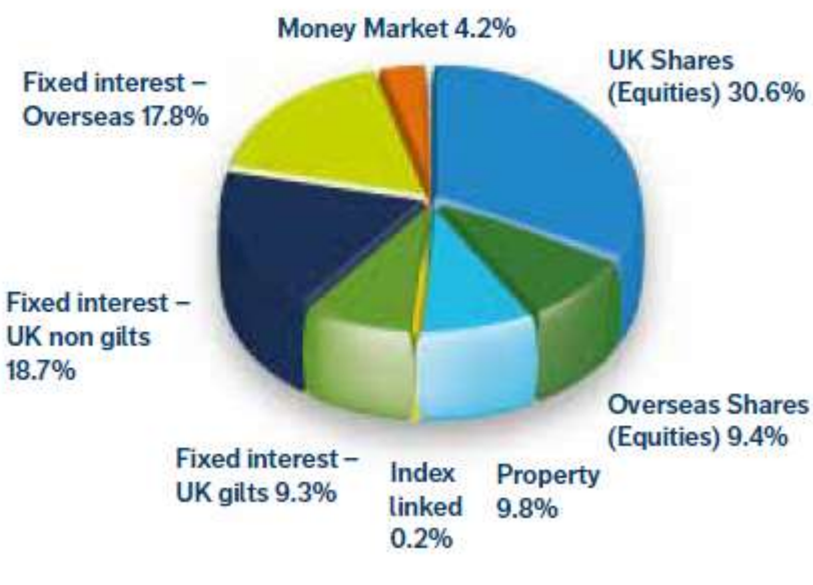
This fund has been rated as risk level 7/10, indicating a higher level of risk than you would like (see page 9 for more details on risk).

PENSION CO 1 - PERSONAL PENSION - xxxxxxx

Plan Owner	Mr Client
State Date	12th April 1995
Plan Status	In Force
Contribution History	£159 pm, rising to £190 pm
Current Regular Contributions	£190.80 (Employer)
Alternative funds	20 other funds
Nominated Retirement Age	70
Current Fund Value	£xx,000
Transfer Value	**£xx,000**
Death Benefits	Fund value
Plan Charges	1.1%
Guarantees /Safeguarded Benefits	None
Retirement Benefit Options	Lump sums (UFPLS) or annuity. No Flexi Access Drawdown

For confirmation, you are invested in the following portfolio:

Fund Details		
Fund Name	Allocation	AMC
Pension Co 1 With Profits Acc	100%	1%



Asset Allocation as at 30/6/2015

The underlying fund performance has been consistently between 9-11% over the last 3 years.

In terms of risk, because the investment returns are smoothed With Profits funds are less volatile than other investment funds.

Smoothing of returns also means that the annual bonuses are not as high as the actual investment performance. Pension Co 1 have told me that bonus rates have been 3% pa since 2008.

Aims and Objectives

This report is to review your current pension arrangements.

If the review of the existing plans indicates that a change of provider might be beneficial then I shall make appropriate recommendations for you to consider.

Your aims are to:

- prepare for your retirement in March 2016;
- you would like an income of around £16,800 net per annum in retirement (including income from your state pension), of which £6,800 should come from your pensions and investments;
- ensure your pension arrangements are easy to access and offer flexible access under the new rules, and give you the ability to withdraw your tax free cash lump sum and vary your income;
- ensure your pension funds are managed in line with your attitude to risk;
- continue receiving employer's contributions until retirement;
- have access to a wide range of funds;
- you have a timeframe of around 6 months until your intended retirement, however you would like your pension to remain invested after retirement, and for the fund to be reviewed annually. This will be addressed separately, on or around the anniversary of our meeting.

You have confirmed that you will require access to this money in the near future (in the form of an income from March 2016, and withdrawal of the tax free cash) but will be leaving most of this money invested for the long term (at least 10 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 basic risk/reward profiles for our clients:

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

During our meeting on the 18th Month 2015 we discussed your attitude to investment risk in detail, filling out 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' approach to risk, with a score of 4. 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.

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

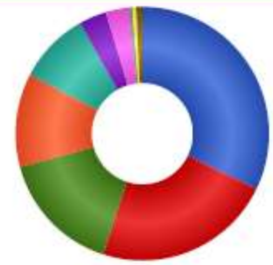
Lowest Medium
An investor who is a **Risk Profile 4** would probably be concerned about the possibility of losing money on their investments, but may also want to achieve higher returns than are offered by bank accounts and low-risk investments. As a result, these investors are willing to accept only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

Should you read this and consider that this is not entirely correct, please let me know as soon as possible so that we my re-address the recommendation.

Typical Portfolio for Risk Group 4

Latest Asset Weightings

	Name	Weight %
■	UK Equities	32.20
■	Property	22.82
■	Global Fixed Interest	15.76
■	North American Equities	11.92
■	European Equities	9.15
■	UK Fixed Interest	3.51
■	Money Market	2.84
■	Asia Pacific Emerging Fixed Interest	0.54
■	International Equities	0.49
■	Others	0.76



The asset allocation will vary over time as the funds selected are actively managed. Typical asset allocations and descriptions of alternative portfolios, suitable for different risk profiles, are contained in Appendix D. This Asset Allocation is graded as a Risk 4 on the Dynamic Planner Efficient Frontier.

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 these pension arrangements will provide the basis of your income in retirement, the pensions under consideration today only form the main part of your retirement provision. Your capacity for loss is low. This means that if your pension fund were to fall in value and not recover, your day to day lifestyle in retirement would be affected.

RECOMMENDATIONS:

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

You understand that currently pension arrangements are not comparable to a bank-style account as you will not be able to access this money until you are deemed to retire, and there are severe restrictions on the amount of cash that can be withdrawn from a pension, as it is intended to pay an income rather than a lump sum. You understand these restrictions and are willing to proceed.

You want to continue receiving employer's contributions until your retirement next March. You have told me that your employer is happy to pay the contributions into any plan.

Existing Plan	Advantages, Disadvantages and Comments	Recommendation
Pension Co 2 Occupational Pension xxxx	✓ Valuable guaranteed annuity rates (GARs), or opportunity to take 100% fund as tax free cash.	**Keep this plan**
	× If guaranteed annuity rates are taken, income cannot be varied in the future.	
	= The GARs are very good value for money, and would be lost on transfer.	
Pension Co 2 Personal Pension xxxxx	✓ Low charges	**Consider Transfer**
	× Restricted fund range and retirement options	
	= Consider transferring the plan to improve options at retirement.	
Pension Co 1 Personal Pension xxxxx	✓ Low charges, fund is low-medium risk	**Consider Transfer, & redirect employer's contributions into new plan.**
	× No alternative funds and restricted retirement options	
	= Consider transferring the plan to improve options at retirement.	

Design a suitable pension portfolio

A key factor in selecting an appropriate pension provider is going to be ensuring that they offer access to the most suitable investments.

Having established your aims and objectives for your pension portfolio, I have then constructed a suitable investment portfolio for the pension fund, before researching which pension providers can support this portfolio.

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.

I have constructed a diversified portfolio of investment funds 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.

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 4.

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

Please see the enclosed Investment Strategy Guide for details or our investment strategy and fund selection process. Also consider the important risk warnings about investments which follow in this report.

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 Portfolio:

Investment Funds	Inv %	TER %
Property Fund	24.00%	0.87
Managed Income Fund	6.00%	0.60
European Fund	5.00%	0.87
Investec UK Alpha	10.00%	0.85
Global Ex UK Bond Fund	10.00%	0.83
US Fund	6.00%	0.55
UK Growth Fund	10.00%	1.04
UK Mid Cap Fund	12.00%	0.82
Corporate Bond Fund	6.00%	0.60
North American Fund	6.00%	0.95
European Opportunities Fund	5.00%	0.92

The weighted average TER (Total Expense Ratio) of the portfolio is 0.83%.

One of your objectives is to achieve capital growth.

This graph shows that over since January 2009, our recommended portfolio has substantially beaten inflation and the AFI Balanced Index.

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 later in this report.

Recommendation for a new pension provider

Based on your stated aims and objectives I recommend you transfer your Pension Co 1 and Pension Co 2 personal pension benefits (as shown below) to a pension with Pension Co 3.

The following pages of this report describe the recommended product, explain the reasons behind the recommendation, and give details of the impact of charges on your pension fund.

Current Structure:

Provider	Type	Value
Pension Co 2	Occupational Pension a	£xx,000
Pension Co 2	Personal Pension b	£xx,000
Pension Co 1	Personal Pension c	£xx,000
Total		£xxx,000

Recommended Structure

Provider	Type	Value
Pension Co 2	Occupational Pension a	£xx,000
Pension Co 3	Personal Pension	£xxx,000
Total		£xxx,000

We recommend redirecting your employer's regular contributions into the new Pension Co 3 plan. Please ensure you contact your employer to arrange this.

Alternatives Considered and Rejected

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

Recommending a Pension to Hold the Accumulating Pension Fund

Having established a suitable range of investments which we think should be held within your pension plan, we then need to consider which of the many pension providers offer the most suitable pension product to hold the investments.

There are several varieties of personal pension available to you, including Stakeholder Pensions, Personal Pensions and Self Invested Personal Pensions.

I have recommended a Personal Pension from Pension Co 3 for your pension as I am confident that this represents the most suitable recommendation based on your circumstances.

My research was carried out on the 9th October 2015 and was based on Capita Synaptic and O&M Pensions Profiler. Should you wish to see my analysis and research then I would be pleased to show this to you.

Please also see Appendix B (Alternatives Considered and Rejected) for more information on the alternatives available, and our reasons for not selecting them.

I recommend that you use Pension Co 3 for the following reasons:

1. Can facilitate new flexible pension arrangements.
2. Good technical support
3. Use their own proprietary software
4. Potentially increased fund values through greater fund performance.
5. Unrestricted range of funds
6. Please see attached Pension Co 3 Key Features Document and illustration.
7. Good Administration

I have recommended Pension Co 3 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.

This is how **Pension Co 3** describe themselves:

Pension Co 3 is owned and operated by Integrated Financial Arrangements plc, an independent wrap service provider who first introduced wraps to the UK in March 2000. The company has been trading profitably since June 2003 and currently administers around £16.30bn for around 108,000 clients, which were introduced by over 5000 IFAs. Pension Co 3 is generally recognised as the UK market leader and has consistently won service awards for its dedicated and personalised service (42 awards in the last few years). The service can only be accessed via UK IFAs and has the widest range of assets, tax wrappers and functionality, of any comparable service available.

The Pension Co 3 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.

Taxation and Trusts

A pension fund is a valuable investment which, over time, can grow to a considerable size. Should you die before taking the benefits, the value of the fund will be added to your estate, unless you make an alternative arrangement. Such a situation may cause or increase a liability to Inheritance tax, or delay the proceeds being paid to the person you would most want to benefit. It is possible to notify the Trustees of the pension fund in advance of whom you would like to benefit should the worst happen. **I recommend that you complete an Expression of Wishes form within this application, which will advise the Trustees of your decision in this important matter.**

Under current Her Majesty's Revenue and Customs (HMRC) regulations, tax relief is allowed against your contributions, up to the highest rate that you pay. In addition the fund is invested in a tax advantaged environment. Hopefully, the combination of this tax relief, careful management and successful selection of assets will provide superior investment performance (compared to long term bank deposits).

See Appendix A for more details of tax reliefs and regulations for pensions.

When you decide to take benefits you have the option of receiving 25% of the fund value as a tax free lump sum. Any income you withdraw from the fund or pension you buy will be taxed as earned income under the normal pay-as-you-earn (PAYE) rules.

For a more detailed explanation and information on taxation, allowances and how you may be affected, please read the enclosed Key Features Document.

Comparison between the existing plans and Pension Co 3

Whilst you can transfer into some UK pensions with no initial charge, there are other matters that need to be considered. The main factors needed to assess the possible benefits of transferring your pension against the associated costs of moving are:

- The effect of any guaranteed annuity rates;
- The penalties you may incur on moving from your existing provider;
- A comparison of charging structures within both the old and new plan;
- The likelihood of the new plan achieving a higher level of growth.

The effect of any guaranteed annuity rates:

Your occupational Pension Co 2 plan has valuable guaranteed annuity rates, so we do NOT recommend transferring it.

Your other existing plans do not offer guaranteed annuity rates.

The penalties you may incur on moving from your existing provider:

There are no penalties or early surrender charges for transferring the existing plans.

A comparison of charging structures within both the old and new plan:

The table below shows the charging structure of the new Pension Co 3 in comparison with the existing plans.

	Pension Co 2	Pension Co 1	Pension Co 3
Product charges	-	£5.25 pm = £63 pa	0.40% pa
Fund Charges	0.90% pa	1%	0.83% pa
Initial Set Up	-	-	-
Quarterly Administration	-	-	£80 per annum (£20 per quarter)
Additional Policy Fees	-	-	-
Dealing	-	-	0.05% on investments

The existing plans have low charges. Moving your pension benefits to another plan will increase the charges, and reduce your future retirement benefits assuming the same investment returns are achieved.

The likelihood of the new plan achieving a higher level of growth:

An independent research tool, O&M Pensions Profiler, has been used to assess the level of additional annual growth that would be required to make up for the additional charges. This includes product, fund and adviser charges disregarding future contributions.

Additional Annual Growth Required: (Source: O&M Pensions Profiler)

	Low	or	High Growth Rates
Pension Co 2 to 75	+ 2.7% pa		-0.5% pa
Pension Co 1 to 75	+ 2.4% pa		-0.08% pa

The recommended portfolio has achieved better annualised growth than your existing funds: (Source: FE Analytics)

	1yr	Ann. 3yr	Ann. 5yr
Pension Co 2	1.95%	6.86%	5.12%
Pension Co 1*	3%	3%	3%
Recommended Portfolio	15.87%	16.43%	13.66%

**Bonus rates, which are not the same as actual performance of the WP fund*

I am confident that the recommended portfolio can achieve sufficient additional investment returns to make up for the additional charges.

This graph from FE Analytics compares your existing Pension Co 2 pension fund with the recommended portfolio:

This shows that since July 2009 (the earliest common data point) the recommended portfolio has consistently outperformed your existing pension funds.

However, you should be aware that investments such as these are regarded as medium – long term holdings and no matter how good past performance looks, future returns and the income derived from them cannot be guaranteed.

Cost Comparison

By comparing illustrations and charging structures I have been able to demonstrate that your fund would have higher charges if we transferred the existing funds to a different company.

The further away you are from retirement, the more likely the benefits will outweigh the costs of the transfer, as time will dilute any initial costs and penalties associated with transferring. With the time available until you are intending to retire, I believe there is a strong possibility that better service, administration, performance and choice will be available to you and recommend moving the existing funds to Pension Co 3.

Accumulated fund at retirement: age 75	Illustrative rate of return	
	Low (-0.5%pa)	High (5.4% pa)
Pension Co 2	£xx,000	£xx,000
Pension Co 3	£xx,000	£xx,000
Change in fund value	£xx,000	£xx,000

Accumulated fund at retirement: age 75	Illustrative rate of return	
	Low (-1.5%pa)	High (4.5% pa)
Pension Co 1	£xx,000	£xx,000
Pension Co 3	£xx,000	£xx,000
Change in fund value	£xx,000	£xx,000

The proposed Pension Co 3 projections take Churchill Wealth Management's charges into account, which the existing projections do not.

The table highlights the difference in charges between the respective companies, and it clearly shows that based on ***charges alone*** you could be worse off by transferring to Pension Co 3.

These figures do not take into account the improved investment returns which we expect to see if you follow an active management strategy.

Whilst investment returns cannot be guaranteed, we will be regularly monitoring your pension and will be able to make changes to take advantage of market trends. I am confident that the increased charges will be worthwhile.

Reduction in Yield

The charges on the recommended plan and funds are as the table on page 27 of this report.

These are represented by the "Reduction in Yield Figure" (RIY) in your personalised illustration from Pension Co 3. This is a hypothetical application of the charges to a growth rate of 4.87% (for illustration only – it is not guaranteed). The RIY for the recommended plan and funds is 1.39%.

This compares with the RIY for a Stakeholder plan for the same contribution investing in a Balanced Managed fund which would be 1.42% during the first ten years.

As you have decided to pay our adviser charges from your pension, rather than from your current account, this will increase the Reduction in Yield figure to 3.49%.

The higher the RIY figure, the higher the impact of charges on the plan.

It is important that you are aware of the impact of these charges on the growing pension fund, but my recommendation aims to produce results in excess of those which may be achieved in a Stakeholder plan by accessing a broader portfolio in line with your stated attitude to risk. There is of course no guarantee that this will be the case.

The accompanying illustration is based on the current transfer value of your existing funds.

This value may alter upwards or downwards between now and the transfer date due to market conditions, the fact that it takes time to notify the pension companies of your wishes and for them to arrange and to accept the transfer of your pension plan.

Risk Warnings

For full details of the recommended investment please read the attached illustration and accompanying Key Features Document. I would also draw your attention to the following risks which are applicable to a Pension, on the following pages.

I have explained that in making your own pension provision you may, potentially, lose out on some rights to means tested benefits in retirement, and this might be viewed as a 'wasted' contribution. Although this situation is not ideal, it would seem preferable to risk not receiving state benefits for the satisfaction, security and peace of mind brought about by having the certain knowledge of and reliance on your own income in retirement.

Please be aware that investments linked to the stock market, such as pension funds, are regarded as medium to long term holdings. No matter how good past performance looks, future returns cannot be guaranteed. 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 fund is invested. The value of the pension fund can therefore go down as well as up.

It takes time to notify the pension companies of your wishes, for them to arrange and to accept the transfer of your pension plan. During this time fund values can rise or fall so the ultimate transfer figure, lump sum and the income derived from it could be the same, less or more than that illustrated.

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

- You should be aware that investments linked to the stock market 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.

- 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 fund is invested. The value of a fund and the income from it can therefore go down as well as up.

Risk Warnings Continued

- 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 the new pension arrangement. 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.

- 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.

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 Pension Co 3. You should be aware that if the value of your investment falls during this period you may not get back the full amount invested.

If you decide to cancel and the previous scheme will not accept the funds back then it will be your responsibility to find an appropriate provider who will accept it.

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.

Investment Risk Warnings

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:

- 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.

- 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.

Costs and charges

You will incur costs by transferring your pensions.

This includes a set up charge for the new plan (Pension Co 3's "Buy Commission" of 0.05%) and a fee for the advice relating to the transfer (Churchill Wealth Management's fee).

None of the recommended funds have any initial charges, if investing via Pension Co 3.

If the fees are paid from your pension rather than from your cash reserves, the value of your new pension will initially be lower than your existing plan and it may take time to recover its value.

Owing to the setting up charges above, your new pension will have to improve on and surpass the performance of your old pensions just to catch up and overtake the previous contract. The additional performance is not guaranteed.

Product charges - summary

If you transfer your pension to Pension Co 3, you will be charged the following product fees:

ONE OFF INITIAL PLAN CHARGES (Assuming 2 transfer totalling £xx,000)			
Pension Co 3	**Initial Charges**	**Plus VAT**	**Total**
Initial Set Up	None	No	Nil
Transfers In	None	No	Nil
Investment charges ('Buy Commission')	0.05%	no	£72
TOTAL		**0.05%**	**£xx**

ANNUAL PLAN CHARGES (Based on a fund of £xx,000)			
Pension Co 3	**Annual Charges**	**Plus VAT**	**Total pa**
Annual Charge	0.40%	no	£xxx
Annual Fund Manager Charges of	0.83%	no	£xxx
Quarterly Admin Charge	£80	no	£80
TOTAL		**1.28%**	**£xxxx**

For full details of the recommended investment and charges please read the attached illustration and accompanying Key Features Document.

These charges are for the Pension provider and the underlying funds. When changes are made to the fund selection as part of the ongoing portfolio management, Pension Co 3 will charge 0.05% ‘buy commission’ on the value of the investments being made. The fund manager charges will also vary.

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.

It is important when switching investments to be aware of the cost comparisons between the existing product and the proposed replacements. Whilst we always try to minimise charges for management of funds, cheapest is not always best, and our recommendations are aimed at taking all of your objectives into account, not just lowest cost.

Adviser Charges

As agreed with you, Churchill Wealth Management will be remunerated by the product provider in respect of the initial advice, administration and research provided to you. This is not a commission but a fee paid by you, via the product provider, out of your pension fund.

This will consist of an initial amount of £xxxx (1.5% of the transfer value, and of any subsequent contributions) followed by an annual servicing payment of 1% of the fund held in the plan. This equates to £1 for every £100 of fund held in the plan so if your plan is worth £xxx,000, the annual fee will be £xxxx

The annual payment covers the cost of our commitment to provide you with annual reviews and updates in accordance with our Client Agreement and Terms of Business and to process any alterations to the plan as required.

Please be advised that you are under no obligation to accept this additional service agreement but we do believe that it will add value to your future pension provision.

The cost of both these fees is included in the Pension Co 3 illustration.

As agreed with you these charges will be taken directly from your pension. 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.

Owing to the advice charges being paid from the pension funds (rather than from your cash reserves), should you die shortly after arranging these transfers the fund value will be less than it might have been had the transfer not taken place.

Depending on future fund performance, which is not guaranteed, it may take some time to recover its initial value.

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 about your future retirement planning. 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 Pension Co 3 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 Pension Co 3 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 and transfer 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 preparing for retirement, and your individual 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 **MR CLIENT** and **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 my risk profile and is within my level of affordability.

Agreed by **MR 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

Churchill Wealth Management:

Guide to investment strategy

Pension Co 3 Documentation:

Personal Illustration,
Key Features,
Terms & Conditions
Commission & Charges Schedule
Key Investor Information Documents

APPENDIX A: Pensions

A Pension Plan is a regular or single premium savings policy, usually linked to one or a range of pension investment funds. This type of investment can be very tax efficient, simple to administer and is suitable for a saver looking to achieve fund growth over the medium to longer term in order to produce an income in retirement.

Some of the key benefits are:

- A simplified way of investing in 'managed' collective pension investments.
- Designed to provide you with an income in retirement, although a partial lump sum alternative may be available.
- Flexibility of 'retirement' after age 55 although no need to actually stop working in order to receive the benefits from the policy.
- The ability to switch between funds without any tax implications and is normally free of charge. (If a charge is made my recommendations will clarify this).
- Your pension fund may be split into multiple sub- policies for flexibility, dependent upon the amount you are contributing/investing.

Tax relief is available, based on any new regular or single contribution, up to your highest marginal rate of taxation. Contributions are payable net of basic rate tax and any marginal relief at the higher rate is reclaimable through your tax code/return.

The Annual Allowance for new pension contributions eligible for tax relief is now £40,000, with an overall Lifetime Allowance of £1.25 million applying from April 2014. Tax charges apply if these limits are exceeded.

You have the choice on how you take the proceeds of your plan at retirement. The present options are:

- An income alone provided by an annuity
- A tax free lump sum of up to 25% of the accumulated fund and a residual lower income provided by an annuity
- Drawing down an income from the pension fund which can remain invested are indefinitely if required (Flexible Access Drawdown) without purchasing an annuity
- Uncrystallised Funds Lump Sum Payment (UFPLS)

If income by an annuity is chosen you can opt for an annuity using either the rates offered by the plan provider or by means of the open market option, to take advantage of any superior annuity rates in the market at that time by obtaining your benefits from any of those providers in that market.

Legislation Governing Pensions

Lifetime Allowance
You can save as much as you like towards your pension but there is a limit on how much tax relief you can get. The lifetime allowance is currently £1.25 million.

Based on the value of the pensions you have accrued to date, and the contributions you envisage making, you will not exceed the Lifetime Allowance.

Annual Allowance 2015/16
The Annual Allowance for tax relieved contributions in 2015/16 is 100% of earnings, up to a maximum of £40,000. Contributions are assessed in the tax year in which the scheme's Pension Input Periods ends.

Excess Accrual
Any excess above the Annual Allowance, after the use of the 'carry forward' of unused Annual Allowance, will be taxed on a tailored basis to recoup the marginal rate of tax relief from which an individual has benefited.

Employer contributions, as part of any excess, will be added to any other member 'income' to determine the marginal rate for the tax charge.

Exemption from testing
The Annual Allowance test will still apply in the year of crystallising benefits.

The exceptions to this will be on death, serious ill health and major ill-health (exact meaning being has yet to be determined) but there are none for early retirement or redundancy.

APPENDIX B: Alternatives Considered and Rejected

Possible investments	Reason for rejection
Leave with existing provider	These plans do not offer access to flexible drawdown arrangements or the recommended fund selection. The CM plan with Guaranteed Annuity Rates should not be transferred.
Consolidating the plans into one of the other plans already held	You do not have any alternative plans which offer the retirement flexibility that you want.
Transfer into current employer's scheme	You do not have any alternative plans which would accept the transfer and which offer flexibility at retirement.
Transfer into a Stakeholder pension	Would not offer the investment flexibility or a retirement options that you are looking for.
Transfer into Workplace Pension or National Employment Savings Trust (NEST)	No transfers-in allowed.

Stakeholder Comparison

It is possible to invest in a **'stakeholder pension',** which will offer many of the facilities of a Personal Pension. Whilst these offer low charges (capped at 1.5% per annum maximum for the first 10 years) they often have less flexible terms.

In this case I have not recommended a stakeholder because having flexible access your pension when you retire next spring is your priority.