



Mr & Mrs M Armstead
The Old Vicarage
Satterthwaite
Cumbria
LA12 8LN

19th December 2024

Dear Mike & Jenny,

Re: ISA Review 2024

This report aims to summarise your objectives and then provide recommendations in order to keep your financial plan on track to meet these objectives.

At our meeting on 17th December, we conducted a review of your ISA's. Our advice provided to you is based upon the information you have disclosed and therefore if this letter does not coincide with your view of the situation, or you require any further clarification, please let us know at your earliest convenience. It is important to emphasise any information in relation to your circumstances that has not been disclosed could have affected our advice to you.

Following on from the objectives and recommendations there is supporting information in the appendices including analysis that you may find useful.

Objectives

After discussions, we agreed on a new investment strategy for your AJB ISA with a view to improving performance.

At present your combined ISA portfolio is worth circa £633k, within this figure is £40k cash and circa £291k held in money market funds. The plan is to retain the money market funds as part of a wider liquidity plan i.e. you want some of your capital available in the short term if you decide to buy a home in Scotland and for the extension on the vicarage.

The 40k cash is to be invested for the longer term (5 years+) and you want to reduce your holding in the Smithson Trust.

Recommendation

Sell £80,000 of the SIT and along with £20k of cash invest as follows:

- Fidelity Index World-20%
- Fundsmith equity I acc -20%

- Morgan Stanley Global Brands 20%
- Vanguard global smaller companies - 40%.

This recommendation applies to both your ISAs.

Rationale

The recommended funds provide the potential for capital growth you require and are commensurate with your agreed risk profile when combined with your wider portfolio.

We trust that this letter provides an accurate summary of our discussions, and our recommendations are clear; however, should you have any concerns or wish to discuss any of the issues raised in more detail please do not hesitate to contact us.

Yours sincerely,
For Harwood Financial Planning

Ryan J Woodhouse
Independent Financial Adviser/Director

During our meeting, you authorised us to carry out the proposed changes to your arrangements.

Appendix 1: Disclosure

The scope of our service is explained in the client agreement we provided you with on 29th January 2021 and you confirmed you did not wish to place any restrictions on the types of products or investment strategy when making our recommendation.

Our recommendation has been limited to your objective of reviewing your ISAs as this was the only financial planning area you wished to review at present. Therefore, you may have other financial planning needs that are not addressed by this report.

Appendix 2: Your Attitude to Investment Risk

There have been no changes in your attitude towards investment risk. Please see the previous report dated 13th October 2023 for further information.

Your risk profile will be reviewed on a regular basis or if you inform us of a change in your circumstances.

Appendix 3: Plan Information

Plan	Fund Value
AJ Bell ISA (Mike)	£347,805
AJ Bell ISA (Jenny)	£284,879
Total	£632,684

After completion of the recommended fund switches, this will provide you with the following asset allocation:

Investment	Provider	% Invested
Baillie Gifford Global Income Growth Fund B Accumulation (GBP)	Baillie Gifford & Co Limited.	1.60
Fidelity Index World Fund P Accumulation (GBP)	FIL Investment Services (UK) Ltd	9.66
Fundsmith Equity I Acc (GBP)	Fundsmith LLP	7.41
HSBC FTSE All Share Index Fund C Accumulation (GBP)	HSBC Asset Management (Fund Services UK) Limited	3.31
Legal & General Cash Trust I Class Accumulation (GBP)	Legal & General (Unit Trust Managers) Ltd	25.46
Morgan Stanley Funds (UK) Global Brands Fund I Income Inc (GBP)	Morgan Stanley Investment Management (ACD) Limited	9.13
Royal London Short Term Money Market Fund Y Acc (GBP)	Royal London Unit Trust Managers Ltd	25.50
Smithson Investment Trust plc (GBP)	Fundsmith LLP	6.28
Vanguard Global Small-Cap Index Fund GBP Acc (GBP)	Vanguard Group (Ireland) Limited	11.50
Cash - Bank Account (GBP)	Cash Account Co	0.15

Appendix 4: Risks

All the risks associated with this investment are detailed in the product literature provided to you. You should read this document carefully.

You should remember though that unit prices and the value of your investment can fall as well as rise and there is no guarantee you will receive a return of your original capital, especially in the early years or if you choose to take an income from it. Past performance is no guarantee of future returns.

- Following an active approach means you take the risk of underperforming the stock market as a whole.
- By accepting a recommendation to invest in a bespoke portfolio you take on an element of key person risk. This is the risk of death or incapacity of your financial adviser which impacts the company's ability to help you manage your investments. Details of our business continuity plan can be provided upon request.

Your Portfolio is made up of a mixture of collective investment funds that assume the following structures:

- Open Ended Investment Companies (OEICs)
- Unit Trusts
- Investment Trusts
- Exchange Traded Funds

The following risks should be noted in relation to the above fund structures:

- Investment Trusts have the ability to borrow (or gear), this means that if a manager accesses this facility the borrowing will either increase gains or increase your losses.
- Premium/Discount Risk: Investment trusts can trade above (at a premium) or below (at a discount). This means that upon sale you could receive less than the net asset value of the investment on encashment.
- In exceptional circumstances Open Ended Investment Companies (OEICs) and Unit Trusts may temporarily suspend withdrawals.

Appendix 5: Estimated Fee's/Charges (next 12 months)

We believe it is important to review your investment strategy at regular intervals to ensure it continues to meet your aims and objectives. Full details of our service proposition are contained within our client agreement. We will review your plans annually.

Mike, the fees on your ISA will be as follows, based on a value of **£347,805**:

Type of Charge	Charge (%)	Charge (£)
Fund Charges	0.34%	£1,183
Product Charge	0.20%	£696
Total Charge	0.54%	£1,879

Jenny, the fees on your ISA will be as follows, based on a value of **£284,879**:

Type of Charge	Charge (%)	Charge (£)
Fund Charges	0.34%	£969
Product Charge	0.20%	£570
Total Charge	0.54%	£1,539

Appendix 6: Miscellaneous

Product Documentation

The documentation provided at outset is important and contains information regarding the product which we have recommended, particularly with regards to how the product works, its aims, risks and charges, together with its legal status, tax treatment and your cancellation rights. Therefore, please ensure you have read this document carefully. If there are any points on which you are unsure, or require further clarification, please contact us and we will be pleased to explain these in greater detail.

Tax Treatment and Law

All statements concerning the tax treatment of products and their benefits are based on our understanding of current tax law and His Majesty's Revenue and Customs (HMRC) practice. Levels and basis of tax relief are subject to change.

Financial Services Compensation Scheme (FSCS)

You may have full rights to the Financial Services Compensation Scheme (FSCS). The FSCS provides compensation should your chosen provider become insolvent and be unable to honour a claim under your policy. The levels of compensation vary depending on the type of contract concerned and the limits for each type of category are available at www.fscs.org.uk.

Wills and Lasting Powers of Attorney

You have confirmed that you have a valid will with Napthen's Solicitors in Kendal.

It would also be prudent to set up and register Lasting Powers of Attorney for "property and financial affairs", to ensure that in the event of your incapacity, somebody of your choosing could act on your behalf.