



Mr & Mrs A Stable
The Old Post Office
Little Urswick
Ulverston
LA12 0PN

Date 16th January 2025

Dear Alan & Becky,

Re: ISA Recommendation

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 16th January 2025, we conducted a review of your circumstances. 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

During our meeting we discussed various aspects of your personal and financial situation.

You currently have cash funds of £131,000 following a recent tax-free cash withdrawal and you wish to invest some of this money within a tax efficient environment over the medium term with the aim of achieving a better return than that which can be obtained from a savings account. You wish to utilise both your ISA allowances in the current tax year 2024/25, and the following tax year 2025/26.

We agreed that a sensible amount to ' earmark ' for longer term investment would be £80,000. Longer term investment can be defined as an investment horizon of 5 years or longer. This figure was arrived at after noting the following planned spending and cash emergency fund :

- £10,000 for a car in 2025/26
- £5,000 for new Bathroom fittings in 2025
- £15,000 for Molly's wedding (date TBC)
- £21,000 cash emergency fund

Your monthly outgoings total approximately £1,500 per month which is covered by Becky's salary; however, you also have income from Alan's PIP and will be drawing £1,000 per month from Alan's Royal London pension from April 2025.

Recommendation

Open a new Stocks & Shares ISA with AJ Bell (one each) and deposit £20,000 into each of the new respective ISAs before the end of the current tax year (5th April 2025). Upon the new 2025/26 tax year, deposit a further £20,000 each.

Invest the lump sum deposits in the following portfolio of funds:

- Vanguard LifeStrategy 60% Equity Fund Acc – 80%
- Fundsmith Equity Fund I Acc – 15%
- Vanguard Global Small-Cap Index Fund Acc – 5%

We also recommend that these plans are reviewed as part of our regular ongoing service.

Rationale

By putting the proceeds of your tax-free cash into ISAs, this enables you to retain your funds within a tax-efficient environment.

As a UK resident you are able to take advantage of investing into a tax efficient ISA of up to £20,000 (each) for the tax year 2024/25 and once again in 2025/26. Any income generated within an ISA will be free of income tax and all capital gains will be free of capital gains tax. In addition, any withdrawals made from an ISA are free from any tax, under current rules.

The portfolio of recommended funds is consistent with the amount of investment risk you are prepared to take; the portfolio will also provide you with the potential for capital growth over the medium term.

We believe it is important to review your investment strategy at regular intervals to ensure it continues to meet your aims and objectives.

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

To confirm you have read this report, your acceptance of our fact find, recommendation and consent for us to carry out this transaction, please email me at ryan@harwoodfp.co.uk

Appendix 1: Disclosure

The scope of our service is explained in the client agreement we provided you with on 3rd January 2025 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 investing a lump sum from your recent tax-free cash withdrawal 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

In order to understand what would represent an acceptable level of risk for you we follow a 3-step process. Firstly, we assess your psychological approach to risk through a risk questionnaire. Secondly, we assess your circumstances including your capacity for loss and investor experience and the final step is to combine the first two steps to arrive at a suitable level of investment risk.

The funds recommended are based on the level of risk you are prepared to accept. This was discussed following the initial completion of a risk profiling questionnaire. Your risk profile was mapped to a 6 on a scale of 1 to 10 (a Balanced Growth investor). A description of which can be seen below:

6 - Balanced Growth Investor

As a balanced growth investor, you are happy to take on investment risk and understand that this is crucial in terms of generating long-term return. You are willing to take risk with most of your available assets. This would typically mean a portfolio invested in a combination of bonds, property, UK and International shares – the share component for a balanced growth investor would be between 40% and 75% of the portfolio value.

It is important to note that a balanced growth investment can fall as well as rise in value and it would be quite common for this type of investment to rise or fall by 25% over a 12-month period. Although your investment is unlikely to fall by more than 25% over a 12-month period it is still possible.

Investment experience

Judging your investment experience is an important part of determining your overall risk profile. We say this, because the risk profile tool in isolation is a theoretical exercise i.e., it deals with hypothetical situations, whereas investing for real tests how you have reacted/responded to certain situations in reality. The way you respond to setbacks when investing is an important factor that can determine the ultimate success/failure of your investment.

You have previous investment experience via investing through the company share scheme at United Utilities. You have also just recently received specialist Defined Benefit pension transfer advice from Pension Help.

Capacity For Investment Loss

When assessing your pension/investments, it is our responsibility to assess your ability to 'absorb' investment losses and whether this would have a detrimental impact on your standard of living. The following factors that are important to you in this respect are as follows:

- You will be retaining £21,000 for emergencies in cash
- You have no outstanding liabilities
- You expect for the funds to be invested over the medium to long term (5+ years)

The above factors leave us feeling confident that a short-term fall in the value of your investments in line with the volatility levels outlined previously would not mean that you suffer a drop in living standards.

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

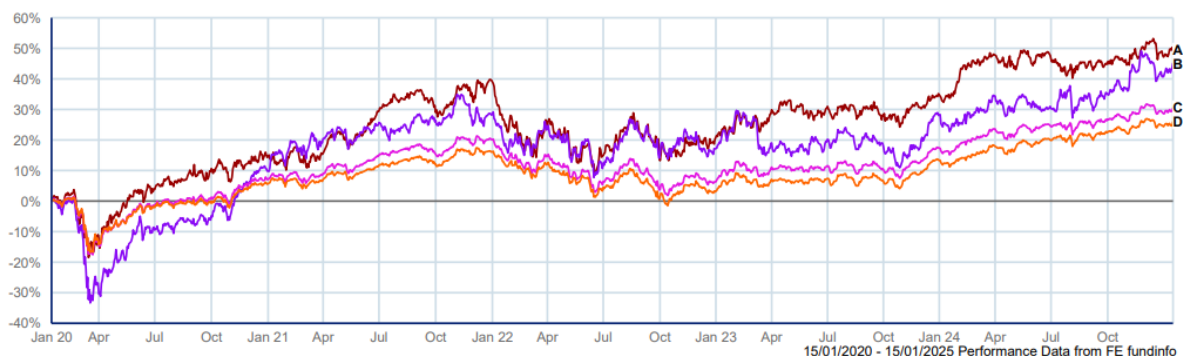
Appendix 3: Proposed plan

Why AJ Bell has been recommended as the provider

AJ Bell Investcentre is part of AJ Bell – one of the UK’s largest providers of online investment platforms and stockbroker services. AJ Bell Holdings Limited is the parent company of the AJ Bell Group of companies. AJ Bell is listed on the FTSE 250 Index and manages £76.2 billion of assets on behalf of 484,000 clients.

Past performance is no guarantee of future returns; however, it can be seen from the graph below that the portfolio of recommended funds has produced a return of approximately 30% over the past 5 years.

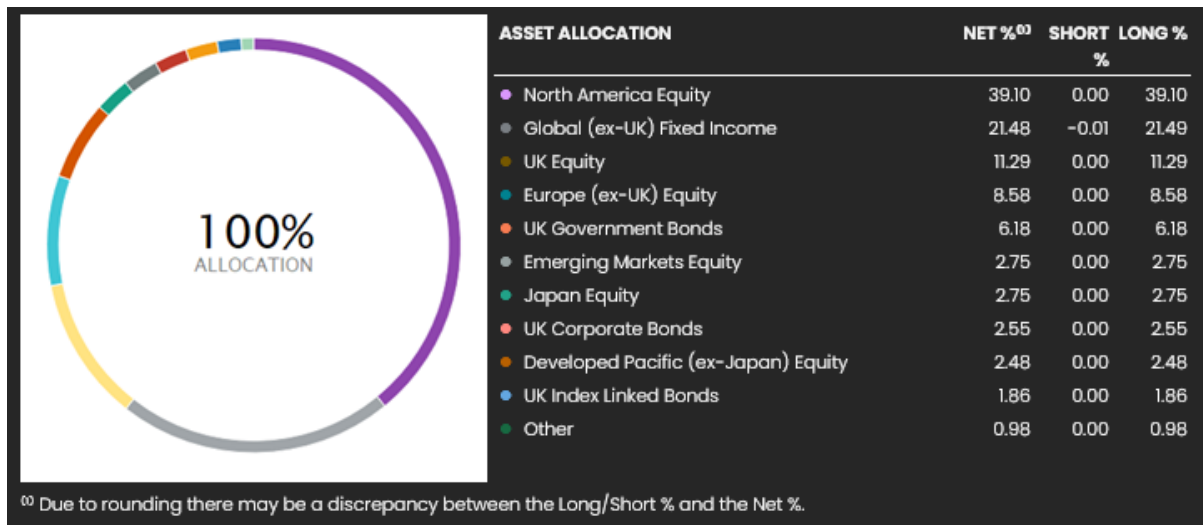
Multi-Plot Charting



Cumulative performance		1m	3m	6m	1y	3y	5y
A	Fundsmith Equity T Acc	-2.5%	1.4%	3.1%	11.4%	16.6%	49.4%
B	Vanguard Global Small-Cap Index Acc GBP	-1.1%	4.1%	7.3%	15.0%	15.7%	43.6%
C	My portfolio	-0.6%	2.2%	4.2%	12.2%	11.6%	30.5%
D	Vanguard LifeStrategy 60% Equity A Shares Acc	-1.5%	1.0%	3.0%	10.8%	9.0%	24.6%

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.

The recommended portfolio of funds has the following asset allocation:



Appendix 4: Risks

All the risks associated with this investment are detailed in the product literature provided to you when you started your plans. You should refresh your understanding on this information. In addition, you should take note of the following risks:

- You should remember 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.
- Past performance is no guarantee of future returns.
- If withdrawals from the plan exceed the growth being achieved your capital will be eroded.
- Your Stocks & Shares ISA may be lower than illustrated if:
 - Investment performance is lower than illustrated
 - You start taking withdrawals earlier than anticipated
 - Tax rules change
 - Charges increase above those illustrated
- 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) - In exceptional circumstances Open Ended Investment Companies (OEICs) and Unit Trusts may temporarily suspend withdrawals.

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

There is no initial charge for the implementation of the recommendation in this report.

Following our recommendation, the estimated ongoing charges/fees on AJ Bell ISAs will be as follows (based on a total value of £80,000 after the deposits have been made in the 2025/26 tax year):

Alan's ISA (£40,000)

Type of Charge	Charge (%)	Charge (£)
Fund Charges	0.37%	£148
Product Charge	0.20%	£80
Ongoing Adviser Charge	0.60%	£240
Total Charge	1.17%	£468

Becky's ISA (£40,000)

Type of Charge	Charge (%)	Charge (£)
Fund Charges	0.37%	£148
Product Charge	0.20%	£80
Ongoing Adviser Charge	0.60%	£240
Total Charge	1.17%	£468

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 both have a valid will with Livington's in Ulverston. This should be reviewed whenever there is a change in your circumstances.

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.

What happens when you die?

Upon death of a spouse, the surviving spouse can receive the higher of an additional ISA allowance of the amount equal to the value the ISA on the date of death, or the point the ISA ceased to be a continuing deceased's account, and they can choose to benefit from the continuation of tax-free investment should they wish.