What is Synaptic Modeller?

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Synaptic Modeller is an investment planning tool designed to help you fulfil compliance obligations by assessing your client's attitude to investment risk and enable you to recommend a suitable and tailored solution for them.

Synaptic Modeller is designed to illustrate that investment returns are variable and should be balanced with risk over time to maximise the likelihood of achievement. It allows you to model your client's specific financial goals and objectives based on different investment scenarios to help you and your client to decide the most appropriate option.

The tool expresses these scenarios in the form of graphical illustrations so you can both visualise the likelihood of achieving their goals and highlight which criteria you can alter in order to change the probability of different outcomes.

The Financial Conduct Authority (FCA) in March 2011 issued a Finalised Guidance paper on the responsibilities of the adviser. It stated the adviser must:

- Know and understand the financial circumstances of their client.
- Use a robust process to establish their clients' Attitude to Risk (ATR) and capacity of loss
- Understand why they are recommending a certain Asset Allocation (strategy)
- Understand how any funds recommended satisfy the strategy
- Understand the tools they use to arrive at these decisions
- Review the strategy on a regular basis

The FCA paper also stated that the client should:

- Understand what their ATR means in plain English and agree with the risk profile an adviser has determined;
- Understand how their ATR will affect the probability of achieving their goal within their chosen timescale;
- Understand what other factors will affect achievement of their financial goals, i.e.

timescale or funding; and

- Be satisfied that the risk and probability of achievement align with how they feel and if they do not, understand that they will have to alter their goal parameters.