

Ex-Post Reviews - Report

Last Modified on 27/04/2022 3:12 pm BST

This article is a continuation of [Ex-Post Reviews - Client Check-In](#)

In the **Report** area, you will find the proposal details on the left side of the screen:

The screenshot shows a software interface for reviewing an ex-post report. At the top, there are two navigation tabs: 'Review' (active) and 'Report'. A green progress bar is visible between them. On the right, there is a 'Mark Status as Complete' button. The main content area is divided into several sections:

- Report Overview:** A box with instructions: 'Select the View Report action to view the full ex-post illustration report for each of the platform or off platform products.' and 'Select the Platform Report action to review the cost benefit analysis when purchasing multiple products from a Platform.'
- Platform Information:** A box with the Aviva logo and text: 'Platform: Aviva Wrap UK Ltd'. Below it, a green box shows 'Personal Pension (Fully Insured)' with a product 'Aviva Wrap Pension Portfolio' and a table:

R.I.V.	Final Value
0.66%	£32,945.95
- Note:** 'The on screen formatting of this report will differ from that used when downloading the report.' with a 'Download Report' button.
- Report Title:** 'Synaptic Ex-Post Review : Illustration & Report - NOT FINAL'
- Illustration Name:** 'Ex-Post'
- Client Information:** Prepared For: Client Test; Address: -; Contact Number: -; Date Of Birth: -; Report Date: 27th April 2022.
- Firm Information:** Firm Name: Synaptic Demo IFA; FRN: 123456; Telephone: 01489 886282; Address: Test company address line 1, Test company address line 2, Test company Town, Hampshire, PO15 7AA.
- Summary of Investments & Objectives:** A grey bar at the bottom.

The body of the report can be viewed on the right side of the screen:

This section provides a detailed view of the report body. It includes:

- Note:** 'The on screen formatting of this report will differ from that used when downloading the report.' with a 'Download Report' button.
- Report Title:** 'Synaptic Ex-Post Review : Illustration & Report - NOT FINAL'
- Illustration Name:** 'Ex-Post'
- Client Information:** Prepared For: Client Test; Address: -; Contact Number: -; Date Of Birth: -; Report Date: 27th April 2022.
- Firm Information:** Firm Name: Synaptic Demo IFA; FRN: 123456; Telephone: 01489 886282; Address: Test company address line 1, Test company address line 2, Test company Town, Hampshire, PO15 7AA.
- Summary of Investments & Objectives:** A grey bar.
- Investment Objective:** Aviva Wrap Pension Portfolio; Description of Investment Objective; Test Description.
- Risk Category Objective:** Balanced (High End); Description of Risk Category: Balanced Investors have an attitude to risk in the middle 50% of the investing population and are neither very risk averse nor inclined to seek riskier investments. They often have some experience and

understanding of investments. They can usually make investment decisions without too much hesitation or anxiety. They may find more comfort in banks accounts and lower risk investments than stocks, shares and investment funds, but understand that investment risk may be required to meet their investment goals.

Current Policy Details

Policy Number
-
Current Value
£200,000.00

Proposed Policy Details

Policy Number
-
Current Value
£200,000.00

Current Review Summary

Term
10
Net Invested Over Term
£220,825.00
Gross Outcome (No Charges/Fees)
£353,758.44
Total Charges & Fees
£20,812.48
Expected Outcome (Deterministic)
£332,945.95

Proposed Review Summary

Term
10
Net Invested Over Term
£220,825.00
Gross Outcome (No Charges/Fees)
£353,758.44
Total Charges & Fees
£20,812.48
Expected Outcome (Deterministic)
£332,945.95
Value of Advice
£52,415.44

Current Investment Proposal Details

Objective
Test Description
Objective Risk Category
Balanced (Low End)
Client Risk Category
-
Segment
Whole Of Market
Investor Type (MIFID II)
-
Knowledge and Experience
-
Objective & Needs
Growth
Ability to Bear Losses
No Capital Guarantee

Investment Proposal Details

Objective
Test Description
Objective Risk Category
Balanced (Low End)
Client Risk Category
-
Segment
Whole Of Market
Investor Type (MIFID II)
-
Knowledge and Experience
-
Objective & Needs
Growth
Ability to Bear Losses
No Capital Guarantee

Current Investment Amounts

Initial Amount £	Transfer In Amount £
£200,000.00	£0.00
Total Investment £	Term (Years)
£220,825.00	10
Rebalanced Annually	Switches / Trades
YES	-

Proposed Investment Amounts

Initial Amount £	Transfer In Amount £
£200,000.00	£0.00
Total Investment £	Term (Years)
£220,825.00	10
Rebalanced Annually	Switches / Trades
YES	-

Current Contributions & Withdrawals

Total Contributions	Total Withdrawals
£223,800.00	£2,975.00

Proposed Contributions & Withdrawals

Total Contributions	Total Withdrawals
£223,800.00	£2,975.00

Current Custody Details

Platform		
Aviva Wrap UK Ltd		
Product		
Aviva Wrap Pension Portfolio		
Portfolio		
Aviva Wrap Pension Portfolio		
Risk Category		
Balanced (High End)		
Min Gain	Mean Gain	Max Gain
-17.39%	3.74%	23.43%

Proposed Custody Details

Platform		
Aviva Wrap UK Ltd		
Product		
Aviva Wrap Pension Portfolio		
Portfolio		
Ex-Post		
Risk Category		
Balanced (High End)		
Min Gain	Mean Gain	Max Gain
-17.39%	3.74%	23.43%

Current Advisor Fees

Total Fee £
£0.00
Fee as % of Gross Outcome
0%
Annual Fee £
£0.00
Special Deal Applied
false
AUM Deal Applied
false

Proposed Advisor Fees

Total Fee £
£0.00
Fee as % of Gross Outcome
0%
Annual Fee £
£0.00
Special Deal Applied
false
AUM Deal Applied
false

About the Synaptic Ex-post review Illustration & Report**Report overview**

Financial planning is a complex activity whose quality is dependent on research. The Synaptic ex-post illustration and report manifests the industry's most advanced research capability and is designed to meet the following objectives:

Best advice - allow advisers to demonstrate their competency in formulation of recommendations that will assist clients in making informed investment decisions, based on their long term goals. Well constructed plans build trust between advisers and clients and encourage clients to remain invested in order to reap the returns offered by the financial markets, which historically have provided returns to diversified investors.

Compliance - allow firms to meet the highest possible standards of proof of suitability and disclosure in formats that are aligned to the compliance responsibilities of firms under COBS, MIFID II and PROD. The report includes objective analysis of risk including quantification of potential losses. The report supports the classic risk governance model requires analysis to reflect 'the need to take risk', consideration of the client's 'risk profile' and their 'capacity for loss'. The integrated workflows avoid the issues of non-alignment of tools highlighted as risks by the FCA.

Improved practice management - the Synaptic system has access to a wide range of data that reduces the requirement for re-keying and reference to multiple sources. This reduces errors and streamlines the advice process, reducing the administration burden for firms, turning hours spent on research and reports into minutes.

Capacity for Loss

The analysis in this report shows expected returns and expected losses over relevant investment horizons.

Sequence risk is acknowledged in this methodology as expected losses in the 'worst year' of the term are quantified (on a 1 in 20 years basis).

Recorded as the 'min gain', this represents one of the main calculations provided by the stochastic forecast, a 'value at risk' measure (over 12 months), representing the extent of losses expected for given risk category.

Unlike more common volatility-based measures, 'value at risk' recognises the trend of the investment.

The following graph (illustration purposes only) indicates the relationship between different risk strategies and shows high, low and average expected returns for various risk strategies.

The subsequent page includes values that are extrapolated from the results of the Moody's stochastic engine, reflecting the adviser's recommendation based on the client's own specific circumstances.

The role of research and suitability

In order to establish the suitability of a recommendation, an accurate illustration of the investment outcome must be shared with the client so that 'informed consent' can be given.

Re-establishing suitability as part of the review process is required by MIFID II.

The forecasts in this report are generated using the Moody's stochastic engine, the Wealth Scenario Generator, ascribing probability to the full range of viable investment outcomes, including outcomes of unlikely possibility and representing the most severely stressed or volatile market conditions.

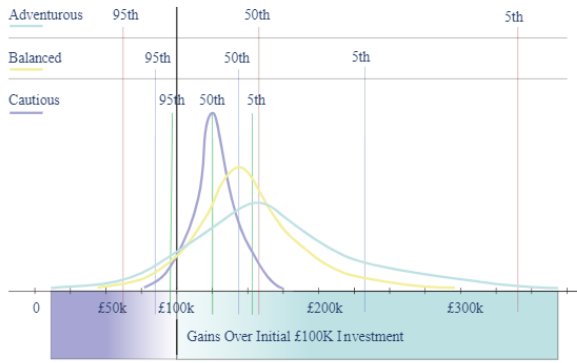
This approach demonstrates an accuracy proven over many market cycles over many years and is the same methodology that is relied on extensively by many institutions in the management of investment risk and the optimisation of portfolios.

Alignment of client's objectives to an appropriate investment risk category and asset allocation

This report details every aspect of risk relevant to a recommendation, including the client's risk profile (attitude to risk) and correct alignment to an investment strategy represented by a strategic asset allocation.

Investment risk categories are mapped to the scoring of the attitude to risk questionnaire (ATRQ).

Clients can therefore rely on the correct alignment of their investment objective to the recommended investment strategy.



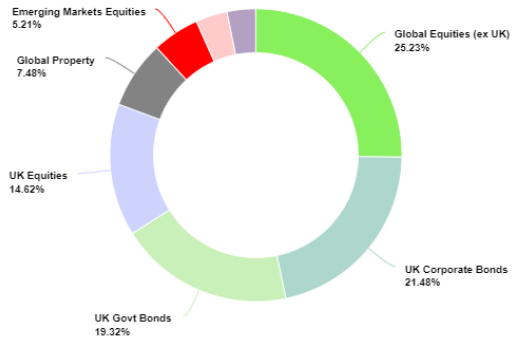
Risk strategy	Very low (95th perc.)	Med (50th perc.)	Very High (5th perc.)
Adventurous	£60k	£160k	£330k
Balanced	£80k	£140k	£230k
Cautious	£95k	£125k	£155k

Moody's Analytics generated illustration of investment Strategy - risk and return

Projected outcomes (final fund value) by percentile, assuming 100k invested over 10 years. The Y-axis shows number of results for the stochastic simulation for any given value

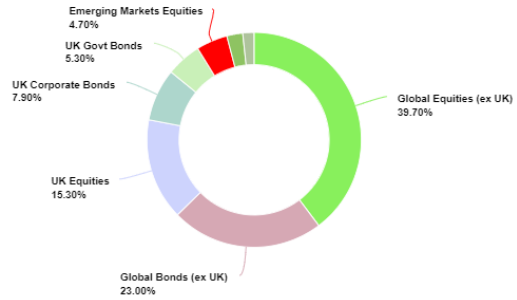
Stochastic Projections

Target Strategic Asset Allocation (SAA)



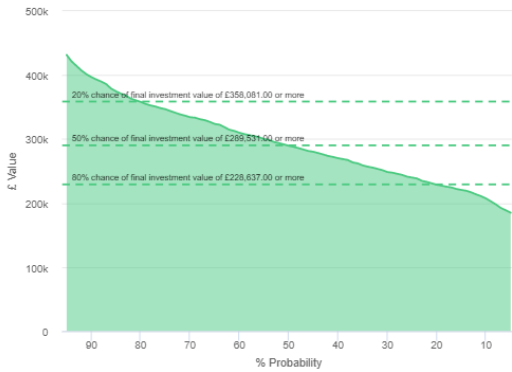
Min. Gain	Mean Gain	Max. Gain
-15.00%	3.26%	19.54%

Proposed Asset Allocation



Min. Gain	Mean Gain	Max. Gain
-17.39%	3.74%	23.43%

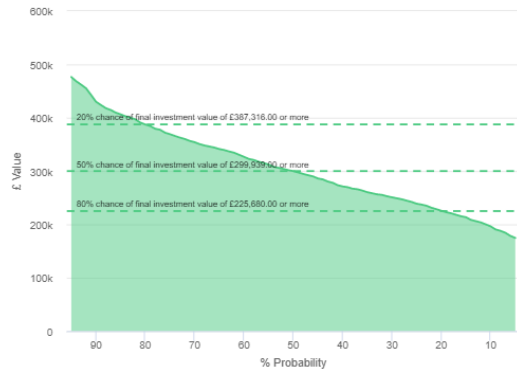
Probability Projection - No Costs



20% Probability	50% Probability	80% Probability
£228,637.00	£289,531.00	£358,081.00

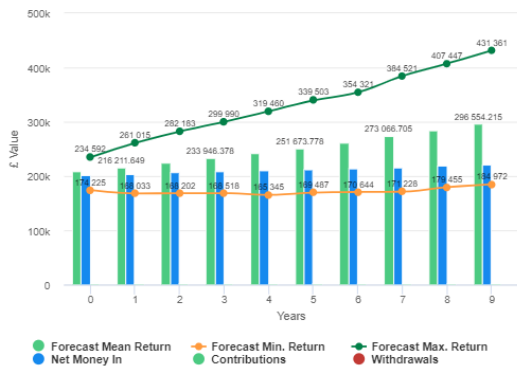
Risk Illustration - No Costs

Probability Projection - No Costs

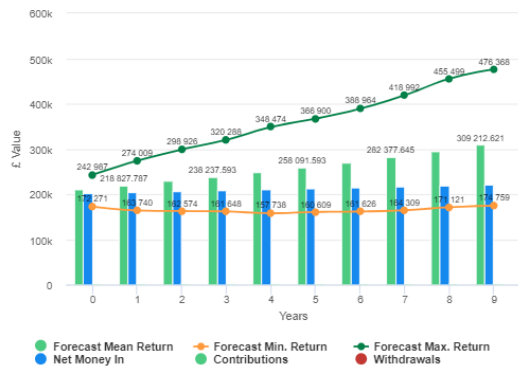


20% Probability	50% Probability	80% Probability
£225,680.00	£299,939.00	£387,316.00

Risk Illustration - No Costs

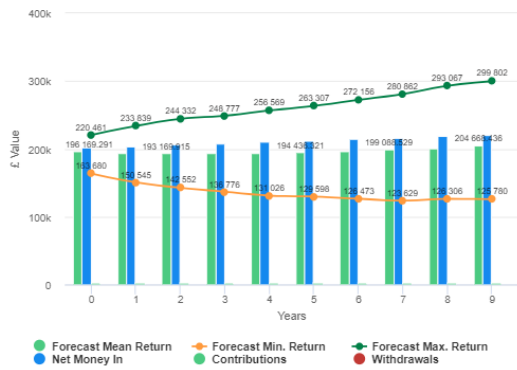


Lowest Outcome (5% Chance) £184,972.00 or -16.24%
 Expected Outcome £296,554.22 or 34.29%
 Best Outcome (5% Chance) £431,361.00 or 95.34%



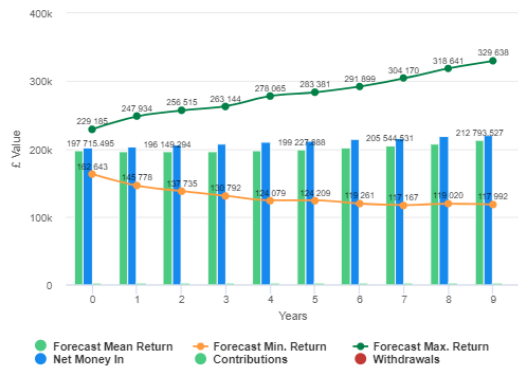
Lowest Outcome (5% Chance) £174,759.00 or -20.86%
 Expected Outcome £309,212.62 or 40.03%
 Best Outcome (5% Chance) £476,368.00 or 115.72%

Risk Illustration - With Costs & Inflation



Lowest Outcome (5% Chance) £125,780.00 or -43.04%
 Expected Outcome £204,668.44 or -7.32%
 Best Outcome (5% Chance) £299,802.00 or 35.76%

Risk Illustration - With Costs & Inflation



Lowest Outcome (5% Chance) £117,992.00 or -46.57%
 Expected Outcome £212,793.53 or -3.64%
 Best Outcome (5% Chance) £329,638.00 or 49.26%

Portfolio Summary

Portfolio Name
 Ex-Post

Fund Name	Allocation %
Vanguard LifeStrategy 60% Equity A Acc	100.00%



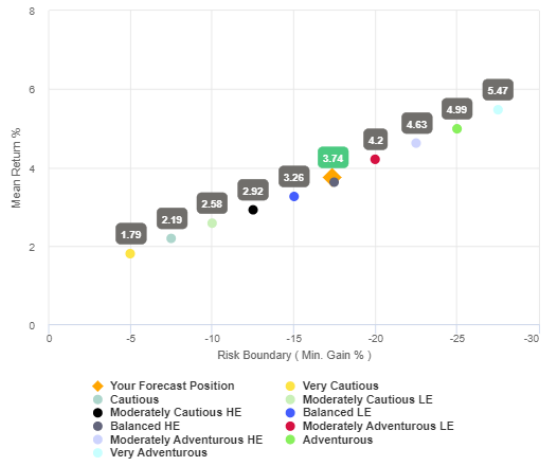
Stochastic Forecast of Probability Growth of Investment (With Costs & Inflation)

Year	In	Out	Total In	Min. Gain	Max Gain	Net Growth
1	£202,380.00	£298.00	£202,082.00	£174,225.00	£234,982.00	£6,205.42
2	£204,760.00	£396.00	£204,364.00	£168,083.00	£261,015.00	£12,047.65
3	£207,140.00	£894.00	£206,246.00	£168,202.00	£282,163.00	£18,990.39
4	£209,520.00	£1,192.00	£208,328.00	£168,518.00	£299,990.00	£25,183.38
5	£211,900.00	£1,490.00	£210,410.00	£165,345.00	£319,460.00	£32,033.87
6	£214,280.00	£1,788.00	£212,492.00	£169,487.00	£339,503.00	£39,181.78
7	£216,660.00	£2,086.00	£214,574.00	£170,644.00	£354,321.00	£47,076.23
8	£219,040.00	£2,384.00	£216,656.00	£171,228.00	£384,521.00	£56,103.71
9	£221,420.00	£2,682.00	£218,738.00	£179,455.00	£407,447.00	£64,800.62
10	£223,800.00	£2,980.00	£220,820.00	£184,972.00	£481,861.00	£75,784.22



Suitability Statement

Efficient Frontier



To confirm alignment of the investment recommendation with the Moody's investment strategy, the investment recommendations min gain value should not exceed the risk threshold, or upper boundary, for the relevant risk category.

The 'min gain' indicates the expected loss for an investment in the 'worst year', assuming a 20 year term. It is equivalent to the 5% worst outcomes (or 1 in 20) from the stochastic simulation whose data underpins the calculations made using this tool, and should be used for determining the client's Capacity for Loss in respect of the investment proposal.

Efficient Frontier and Suitability

The output shown here is the efficient frontier, which displays your Portfolio's Asset Allocation in relationship to the optimised and active Moody's Analytics Strategic Asset Class based Portfolios that are reviewed and rebalanced quarterly.

If the mean return % is to the right of the curve then you may be taking more risk than required to achieve the return, if the mean return is too low then you may need to consider taking more risk by adjusting or changing the proposed portfolio.

Suitability is assessed on the basis of whether the investment is likely to deliver on the objectives of the financial plan, and whether there is alignment between the components of the risk governance model relating to the Client investment goals:

- The need to take risk;
- The Client's risk profile;
- The Client's capacity for loss.

Use the efficient frontier and investment plot to demonstrate that a portfolio or fund is aligned for risk and return.

Suitability Statement

From the previously completed Capacity for Loss questionnaire, the minimum appropriate term for the investment horizon is **10 to 14 yrs**. The term used for the research is **10 years**.

The proposed investment, **Client Test Ex-Post**, produces a 'Value at Risk' (VAR) measure (over 12 months) or 'Min gain' value of **-17.39%**.

This portfolio sits between the boundaries of the **Balanced (Low End)** Risk Category whose min gain values is **-15.00%**.

Capacity for Loss Questionnaire

The model indicates the mathematical possibility of losing up to or in excess of 17.39% (min gain) of the portfolio in a bad year. The min gain value represents the 5% (1 in 20) worst returns from the stochastic modelling using the Moody's model. When the losses may occur is unknown, but because of the benefits of compounding growth, it is known that the impact on the final fund value is greater if the poor returns are early in the term (sequence risk).

Historically, significant losses in the short term have been followed by recovery and subsequent growth. It is important that investors commit to an appropriate term in order to recoup losses and build gains and can afford any short term losses that may occur in search of higher returns.

Capacity for Loss questions and answers

1. My client will need to start spending the investment return at the following point in the future. **10 to 14 yrs**
2. My client doesn't have any significant outstanding debts and don't expect to incur any during the period of their investment (e.g. mortgage or credit cards). **Agree**
3. My client's spouse, partner or family member is likely to be able and willing to support my client financially if circumstances require. **Strongly Agree**
4. It would be relatively easy for my client to cut expenditure in retirement if circumstances require. **Agree**
5. My client is flexible about their investment horizon. My client could wait before using your investment. **Agree**
6. **Risk suitability statement.** My client can afford to lose up to or in excess of **17.39%** of the portfolio in a bad year, defined as the worst year's returns in 20 years and remain invested in search of higher returns over the **10 year** investment horizon indicated. Capacity for Loss is the ability to absorb losses in the investment journey, and remain invested for the term. The losses indicated would not imply a significant reduction in my client's standard of living.

MIFID II Compliant Disclosure of Costs and Charges

The FCA (COBS 13) acknowledges the value of both deterministic and stochastically calculated investment forecasts. The linear characteristic of the former, makes it easier to understand the impact of costs. The stochastic forecasts elsewhere in the report represent a deeper and more reliable methodology for forecasting and should be preferred for any other requirement. Deterministic calculations are presented here for their clear and consistent representation of cost, including Reduction in Yield (R.I.Y.) values that are very effective in understanding the impact of ongoing and initial costs and the cumulative impact of costs.

Costs and Charges over the last 12 months

As a % of the original investment total : 0.67%

Total Charges for year : £1,347.35

Costs and Charges forecast over Term

Description	Cost of Ownership	Fund Weighting	Next Year %		Subsequent Years %	
			Cost as % of Weighted Investment	Cost as Weighted Amount £	Weighted % of Investment	
Product						
Aviva Wrap Pension Portfolio						
One off costs			0.01%	£18.73		0.01%
Funds						
Cash Allocation						
Vanguard LifeStrategy 60% Equity A Acc		100.00%				
One off Costs			0.00%			
Ongoing costs excl. Transaction	0.22%		0.52%	£1,045.92		0.51%
Transaction costs	0.06%		0.14%	£282.71		0.14%
Adviser Charges						
Initial charge				£0.00		
Ongoing charges			0.00%	£0.00		0.00%
One off fee for advice(TODO)						
Aggregated Costs & Charges						
Grand total in the next year				£1,347.35		
Grand total as % of the next year investment total			0.67%			0.66%

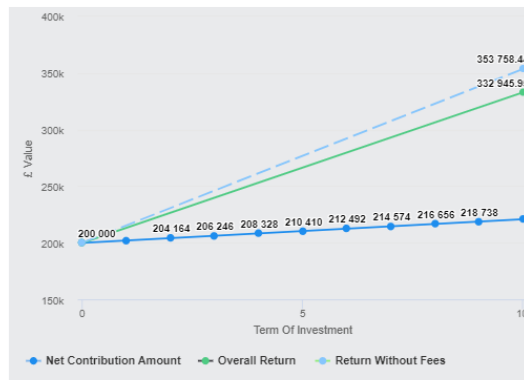


Deterministic Forecast - Summary Costs over the Investment Term

Headline Reduction in Yield Value
0.66%
 Total Solution Cost
£20,812.48
 Final Value
£332,945.95

Calculations returned by the deterministic and stochastic methods may be different due to different methodologies including different growth rates. The deterministic calculation assumes broad based actuarial growth rates, whereas stochastic calculations are based on Moody's forecasts for growth across asset allocation.

Deterministic Forecast



Platform Charges					
Item	Fund Weighting	Growth %	Final Value £	Total Fees £	R.I.Y %
Aviva Wrap Pension Portfolio					
Vanguard LifeStrategy 60% Equity A Acc	100.00%	4.35%	£332,850.74	£20,581.92	0.65%



Suitability Checklist

<p>Declaration of Tolerance for Loss</p> <p>Test Tolerance for Loss Text</p> <hr/> <p>Assessment of Capacity for Loss</p> <p>Test Capacity for Loss Text</p> <hr/> <p>Capacity for loss Statement</p>	<p>Confirmation of Target Market</p> <p>Investor Type -</p> <p>Retail / Professional</p> <p>Objective & Needs Growth</p> <p>Preservation / Growth / Income / Hedged / Leveraged Return</p> <p>Knowledge & Experience -</p> <p>Basic Investor / Informed Investor / Advanced Investor</p> <p>Client Ability to Bear Loss No Capital Guarantee</p> <p>Limited Capital Loss, No Capital Guarantee / Loss Beyond Capital</p> <p>Investment Horizon 10 years</p> <hr/> <p>Central Investment Proposition</p> <p>Advised in line with firm's Central Investment Proposition YES/NO NO</p> <p>Advised using Whole of Market Option YES/NO NO</p> <p>Name of the Segment Whole Of Market</p> <p>Description of the Segment</p>
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Statement: Prepared by Amy Paulsen, Synaptic Demo IFA, Test company address line 1, Test company address line 2, Test company Town, Hampshire, PO15 7AA FRN # 123456
 Date: 27th April 2022, Reference #2022427TEST

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Synaptic Ex-Post Review : Illustration & Report – NOT FINAL

<p>Illustration Name Ex-Post</p>	<p>Prepared For Client Test</p> <p>Address -</p> <p>Contact Number -</p> <p>Date Of Birth</p> <p>Report Date 27th April 2022</p>	<p>Firm Name Synaptic Demo IFA</p> <p>FRN 123456</p> <p>Telephone 01489 886282</p> <p>Address Test company address line 1 , Test company address line 2 , Test company Town , Hampshire , PO15 7AA</p>
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