

Risk Illustrations - Compliance Details

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The Compliance Details tab includes the **Capacity for Loss Statement**, **Investment Forecast Details by Year**, **Forecast Fees Summary**, **Risk Summary** and **Portfolio Factsheet**.

The screenshot displays the 'Susan Risk Illustration' interface. At the top, there is a navigation menu with options like 'Synaptic Pathways', 'Home', 'Paraplanner Access Centre', etc. The main header shows the client name 'Susan West' and the risk category 'Balanced (High End)'. Below this, there are several tabs: 'Results', 'Capacity For Loss', 'Suitability', 'Compliance Details', 'Report Content', and 'Advanced Options'. The 'Compliance Details' tab is active, showing a 'Forecast based on strategic asset allocation - No costs' and a 'Forecast based on investment scenario - No costs'. Both forecasts are visualized as line and bar charts showing 'Values' over 'Years' (1 to 10). The charts include data for 'Forecast Mean Return', 'Forecast Min. Return', 'Forecast Max. Return', 'Net Money In', 'Contributions', and 'Withdrawals'. A 'Strategic Asset Allocation Comparison' box on the right explains that the forecast is based on the investment proposal or adviser recommendation and that the simulation models the full range of viable outcomes. The interface also includes a search bar, a 'Duplicate Illustration' button, and a 'Mark Status as Complete' button.

The Capacity for Loss statement populates based on how question 6 is answered in the Capacity for Loss area. If you leave the question blank, you will need to answer **Yes** or **No** to the statement.

Capacity For Loss

Use the Capacity for Loss Questionnaire to audit the discussion around whether committing to an extended term is appropriate for your client.

It will not be appropriate to commit the client to long term savings if they cannot commit to leaving the funds invested long term.

- My Client will need to start spending the investment return at the following point in the future.
 - < 5 yrs
 - 5 to 9 yrs
 - 10 to 14 yrs**
 - 15 to 19 yrs
 - > 20 yrs
- My Client doesn't have any significant outstanding debts and doesn't expect to incur any during the period of the investment(eg, mortgage or credit cards).
 - Strongly Disagree
 - Disagree
 - No Opinion
 - Agree**
 - Strongly Agree
- My Client's spouse, partner or family member is likely to be able and willing to support them financially if circumstances require.
 - Strongly Disagree
 - Disagree
 - No Opinion
 - Agree
 - Strongly Agree**
- It would be relatively easy for my Client to cut expenditure in retirement if circumstances require.
 - Strongly Disagree
 - Disagree
 - No Opinion
 - Agree**
 - Strongly Agree
- My Client is flexible about their investment horizon. They could wait before using their investment.
 - Strongly Disagree
 - Disagree
 - No Opinion
 - Agree**
 - Strongly Agree
- In consideration of sequence risk. In the worst case scenario, my client can afford to lose **13.80%** or more, in any one year, defined as the worst year of returns in the forecast, assuming a 20 year term. This equates to the 5% (or 1 in 20) worst outcomes from the Moody's mathematical simulation. This may equate to **£27,434.40** in the first year.
 - Yes
 - No**
- As an adviser, I assess a minimum appropriate term for this investment scenario to be **10 to 14 yrs**

Capacity for Loss Statement

In consideration of sequence risk, In the worst case scenario, my client can afford to lose **13.80%** or more, in any one year, defined as the worst year of returns in the forecast, assuming a 20 year term. This equates to the 5% (or 1 in 20) worst outcomes from the Moody's mathematical simulation. This may equate to **£27,434.40** in the first year.

Yes No

If you click **Continue to Next Step** without completing the question, the statement will be highlighted in red and must be answered before continuing.

Susan Risk Illustration

Client: Susanna West | Client Risk Category: Balanced (High End) | Created Date: 07/09/2023, 10:33

Term of Investment: 12 Years | Initial Amount: £200,000.00 | Regular Contribution: £200.00/pm | Growth Basis: Without Inflation | Total Solution Cost: 1.25% | Investment Risk Category: Balanced (High End) | Objective Risk Category: Moderately Cautious (High End) | Expected Outcome (Mean Gain): £450,427.91 or 102.17%

Capacity for Loss Statement (Highlighted in Red)

In consideration of sequence risk, In the worst case scenario, my client can afford to lose **13.80%** or more, in any one year, defined as the worst year of returns in the forecast, assuming a 20 year term. This equates to the 5% (or 1 in 20) worst outcomes from the Moody's mathematical simulation. This may equate to **£27,434.40** in the first year.

Investment Forecast Details by Year

| Year | Net Money In | Contributions | Withdrawals | Mean Projection | Net Growth |
|------|--------------|---------------|-------------|-----------------|------------|
| 1 | £201,900.00 | £2,400.00 | £500.00 | £217,191.21 | £15,391.21 |
| 2 | £203,800.00 | £2,400.00 | £500.00 | £233,530.87 | £29,730.87 |
| 3 | £205,700.00 | £2,400.00 | £500.00 | £251,066.71 | £45,366.71 |
| 4 | £207,600.00 | £2,400.00 | £500.00 | £268,823.21 | £60,923.21 |
| 5 | £209,500.00 | £2,400.00 | £500.00 | £286,860.59 | £75,960.59 |
| 6 | £211,400.00 | £2,400.00 | £500.00 | £305,176.74 | £92,376.74 |

Risk Summary

Client Risk Profile: **Balanced (High End) | 6 of 10**

Illustration Risk Target: **Balanced (High End) | 6 of 10**

Portfolio Factsheet

Target Portfolio: **BNY Mellon Multi-Asset Balanced**

The Portfolio Factsheet **View** button will be available if a Model or Bespoke portfolio has been selected. Factsheets are not available for MPS portfolios.