[NAME & ADDRESS]

[DATE]

Dear [NAME]

**Your Annual Financial Progress Assessment**

**No meeting this year**

Despite repeated efforts to set up a meeting, you have been unable to do so. Consequently, we have conducted this review without your input, based on the latest data we have on your file. We have continued to charge you as usual, as we have incurred all the costs related to supporting you as a client.

**Services we provide for you (including protecting your personal data)**

These are set out in our Terms of Business and Privacy Policy, which have previously been supplied.

In summary our mandate with you provides you, each year, with

* A statement of your financial position
* A statement of your personal circumstances
* An update of your portfolio and protection (if any) valuations

It also requires us to maintain our investment strategy, operations and competence.

In return, you are required to keep us updated with your personal and financial circumstances and objectives.

**As always, we remind you that if the information below is substantially inaccurate, you must tell us as soon as possible**

**Financial and circumstantial summary**

Based on the information on your record (with inflation updates where relevant, your financial position is:

|  |  |
| --- | --- |
| Annual income (joint if married) after tax |  |
| Your routine expenses, including holidays |  |
| Savings |  |
| Investments |  |
| Pensions |  |
| Your investment risk profile (him) | Balanced |
| Your investment risk profile (her) | Adventurous |

Other relevant information

|  |
| --- |
| You are both higher rate taxpayers |
| Your estate is subject to IHT |
| You are both over 75 |
| You are both healthy |
| Your investment risk profile |

Your strategic financial objectives are to

|  |
| --- |
| Maintain your current standard of living indefinitely |
| Leave your residual estate to your children (only if there is anything left) |
| Have a care home buffer |

**Our assessment of your current financial position:**

In the absence of any changes to the financial and personal circumstances

|  |  |  |
| --- | --- | --- |
| **On track** | **Tidying up to do** | **Structural work required** |

|  |  |
| --- | --- |
| **1. Your Financial Objectives**  |  |
|  |  |
| **2. Investments** |  |
|  |  |
| **3. Investment Risk profile**  |  |
|  |  |
| **4. Tax Matters (ISA, CGT, Pension, Income Tax)** |  |
|  |  |
| **5. Retirement Planning**  |  |
|  |  |
| **6. Protection**  |  |
|  |  |
| **7. Estate Planning** |  |

**As there are items which need attention in order to optimise you affairs, please contact us on 01234 567890 or email me on jamesbond@skyfall.**

**Product suitability:**

In the absence of any changes to the financial and personal circumstances set out above the products you hold (including where relevant the underlying investments), remain suitable.

**Investment risk profile – a reminder:**

We tested your attitude to investment risk in 20xx, this showed [name] to be an average risk taker and [name] to be a low-risk taker.

All your investments are invested with a 40% growth / 60% defensive asset allocation.

Growth assets are generally assets that aim for capital growth. These assets can often have the potential for higher investment returns over the longer term, but they also tend to have higher investment risk and fluctuation in value, with values rising and falling, either a little or a lot, in the short term.

Defensive assets are generally less volatile than growth assets and may deliver lower returns over the long term. They can provide stability and limit losses in a falling market.

Low risk investors will typically prefer investment portfolios to have 0-50% growth asset allocation, whilst average risk takers prefer investment portfolios to have 50%-70% growth asset allocation.

Your 40% growth / 60% defensive portfolio is a reasonable balance between your risk profiles, with a slight leaning towards lower risk.

When faced with a major financial decision, low and average risk investors are usually (if not always), more concerned with possible losses than possible gains. For most, a 10%-20% drop in the value of their investments would make them feel uncomfortable.

Please let us know if you feel your attitude to investment risk has changed or requires review. In the meantime, we will continue to invest your funds with a 40% growth / 60% defensive asset allocation.

**Investing going forward:**

Please let us know if you wish to fund an ISA contribution for the current tax year. The 2021 / 2022 ISA allowance is £20,000. If you don’t contribute within any tax year, you lose that years’ allowance, but you will get a new allowance for each subsequent tax year. Investing in an ISA offers some great tax benefits; if you have a stocks and shares ISA, you don’t pay tax on any returns, interest, or gains made from the ISA investments.

You also have at least £3600 a year you could invest in a pension. This has the effect of reducing the income tax you pay, while giving you tax free growth outside of your estate for inheritance tax purposes

**Valuation:**

Your latest valuation shows that your portfolio achieved a loss of xxx% in the 12 months to [date].

**Investment commentary:**

While you will naturally have been disappointed you will understand that world markets have been difficult and will continue to be so in the immediate future. This fall in value has happened since November 2021 and is caused by the consequence of the COVID pandemic, BREXIT, rapidly changing prime ministers, a catastrophic mini budget in September, and the Russian-Ukraine war. These issues have caused inflation and supply shortages across the world, which have impacted markets.

**Your costs:**

Your investment provider(s) has / have, during the year, supplied you with a complete breakdown of the costs and charges applicable to your plans. If you have any queries in this regard, please contact us.

**Conclusion**

Please let us know if any of the information in this letter needs updating or amending. This will help us to make sure, as far as possible, that your plan is accurate and remains on track.

It would be good for you to have your annual review next year so we can help you plan effectively. In the meantime, please do not hesitate to get in touch if you need our help with anything over the next 12 months.

If you are considering doing anything ‘off plan’ with your finances, we strongly recommend that you give us a call beforehand, so that we can make sure, as far as possible, that you remain on track with your mid- and long-term planning.

Finally, we would like to take this opportunity to thank you once again for allowing us to help you with your financial planning; we look forward to working with you for many years to come.

Kind regards