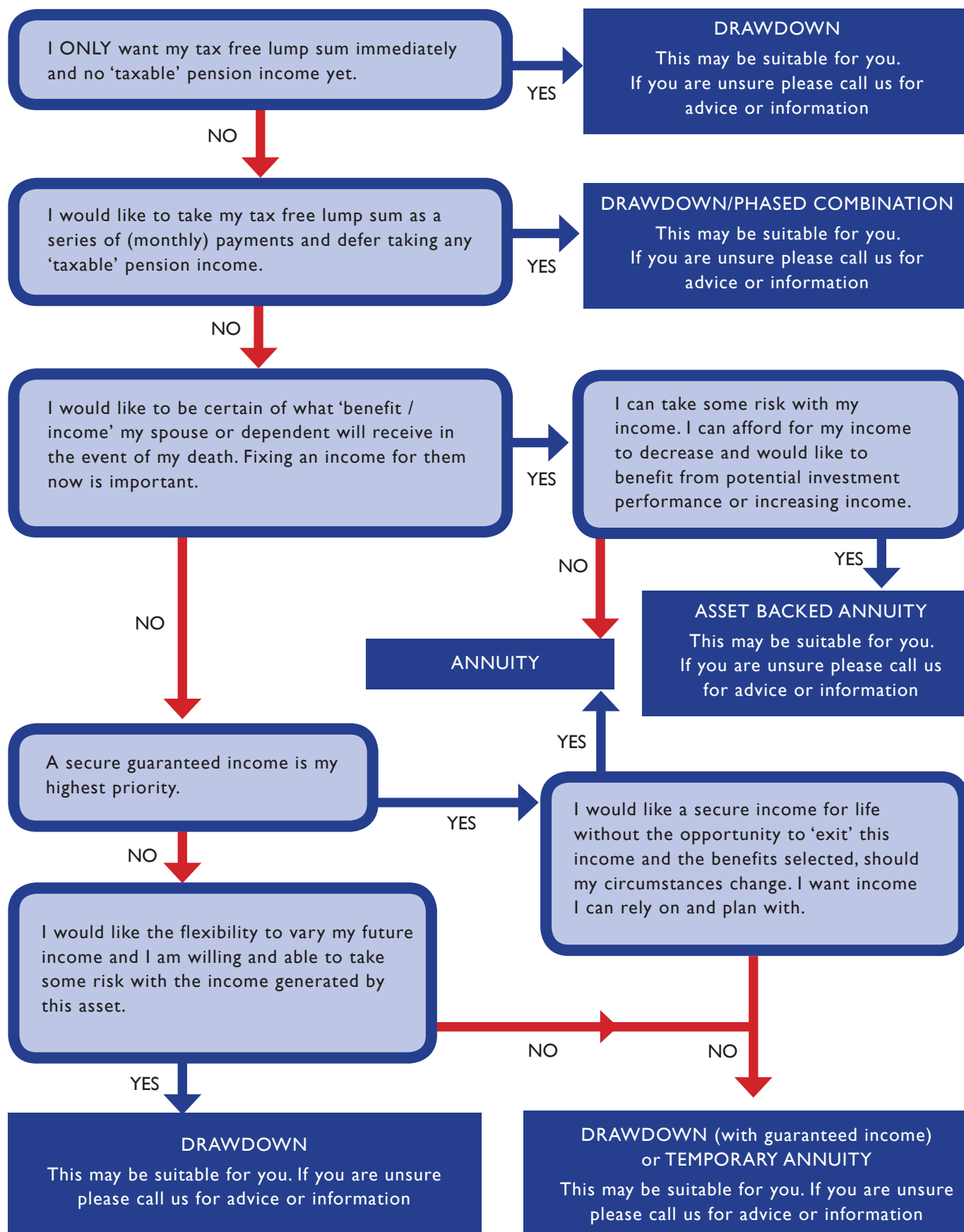


## Which Retirement Option? - Decision Tree

For pension pots under £50,000 annuities may be the best option. Unless you've got more than this, the costs and risks of income drawdown can outweigh the benefits.



## How to take the next step...

Having been provided with a Retirement Options report which outlines some of the available choices you have with your pension fund, you now need to make a decision about how you wish to move forward.

This form will assist you to select the option that suits you and request formal quotes from Simply Retirement, for your further consideration.

### Service Proposition

At Simply Retirement we offer several levels of service. This in turn is reflected in the cost and this is talked about further in the report. The 'About Our Services and Fees' document discloses further details.

#### Annuity Service

- We can research the 'top' annuity companies for you, from the **whole market** and provide you with information to make an informed decision about which annuity company to choose. No advice will be offered, just information.

#### Drawdown Service – Non Advised Service

- We can provide cheap and cost effective access to Pension Drawdown from a selected product partner. No advice will be offered, just information. We can suggest a choice of suitable investments to match your appetite for risk. Ultimately the decision is yours.

This service is not available to clients with pension funds of less than £50,000. Additionally, this service is not available to clients who are looking to access their tax free lump sum to repay a debt (mortgage not included). This is because there may be other avenues that could be explored to meet your needs, without cost. Finally, this non advised service will not be available if you have a fund of less than £120,000 AND want to withdraw income immediately. If you have less than £120,000 and want to take your lump sum AND an income immediately, you will need to receive a Personal Recommendation (see below).

#### Personal Recommendation

- We can provide a 'full retirement income advice' service where your own circumstances are reviewed and we will make a personal recommendation to you about a suitable solution, researching funds from the whole of the market.

If you have any questions about the level of service you require please call us. There is a flow chart later in the report that might help you decide what level of service you require or expect.

## Appetite for Risk

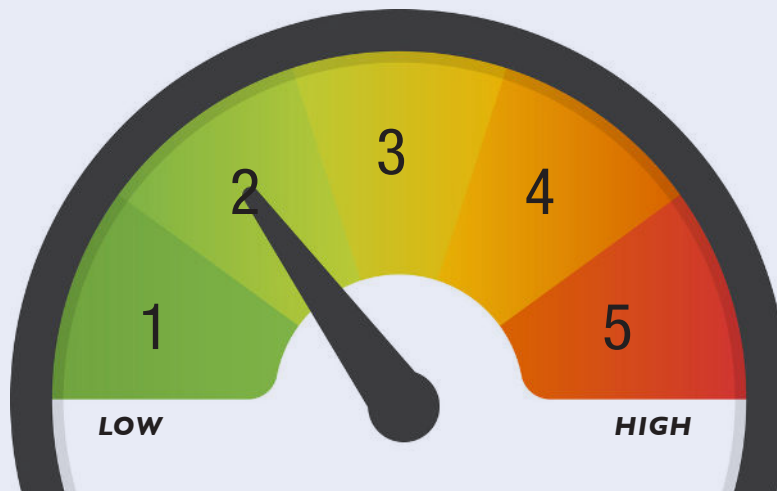
An important consideration when weighing up your retirement income options is how much risk are you both willing and able to take using this particular asset (your pension funds) to provide you with an income.

Clearly at one end of the spectrum are annuities, which provide secure guaranteed income that can be relied upon. However, having bought a conventional annuity there is no further flexibility or control and your circumstances might well change. There are, of course, some risks with an annuity, such as 'locking' yourself into current annuity rates and 'locking' yourself into the decisions you make about what type of annuity to select (spouses benefits and inflation proofing the income) as circumstances alter in the future.

As you read this report you will see that flexibility and control over your income, and the benefits or choices provided in the event of your death, come with an element of risk. The risk could be from deferring the purchase of annuity only to discover that rates are worse in the future. You might find that the risks are from your funds being invested are not performing as required. Finally, the funds could run out before you die.

Therefore, I would like you to consider this matter. Please be aware that one route is not better than another. The choices you make should reflect your circumstances, objectives and priorities to find a suitable solution.

**How much risk are you willing and able to take with this asset and your retirement income?**



**1 corresponds to:**

- Your attitude to accepting risk is in the 'lowest' profile.
- Your preferred investments will be in cash.
- While your investment will not fall in absolute value, except in a significant banking collapse, inflation may mean its value in real terms may fall.

**5 corresponds to:**

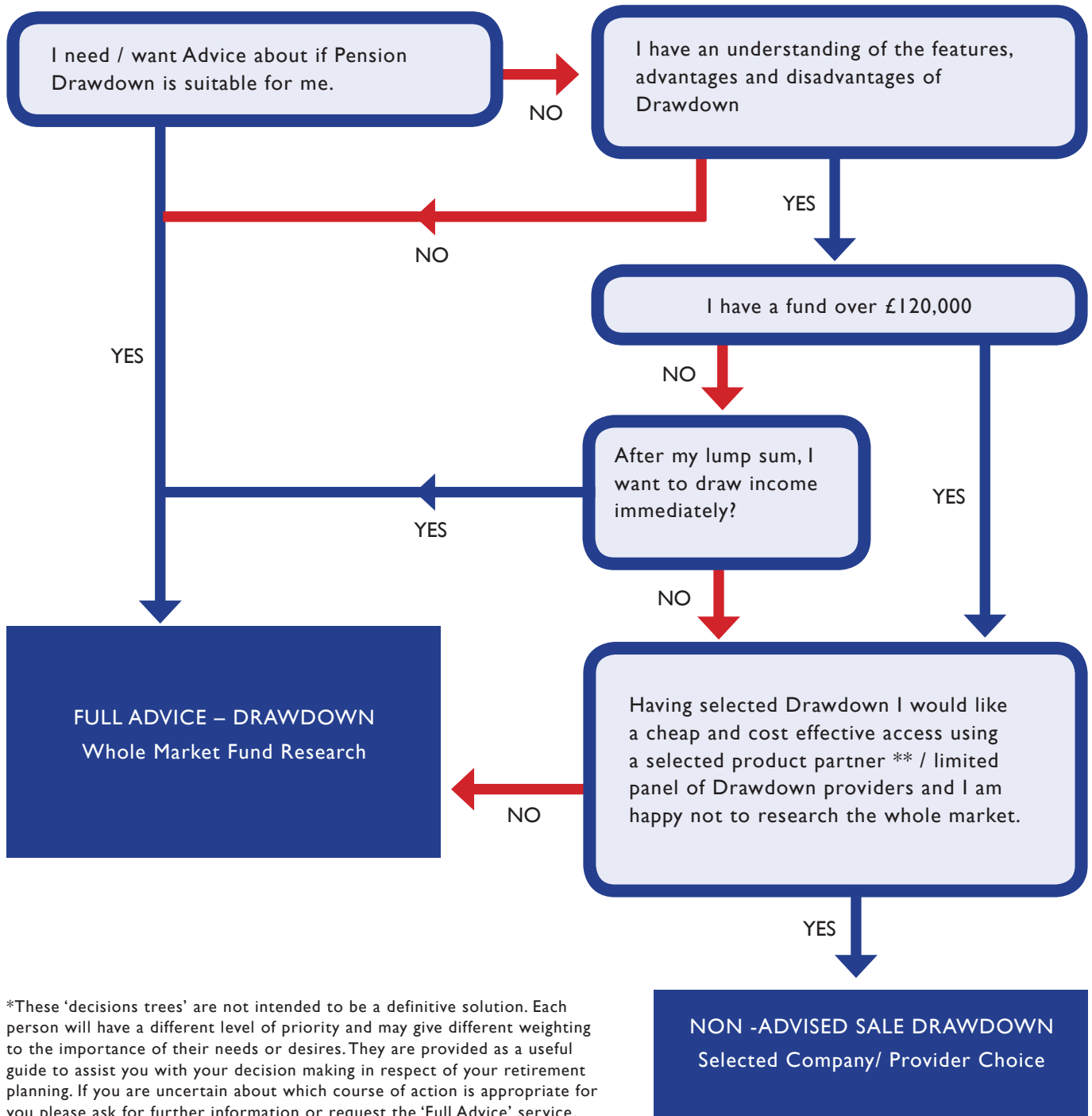
- Your attitude to accepting risk is in the 'highest' profile.
- Your priority is likely to be making higher returns on your investments and so you accept that you may not get as much back from your investments as you put in
- Your preferred investments are likely to contain higher-risk investments such as shares from outside the UK.

There are further definitions provided later in this report. These should be referred to. If you are uncertain or would like further assistance in ascertaining a 'risk profile' suitable for you, we have a Risk Profiling Questionnaire. Please call me to discuss this matter further.

In normal circumstances we would expect that if you are interested in Pension Drawdown you would have a risk profile of 'balanced' (3/5) or greater, especially if you are planning to withdraw an income from the plan. This is because some risk must be taken to obtain the performance required to match or outperform the income an annuity could provide.

## DRAWDOWN – Which level of service?\*

If you want to access your pension early for the repayment of debt (excluding mortgage), we cannot provide a Non Advice / Information Only Service. There may be other avenues you can explore. You will need a full Service.



\*These 'decisions trees' are not intended to be a definitive solution. Each person will have a different level of priority and may give different weighting to the importance of their needs or desires. They are provided as a useful guide to assist you with your decision making in respect of your retirement planning. If you are uncertain about which course of action is appropriate for you please ask for further information or request the 'Full Advice' service.

\*\*Our Product Partners are reviewed at regular intervals. Our panel at time of printing (Jan 2023) includes LV=, Royal London, Standard Life / Elevate.

## Simply Retirement offer 2 routes when considering Drawdown - Costs?

### Advice Service:

This is probably more suitable for those who require personal advice or **do not understand Drawdown and are unsure** if it is suitable for them

We will **research the whole market** to select a suitable Drawdown provider from all the Insurance Companies

We will assess your needs and circumstances to provide you with a **'personal recommendation'** on your retirement options. This is called 'Fact-Finding'.

We will **recommend a suitable portfolio** for your circumstances.

### Cost for Service – Retirement Advice

Typically, for a fund value of **£120,000** we would expect that the following costs incurred would be:

Initial charge of 3%, taken from the fund

An ongoing advice / administration charge of 0.5% each year.

These charges can be paid from the pension fund.

Our 'About Our Services and Fees' discusses the options available for our remuneration and you can choose to pay a fee if you prefer.

We can transact smaller funds (under £100,000) but the charges are higher - this can lead to the Pension Drawdown being unsuitable for smaller funds.

Worked Example:-

First £80,000 x 3% = £2,400

Next £40,000 x 2% = £800

**Total Initial = £3,200**

£90,000 Invested x 0.5% = **£450 ongoing**

### Non-Advised Service :

This is more appropriate for those with an **understanding of Drawdown and know this is the right solution** for them, providing cost effective access to this contract. This type of client will be comfortable with investment risk and will most likely have other pension sources in place

We have selected partners (\*LV, Royal London, Standard Life / Elevate) for this 'Non Advised' service offering **cost efficient access to Drawdown. We only use these companies.**

We will **not provide you with advice.** We will provide you with sufficient information to make an informed decision.

We will match your selected attitude to risk to an appropriate investment fund.

### Cost for Service – Non Advice Service

For the following size funds:- Charges are on funds invested, after the tax free lump sum has been paid.

**£50k - £80k**

Initial Charge of 2%  
Fund Based Charge of 0.75%

**£80k - £130k**

Initial Charge of 1.5%  
Fund Based Charge of 0.5%

**£130k-£200k**

Initial Charge of 1%  
Fund Based Charge of 0.5%

**£200k +**

Initial Charge of 0.8%  
Fund Based Charge of 0.5%

Worked Example:-

**£60,000** x 2% = **£1,200** initial

**£60,000** x 0.75% = **£450** ongoing

**£100,000** x 1.5% = **£1,500** initial

**£100,000** x 0.5% = **£500** ongoing

**£160,000** x 1% = **£1,600** initial

**£160,000** x 0.5% = **£800** ongoing

**£210,000** x 0.8% = **£1,680** initial

**£210,000** x 0.5% = **£1,050** ongoing

**Please select: How you would like to take your retirement income?**

**Please tick...**

**Annuity Service**

- Please return the annuity forms (enclosed) – OR phone us! (This will provide us with your authority to gain information about your plan / fund value, it will tell us which annuity type you require and it will provide details about your health to research an enhanced rate)
  - There is nothing further you need to do with these forms!
- 

**A Temporary Annuity**

Please complete:

- The 'Letter of Authority' for information
  - The 'Temporary Annuity Form' (enclosed)
  - There is nothing further you need to do with these forms!
- 

**Pension Drawdown - 'Non-Advice Service'**

This is intended to be a faster, cheaper, more cost effective solution if you understand what you need.

Please complete:

- The 'Letter of Authority' for information
  - **The rest of these forms / information below:**
    - Background questions regarding risks to ensure this is in your 'best interest'. – Risk / Questions
    - 'Risk Profile' and investment choice
- 

**A 'Full Retirement Options Personal Recommendation'**

Please complete:

- The 'Letter of Authority' for information
- There is nothing further you need to do with these forms! We will gather information about your plans and provide you with further information / options.

## Pension Drawdown Option – cost effective / non-advice

### Tax Free Lump Sum

- I would like the maximum tax free lump sum (25% of the fund)  
 I do not want all my tax free lump sum yet:

Enter Amount of Lump Sum	£
--------------------------	---

- I would like my tax free lump sum as a series of payments but no taxable income yet

What amount of tax free monthly payment do you require?	£
---	---

### Income

- I do not require any income at this time.  
 I want a target income initially of:

Enter Amount of Annual Income	£	gross
-------------------------------	---	-------

### Drawdown Questions / Risk

- Taking withdrawals may erode the value of the remaining fund, especially if the investment returns are poor and a high level of income is taken;
- The investment returns may be less than those shown in the illustrations;
- Annuity rates may be at a worse level in the future;
- When large withdrawals are taken, especially under flexible drawdown, high levels of income may not be sustainable and your pension fund may run out before you die;
- There is potential for tax charges on lump sum death benefits after age 75.

We need to confirm your understanding of the Pension Drawdown contract.

### Please complete the following information in your own words to demonstrate your understanding:

We will not process any further request if you do not complete this form. We can offer you a Personal Recommendation as an alternative.

- 1 If you take withdrawals from the plan or investment returns are poor, what could happen to your fund value?

- 2 If annuity rates get worse in the future, and you decide you want to buy an annuity later, what are the dangers to your future retirement income?

- 3 What are the risks you are taking with your invested pension funds in drawdown?

## Pension Drawdown Option – cost effective / non-advice

4 We will send you a quotation. Are the growth assumptions on the illustration guaranteed?

5 What are your intentions for any Tax Free Lump Sum / Cash you intend to take?

(if there are a number of uses for the lump sum, please explain what and how much?)

6 Are you stopping work / retiring now?

7 Why have you decided not to buy an annuity?

8 Are you receiving 'Advice' or a Personal Recommendation from Simply Retirement?

(What service are we offering you?)

## Pension Drawdown Option – cost effective / non-advice

To allow us to provide information about a suitable investment / portfolio, please tell us which attitude for risk you hold for these pension assets?

You might want to be mindful of the term you expect for this investment. Typically these profiles will be linked to an investment of at least 10 years. This means that if you have a shorter intended investment term, because of market fluctuations and volatility you could reduce your risk profile.

Additionally, I would encourage you to consider how this income fits with your overall retirement income and what level of risk you are willing and 'able' to take for these funds.

The source of the categories is provided by \*Moody's / Capita / Synaptics'. We offer a Risk Profiling tool to assist you to determine your attitude to risk for your retirement income. This will involve answering 12 questions and your responses are analysed and a guide provided for your information.

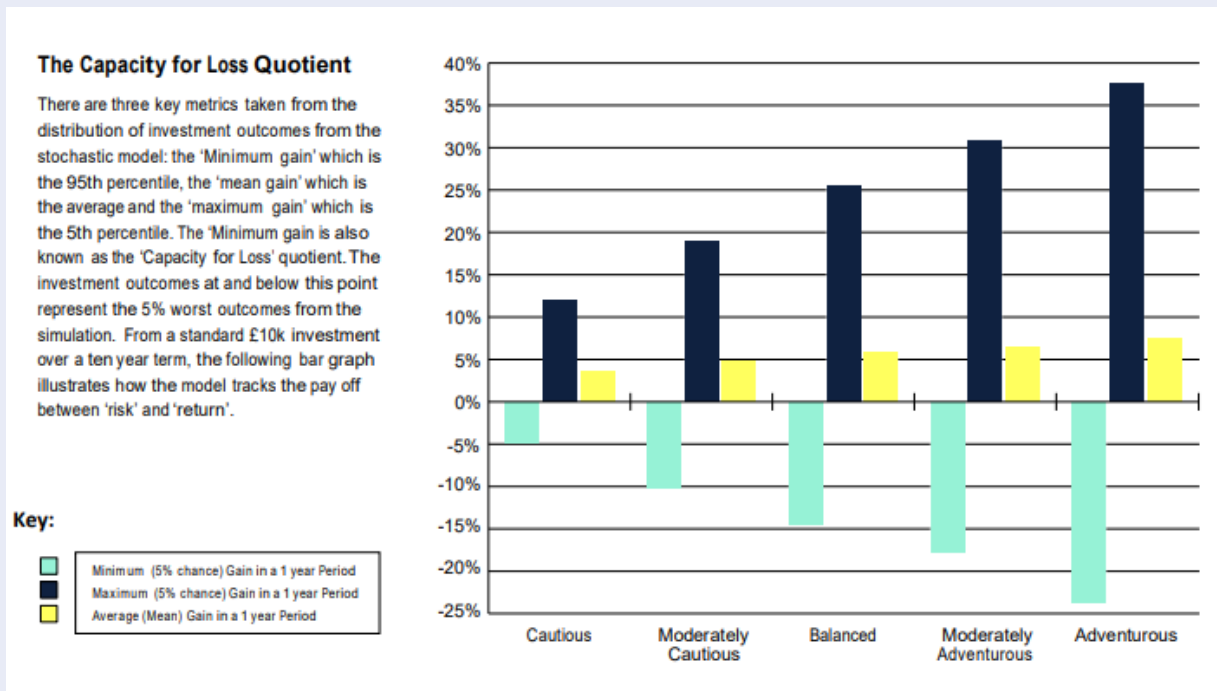


## Risk - Risk to your retirement income / pension investment

Risk Level 1 - Low 5 - High	Definition / Description	Expected performance on £100,000 over 12 months (Correct Jan 2023)
1	<p><b>Cautious Investors</b> Cautious Investors are risk averse and typically have very limited experience and understanding of investments. They often take a long time to make investment decisions and tend to be anxious about any investment decisions they have made. They tend to associate risk with potential loss rather than opportunity. They typically look for investments with lower investment risk rather than seeking higher returns. They generally prefer bank accounts and are less willing to invest in stocks, shares and investment funds. Some cautious investors will be unwilling to take any investment risk at all. Cautious investors are more risk averse than about 90% of the investing population (i.e. compared to 9 people out of 10)..</p>	<p><b>£7,500</b> - 5% chance of loss</p> <p><b>£6,220</b> - Average annual gain over ten years</p>
2	<p><b>Moderately Cautious</b> Moderately Cautious Investors have fairly limited experience and understanding of investments. They often take a long time to make investment decisions and tend to be anxious about any investment decisions they have made. They are inclined to associate risk with potential loss rather than opportunity. They may prefer bank accounts or lower risk investments to higher returning but riskier investments (such as stocks, shares and investment funds). However, they may be willing to take some risk, once the relationship between risk and higher returns has been explained to them. Moderately Cautious Investors are more risk averse than about 70% of the investing population (i.e. compared to 7 people out of 10).</p>	<p><b>£12,500</b> - 5% chance of loss</p> <p><b>£7,230</b> - Average annual gain over ten years</p>
3	<p><b>Balanced Investors</b> 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.</p>	<p><b>£17,500</b> - 5% chance of loss</p> <p><b>£8,030</b> - Average annual gain over ten years</p>
4	<p><b>Moderately Adventurous</b> Moderately Adventurous Investors usually have some experience and understanding of investments. They tend to make investment decisions fairly quickly and are not generally anxious about the investment decisions they have made. They normally view risk as a source of opportunity rather than a threat and will understand how taking investment risk can help meet their investment goals. The potentially higher returns from higher investment risk will make investing in stocks, shares and investment funds more appealing than lower risk investments and bank deposits. Moderately adventurous investors are more tolerant of risk than about 80% of the investing population (i.e. compared to 8 people in 10).</p>	<p><b>£22,500</b> - 5% chance of loss</p> <p><b>£8,820</b> - Average annual gain over ten years</p>
5	<p><b>Adventurous Investors</b> dAdventurous Investors often have substantial experience and understanding of investments. They usually make investment decisions quickly and are not likely to be anxious about the investment decisions they have made. They typically view risk as a source of opportunity rather than a threat and will understand how taking investment risk can help meet their investment goals. They are comfortable investing in stocks, shares and investment funds and prefer riskier, but potentially higher returning, investments to keeping money in bank deposits. Adventurous Investors are more risk tolerant than about 95% of the investing population (i.e. compared to 95 people out of 100).</p>	<p><b>£27,500</b> - 5% chance of loss</p> <p><b>£8,980</b> - Average annual gain over ten years</p>
Need help?	I would like further assistance	01622 664440

## Risk - Risk to your retirement income / pension investment

This analysis shows how a model portfolio of assets might perform over the next 12 months based on our analysis of generic asset classes. It is not an analysis of how specific products or funds might perform, improve on or reduce these growth rates. The figures used are only examples of what might happen and are not minimum or maximum amounts or guaranteed in any way. Actual performance will depend on how any selected investments perform, on their tax treatment and on charges incurred. This model is supported and provided by Moody's / Capita / Synaptic.



To match the income that could have been received from an annuity it is expected that you are willing and able to take sufficient investment risk with this fund in an attempt to outperform what an annuity could provide. It is generally accepted that your attitude to investment risk would be at least a 3/5. However, income is not everyone's priority and greater emphasis may be placed on the flexibility offered by Drawdown for death benefits.

Risk	1*	2*	3*	4*	5*	Help
Tick	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**If you have ticked 1 or 2 we will need to discuss the appropriateness of a Drawdown plan with you. If you plan to withdraw income from your investment,** by selecting a risk profile of 1 or 2 you are virtually assured that in the longer term you will not get the investment performance required to match what an annuity could currently provide for you.

### Select a tick box (1 or 2 investors)

- It is more important to have 'income flexibility and control'
- You require a more cautious investment in the short-term to avoid any market volatility. However, you anticipate addressing your risk profile again at a later date.
- You do not require any income from this plan at the current time. This would be your normal attitude to risk for this asset.
- It is more important to you to have flexibility and control over the 'death benefits'.
- None of the above.

## Risk - Risk to your retirement income / pension investment

### Drawdown Investment - Which type of investment style?

- Passive** – this type of investment matches or follows a particular index. Because it copies an index it can be offered as a cheaper portfolio. This reduces the pressure on your investment to perform, just to pay costs.
- Active** – this type of investment is based on the belief that fund managers can pick stocks that will outperform the markets. A good manager will constantly outperform a market. The manager is responsible for ‘picking’ stocks that he thinks will add value. They do this through research. Although this style of fund is generally more expensive it is hoped it will provide greater performance.
- Mixture** – we could provide a mixture of the above strategies.

How Much? What Split?	Passive	%	Active	%
-----------------------	---------	---	--------	---

- Other**

At Simply Retirement we will match your ‘attitude to risk’ to a suitable asset allocation. This asset allocation is then populated by selecting funds that are suitable. There may be some deviation to the target portfolio. The ultimate decision is yours and we will provide the facility to ‘switch’ these funds without charge. We favour and will normally seek a solution that provides Tactical Asset Allocation, Regular Fund Review meetings with a good level of ‘governance’ and rebalancing of the fund automatically. You may select a different set of funds if you desire.

**It is important you understand we are not recommending funds for you.**

## Pension Drawdown Quote Request - Declaration

You sign to acknowledge that you are not receiving advice or a ‘personal recommendation’ and:

We have provided you with **information only** to allow you to make a decision about your needs. You have asked to receive a quotation from our selected product provider for Pension Drawdown.

We will not provide a recommendation about your funds / investment. The decision is yours. However we will provide some further information and guidance to allow you to make a choice, based on your stated ‘risk profile’ for this particular pension asset.

**You understand that you are not obliged or committed to proceeding; this is purely a request for a quote. Simply Retirement may refuse to transact this business on your behalf if we do not believe it is in your ‘best interest’.**

**You understand that a full service and personal recommendation is available at your request.**

SIGNED	NAME	DATE
--------	------	------