

SQUIRREL WEALTH MANAGEMENT LTD



- AN INTRODUCTION TO OUR ABSOLUTE SERVICE

The purpose of this guide is to provide you with a detailed view of our company and the nature of the service we will provide for you. The guide is arranged in four parts:

- **Who we are**
- **What we do**
- **How we do it**
- **What we charge**

The first section provides you with an overview of Squirrel Wealth Management Ltd who are authorised and regulated by the Regulator, The Financial Services Authority (“FSA”).

The second section explains how we will work with you and the processes we employ to provide you with financial advice. It aims to give you an understanding of what we are doing at each stage and how it relates to the whole process of financial planning. This should give you an understanding of your role in the planning cycle and how we will work together to create a set of objectives that enable you to achieve your financial goals.

The third section is designed to explain exactly how we do our job, the tools we use and the services we contract to create your financial plan. It will also describe how this plan is regularly monitored to ensure it remains current as your lifestyle and financial objectives change. We have also included our views on investment markets and how capital should be managed.

The last section explains how we are paid for the work we do for you. If you haven’t already, you will receive further details of this in our Client Agreement.

We aim to provide you with a service that incorporates a consistent and repeatable process. We appreciate that most people’s circumstances and requirements change over time, so our processes are designed to take this into account. Our goal is to develop long-term relationships with our clients and we look forward to working with you now and in the future.

WHO WE ARE

Squirrel Financial Management Ltd for over ten years have been offering a first-classed, unbiased financial advice to a broad range of clients. Our focus is to build and maintain long-term relationships, and deliver a lifetime service. As a large IFA practice we are well placed in size and experience to be able to offer value and client focused solutions to every type of individual and business.

Each of our advisers has their own area of expertise, and this means that as a practice we are able to advise in every aspect of financial planning. With the number and type of advisers that form our team, we offer advice in areas such as retirement, investments, taxation and trusts, protection and mortgages.

We operate the company from a prestigious office and are contactable during normal office hours, or by using the contact form via our website at www.squirrelgroup.co.uk. Our website has a wealth of information and is continuously updated with information including tax tables and comparative “best product buy” information.

We are able provide you with regular newsletters, which will keep you informed about changes to legislation, new products and news that may affect or be of interest to you. From an environment point of view we would like to send these by email, however we can them by post if you do not access to the internet.

WHAT WE DO

Introduction

Squirrel Wealth Management Ltd’s primary objective is to ensure, wherever possible, that together, we achieve **your** objectives.

The purpose of this document is to outline the Financial Planning Process we can use with our clients, in some cases over many years, to achieve those objectives.

We endeavour to ensure that, wherever possible, our financial planning work is carried out to a consistent quality and that the Investment Solutions that underpin our advice are regularly reviewed to ensure their ongoing validity.

Our “**Absolute**” Financial Planning Process has been developed with reference to ‘best practice’ in the financial planning profession internationally and we seek to ensure that it is continuously reviewed and updated as the economic and financial world changes.

We aim to achieve a consistent quality in our financial planning work, and so the Core Solutions that underpin all our advice services are regularly reviewed to assess their ongoing validity.

We try to ensure that our clients receive the benefit of positive new developments while at the same time aiming to shield them from the many ‘financially fashionable’ trends that, we believe, can sometimes destroy as much wealth as they create.

We will set out the various factors we believe will prove important as we develop for our your Financial Plan and how, once established, we will work with you to ensure that this plan remains current and relevant to your circumstances.

We believe the factors of most importance are:

- **Your objectives**
- **Your tolerance to risk**
- **Your assumptions**
- **Your lifetime cash-flow requirements**

For our Absolute clients once we have mutual understanding and agreement on these factors, we will construct a financial plan, incorporating our recommended investment solutions, designed to help you meet those objectives.

In developing your Financial Plan we break the Financial Planning Process down into three main phases:

- The initial phase
- The implementation phase
- The review phase

Your Objectives

Most clients have vague objectives but have little appreciation of the likelihood of those objectives being achieved or, indeed, what would be considered a successful achievement.

Objectives are often generalised, for example: “I would like to enjoy a comfortable retirement”, “I want to ensure my estate is protected against Inheritance Tax” or “I would like to ensure my family is protected in the event of my death”.

Whilst indications of the objective, these statements fail to clearly establish the necessary detail and many people do not understand or appreciate the linkage between them.

For any planning to be effective we must fully understand your objectives and therefore will spend as long as it takes to identify exactly what you are looking to achieve. Your objectives need to be realistic and achievable. In the event there is a gap between what you want and what you can realistically achieve, we will discuss this with you and try to find a compromise.

The action necessary to achieve your objectives, once established, will take into account a number of assumptions about future economic circumstances and will also be influenced by our next topic, your tolerance to risk.

Your Tolerance to Risk

We consider one of the major risks to be a planning risk – not meeting your objectives. The more traditional view of risk – investment volatility – is also a major part of our investment process. In addition, we will seek to understand your attitude to risk in respect of catastrophe planning. We will review and agree the strategy you wish to pursue in the event of death, disability and the risk management of other unforeseen factors.

The attitude to investment risk is one of the most difficult areas to deal with effectively. Most people will want to take very little risk until they realise that this will generally result in the lowest returns. To assist us in this aspect of your affairs we use sophisticated risk profiling techniques which have been globally validated and shown to improve the level of understanding of this vital element of the planning process.

In order that we can use the results of this evaluation at the earliest time in our relationship you will be required to complete both our **Absolute Expenditure Questionnaire** and also our **Absolute Fact Find**, before your first meeting with us. The results of these questionnaires will be taken into account as we develop your plan and will also be used to ensure that our assumptions are in line with your own views.

Your Assumptions

In building a financial plan it is necessary to make a number of assumptions and these will have a significant impact on the final results. These will include:

- The likely rate of inflation

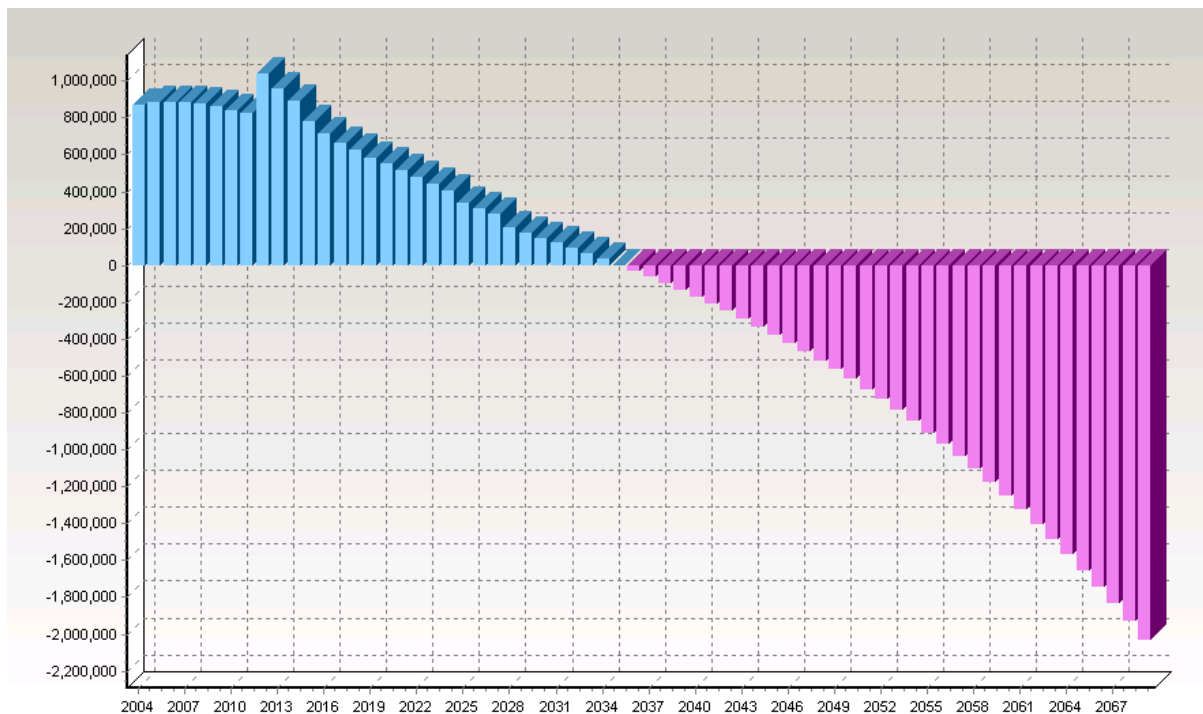
- The likely long term investment returns from different asset classes
- Interest rates and other assumptions

Once we have clarified all the detail we will be in a position to produce an initial Lifetime Cash Flow analysis.

Your Lifetime Cash-flow

In developing your financial plan we use the most up-to-date modelling tools to generate a Lifetime Cash Flow analysis. This enables us to develop and agree your overall long-term strategy while considering different scenarios, thereby giving much greater depth to a discussion about objectives than would usually be possible. Once completed, this analysis allows us to begin to build a required asset return rate and top-level asset allocation strategy to meet your objectives.

An example of the graphical illustration of this cash flow is shown below:



This graph shows how our client will have positive cash flow until 2012. At that point he will retire, receiving a substantial lump sum, but will then gradually erode his capital until 2035 when at the age of 82 he runs out of capital. Planning of this type and detail will allow our clients to avoid these problems. "Forewarned is forearmed" and appropriate action can be taken in the light of this knowledge to ensure a comfortable future.

HOW WE DO IT

The Initial Phase

During this period we will first obtain details of the financial institutions with which you have existing investments from you. We will gather as much information as possible, including important but small elements such as State Pension forecasts, to enable us to develop a Likely Outcome Report. From this starting point we will begin to explore the detail of your objectives and attitudes, spending as much time as is necessary on this stage of the process

since it forms the basis of all our future decisions and should be as close as is possible to the real situation.

Much of the planning work we undertake at this stage will be centred around *optimising* your current and projected assets, thereby ensuring they are as best placed as is possible to meet the projected future liabilities. In doing this, we employ a robust investment process, full details of which can be found in our “Investment Process” document. Once the Plan is mutually agreed, we will meet with you to discuss and agree the implementation of the recommendations.

The Implementation Phase

During this phase of our relationship we will put in place the arrangements we have proposed and agreed, transferring the necessary funds, plans and policies, applying for and progressing any life insurance or other risk based plans and finalising and implementing the investments. This process can take some time, and will culminate in an Implementation Report and meeting. Once all the detail has been finalised we will then move to the Review Phase of the relationship.

The Review Phase

As part of our normal service standards we provide an Interim Review at six months and a Full Review annually. At the Annual Review we would expect to meet with you, discuss relevant events in the previous year and realign/rebalance your portfolio, if necessary, in accordance with any changes in assumptions that the economic climate has necessitated. This annual process is effectively a repeat of the initial phase but, of course, it is much simpler and less time consuming as all the arrangements are now in place and organised. Your Adviser is, of course, always available to discuss any aspect of your affairs, if you wish to do so, at any time.

WHAT WE CHARGE

The attached “Fee Structure and Service Level” table in **appendix 1** outlines our various charging structures.


We are paid a commission by the fund managers to which we introduce our clients, or by the product provider where we recommend the application of products that confer certain tax advantages, such as ISA, SIPP and Investment Bonds or where we recommend insurance contracts for catastrophe planning. In each case the amount of commission payable to us is made clear on the documents you will need to agree and to sign before you make any commitment to proceed.

CONCLUSION

We hope that this Guide has provided you with enough information about our service and procedures to encourage you to meet with us, and be introduced to your prospective Adviser. At the very least we hope it will provide a basis for a discussion with you as to whether the service would be of benefit to you.

Please do not hesitate to contact us if you wish to discuss any aspect of this Guide or our service. We look forward to meeting you soon and hope we are able to develop our relationship over the long-term.

Appendix 1: Fee Structure and Service Levels

	Service	Typical Fee
<p><u>ABSOLUTE SERVICE</u></p> 	<p>Coordination of a clients total net worth to objectives. Includes risk assessment, liquidity planning, overlay management and generational planning. Liaison with other professional advisers and oversight of trust arrangements and tax planning.</p> <p>The Absolute Service is the process we use to identify, achieve and maintain your desired future lifestyle.</p>	
	Individual Financial Plan Fee	Up to £1,750 (Offset against implementation fee and client & portfolio management service fee if applicable)
	Implementation Fee	4%
	<p>Client & Portfolio Management Service Fee Annual rebalancing and review Six monthly review and valuation</p>	1%
<p>OAK SERVICE</p>	<p>Matching of financial arrangements with agreed objectives. Can be comprehensive or limited to specific areas such as retirement planning or risk management.</p>	
	Implementation Fee	4%
	<p>Client & Portfolio Management Service Fee Annual review Six monthly valuation</p>	1%
<p>ACORN SERVICE</p>	<p>Limited to specific area of advice (investment, tax planning, retirement)</p>	
	Implementation Fee	4%
	Annual Oversight Fee	0.5%



Squirrel Wealth Management Ltd is authorised and regulated by the Financial Services Authority. Company Registration Number 06237341. Company and registered address SQ2 House, 240b Lichfield

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