



“Our approach is designed to help our professional partners to strengthen their client relationships, through the provision of ethical, professional and informed Financial Planning and Advice services.

We understand your responsibilities under legislation such as the Trustee Act and ensure you always remain compliant.”

**Neil Bailey, Fortitude**

My client had received a large lump sum Personal Injury Settlement. He was advised by an IFA who recommended an investment strategy, and in turn, invested the money.

I had recently been appointed as the client’s Deputy and needed a second opinion on the portfolio. I wanted to confirm whether or not the investments were appropriate.

Unfortunately, due to the nature of my client’s injury, he does not expect to work again. This means the settlement must be managed so that he can maintain his financial independence, provide for his young family and fund his desired quality of life, including specialist care.

Neil from Fortitude reviewed the investment strategy. He identified that the portfolio had been constructed based on an unsophisticated assessment of my client’s risk tolerance (i.e. ticking a number on a scale of 1 to 10). No other factors appeared to have been considered when determining the mix of investments. The IFA had not looked at the risk required (i.e. to generate the returns needed to achieve his objectives) or risk capacity (i.e. how much his investments could fall, without compromising his goals).

The first step Neil took was to undertake a more robust risk profile

analysis, utilising a Lifetime Cashflow Model in order to establish the risk required and risk capacity.

Neil then examined the risks inherent within the existing investments. He discovered that the portfolio was much riskier than the client’s stated risk tolerance and questioned whether the degree of diversification was sufficient.

Without unwinding the existing investment wrappers (so as not to compromise my client’s tax position), Neil recommended a low cost asset class portfolio, making use of index tracker funds as appropriate.

My client’s investment portfolio is now properly diversified. The new strategy is not designed to achieve the highest investment returns possible, but instead generate the returns he requires to achieve his lifestyle goals and maintain financial independence with the least risk to the capital.

My client and I now have a much clearer understanding of the way in which the settlement will support his short, medium and long-term goals without compromising his financial independence.

I’m confident that the requirements of the Trustee Investment Act are being met, particularly the standard investment criteria of suitability and diversification.

Furthermore, the substantial reduction in investment costs (in terms of both product charges and adviser fees) means that more of the capital remains invested for the benefit of my client.

**To find out how Fortitude can help you achieve a “Life/Life” balance, call 01327 354321 to speak with a member of our team.**