

Defaqto Engage Income drawdown

Contents

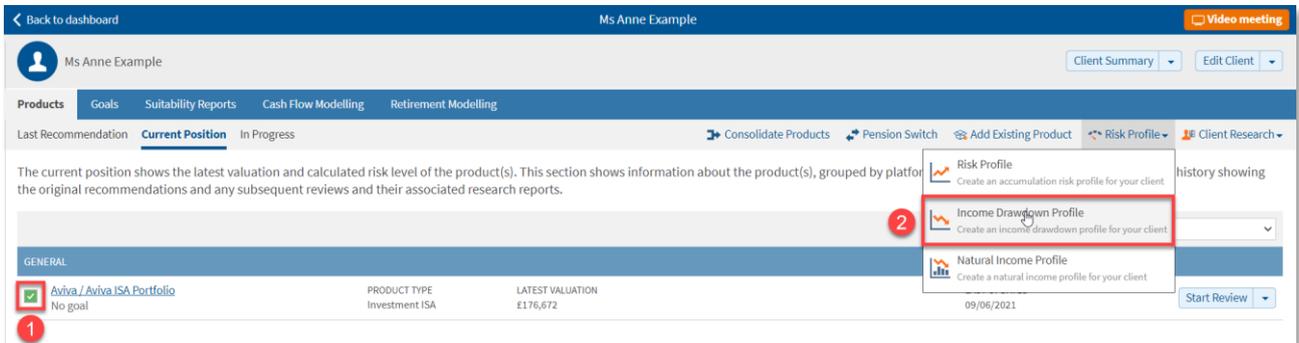
Contents	2
Getting started	3
Navigation.....	4
Attitude to risk questionnaire	4
Current investments.....	8
Profile analysis.....	11
Profile.....	11
Projection.....	12
Statistics.....	16
Agreeing the profile	18
Investment analysis.....	21
Overview.....	22
Current investments.....	23
Performance, asset allocation & data compare.....	33
Report.....	37
Suitability report.....	38
Select research.....	39
Customise report content.....	40
Suitability report	41
Execute	42
Execute	43
Review	44
Further help and support	44

Getting started

To get started, users can either select the 'Income Drawdown Profile' button under the 'Risk profile' dropdown, or by selecting 'Income Drawdown Profile' under the 'Client Research' button. Selecting either of these options will start the workflow.

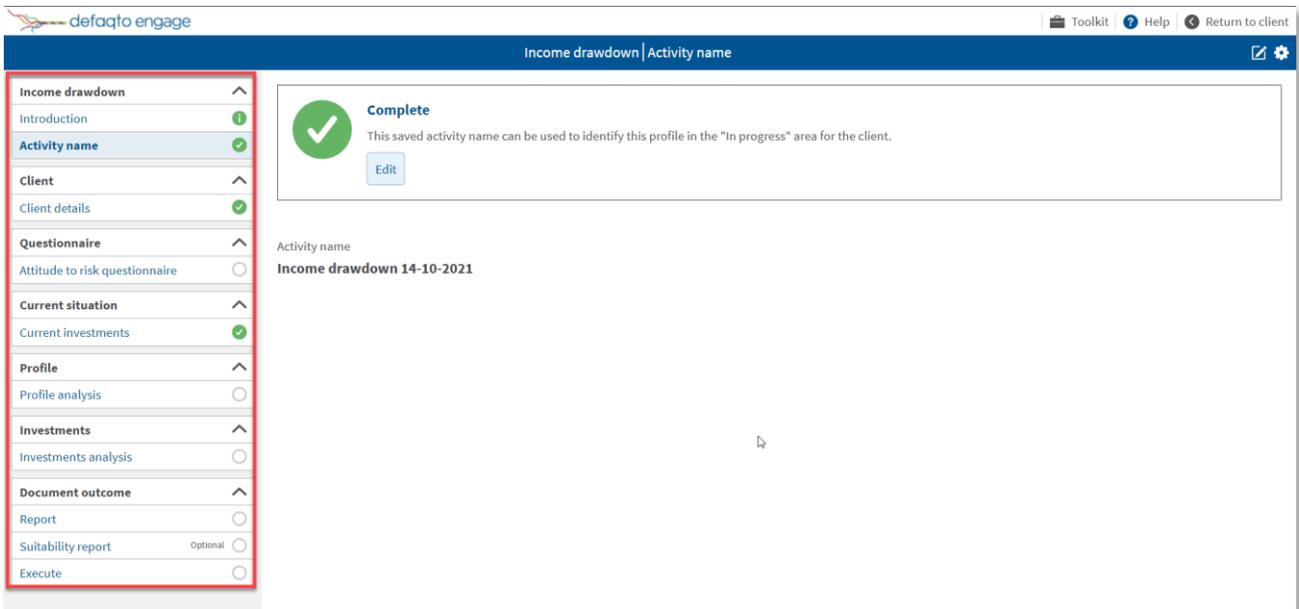


If the workflow is started with a client's existing plan(s) selected, it allows the user to incorporate the selected product(s) into the workflow.



Navigation

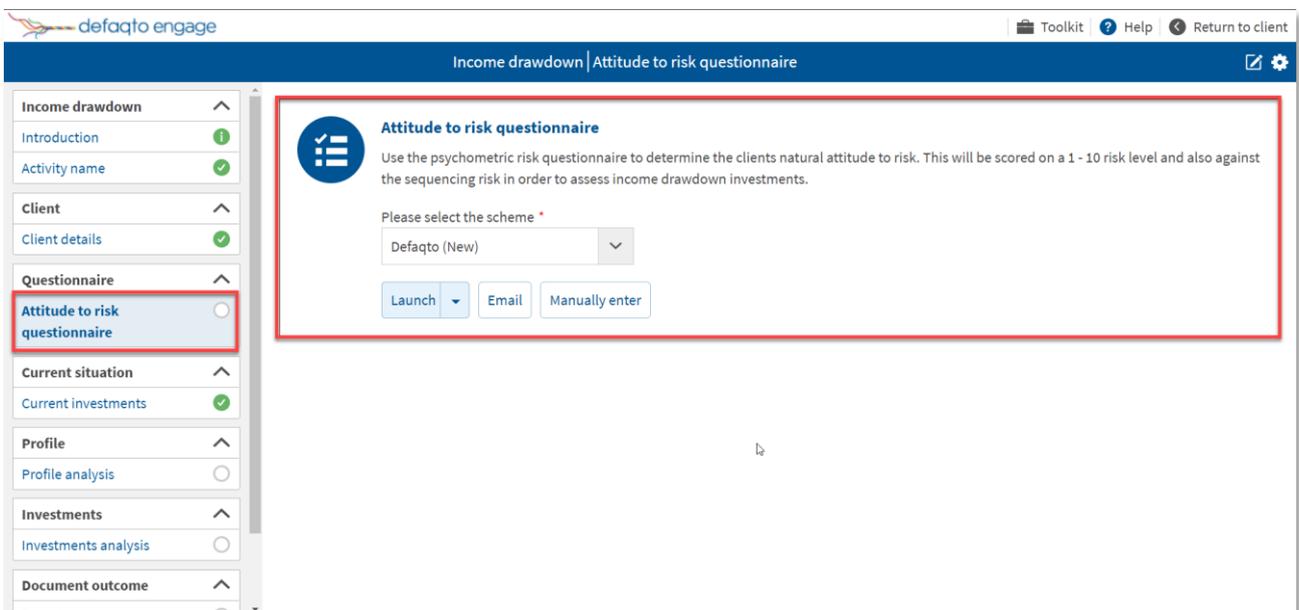
In order to successfully complete the workflow, you must navigate through the steps that control the hub.



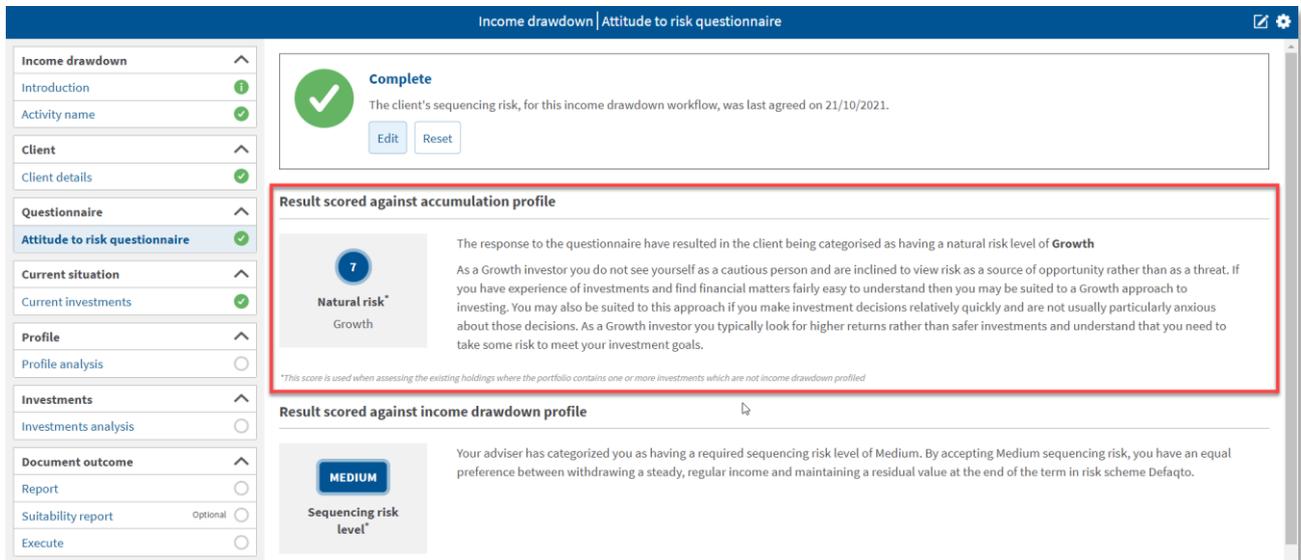
The first two steps of the hub are already completed, as the activity is automatically named and the client's details get pulled through from the editable client record. The user now moves to the third step of the hub by clicking 'Attitude to risk questionnaire'.

Attitude to risk questionnaire

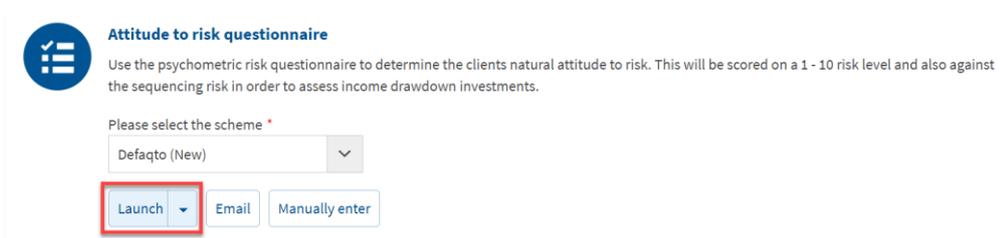
As risk profiling is a key element of the workflow, the user needs to assign the client an accumulation risk level from Defaqto's 1 to 10 risk scale.



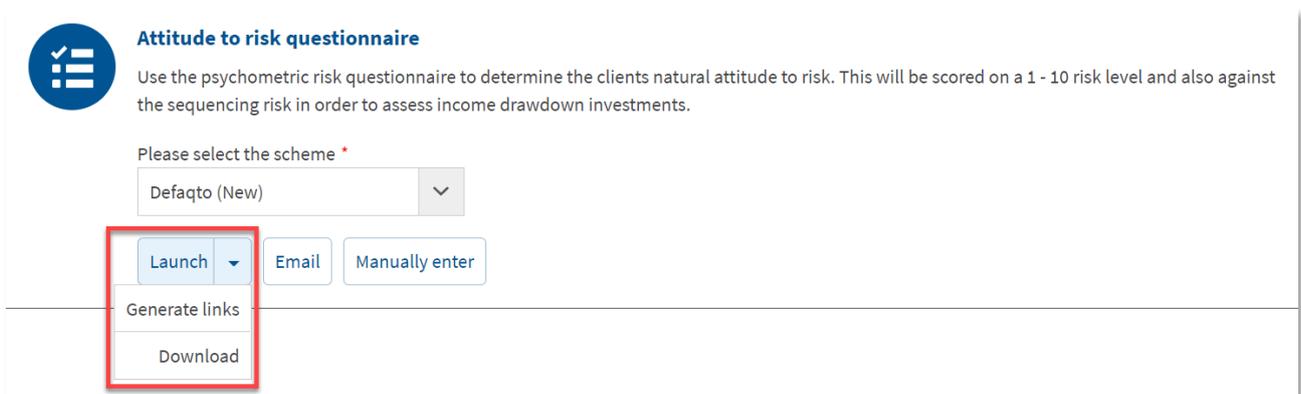
If a client already has an existing risk profile saved, it will automatically appear within this stage of the hub.



Alternatively, if an existing risk profile is not available, users can choose to launch the attitude to risk questionnaire.

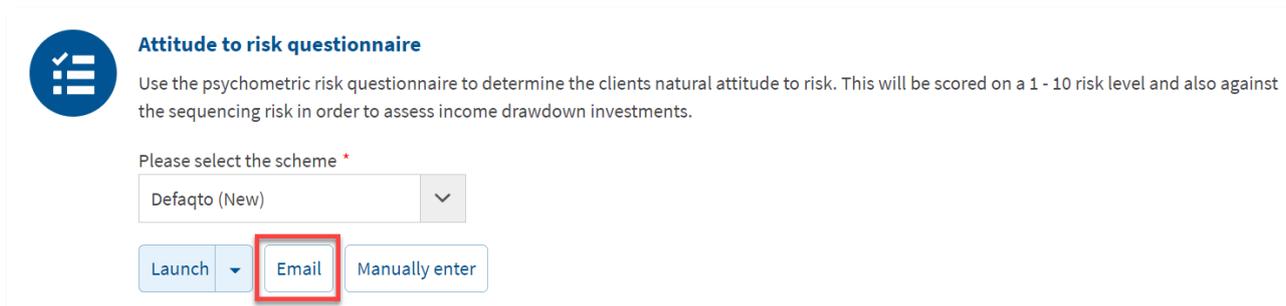


Download a copy of the questionnaire.



Or generate links to the questionnaire, which can be then copied and pasted into a user's own email.

The user can also choose to email the client directly from the software.



Attitude to risk questionnaire

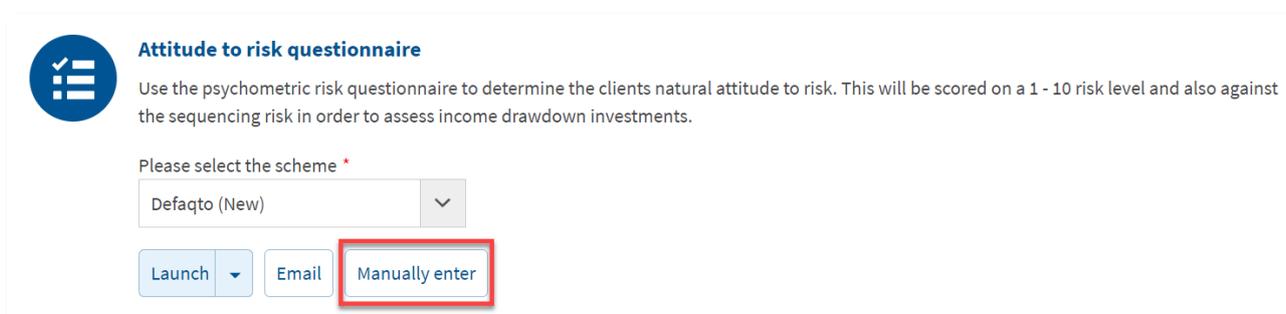
Use the psychometric risk questionnaire to determine the clients natural attitude to risk. This will be scored on a 1 - 10 risk level and also against the sequencing risk in order to assess income drawdown investments.

Please select the scheme *

Defaqto (New) ▼

Launch ▼ **Email** Manually enter

Or manually enter the client's agreed risk profile.



Attitude to risk questionnaire

Use the psychometric risk questionnaire to determine the clients natural attitude to risk. This will be scored on a 1 - 10 risk level and also against the sequencing risk in order to assess income drawdown investments.

Please select the scheme *

Defaqto (New) ▼

Launch ▼ Email **Manually enter**

For the purposes of this guide, the risk level will be entered manually.

Once a risk level has been agreed, the workflow will automatically map it to a new 'Sequencing risk level'. This will be used in later steps of the hub to project the probability of how long your client's income will last and help the user select a suitable investment.

Sequencing risk is described as follows in the income drawdown profile report:

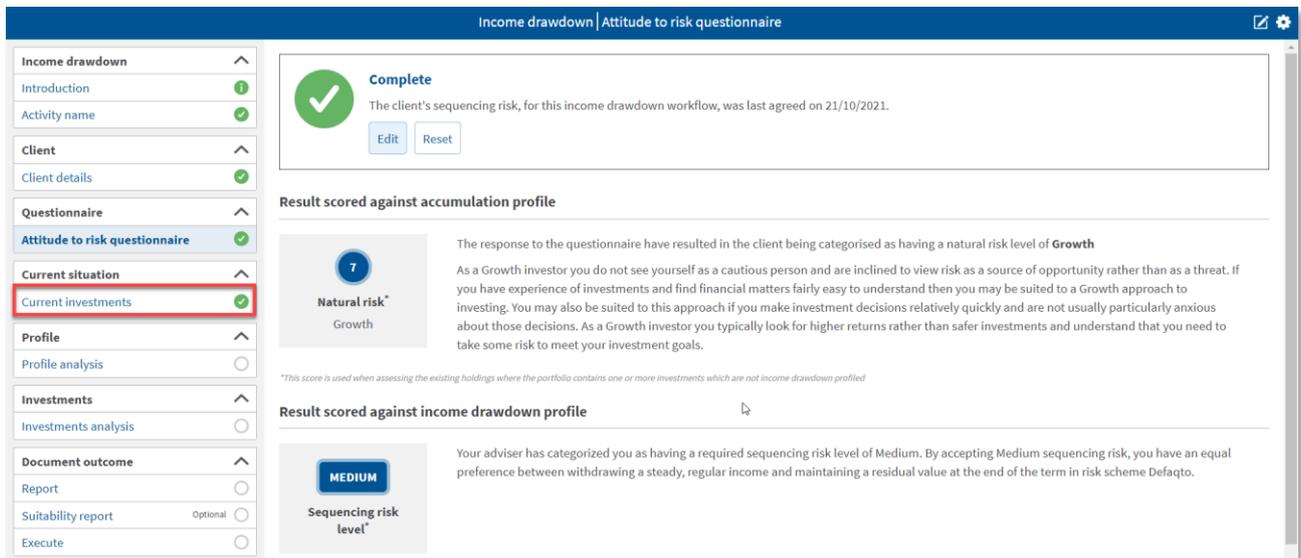
'One of the biggest dangers to people's retirement pots is the impact of so-called 'pound-cost ravaging'. The term describes the negative effect of ambitious regular withdrawals if they are made after markets have fallen. Ways in which investors may reduce their exposure to this are:

- *Reduce the withdrawal amount - Though this would not suit many investors who are looking to maximise their withdrawal amount to something that is sustainable to last the duration of their withdrawal horizon*
- *Income drawdown summary report - This is achieved by constructing or selecting portfolios that have a lower risk of a 'black swan' or 'tail' event in poor market conditions'*

The mapping of each accumulation risk level is as follows:

Defaqto risk level	Sequencing risk level	Definition
Risk profiles 2 to 4	Low sequencing risk	By accepting low sequencing risk, you have a higher preference for withdrawing a steady, regular income with the possibility of a lower residual value at the end of the term.
Risk profiles 5 to 7	Medium sequencing risk	By accepting medium sequencing risk, you have an equal preference between withdrawing a steady, regular income and maintaining a residual value at the end of the term.
Risk profiles 8 to 10	High sequencing risk	By accepting high sequencing risk, you have a lower preference for withdrawing a steady, regular income in return for the possibility of a higher residual value at the end of the term.

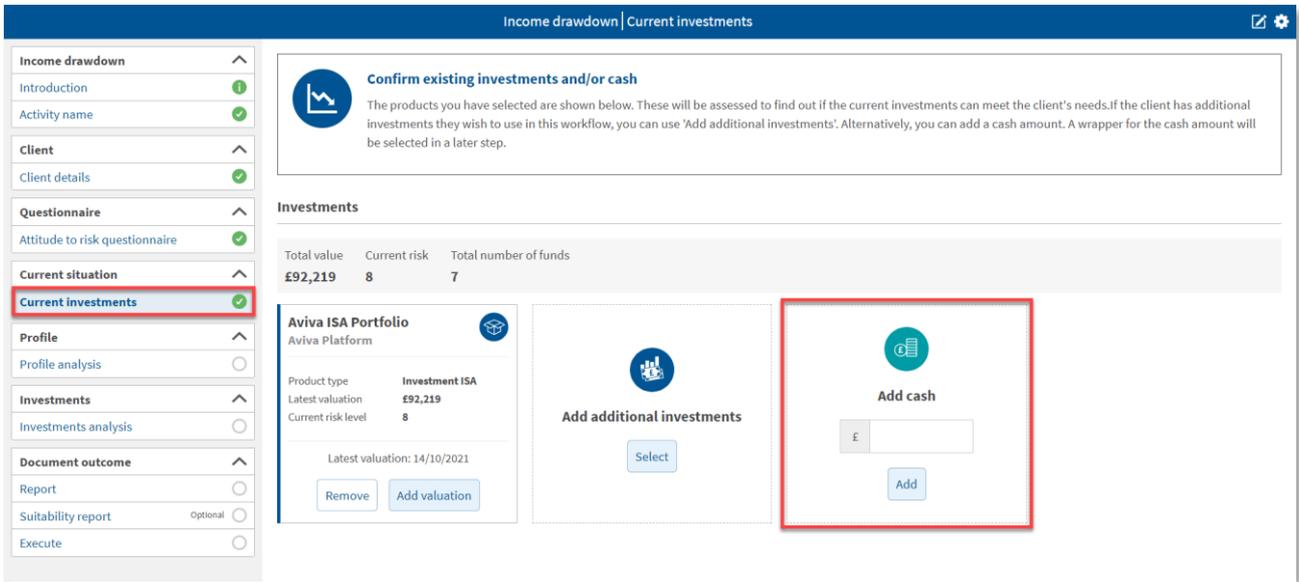
Once a client's accumulation risk level and associated 'Sequencing risk level' have been agreed, the user moves to the 'Current investments' stage of the hub.



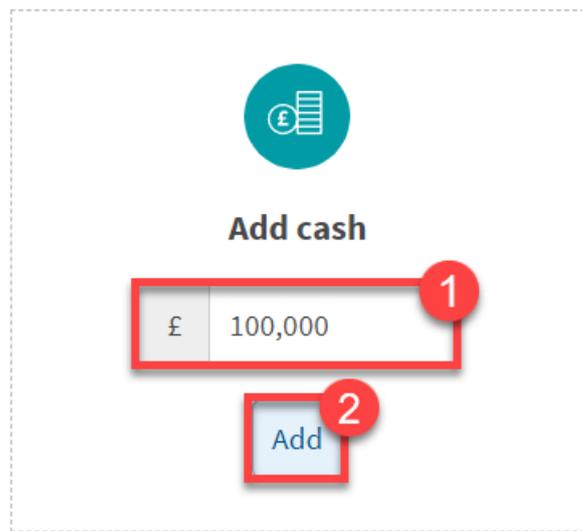
'Current investments' can only be accessed once the 'Attitude to risk questionnaire' step has been successfully completed.

Current investments

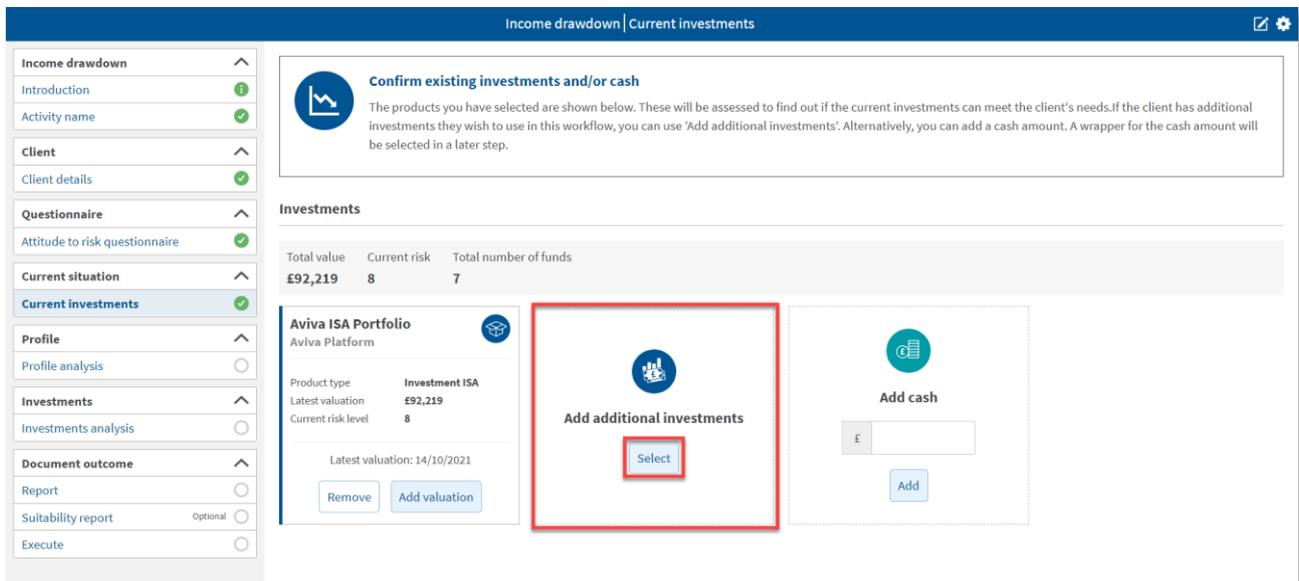
Users now have the opportunity to add a cash lump sum. This figure represents the pot of money the client will be drawing their income from.



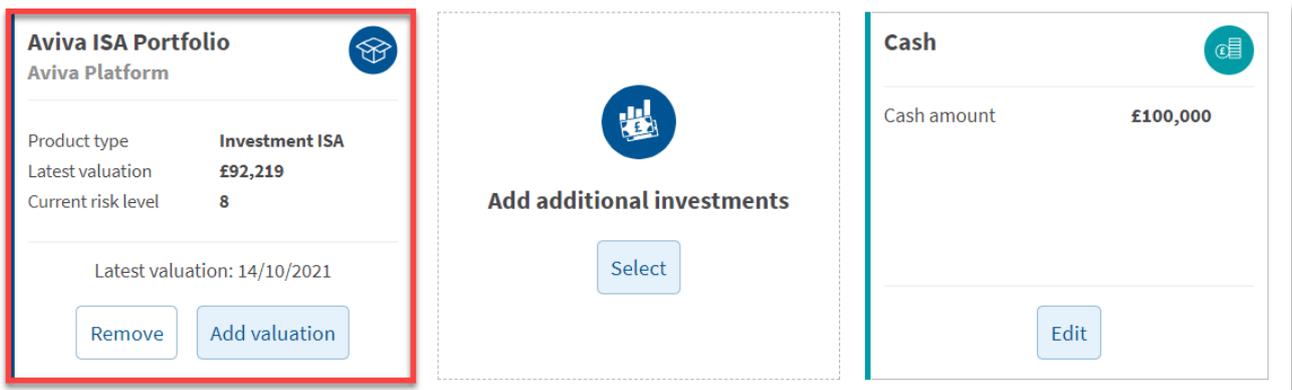
The user enters the amount of cash the client wishes to invest and clicks 'Add'.



Users can now add any existing products that are not already on Engage, or were not selected to be included in the drawdown.



If any of the client's existing plans were selected prior to starting the workflow, they will automatically appear alongside any entered cash lump sum.



The system will display the combined total value of the client's portfolio, along with their risk level and if applicable, the number of funds in the portfolio.

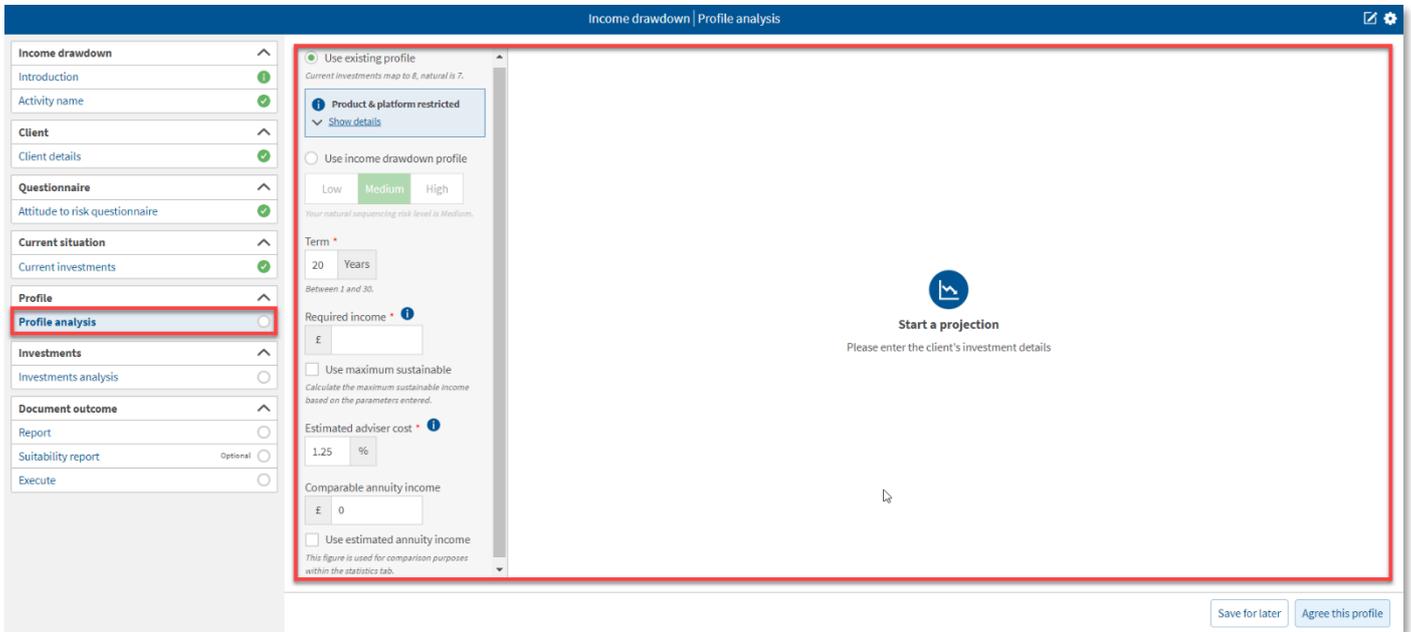
Total value	Current risk	Total number of funds
£192,219	8	7

Users will be able to research and recommend a Profiled Income drawdown investment using the client's current investments and cash lump sum in the 'Investment Analysis' step of the hub.

In order to progress to the 'Profile analysis' step of the hub, a user must have either added an existing investment or a cash lump sum. They will also have had to complete the 'Attitude to risk questionnaire' step of the hub.

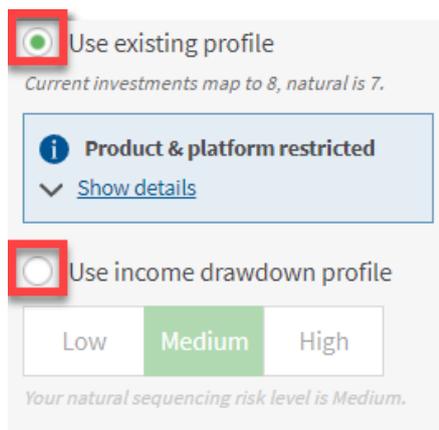
Profile analysis

This step of the hub allows a user to create a stochastic projection that shows the likelihood of the client's investment being able to provide the required level of income over the specified term.



Profile

The user first must decide which profile they wish to base their projection on.



The profile defaults to either the accumulation risk level of the client's existing investments, or their natural sequencing risk level if no existing investments are present. If no existing investments have been entered, the accumulation risk level is unavailable. When applicable, the radio buttons allow the user to switch between profiles.

Note - If a user chooses to use their client's accumulation risk profile, they will be limited to only use their client's existing product/platform for fund selection.

Term *
 Years
Between 1 and 30.

Required income * i

Use maximum sustainable
Calculate the maximum sustainable income based on the parameters entered.

Estimated adviser cost * i
 %

Comparable annuity income

Use estimated annuity income
This figure is used for comparison purposes within the statistics tab.

Once the profile has been selected, the user needs to enter the investment term (any figure between 1 and 30 years), followed by the amount of income the client wishes to drawdown each year.

The projection will calculate the maximum level of sustainable income the client could take if they wanted to reduce the value of the investment down to zero by the end of the term. By clicking 'Use maximum sustainable' the projection will be based on this figure.

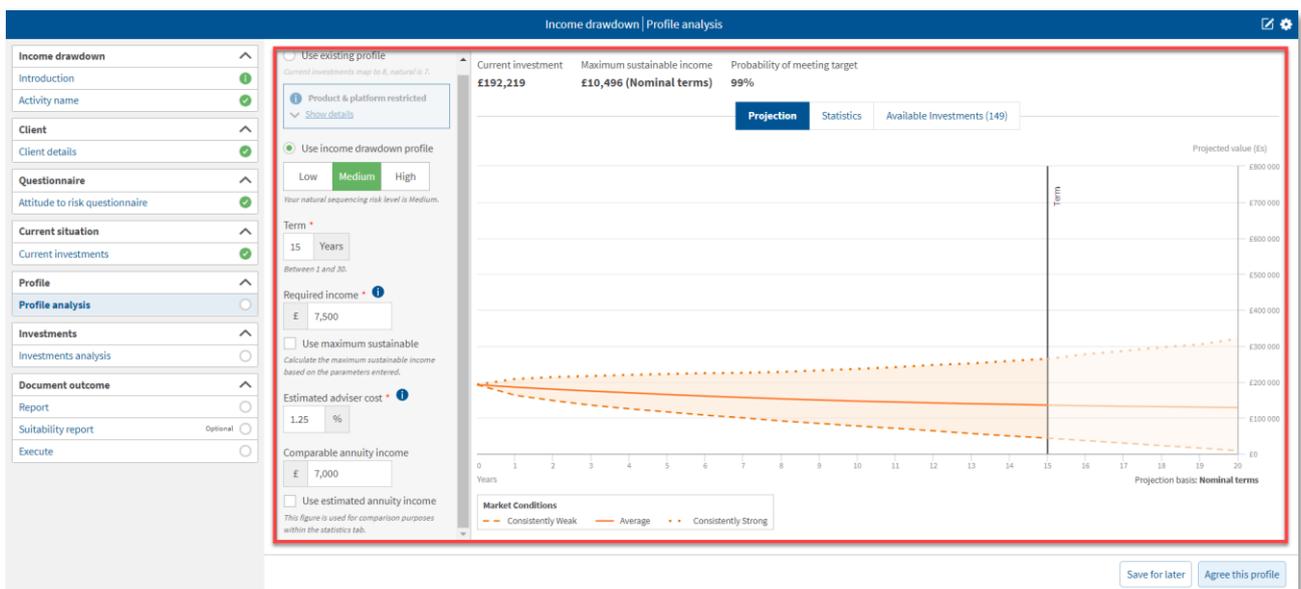
The projection automatically includes a default investment charge of 1.2%. The user can now add in their combined adviser fee and estimated wrapper/platform charge.

The user is now given the option of entering a figure into 'Comparable annuity income', allowing the comparison of a competing annuity product

The user is able to explore the impact of selecting alternative sequencing risk profiles has on the projection. Once the user inputs all the required data, a projection will be generated for the selected profile.

Projection

To create the projection, the software uses an asset allocation that matches the clients selected profile. It also considers the sequencing risk, term, and level of income the client requires. This is then passed to the projection engine to generate a graph.



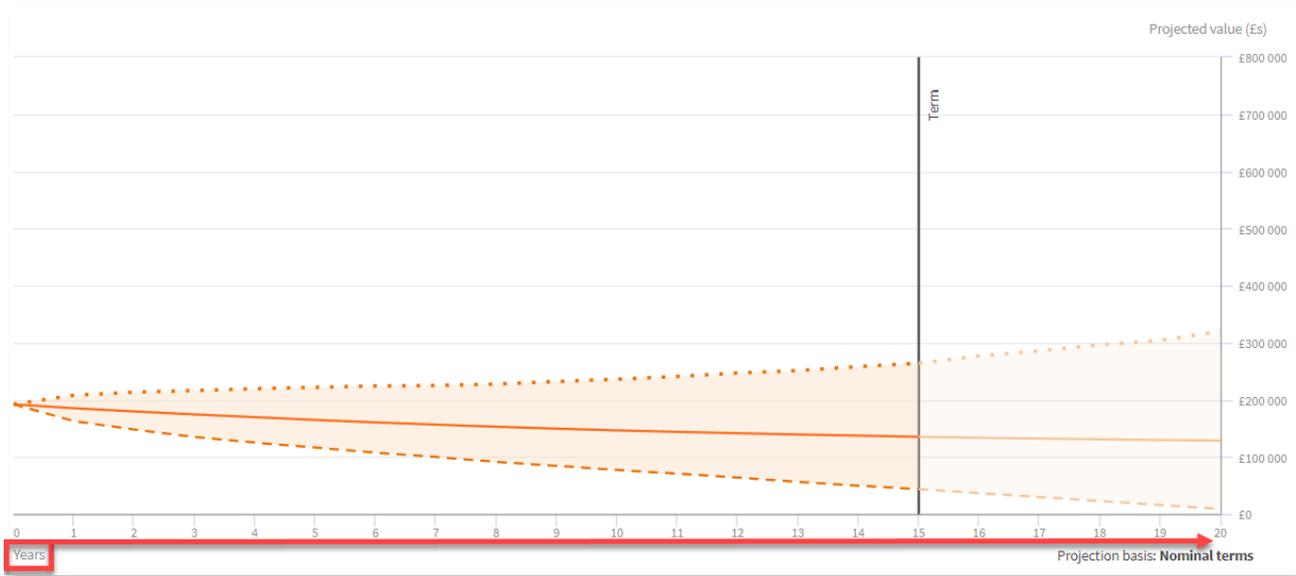
The graph shows the likelihood of the client's investment lasting the full term before the investment amount is depleted.

The graph displays three lines that represent the value of your client's investment under different market conditions. These are:

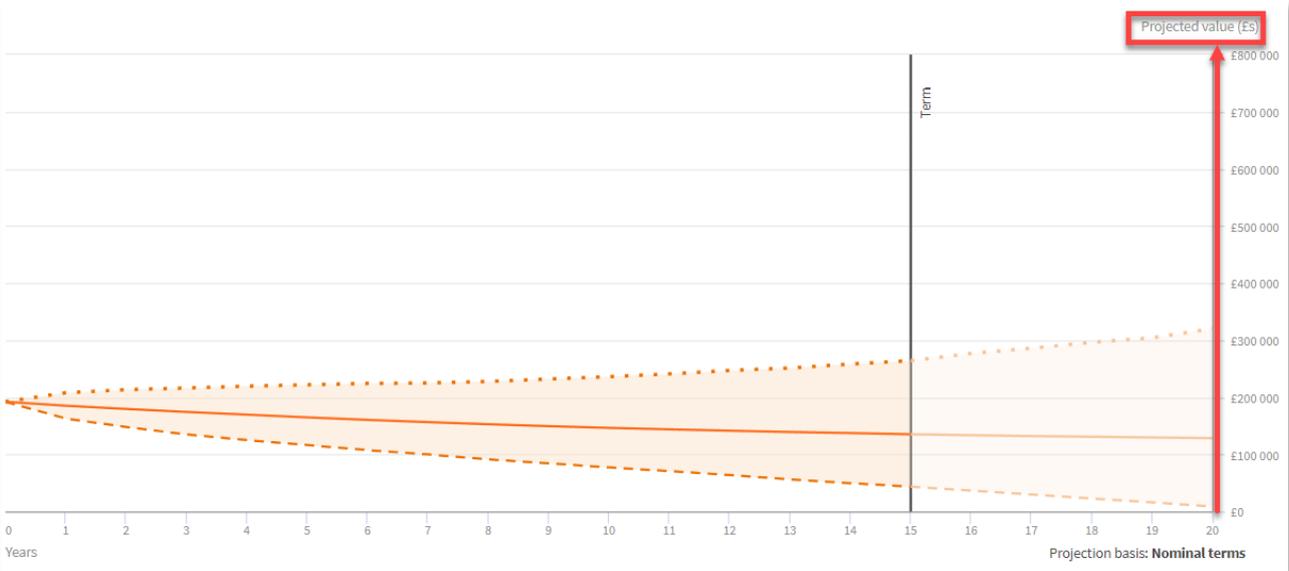
Market Conditions

- - - Consistently Weak
 — Average
 . . . Consistently Strong

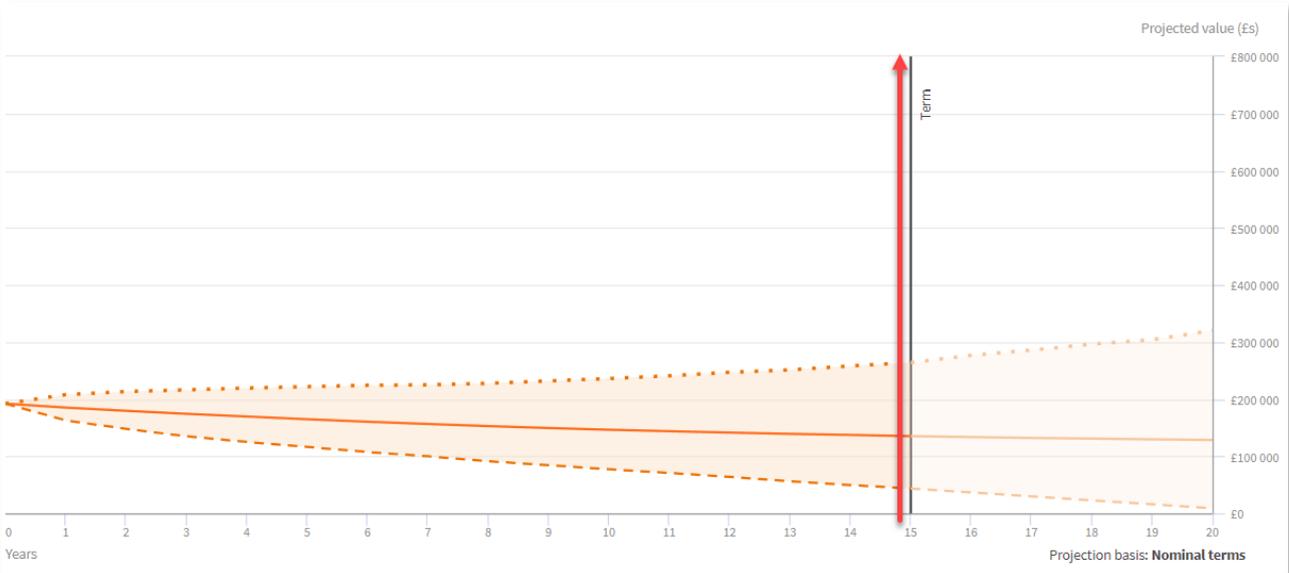
The x-axis represents the desired investment term. If the term is longer than 10 years, an additional five years are added to indicate the value of the investment following the completion of the term.



The y-axis displays the largest remaining balance of the investment at the end of the term and again will add an additional five years to the projection if the term is longer than 10 years. This projection is designed to be interactive, so the user can see the impact of how the graph changes when different profiles are selected.



The profile is only considered successful if the 'Consistently Weak' line lasts the entire length of the investment term.



The projection defaults to show in nominal terms but this can be changed to real terms by the user clicking on the settings cog.



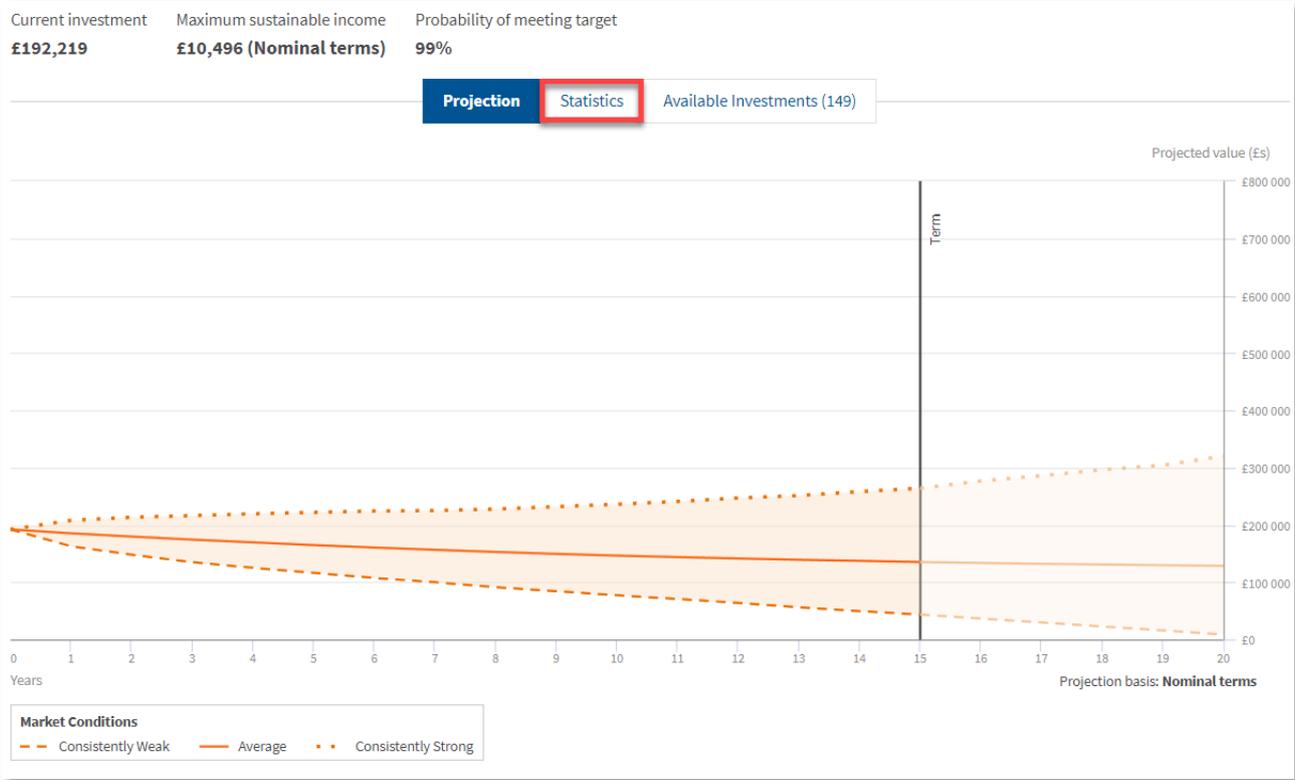
By doing so, a user can select 'Real' and click 'Save'

The user can also amend the Annuity establishment fee here

The screenshot shows a 'Hub Settings' form with a blue header. Below the header, there is a section titled 'Projected values' with two buttons: 'Real' and 'Nominal'. The 'Nominal' button is highlighted in green. Below this, there is a field for 'Annuity establishment fee *' with a text input containing '4' and a percentage sign '%'. A red arrow points to the '4' in the input field. At the bottom right of the form, there are two buttons: 'Close' and 'Save'. The 'Save' button is highlighted with a red border.

Statistics

The statistics tab within profile analysis allows the user to compare data on each available profile.



When a user has specified their client requires a specific level of income, the below table is displayed.

	Selected profile				
	Risk level 8	Low sequencing risk	Medium sequencing risk	High sequencing risk	Comparable Annuity
Exhaustion year	17 Meets term	20+ Meets term	20+ Meets term	19 Meets term	N/A Life annuity
Annual income (nominal terms)	£7,500	£7,500	£7,500	£7,500	£7,000
Mean balance after 8 years (nominal terms)	£182,969	£132,541	£152,874	£169,150	-
Mean balance after 12 years (nominal terms)	£192,361	£108,917	£141,498	£168,343	-
In the event of a 1 in 20 year poor return, you could reduce your income to meet the term by	£683 per year	£0 per year	£0 per year	£1,014 per year	£0 per year
In the event of a 1 in 20 year poor return, you could stop drawing income to meet term by	1 year and 7 months	0 month	0 month	2 years and 3 months	0 month
In the event of a 1 in 20 year poor return, the term could reduce by	12 months	1 year and 4 months	1 year and 3 months	12 months	0 month

When a user has specified their client wishes to take the maximum level of sustainable income available, the below table is displayed.

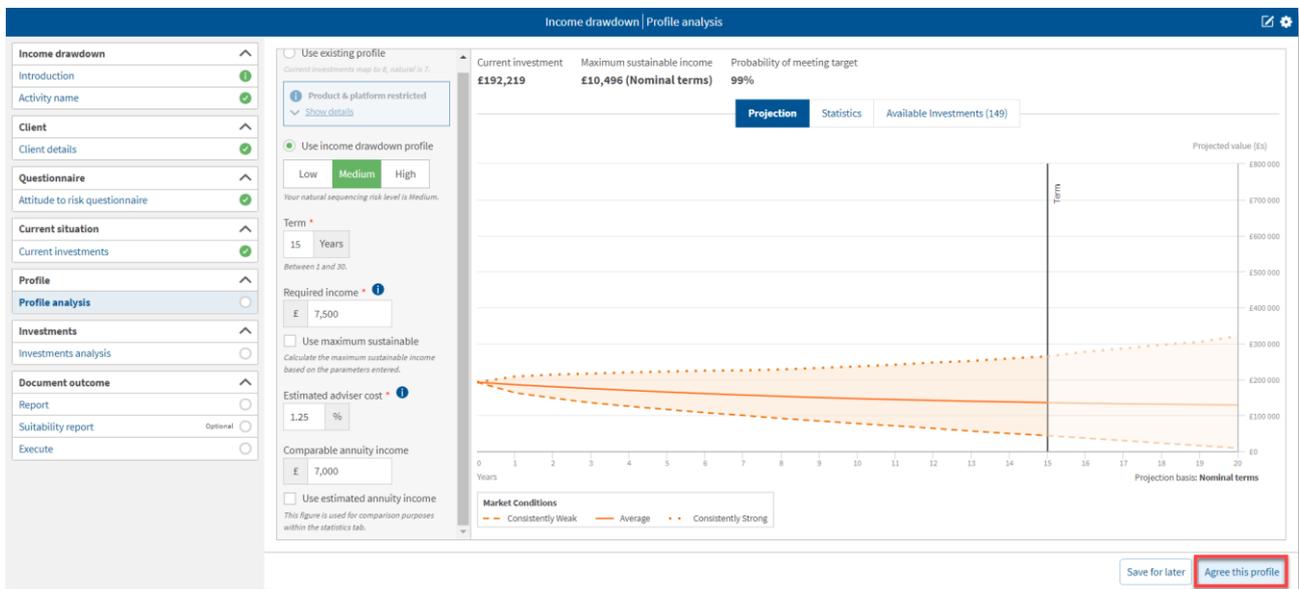
	Selected profile				
	Risk level 8	Low sequencing risk	Medium sequencing risk	High sequencing risk	Comparable Annuity
Annual income (nominal terms)	£8,789	£11,156	£10,496	£9,646	£7,000
Mean balance after 8 years (nominal terms)	£170,653	£102,831	£126,701	£149,437	-
Mean balance after 12 years (nominal terms)	£171,225	£62,302	£98,637	£135,209	-
In the event of a 1 in 20 year poor return, you could reduce your income to meet the term by	£2,020 per year	£1,544 per year	£2,521 per year	£3,235 per year	£0 per year
In the event of a 1 in 20 year poor return, you could stop drawing income to meet term by	3 years and 8 months	2 years and 1 month	3 years and 9 months	5 years and 2 months	0 month
In the event of a 1 in 20 year poor return, the term could reduce by	11 months	12 months	10 months	9 months	0 month

The data points displayed within each table are explained below:

- *Annual income* - This only shows if the user has selected 'Use maximum sustainable'. For each of the profiles, the maximum sustainable level of income is displayed
- *Exhaustion year* - This is only shown if the user has input a specific income amount. For each available profile, a user can see the number of years the specified income will last for and whether that meets the specified term or not
- *Mean balance* - The average balance remaining at 50% and 80% of the investment term
- *In the event of a 1 in 20 year poor return, you could reduce your income to meet the term by* - This is how much the client could reduce their income by in order to meet the term, assuming a catastrophic loss occurs in the first year
- *In the event of a 1 in 20 year poor return, you could stop drawing income to meet the term* - This indicates the number of years the client will have to stop taking income before starting again, in order to meet the term. This is assuming a catastrophic loss occurs in the first year
- *In the event of a 1 in 20 year poor return, the term could reduce by* - this is the number of years the client will have to reduce their term by in order to meet the annual income requirement

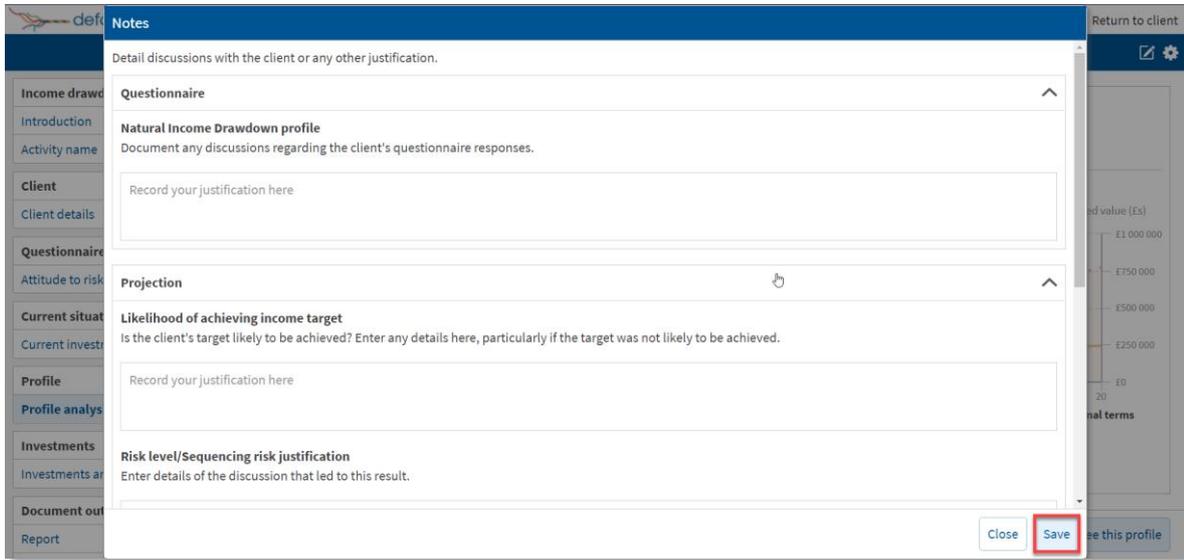
Agreeing the profile

If a user wishes to save their progress in the hub, they can click 'Save for later' and return to the client record.

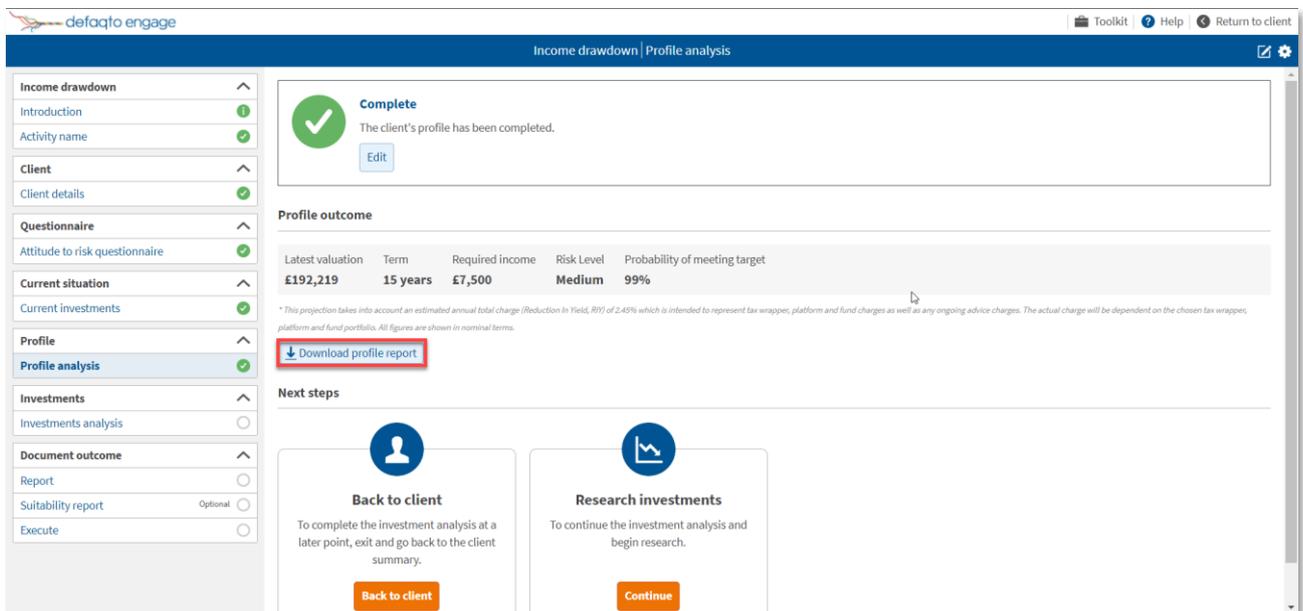


Once a user has decided which profile they wish to proceed with, they need to select 'Agree this profile'.

The user is then invited to add supplementary notes to support their recommended profile.



By clicking 'Save', the notes are added to the 'Income drawdown profile' report.



The user is then shown a high-level summary of the agreed profile, which also allows the user to download the profile report. Users can also edit the agreed profile.



Note - Where the user edits the profile having completed subsequent steps, all those steps will be reset and any associated reports will be discarded.

Users can also return to the client record or start their investment analysis.

Next steps



Back to client

To complete the investment analysis at a later point, exit and go back to the client summary.

[Back to client](#)



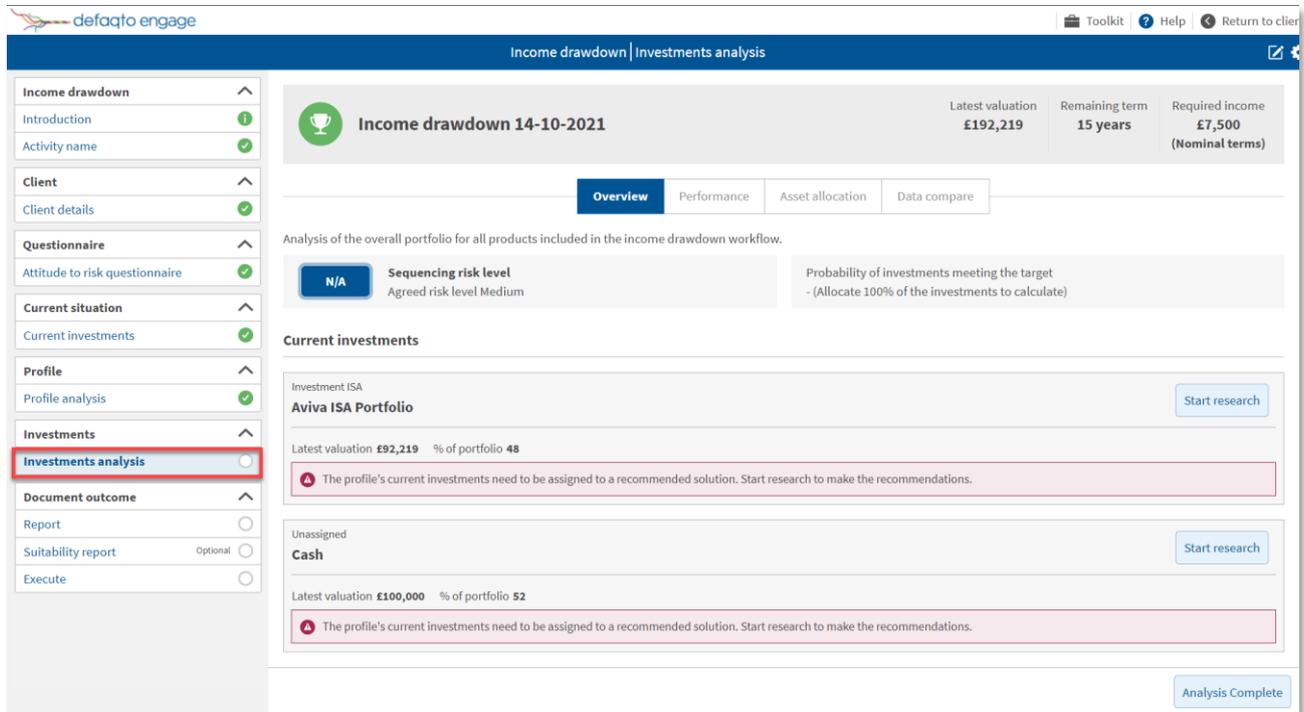
Research investments

To continue the investment analysis and begin research.

[Continue](#)

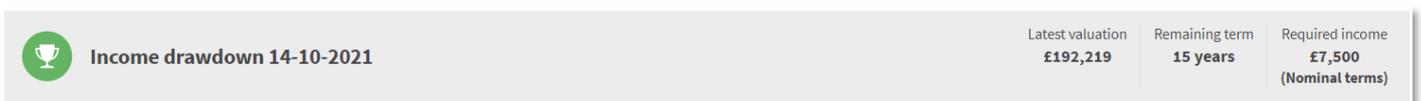
Investment analysis

The next step of the hub is 'Investment analysis'.



This step provides an overview of the client's mandate and gives users the ability to research products, platforms and investments that have been profiled to ensure they can meet the client's income requirements.

The summary displays the latest valuation, the remaining years of the term and the client's required level of income.



Overview

The overview tab shows the name of the selected profile and displays the probability of the investment maintaining the required level of income.

Overview	Performance	Asset allocation	Data compare
-----------------	-------------	------------------	--------------

Analysis of the overall portfolio for all products included in the income drawdown workflow.

N/A	Sequencing risk level Agreed risk level Medium	Probability of investments meeting the target - (Allocate 100% of the investments to calculate)
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Both data points will become available when the user has either decided to use their client's existing accumulation risk level or has recommended a new investment and allocated 100% of the portfolio.

Current investments

'Current investments' displays the value of any existing products that were added and how much of the overall portfolio it represents.

Current investments

Investment ISA Aviva ISA Portfolio	Start research
Latest valuation £92,219 % of portfolio 48	
<p>⚠ The profile's current investments need to be assigned to a recommended solution. Start research to make the recommendations.</p>	
Unassigned Cash	Start research
Latest valuation £100,000 % of portfolio 52	
<p>⚠ The profile's current investments need to be assigned to a recommended solution. Start research to make the recommendations.</p>	

Any cash lump sums that were added are also included.

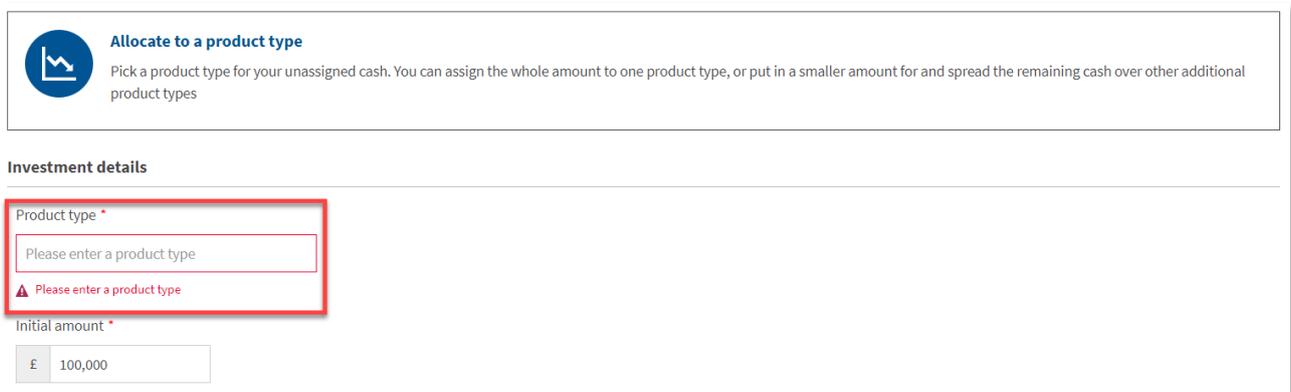
When a new Sequencing risk profile has been selected, users are required to conduct research to identify a new Profiled income drawdown investment for any cash lump sum and existing investments. This is achieved by clicking 'Start research'.

Note - If a user has decided to use their client's accumulation risk level and keep their client invested in their existing investment, this step can be ignored and click 'Analysis Complete'.

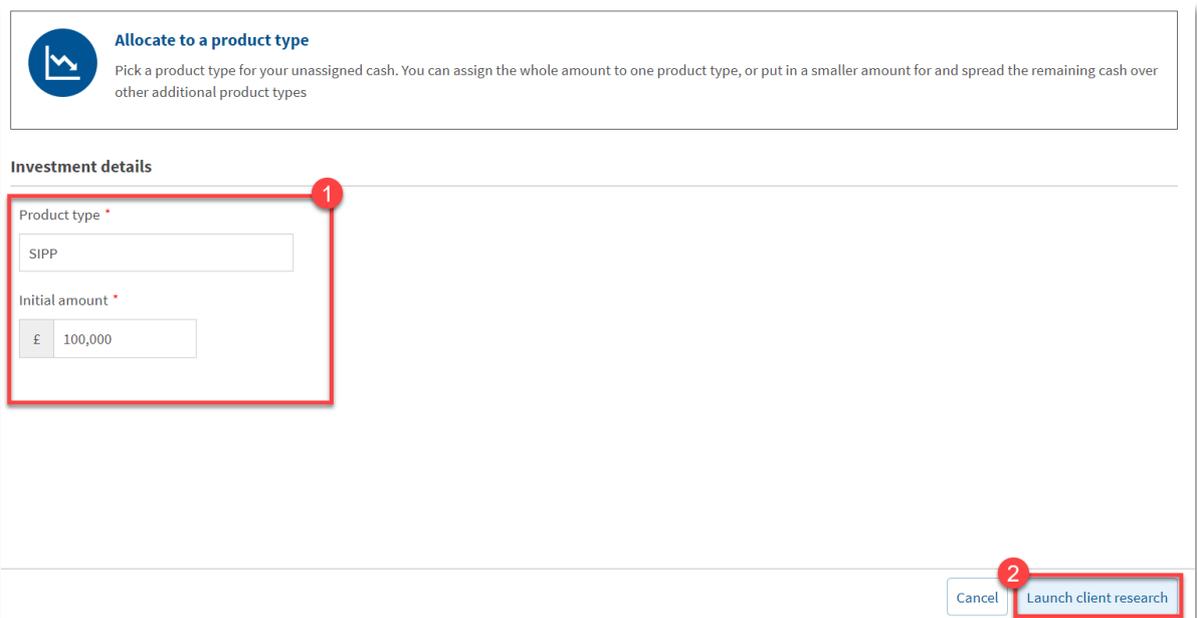


For an existing product, the user can select funds within the existing product type.

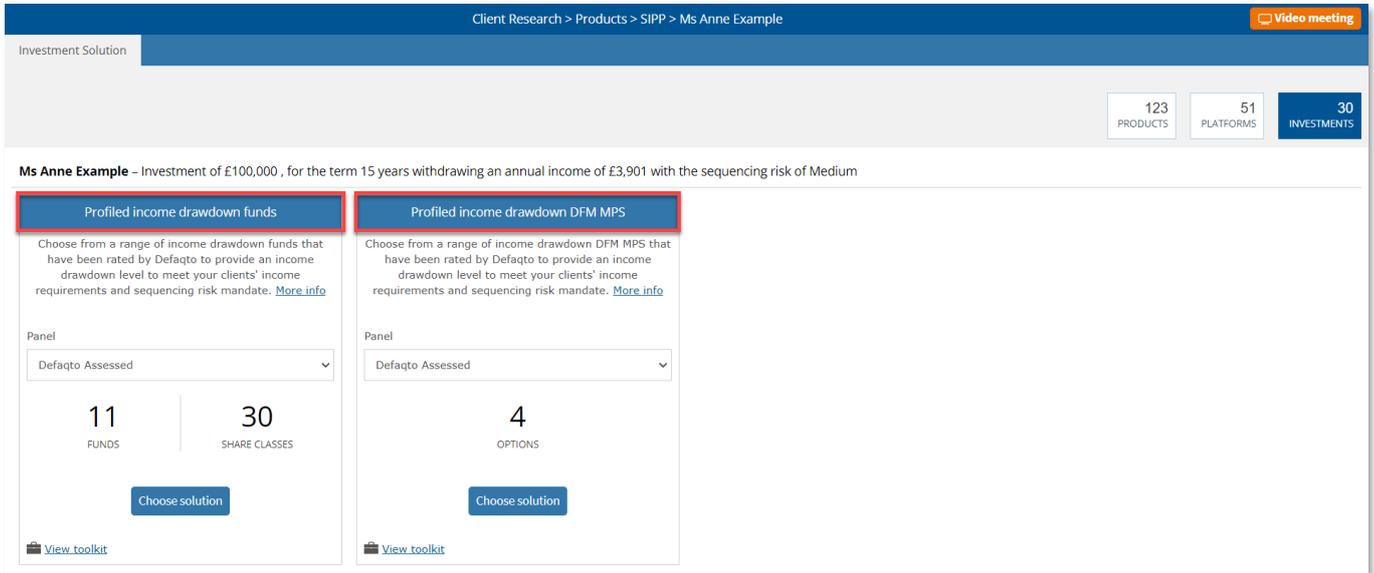
To assign cash to a product, the user clicks into the 'Product type' dropdown, the user selects the tax wrapper they wish to link to their new investment and adjust the investment amount.

A screenshot of a web form titled "Allocate to a product type". At the top left is a blue circular icon with a white line graph. To its right is the title "Allocate to a product type" and a subtitle: "Pick a product type for your unassigned cash. You can assign the whole amount to one product type, or put in a smaller amount for and spread the remaining cash over other additional product types". Below this is a section titled "Investment details". It contains a "Product type" dropdown menu with a red border and a red error message below it: "Please enter a product type". Below that is an "Initial amount" field with a currency selector set to "£" and the value "100,000".

Once the product type has been selected, click 'Launch client research'.

A screenshot of the same "Allocate to a product type" form. The "Product type" dropdown now has "SIPP" selected. A red box with a "1" in a red circle highlights the dropdown and the "Initial amount" field. At the bottom right, there are two buttons: "Cancel" and "Launch client research". A red box with a "2" in a red circle highlights the "Launch client research" button.

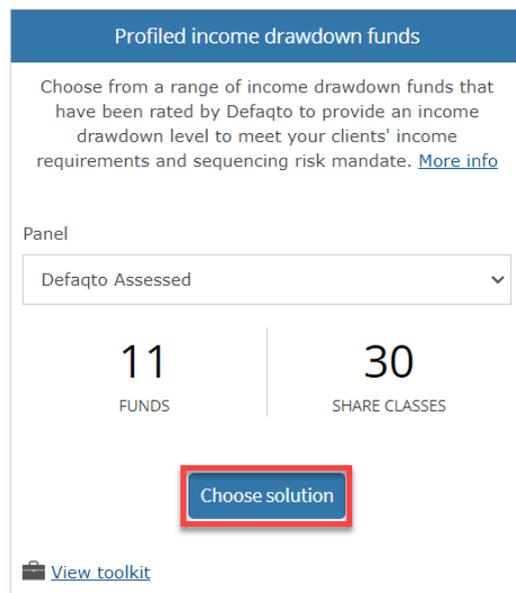
If a sequencing risk profile has been selected, users are presented with two 'Income Drawdown' profiled investment workflows. If a user has chosen an accumulation risk profile, they will arrive in the 'Portfolio' screen, under the 'Manual' fund workflow. No product or platform recommendation will show, as this is already captured in the background and the emphasis of the research is on a possible fund switch, rather than a product or platform switch.



The screenshot shows a web interface for 'Client Research > Products > SIPP > Ms Anne Example'. At the top right, there is a 'Video meeting' button and three summary boxes: '123 PRODUCTS', '51 PLATFORMS', and '30 INVESTMENTS'. Below this, the client details are shown: 'Ms Anne Example - Investment of £100,000, for the term 15 years withdrawing an annual income of £3,901 with the sequencing risk of Medium'. Two workflow cards are displayed side-by-side:

- Profiled income drawdown funds:** Includes a description, a 'Panel' dropdown set to 'Defaqto Assessed', and counts of '11 FUNDS' and '30 SHARE CLASSES'. A 'Choose solution' button is at the bottom.
- Profiled income drawdown DFM MPS:** Includes a description, a 'Panel' dropdown set to 'Defaqto Assessed', and a count of '4 OPTIONS'. A 'Choose solution' button is at the bottom.

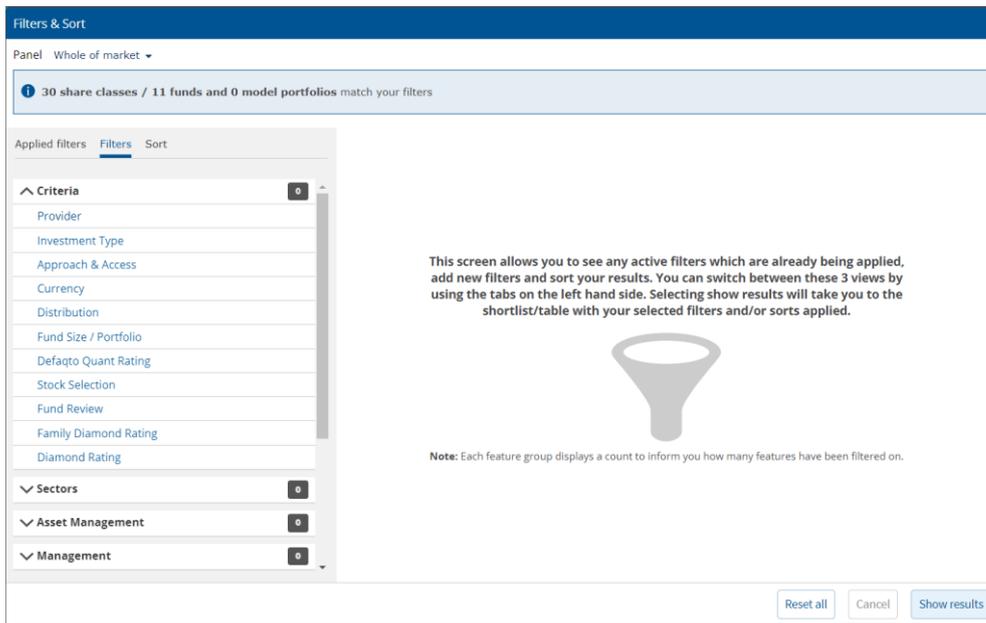
The funds and DFM MPS contained within each workflow have been specifically profiled to ensure they meet the client's income requirements over the specified term.



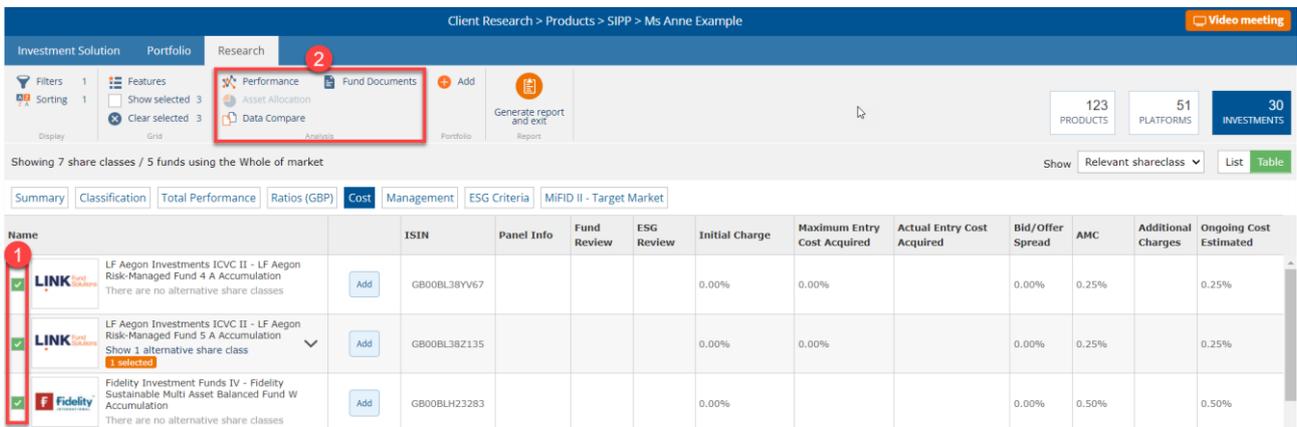
This is a close-up of the 'Profiled income drawdown funds' workflow card. It features the same text and layout as seen in the screenshot above, but with a red box highlighting the 'Choose solution' button at the bottom center.

To get started, click 'Choose solution' under the desired workflow.

Users can now start to apply filters and sorts to create a shortlist.



Once a shortlist has been created, users can select and analyse funds.



Users can add a single fund to the 'Portfolio' screen by clicking the 'Add' button' next to the fund name.



Client Research > Products > SIPP > Ms Anne Example Video meeting

Investment Solution | Portfolio | Research

Filters 1 | Sorting 1 | Features: Show selected 3, Clear selected 3 | Performance | Fund Documents **Add** | Generate report and exit

123 PRODUCTS | 51 PLATFORMS | 30 INVESTMENTS

Showing 7 share classes / 5 funds using the Whole of market

Summary | Classification | Total Performance | Ratios (GBP) | **Cost** | Management | ESG Criteria | MiFID II - Target Market

Name	ISIN	Panel Info	Fund Review	ESG Review	Initial Charge	Maximum Entry Cost Acquired	Actual Entry Cost Acquired	Bid/Offer Spread	AMC	Additional Charges	Ongoing Cost Estimated
 LF Aegon Investments ICVC II - LF Aegon Risk-Managed Fund 4 A Accumulation There are no alternative share classes	GB00BL38YV67				0.00%	0.00%		0.00%	0.25%		0.25%
 LF Aegon Investments ICVC II - LF Aegon Risk-Managed Fund 5 A Accumulation Show 1 alternative share class 1 selected	GB00BL38Z135				0.00%	0.00%		0.00%	0.25%		0.25%
 Fidelity Investment Funds IV - Fidelity Sustainable Multi Asset Balanced Fund W Accumulation There are no alternative share classes	GB00BLH23283				0.00%			0.00%	0.50%		0.50%

Alternatively, multiple funds can be added to the 'Portfolio' screen by selecting the desired funds and clicking 'Add' on the menu bar.

Once a fund(s) has been added to the 'Portfolio' screen, it will display the asset allocation, charges and probability of the investment delivering the client's mandate.

Client Research > Products > SIPP > Ms Anne Example Video meeting

Investment Solution | Portfolio | Research

Performance | Export Portfolio | Asset Allocation | Data Compare | Generate report and exit

106 PRODUCTS | 40 PLATFORMS | 30 INVESTMENTS

Projected capital based on the client's requested income £3,901 p.a over a 15 year term with an initial investment of £100,000

Asset Class	Allocation %
UK Equity	24.6
Developed Pacific (ex-Japan) Equity	11.2
Europe (ex-UK) Equity	10.0

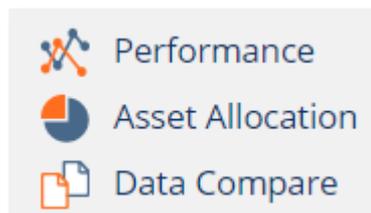
Asset allocation | Statistics

Investment allocation	100.00%
One-off costs	£0.00 (0.00%)
Ongoing costs	£620.00 (0.62%)
Transaction costs	£31.00 (0.03%)
Incidental costs	£0.00 (0.00%)

LF Prudential Risk Managed Active 5 P Accumulation 100.00% | Cash - Bank Account %

Total allocation: 100% | Weighted OCF: 0.62% | Empty Portfolio | Recommend

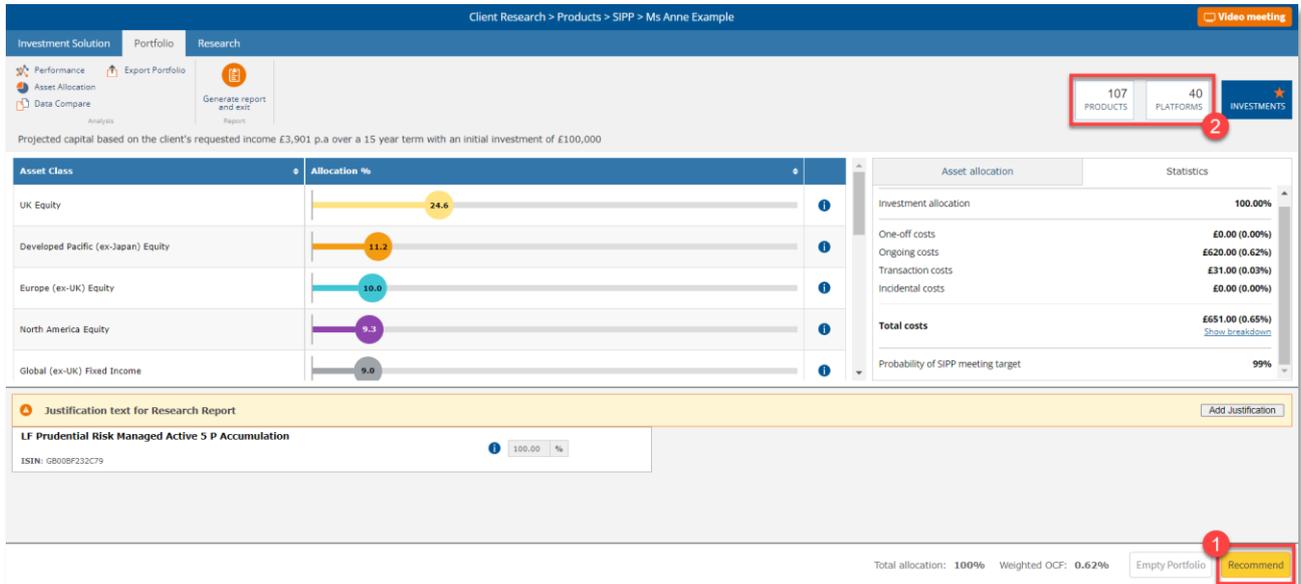
A performance graph, asset allocation pie chart and data comparison can also be created and



allocation pie chart and data comparison viewed.

Note - The performance and asset allocation graphs are automatically included within the final report.

The selected fund can now be recommended.



Client Research > Products > SIPP > Ms Anne Example

Investment Solution | Portfolio | Research

Performance | Export Portfolio | Generate report and exit

Asset Allocation | Data Compare | Analysis

107 PRODUCTS | 40 PLATFORMS | INVESTMENTS

Projected capital based on the client's requested income £3,901 p.a over a 15 year term with an initial investment of £100,000

Asset Class	Allocation %
UK Equity	24.6
Developed Pacific (ex-Japan) Equity	11.2
Europe (ex-UK) Equity	10.0
North America Equity	9.3
Global (ex-UK) Fixed Income	9.0

Asset allocation	Statistics
Investment allocation	100.00%
One-off costs	£0.00 (0.00%)
Ongoing costs	£620.00 (0.62%)
Transaction costs	£31.00 (0.03%)
Incidental costs	£0.00 (0.00%)
Total costs	£651.00 (0.65%)
	Show breakdown
Probability of SIPP meeting target	99%

Justification text for Research Report

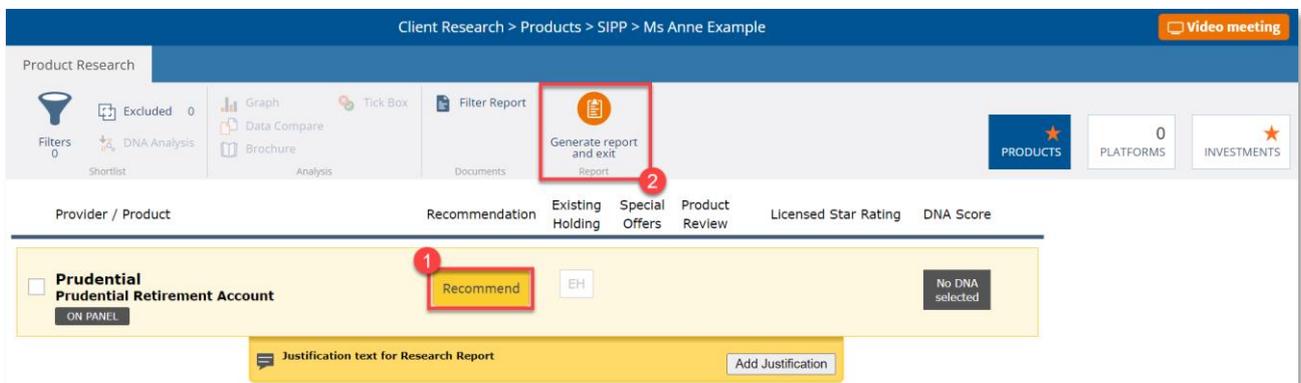
LF Prudential Risk Managed Active 5 P Accumulation

ISIN: GB00BF232C79

Total allocation: 100% | Weighted OCF: 0.62% | Empty Portfolio | **Recommend**

Once recommended, the user can add justification text and move on to researching and recommending the linked product/platform.

Note - Platforms will only show in the count if your selected investment is available via a platform.



Client Research > Products > SIPP > Ms Anne Example

Product Research

Filters | Excluded 0 | Graph | Tick Box | Filter Report | Generate report and exit

DNA Analysis | Data Compare | Documents

Shortlist | Analysis

PRODUCTS | 0 PLATFORMS | INVESTMENTS

Provider / Product	Recommendation	Existing Holding	Special Offers	Product Review	Licensed Star Rating	DNA Score
<input type="checkbox"/> Prudential Prudential Retirement Account	Recommend	EH				No DNA selected

Justification text for Research Report | Add Justification

Once the product/platform and investment are recommended, click 'Generate report and exit'.

By clicking 'Generate Report', the system will produce a research report which can be accessed from the 'Report' section of the hub.

Research report

Please choose the sections and items you wish to include in your research report

Investment Selection ✓ Included

This section of the report details the issues identified as being important to the selection of investments and the other criteria used in selecting the most suitable investment

▼ [Show what's included](#)

Product Selection ✓ Included

This section of the report details the issues identified as being important to the selection of a product and the other criteria used in selecting the most suitable product

▼ [Show what's included](#)

Platform Selection Not available

This section is unavailable as a platform was not recommended

▼ [Show what's included](#)

1

By clicking 'Finish', the user returns to the 'Investment analysis' step of the hub.

Research report



Research report generated

The report will be added to the Reports step. Once this profile has been executed the report and any associated documents can be found within the Product Timeline, which is accessible by pressing the product name from the Product Summary screen.

1

The 'Investment analysis' step of the hub will now display the new recommendation.

The screenshot shows the 'defaqto engage' interface with a sidebar on the left containing navigation options like 'Income drawdown', 'Client', 'Questionnaire', 'Current situation', 'Profile', 'Investments', 'Document outcome', 'Report', 'Suitability report', and 'Execute'. The main content area is titled 'Income drawdown | Investments analysis' and displays two portfolio sections.

Aviva ISA Portfolio
 Latest valuation **£92,219** % of portfolio **48**

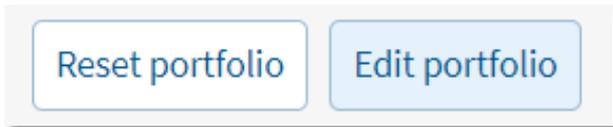
Fund name	ISIN	% Invested	Latest valuation
Liontrust Special Situations Fund R Inc	GB00B0N6YF70	24.34%	£22,445
Ninety One UK Smaller Companies A GBP Acc	GB0031075558	16.76%	£15,460
Invesco Global Smaller Companies Fund (UK) (Acc)	GB0033030296	16.74%	£15,440
AXA Framlington Global Thematics Fund R Acc	GB0003502225	16%	£14,756
Jupiter European Fund L Inc	GB0006664683	10.21%	£9,411
Schroder International Selection Fund Asian Total Return A Accumulation USD	LU0326948709	9.72%	£8,965
JPMorgan Funds - Europe Equity Plus Fund A (perf) - EUR	LU0289089384	6.23%	£5,742

SIPP Prudential Retirement Account
 Latest valuation **£100,000** % of portfolio **52**

Fund name	ISIN	% Invested	Latest valuation
LF Prudential Risk Managed Active 5 P Accumulation	GB00BF232C79	100%	£100,000

Buttons for 'Reset portfolio' and 'Edit portfolio' are visible next to the Prudential Retirement Account section.

Users can remove the recommendation by clicking 'Reset portfolio' or can edit their research by selecting 'Edit portfolio'.

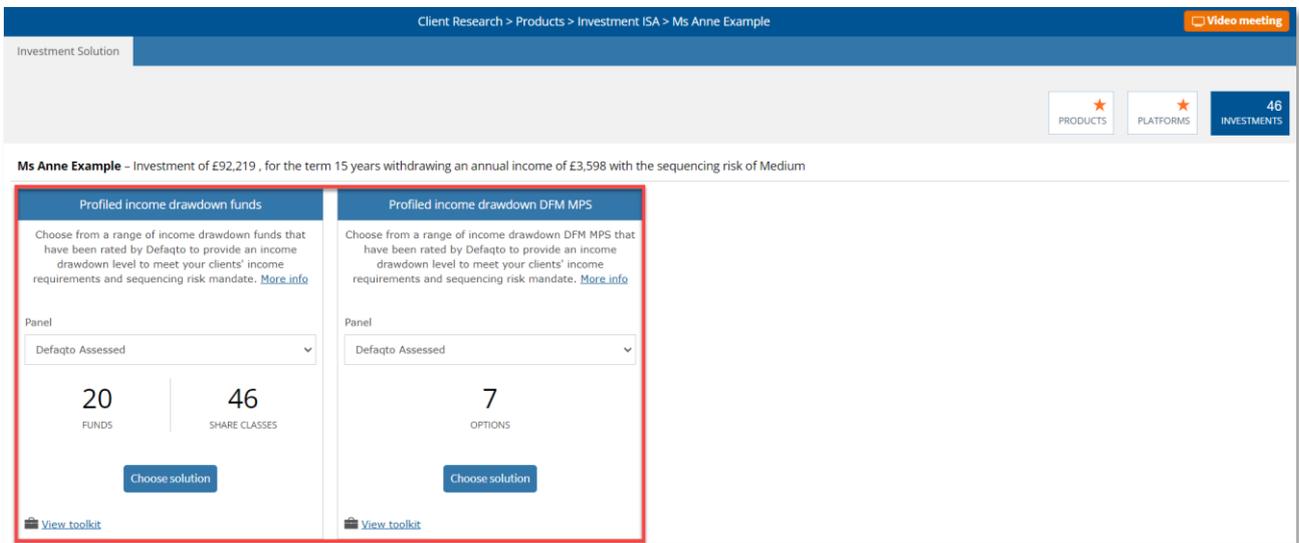


If the user has added a client's existing investment to the hub, alongside a cash lump sum, research must also be undertaken for the plan.

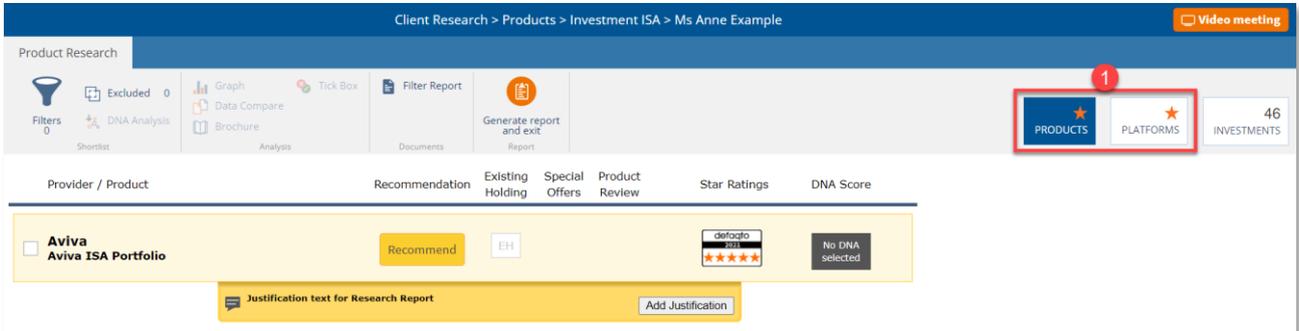
The screenshot shows a section for 'Investment ISA' with the title 'Aviva ISA Portfolio'. Below the title, it states 'Latest valuation **£92,219** % of portfolio **48**'. A red box highlights a button labeled '1 Start research'.

Click 'Start research' next to your client's plan to begin the process.

Once the research session has loaded, the user is again presented with two 'Income Drawdown' profiled investment workflows.



By clicking on either the 'PRODUCTS' or 'PLATFORMS' buttons, the user will see the client's existing product and platform (if applicable) are already recommended.



By clicking back on 'INVESTMENTS', users can start to research Profiled income drawdown investments that are available on the client's existing product/platform.

Note - This process is the same as recommending a solution for the cash lump sum which is featured on page 25.

By returning to the 'Investment analysis' step of the hub, 100% of the portfolio has been allocated. The data points under the 'Overview' tab are now populated with the 'Sequencing risk level' of the new investments and the probability of the client achieving their mandate.

Overview
Performance
Asset allocation
Data compare

Analysis of the overall portfolio for all products included in the income drawdown workflow.

MEDIUM

Sequencing risk level

Assessed as Medium and agreed risk level Medium

Probability of investments meeting the target i

99%

Current investments

Investment ISA

Aviva ISA Portfolio Reset portfolio Edit portfolio

Latest valuation **£92,219** % of portfolio **48**

Fund name	ISIN	% invested	Latest valuation
LF Prudential Risk Managed Active 5 P Accumulation	GB00BF232C79	100%	£92,219

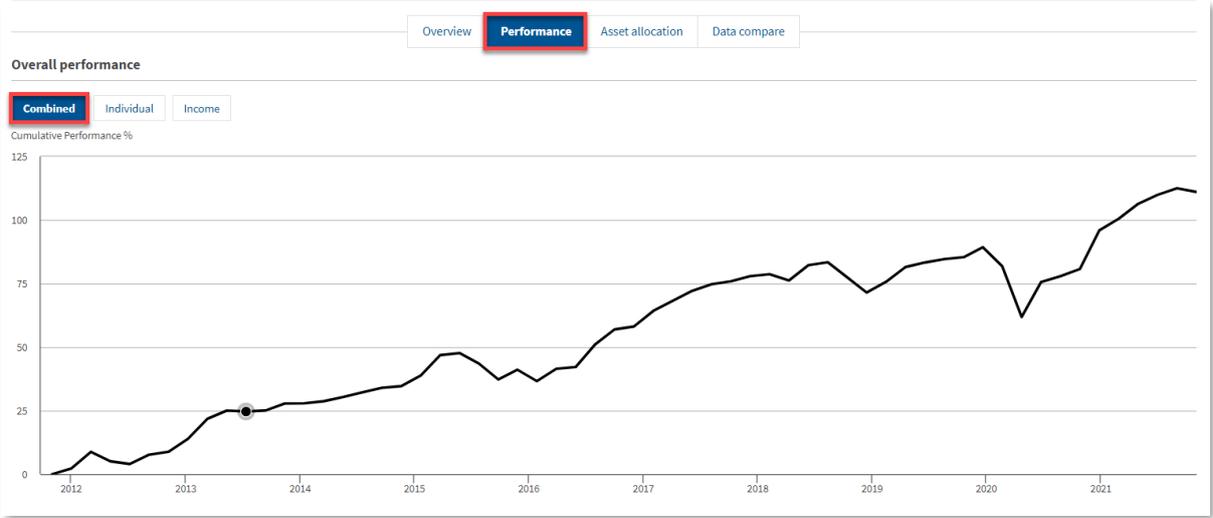
SIPP

New Prudential Retirement Account Reset portfolio Edit portfolio

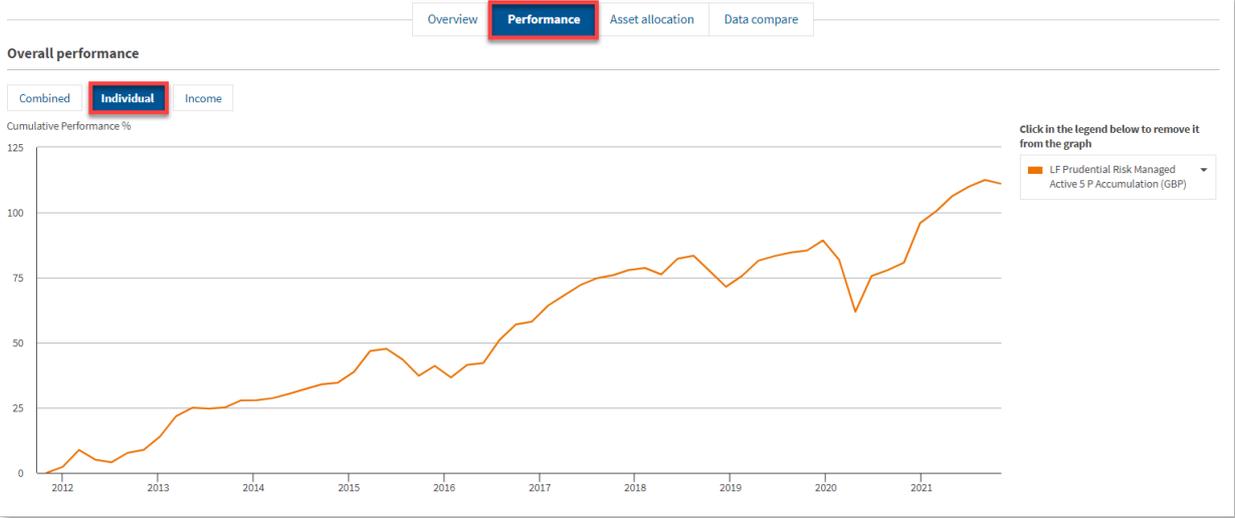
Latest valuation **£100,000** % of portfolio **52**

Fund name	ISIN	% invested	Latest valuation
LF Prudential Risk Managed Active 5 P Accumulation	GB00BF232C79	100%	£100,000

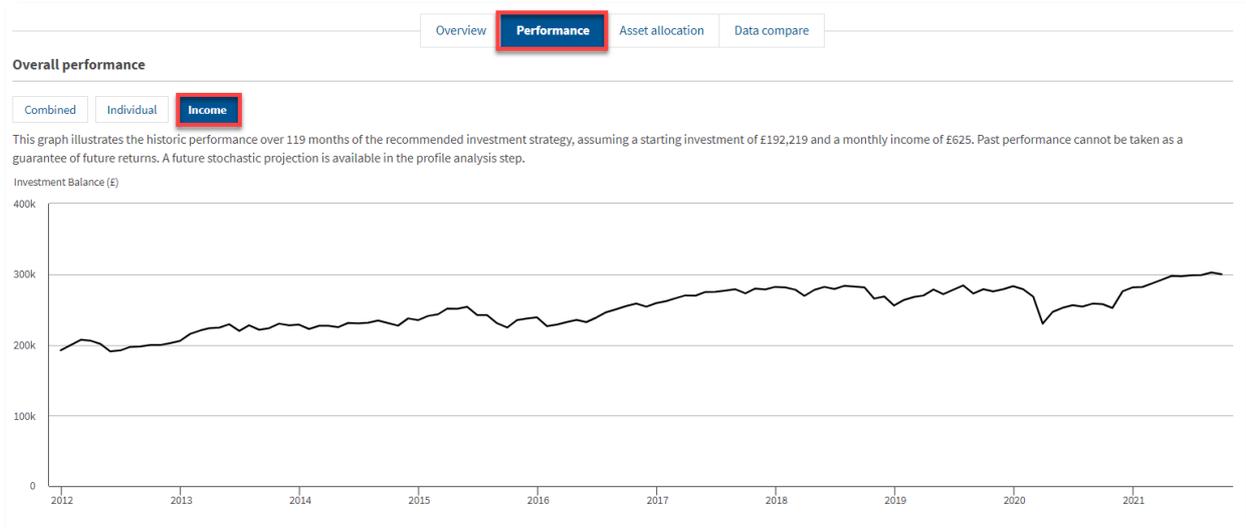
Performance, asset allocation & data compare



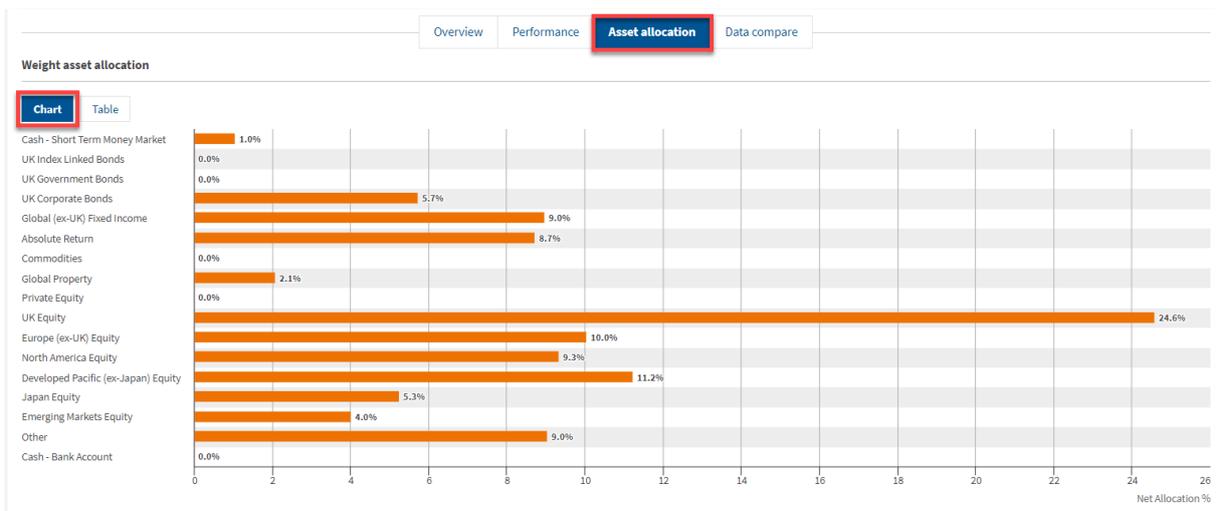
The performance tab now shows the combined and individual performance of the recommended investments in the portfolio.



Additionally, the user can view the historic performance of the portfolio taking into the account the given income amount.



Selecting the asset allocation tab allows the user to view the overall asset allocation of the portfolio as both a chart and a table



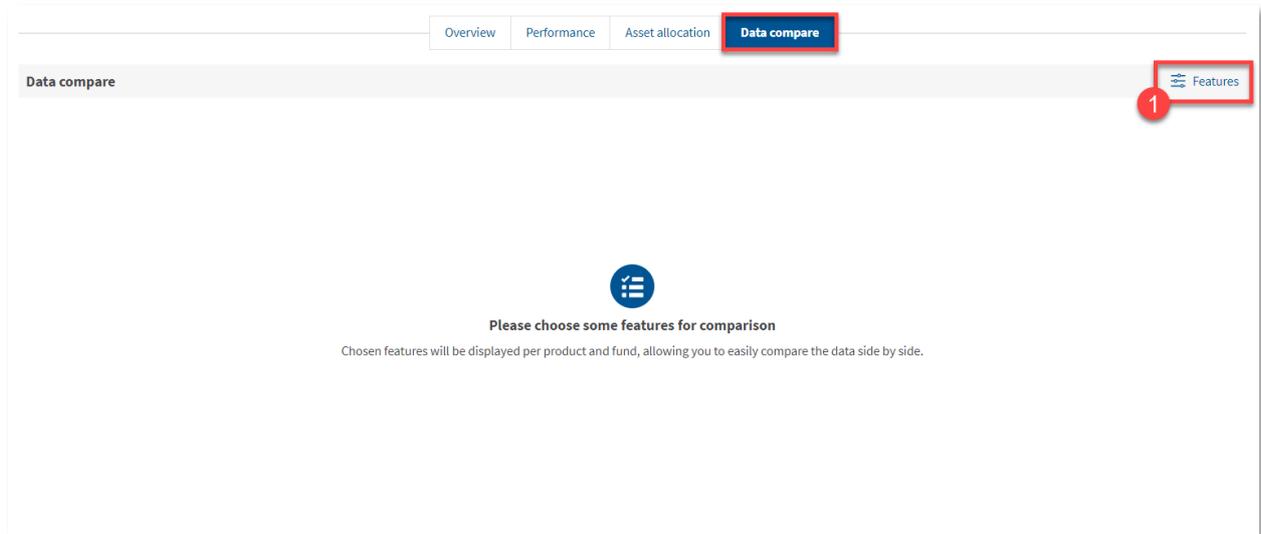
Weight asset allocation

Overview Performance **Asset allocation** Data compare

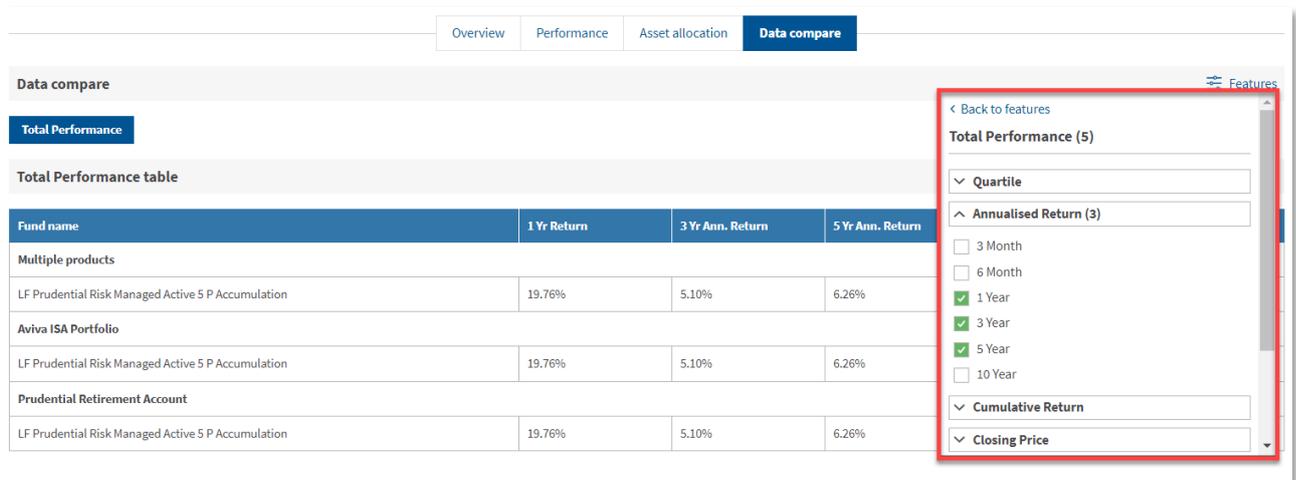
Chart **Table**

Asset allocation	Long %	Short %	Net %
Cash - Short Term Money Market	1.04	0.00	1.04
UK Index Linked Bonds	0.00	0.00	0.00
UK Government Bonds	0.00	0.00	0.00
UK Corporate Bonds	5.73	0.00	5.73
Global (ex-UK) Fixed Income	8.97	0.00	8.97
Absolute Return	8.71	0.00	8.71
Commodities	0.00	0.00	0.00
Global Property	2.07	0.00	2.07
Private Equity	0.00	0.00	0.00
UK Equity	24.58	0.00	24.58
Europe (ex-UK) Equity	10.04	0.00	10.04

Selecting the Data compare tab allows the user to build a table of key data of the portfolio of funds. Start this process by selecting 'Features'



The user can then explore the various areas of the menu and select any data points they wish to include in the table which is then visible on screen.



To navigate to the next stage of the hub, the user clicks 'Analysis Complete'.

Supplementary notes can be added to justify the recommendation.

Once added, click 'Save'.

The 'Current investments' tab now provides a summary that shows which elements of the portfolio are new, have been adjusted or removed.

Current investments

Investment ISA
Aviva ISA Portfolio

Latest valuation **£92,219** % of portfolio **48**

Fund name	ISIN	% invested	Latest valuation	Change
LF Prudential Risk Managed Active 5 P Accumulation	GB00BF232C79	100%	£92,219	New

SIPP
Prudential Retirement Account

Latest valuation **£100,000** % of portfolio **52**

Fund name	ISIN	% invested	Latest valuation	Change
LF Prudential Risk Managed Active 5 P Accumulation	GB00BF232C79	100%	£100,000	New

A summary report has also been generated and is available in the 'Report' step of the hub.

Report

The 'Report' step allows the user to access all the reports that have been generated throughout the process, including the 'Profile report', 'Income Drawdown summary report' and any research reports that have been undertaken.

Income drawdown | Report

Reports
The reports that have been generated within the profile can be downloaded below. To edit these reports, review the profile analysis or investment analysis steps.

Name	Type	
Income drawdown profile report - 02-11-2021 16-41	Income drawdown profile report	Download
Income drawdown summary report - 02-11-2021 16-41	Income drawdown summary report	Download
Report 02-11-2021 15-21.doc Aviva ISA Portfolio	Investment ISA Research Report	Download
Report 02-11-2021 15-20.doc Prudential Retirement Account	SIPP Research Report	Download

Report (highlighted in sidebar)

Suitability report Optional

Execute

All can be easily downloaded and viewed.

The available reports are explained below:

- **Profile report** - Much like the profile reports for accumulation risk profiles, this report describes the risk levels and sequencing risks that were available to the client and which of these were agreed for

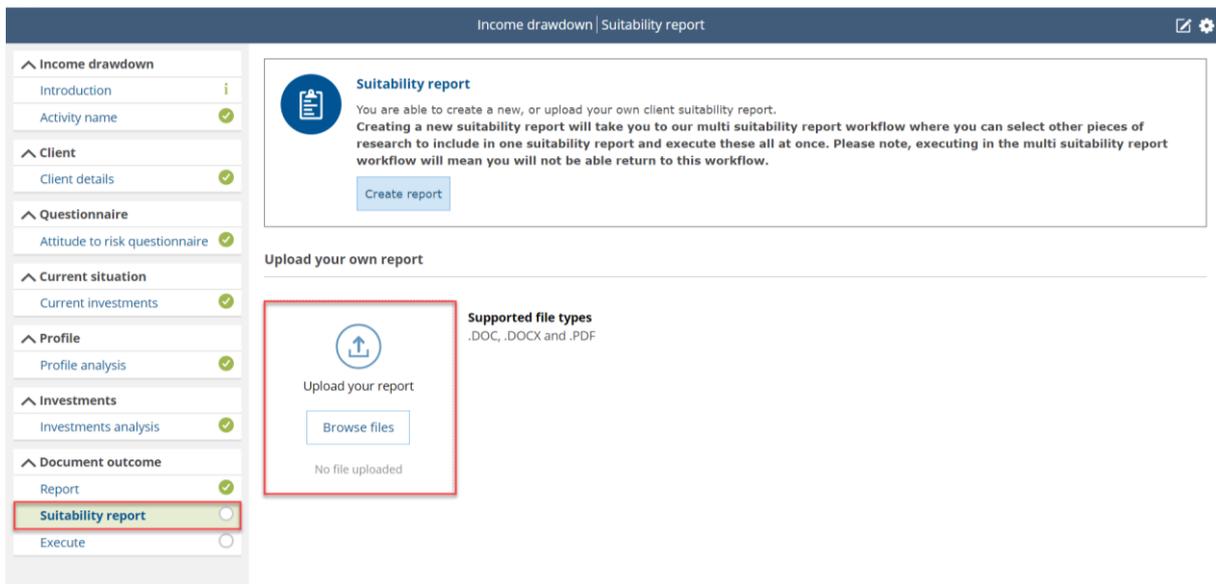
the profile. It also gives details of the agreed mandate and the statistics of the available profiles for the given mandate

- *Income drawdown summary report* - This is a new report for Engage. It provides an overview of the client's entire portfolio of products and funds. The report also gives high level details of the client's mandate and shows the performance of the combined portfolio, as well as performance of individual funds
- *Research reports* - Once any research has been completed, a report will show that acts as an audit trail for your recommendation

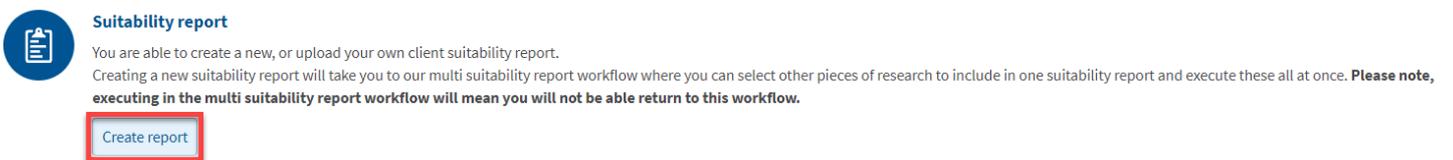
Once users are happy with their research, they will either move to the 'Suitability report' (if licenced) or the final 'Execute' step of the hub.

Suitability report

If licenced, the penultimate step of the hub allows the user to create a suitability report for their recommendation. If the licence does not have suitability reports enabled, please see page 45.

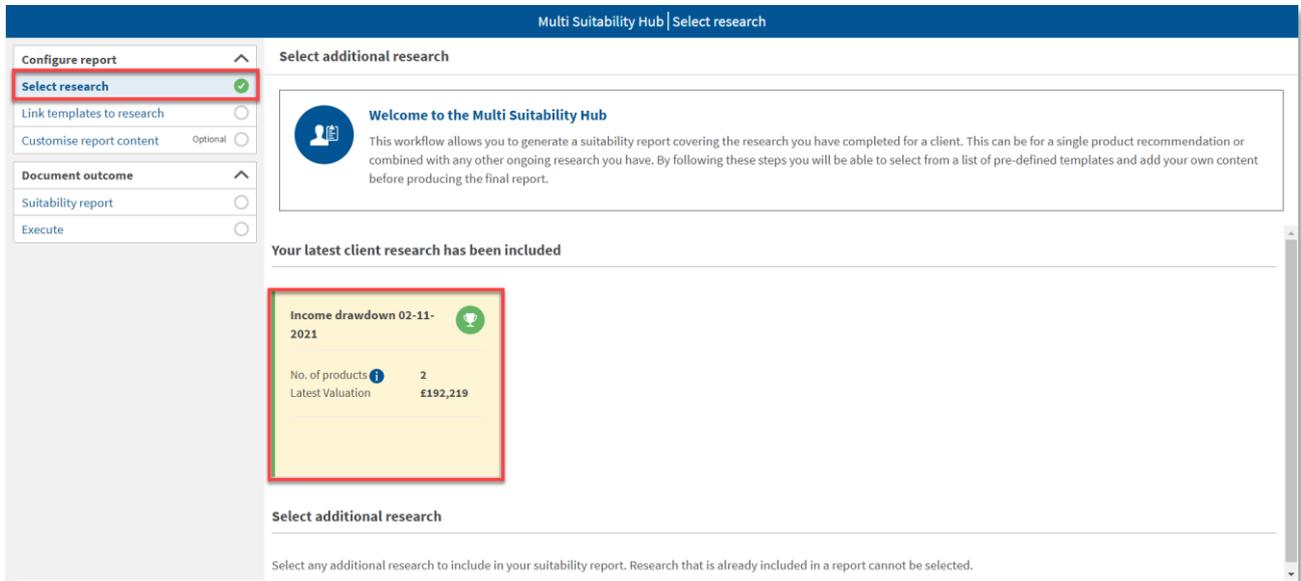


Users can choose to upload their own suitability letter by clicking 'Browse files' and uploading their saved document. Alternatively, users can start the multi suitability hub by clicking 'Create report'.



Select research

This step showcases the number of recommended products with their combined value.



Multi Suitability Hub | Select research

Configure report

- Select research
- Link templates to research
- Customise report content Optional

Document outcome

- Suitability report
- Execute

Select additional research

Welcome to the Multi Suitability Hub

This workflow allows you to generate a suitability report covering the research you have completed for a client. This can be for a single product recommendation or combined with any other ongoing research you have. By following these steps you will be able to select from a list of pre-defined templates and add your own content before producing the final report.

Your latest client research has been included

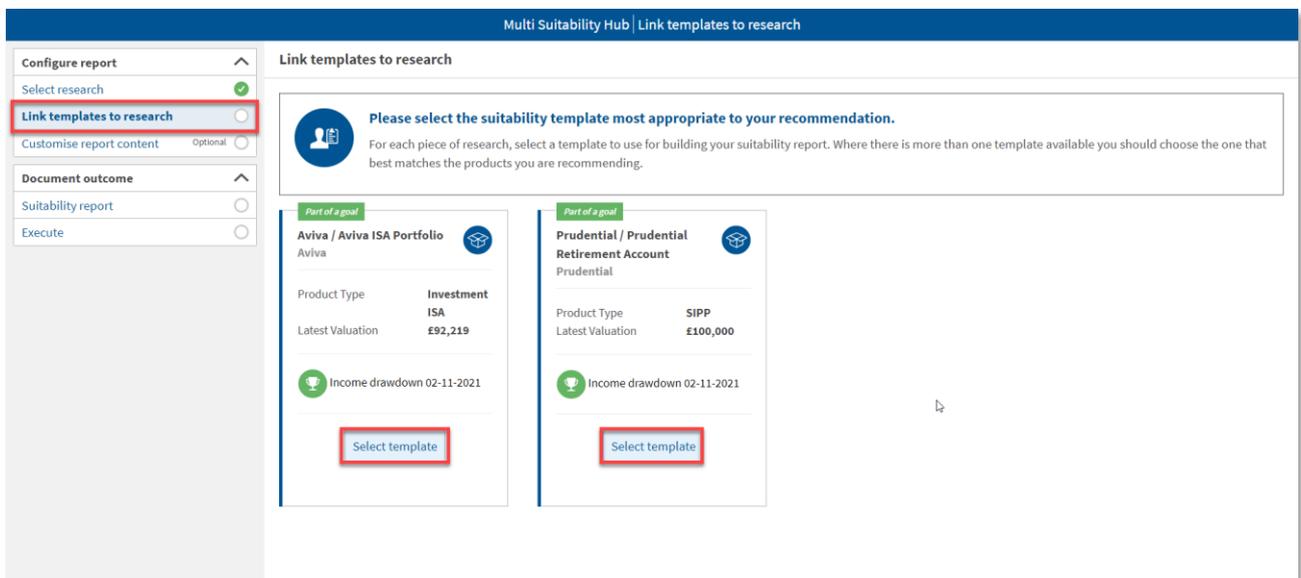
Income drawdown 02-11-2021

No. of products	2
Latest Valuation	£192,219

Select additional research

Select any additional research to include in your suitability report. Research that is already included in a report cannot be selected.

By clicking 'Link templates to research' and 'Select template', users can select the suitability templates they wish to incorporate into their report.



Multi Suitability Hub | Link templates to research

Configure report

- Select research
- Link templates to research
- Customise report content Optional

Document outcome

- Suitability report
- Execute

Link templates to research

Please select the suitability template most appropriate to your recommendation.

For each piece of research, select a template to use for building your suitability report. Where there is more than one template available you should choose the one that best matches the products you are recommending.

Part of a goal

Aviva / Aviva ISA Portfolio

Aviva

Product Type	Investment
Latest Valuation	ISA
	£92,219

Income drawdown 02-11-2021

Select template

Part of a goal

Prudential / Prudential Retirement Account

Prudential

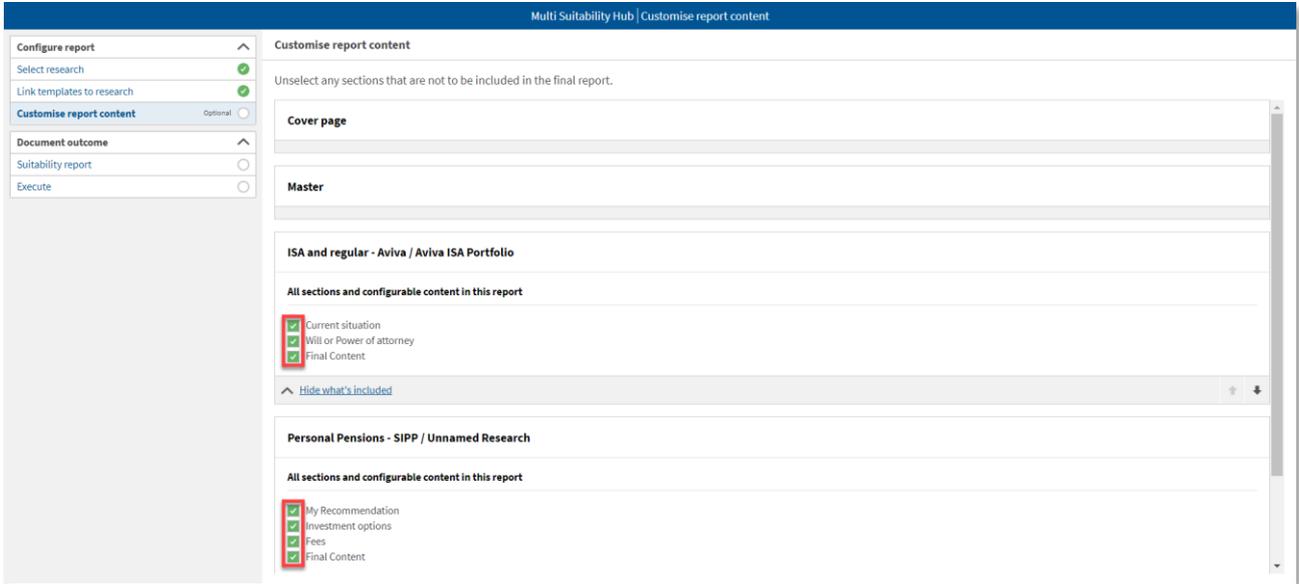
Product Type	SIPP
Latest Valuation	£100,000

Income drawdown 02-11-2021

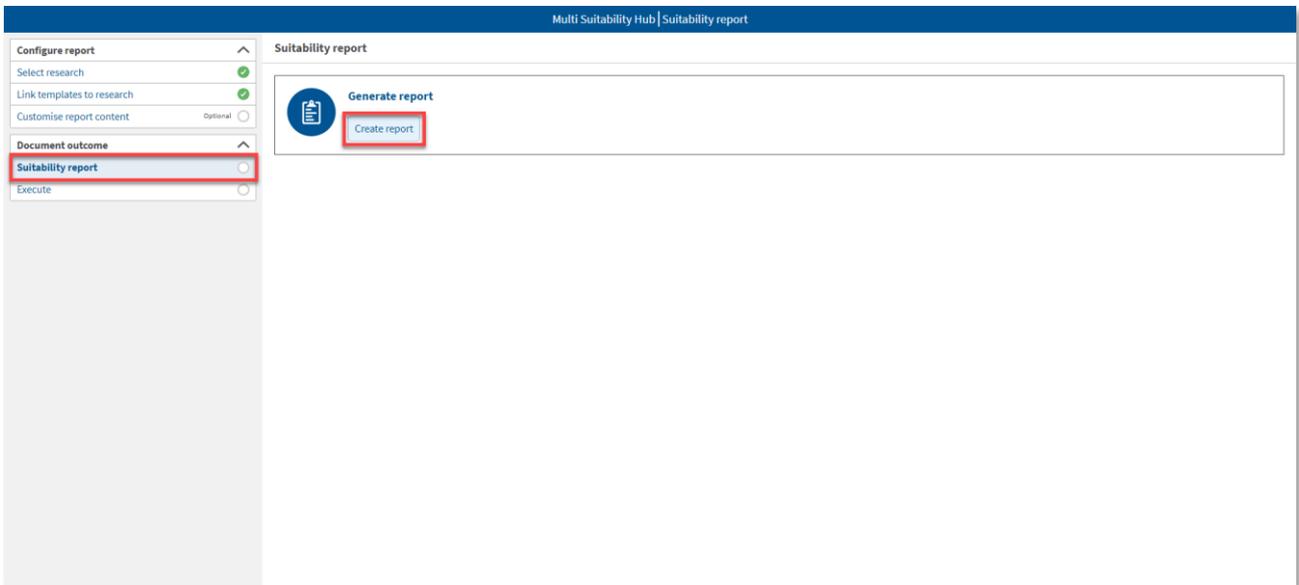
Select template

Customise report content

This step allows users to configure sections of the selected suitability templates.



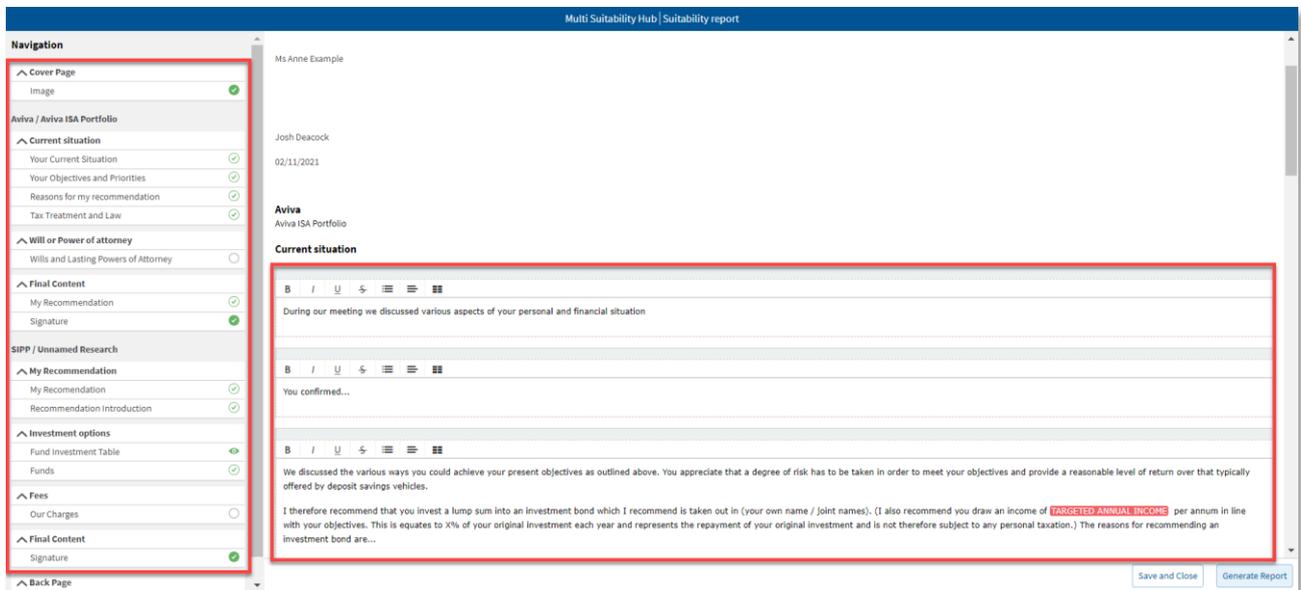
Users can decide to remove any section they do not wish to incorporate into the final template. Once the user is happy, click 'Suitability report'.



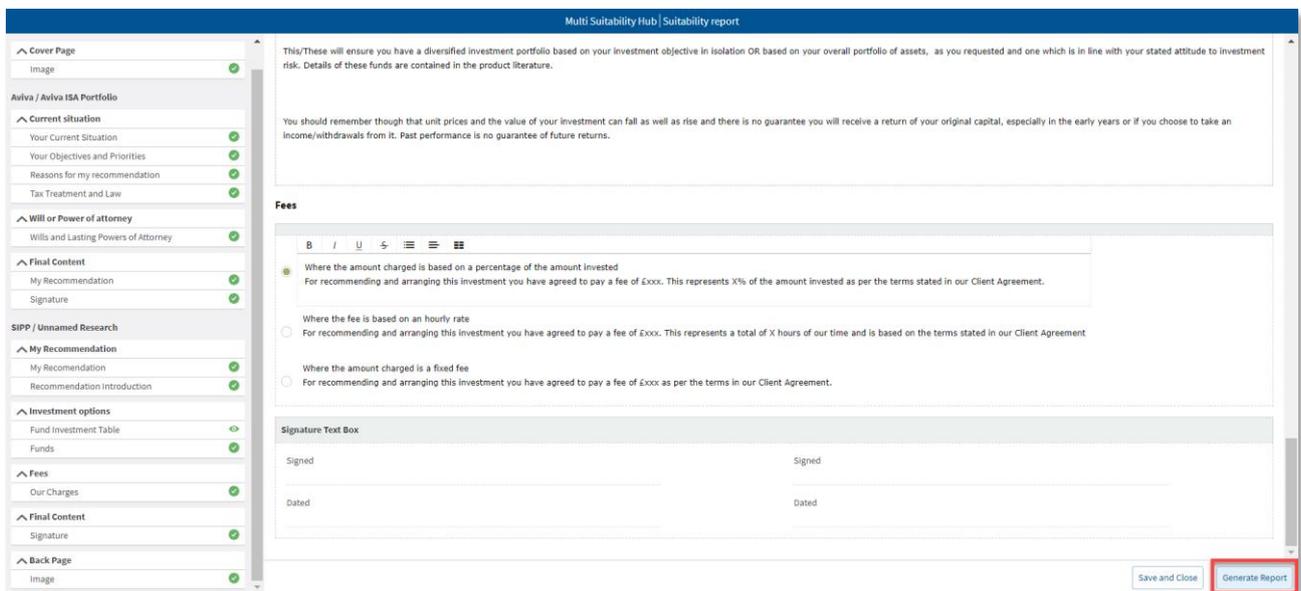
To start creating the suitability report, click 'Create report'.

Suitability report

Users can now start to work through each section of the report editor by customising the content of each section of the report.



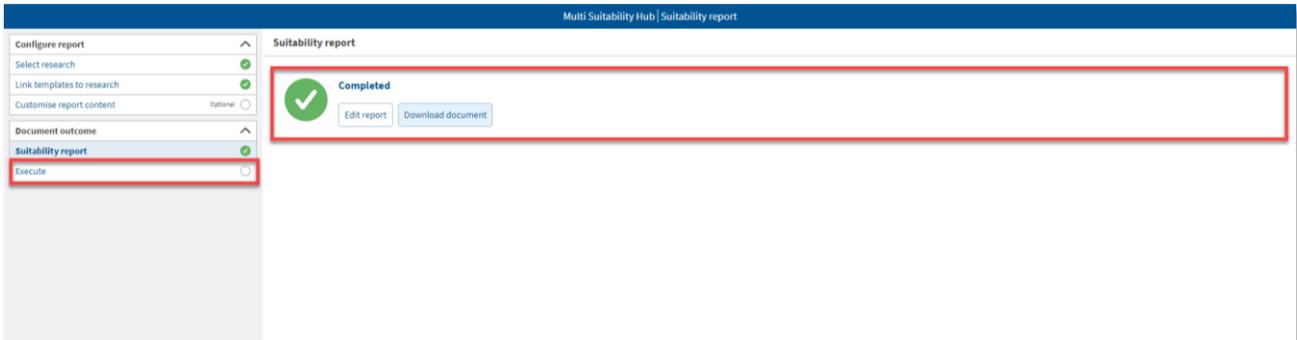
For details on how to use the report editor, please see the 'Multi suitability hub' user guide.



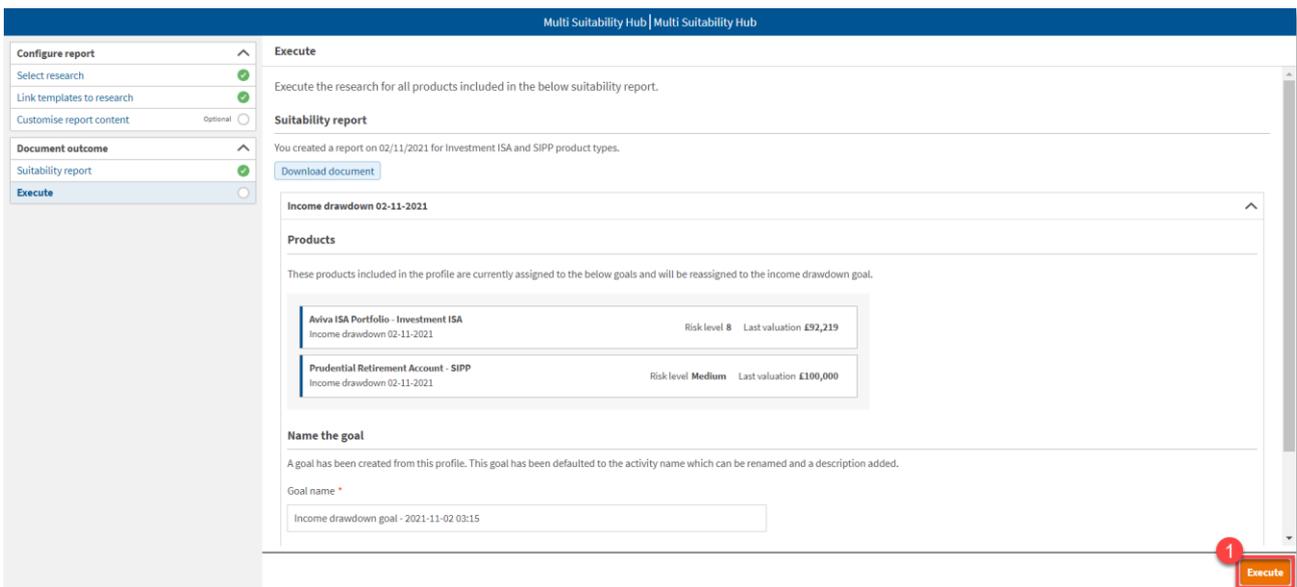
Once each section of the report has been completed, click 'Generate report'.

Execute

Users will then be notified their suitability report is complete and can move to the 'Execute' step of the multi suitability hub.



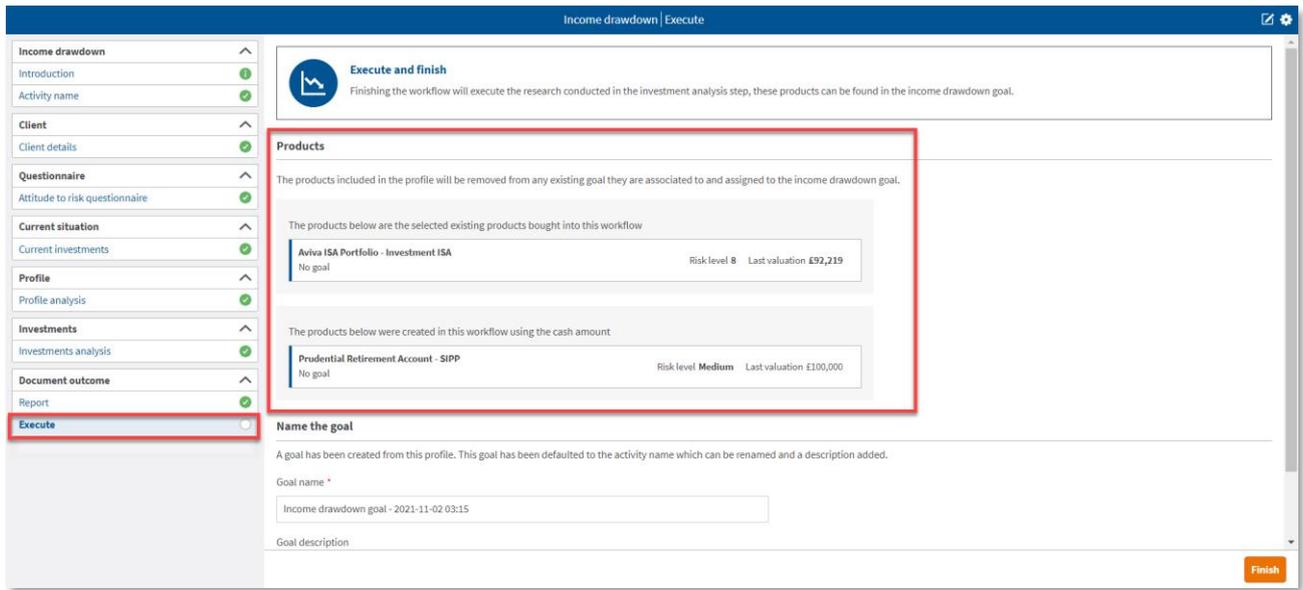
A summary of the recommended products will show. Users can also name their goal if they do not wish to use the default goal name.



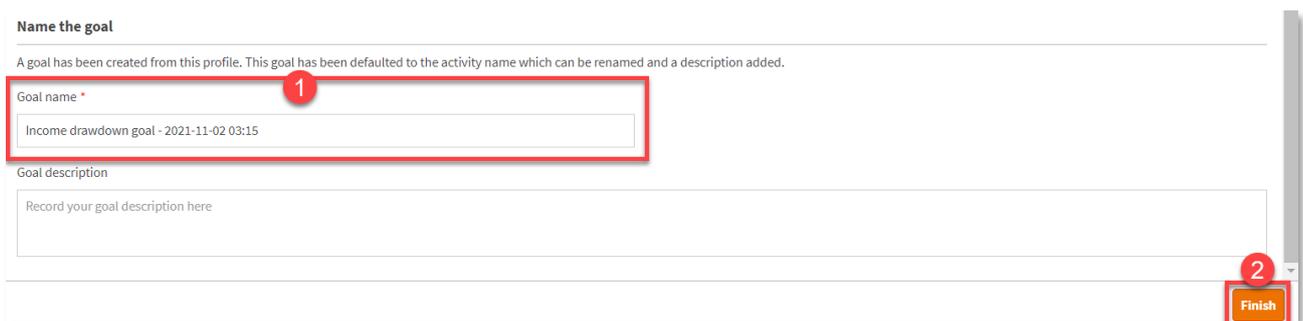
By clicking Execute, the goal will be saved to the client record. If the licence is using the Intelligent Office integration, all the documents produced from the Income Drawdown workflow will be sent back to IO and draft plans will be created for any new recommendations.

Execute

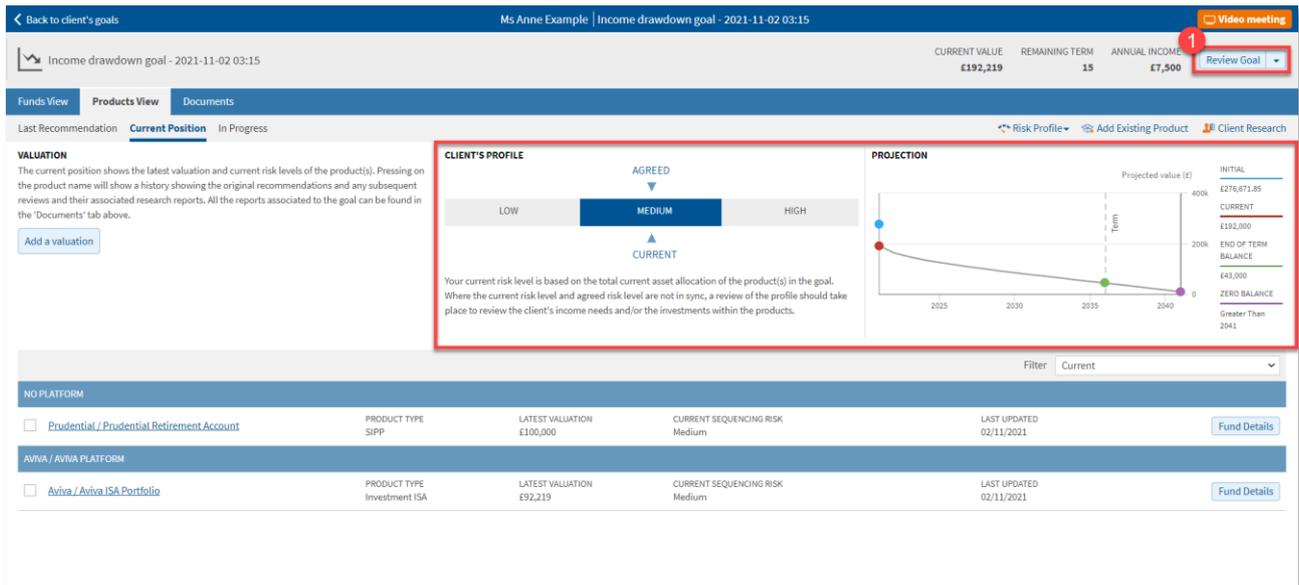
If the 'Suitability report' functionality is not licenced, the user arrives at the final 'Execute' step. This section displays a summary of the products that have been recommended in the workflow. It indicates if any of the investments were part of a prior goal, as well their previous risk level. If the products were not previously part of a goal, the display will state 'No goal'.



Users can now give a name and description to the new 'Income drawdown' goal that will be created upon the successful completion of the hub.



To complete the hub, click 'Finish'. The goal will be saved to the client record. If the licence is using the Intelligent Office integration, all the documents produced from the Income Drawdown workflow will be sent back to IO and draft plans will be created for any new recommendations.



The newly created Income drawdown goal is presented to the user, where they will see the recommended plans, the agreed Sequencing risk level and a graph summarising the projected value of the client's investment over the specified term.

Review

A key difference to an Income drawdown goal is that the products contained within the goal can no longer be reviewed individually. Selecting the 'Review Goal' button within the goal or 'Start review' under the 'Current position' tab will open the hub in review mode, taking all the products in the goal as the current investment, landing the user directly on the 'Profile analysis' step.

Similarly, if a user selects the 'Client research' button from within the goal, this will also start a review of the goal, with the expectation that the user will enter a cash amount, so the system therefore lands the user on the 'Current investment' step.

Selecting the 'Risk profile' button from within the goal starts a new profile, but it will ignore any products the user may have ticked.

Further help and support

If you have any further questions regarding the software or would like to book training, please contact Defaqto Customer Support on 01844 295544 or email customersupport@defaqto.com.