

What's the aim of the Tentative Plan and who is it for?

The aim of the Tentative Plan is to generate reasonable growth over the longer term. Investing always involves some level of risk and movement up and down in value is to be expected.

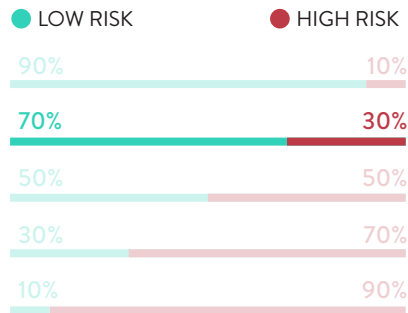
The Tentative Plan is suitable for investors who prioritise limiting losses over high returns, and are willing to see moderate movements up and down in the value to try and get reasonable growth from their investments. But there is still a risk that you could get back less than invested.

Investing should be part of a long-term savings strategy and whilst money can be withdrawn at any time, investing for less than 5 years is unlikely to be appropriate for a Tentative Plan.

What makes the Tentative Plan different?

The example below shows a typical mix of investments for a Tentative Plan, but it can hold between 20% and 40% high-risk investments (Commodities, Emerging Market Bonds, Private Equity, Shares and Property), with the remainder in low-risk investments (Bonds, Cash, and Cash Equivalents).

There may be occasions when the Investment Team will lower the percentage of high risk investments down to 10%. Although this could impede the growth potential more than is normally associated with a Tentative Plan, it would only be done when considered necessary, according to market conditions.



Benchmarking

The Tentative Plan performance is measured against the ARC Cautious PCI. The PCI is a peer group benchmark which shows how other companies' plans with similar risk profiles have performed. The indices are based on real performance numbers from hundreds of other Plans.

Risk of loss

With investing, there's always a chance that investments can go down in value. In a one-year period, there's a 5% chance you may lose more than 5.8% of the value of a Tentative plan. This is not a maximum loss, and losses in the future may be greater.

(Source: Wealthify Ambitious Plan, VaR calculation 29/02/2016 – 28/02/2019)

Typical Investments in a Tentative Plan

This is an example of the typical investments you might see in a Tentative Plan. We mainly use passive investments in our Plans.

Investment	Type	% of Plan
Cash on deposit	Cash	2%
Vanguard US Government Bond	Government Bond	17%
Vanguard US Corporate Bond	Corporate Bond	5%
Vanguard EU Corporate Bond	Corporate Bond	1%
Vanguard EU Government Bond	Government Bond	2%
HSBC UK Corporate Bond	Corporate Bond	7%
HSBC UK Government Bond	Government Bond	24%
Vanguard Short Duration Bond	Corporate Bond	9%
L&G Emerging Market Bond	Government Bond	1%
HSBC FTSE 250	Shares	2%
L&G FTSE 100	Shares	2%
HSBC Europe	Shares	6%
L&G Japan	Shares	6%
Mercer Global Hedged	Shares	5%
Mercer Emerging Markets	Shares	4%
L&G Asia Pacific ex Japan	Shares	4%
Blackrock Global Property	Property	3%

TENTATIVE PLAN FACTSHEET



Foreign currency

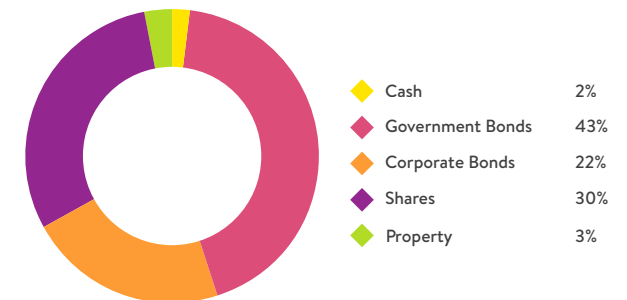
A Tentative Plan could contain up to 25% in overseas investments which are held in a foreign currency.



Typically, the more foreign currency held in a Plan, the greater the risk and potential volatility.

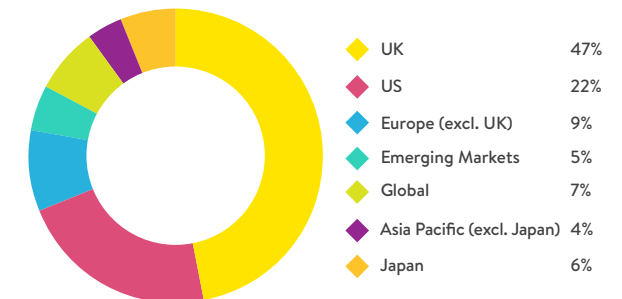
Investment Mix

This is a typical example of the mix of investments in a Tentative Plan.



Regional Mix

This is a typical example of investments by region in a Tentative Plan.



The Investment Team at Wealthify review and adjust the investment and regional mix on an ongoing basis to try to optimise the performance of our Plans.