

financial
planning
for life.

Mainsworths Panacea an introduction.

This guide provides you with a detailed view of the 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?**

Who we are?

This is an overview of the company, our advisers and their professional qualifications, details of our relationship with the Regulator, The Financial Services Authority ("FSA") and the services for which we are authorised by the FSA.

What we do?

An explanation of how we will work with you and the processes we employ to provide you with financial advice. This section 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.

How we do it?

This 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.

What we charge?

Here we explain 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 Letter of Engagement.

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.

Ainsworths Panacea is a trading name of Ainsworths Financial Services Ltd which was formed from Ainsworths Accountants in November 2000 to give highly qualified independent financial advice to business owners and their employees. Our roots can be traced back to 1974 through Messrs Ainsworth, Ridehalgh & McMahon in Nelson, Lancashire.

In 2006 we purchased new offices in Manchester and merged with the financial services arm of Holliday & Pickup Insurance Services which was formed in Glossop in 1926.

At the same time we rebranded under the Panacea umbrella and now have a team of highly qualified advisers and support staff covering Greater Manchester, Lancashire, Cheshire, Yorkshire and Derbyshire.

We believe that everybody is unique, and our approach and advice is tailored to suit each client's individual situation.



Ainsworths Panacea is a member of Succession Advisory Services (Succession), the UK's leading specialist consolidation and capital creation vehicle for wealth management firms.

A key driver for us joining the partnership is the the expert support and experience that Succession can offer.

By partnering with Succession, we will be able to provide a client-focused service to fee paying clients whilst also looking to create a proposition that continues to look after our transaction-only clients.



Iain Crawford
Managing Director



Paul Griffin
Director



David Boothman
Estate Planner



Richard Nicholson
Financial Planner



Claire Brown
Client Services Manager

What we do.

introduction.

Ainsworths Panacea'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 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 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 our advice 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.

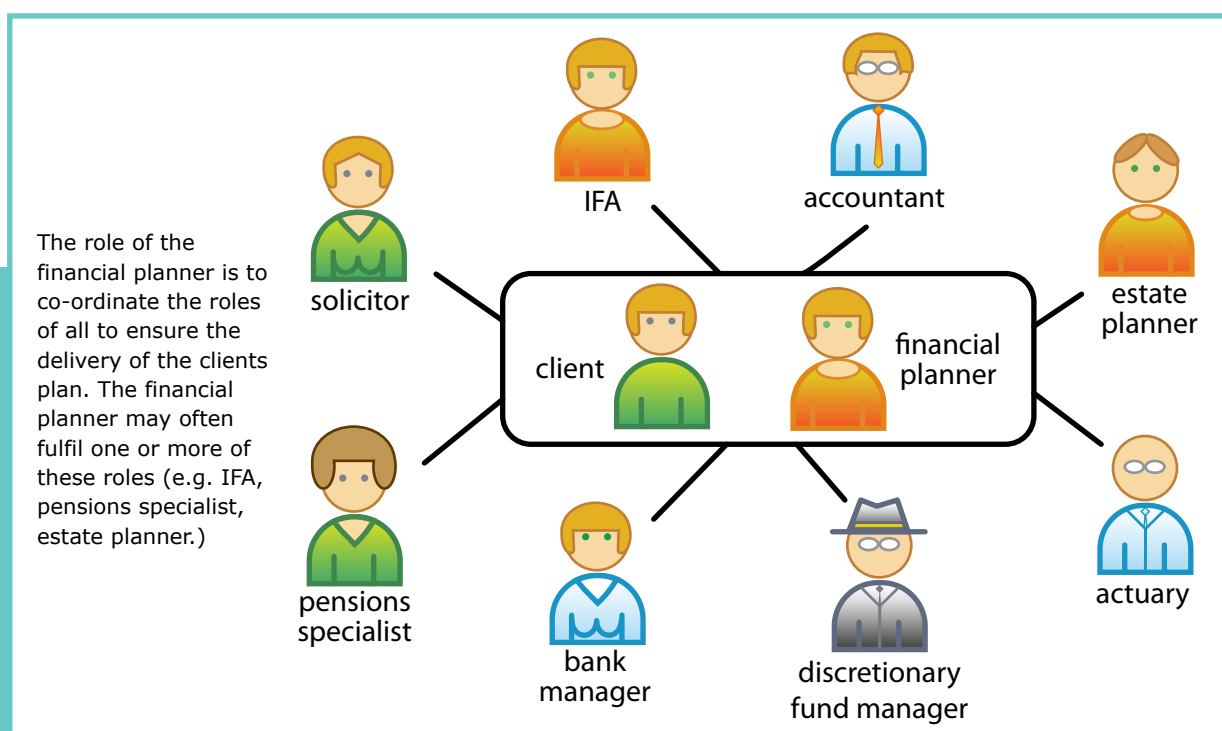
We will set out the various factors we believe will prove important as we develop your Financial Plan and how, once established, we will work with you to ensure that this plan remains current and relevant to your circumstances. We believe the factors of most importance are:

- + Your objectives
- + Your tolerance to risk
- + Your assumptions
- + Your lifetime cashflow requirements

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
- + 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.

We evaluate your circumstances in depth at the start of our journey with you, to focus on properly identifying a position which best meets your financial objectives with the least practical exposure to risk.

In order that we can use the results of this evaluation at the earliest time in our relationship we would be grateful if you would complete the questionnaire, enclosed with this guide, before your first meeting with us.

The results of this questionnaire 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.



**The
Ainsworth
Panacea
Adviser
Team**

your lifetime cashflow.

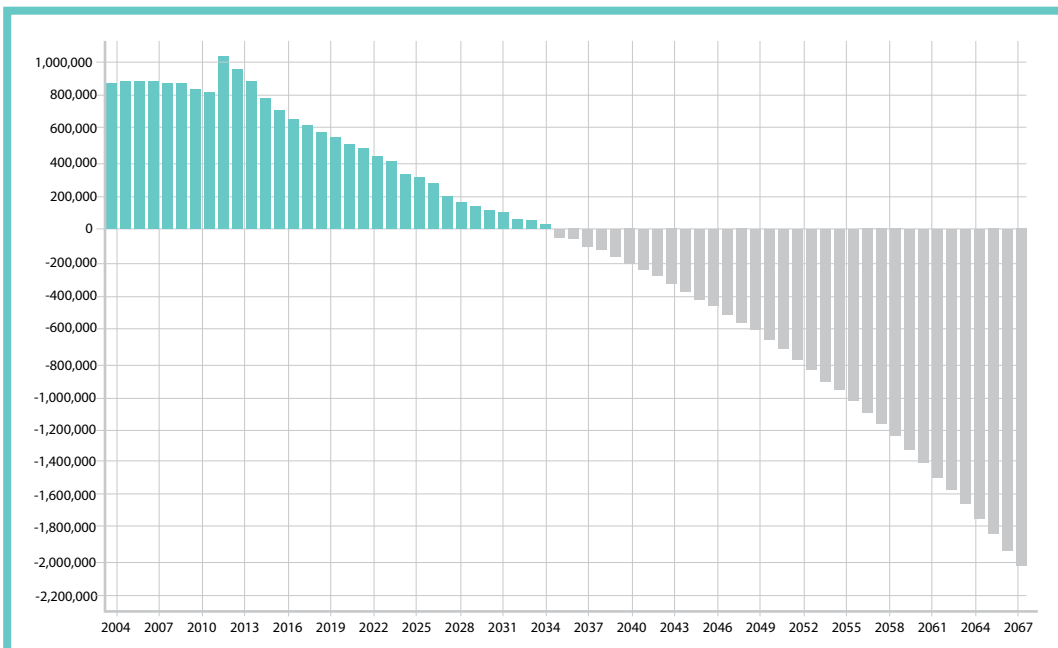
In developing your financial plan we use the most up-to-date bespoke software and modelling tools to generate a Lifetime Cashflow analysis. This enables us to develop and agree your overall long-term strategy while considering different scenarios, thereby giving much greater depth to a discussion about 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.

This graph shows how our client will have positive cash flow until 2012. At that point he retires, 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 could help 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.



An example of the graphical illustration of this cash flow is shown here on the left.

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 return 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 Cashflow analysis.

How we do it.

the initial phase .

During this period we will first obtain details from you of the financial institutions with which you have existing investments. 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. This 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 recommend an Interim Review at six months and a Full Review annually. At the annual Full Review we would expect to meet with you, discuss relevant events in the previous year and realign or 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.

Of course your Adviser is always available to discuss any aspect of your affairs, if you wish to do so, at any time.

what we charge.

An additional "**Fee Structure and Service Level**" document which outlines our various charging structures is enclosed with this brochure.



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We don't want to talk about your money. We want to talk about you.

