



Chartered  
Insurance  
Institute

## AF5 FACT-FIND – February 2024

You are a financial adviser authorised under the Financial Services and Markets Act 2000 (FSMA). You completed the following fact-find when you met Neil and Helen Winters.

PART 1: BASIC DETAILS		
	Client 1	Client 2
Surname	Winters	Winters
First name(s)	Neil	Helen
Address	London	London
Date of birth	12.12.1970	05.10.1972
Domicile	UK	UK
Residence	UK	UK
Place of birth	Manchester	London
Marital status	Married	Married
State of health	Good	Good
Family health	Good	Good
Smoker	No	No
Hobbies/Interests	Travel, Sport	Travel, Theatre
<b>Notes:</b>		
<p>Neil and Helen had been working for overseas companies across the Asia Pacific region for the past six years. They returned to live in the UK in August 2023. They now intend to remain in the UK, and both have recently started working for new employers.</p> <p>Neil and Helen have appointed you to review their current financial arrangements and assess the suitability of their arrangements to enable them to retire fully in 10 years' time.</p>		

PART 2: FAMILY DETAILS					
Children and other dependants					
Name	Relationship	Age	Health	Occupation	Financially dependent?
Samuel	Son	17	Good	N/A	Yes
Anna	Daughter	16	Good	N/A	Yes
<b>Notes:</b>					
Samuel and Anna both attend private schools and are intending to go to university at age 18.					

<b>PART 3: EMPLOYMENT DETAILS</b>		
<b>Employment</b>	<b>Client 1</b>	<b>Client 2</b>
Occupation	Marine Engineer	Office Manager
Job title	Operations Director	Manager
Business name	Offshore Marine SVS UK	Dalkeith Consultants Ltd
Business address		
Year business started		
Salary (gross per annum)	£120,000	£40,000
State Pensions		
Overtime (gross per annum)		
Benefits-in-kind		
Pension Scheme	See Part 11	See Part 11
Life cover	See Part 8	See Part 8
Private Medical Insurance		
Income Protection Insurance		
<b>Self-Employment</b>		
Net relevant earnings		
Accounting date		
Partnership/Sole trader		
<b>Other Earned Income</b>		
<b>Notes:</b>		
<p>Neil and Helen have both joined their new employer's qualifying workplace pension schemes (see Part 11). Neil has been offered a range of optional employer-sponsored protection benefits, including Group Income Protection and Group Private Medical Insurance.</p> <p>Neil has been offered the option to join the Employer's Share Incentive Plan (SIP).</p> <p>Neil is unsure if any of these benefits will meet the family needs and has asked for your advice.</p>		
<b>Previous Employment</b>		
	<b>Client 1</b>	<b>Client 2</b>
Previous employer	Maritime SVS Europe Ltd	Groom Park Consultants Ltd
Job title	Marine Engineer	Assistant Manager
Length of service	20 years	20 years
Pension benefits	See Part 11	See Part 11
<b>Notes:</b>		
<p>Neil and Helen did not receive any pension or other benefits in addition to their salaries whilst working overseas.</p> <p>Helen took a five-year career break after Samuel and Anna were born.</p>		

<b>PART 4: OTHER PROFESSIONAL ADVISERS</b>		
	<b>Client 1</b>	<b>Client 2</b>
Accountant		
Bank	Accent Bank	Accent Bank
Doctor		
Financial Adviser		
Solicitor	Hendry Davies LLP	Hendry Davies LLP
Stockbroker		
Other		
<b>Notes:</b>		

<b>PART 5: INCOME AND EXPENDITURE</b>						
<b>Income</b>						
	<b>Client 1</b>		<b>Client 2</b>		<b>Joint</b>	
	<b>Monthly £</b>	<b>Annually £</b>	<b>Monthly £</b>	<b>Annually £</b>	<b>Monthly £</b>	<b>Annually £</b>
State Pensions						
Pensions/Annuities						
Salary (gross)		120,000		40,000		
Overtime (gross)						
Benefits-in-kind						
Savings income (interest)						7,200
Rental (gross)						
Dividends		5,400				
<b>Notes:</b>						
	<b>Client 1</b>		<b>Client 2</b>			
<b>Income Tax</b>	<b>£</b>		<b>£</b>			
Personal allowances						
Taxable income						
Tax						
National Insurance						
<b>Net Income</b>						
<b>Notes:</b>						

<b>Expenditure</b>						
	<b>Monthly £</b>			<b>Annually £</b>		
<b>Household Expenditure</b>	<b>Client 1</b>	<b>Client 2</b>	<b>Joint</b>	<b>Client 1</b>	<b>Client 2</b>	<b>Joint</b>
Mortgage/Rent						
Council tax			350			
Buildings and contents insurance						240
Gas, water and electricity			250			
Telephone/Mobile	40	40	60			
TV licence and satellite			70			
Property maintenance						2,000
<b>Regular Outgoings</b>						
Life assurance (see Part 8)						
Income Protection insurance (see Part 9)						
Savings Plans						
Car tax, insurance and maintenance				1,500	1,100	
Petrol and fares	200	160				
Loans						
School fees						30,000
Childcare						
Further education						
Subscriptions						
Food, drink, general housekeeping			800			
Pension contributions (see Part 11)	480	160				
<b>Other Expenditure</b>						
Magazines and newspapers						468
Entertainment			60			
Clubs and sport	75	75				
Spending money						6,000
Clothes				1,000	1,600	
Other (Holidays)						8,000
<b>Total Monthly Expenditure</b>	795	435	1,590			
<b>Total Annual Expenditure</b>	9,540	5,220	19,080	2,500	2,700	46,708
<b>Total Outgoings</b>						<b>85,748</b>

**Do you foresee any major/lump sum expenditure in the next two years?**

**Notes:**

Neil and Helen will continue to pay the children's private school fees for the next two years. These are £15,000 per child per year. Samuel's school fees will cease in July 2024 and Anna's fees will cease in July 2025.

Neil and Helen do not intend to pay university tuition fees for their children but will provide limited financial support only.

**PART 6: ASSETS**

	Assets	Client 1 £	Client 2 £	Joint £	Income (Gross) £
1.	Main residence			850,000	
2.	Contents/car			75,000	
3.	Current account			15,000	
4.	Deposit Account – Variable Rate			160,000	7,200
5.	Stocks and shares ISAs – Asia Pacific Emerging Market Equity Funds (accumulation units)	95,000			
6.	Stocks and shares ISAs – Global Sustainable Equity Funds (accumulation units)		65,000		
7.	UK individual equities	180,000			5,400
8.	Offshore Investment Bond – Global Managed Equity Fund			250,000	

**Notes:**

Neil and Helen did not use their ISA allowances whilst they were overseas but used their ISA allowances for the current tax year when they returned to the UK in August 2023.

They invested a lump sum of £195,000 in an Offshore Investment Bond in June 2020.

Neil's individual share portfolio was inherited from his late father a few years ago with a probate value of £240,000. Neil has asked for your advice on the merits of retaining the share portfolio.

Neil and Helen are considering downsizing their property when Anna leaves for university. They are planning to travel extensively in retirement and do not wish to maintain a large property in the UK. They rented out their property for the six-year period whilst they were overseas. This enabled them to pay off their mortgage from the rental income.

**PART 7: LIABILITIES**

<b>Mortgage Details</b>	<b>Client 1</b>	<b>Client 2</b>	<b>Joint</b>
Lender			
Type of mortgage			
Amount outstanding			
Start date			
Term/maturity			
Monthly payment			
Interest rate			
Life policies (see Part 8)			

**Notes:**

Neil and Helen have paid off their mortgage but are now considering downsizing to release funds to invest for their retirement.

<b>Other Loans</b>	<b>Client 1</b>	<b>Client 2</b>	<b>Joint</b>
Lender			
Type of loan			
Amount outstanding			
Start date			
Term/maturity			
Monthly payment			
Interest rate			
Payment protection			

**Notes:**

Neil and Helen do not have any loans.

**Other Liabilities (e.g. tax)****Notes:**

Neil and Helen do not have any other liabilities.

**PART 8: LIFE ASSURANCE POLICIES**

Life/Lives assured	Ownership	Sum assured £	Premium £	Term	Start date	In trust?	Surrender Values £
Neil	Employer (DIS)	360,000	N/A			Yes	N/A
Helen	Employer (DIS)	120,000	N/A			Yes	N/A

**Notes:**

Both Neil and Helen are members of their employer's death-in-service (DIS) schemes which will pay out 3 times salary on death. Both benefits are currently nominated for the survivor.

Neil and Helen have no other life cover.

**PART 9: HEALTH INSURANCE POLICIES**

Type	Life Covered	Current Sum Assured £	Start Date	Term/Review	Deferred Period	Premium £
Income Protection						
Private Medical Insurance						

**Notes:**

Neil has been offered the option of joining his new employer's Group Income Protection scheme as well as the Group Private Medical Insurance scheme.

He is unsure if he will accept either of these benefits due to his concerns over their suitability and any potential benefit-in-kind tax charges.

**PART 10: REGULAR SAVINGS**

Type	Company	Ownership	Fund	Amount Saved £	Sum Assured	Maturity Date	Current Value £

**Notes:**

Neil and Helen have not yet started a programme of regular savings but are keen to do so. Neil is considering the merits of joining his employer's Share Incentive Plan (SIP).

**PART 11: PENSION DETAILS****Occupational pension scheme**

	Client 1	Client 2
Member of employer's scheme		
Type of scheme		
Date joined		
Retirement age		
Pension benefits		
Death benefits		
Dependant's benefits		
Contracted-in/out		
Contribution Level (employee)		
Contribution Level (employer)		
Fund type		
Fund value		

**Notes:**

Neither Neil nor Helen has any occupational pension benefits.

**Additional Voluntary Contributions (including free standing additional voluntary contributions).**

	Client 1	Client 2
Type		
Company		
Fund		
Contribution		
Retirement date		
Current value		
Date started		

**Notes:**

Neither Neil nor Helen has any Additional Voluntary Contribution plans.



<b>Personal Pensions</b>		
	<b>Client 1</b>	<b>Client 2</b>
Type	Qualifying Workplace Pension scheme	Qualifying Workplace Pension scheme
Company	Monarch Life	Accent UK Life
Fund	Default fund – Managed fund	Default fund – Balanced Managed fund
Contributions	6% employee/6% employer	6% employee/3% employer
Retirement date	65	65
Current value	£1,200	£800
Date started	December 2023	November 2023
<b>Notes:</b>		
<p>Both Neil and Helen have joined their employer’s qualifying workplace pension schemes. As they have only just started their new jobs and are currently busy, they have chosen the default investment funds.</p> <p>Both schemes offer a wide range of passive and active investment funds. They have completed nominations for the schemes in favour of the survivor.</p>		
<b>Previous/other pension arrangements</b>		
	<b>Client 1</b>	<b>Client 2</b>
Employer	Maritime SVS Europe Ltd	Groom Park Consultants Ltd
Type of scheme	Group Personal Pension	Group Personal Pension
Date joined scheme	January 1997	March 1997
Date left scheme	June 2017	June 2017
Current value	£175,000	£65,000
<b>Notes:</b>		
<p>Neil’s previous pension is invested in a UK Cautious Managed fund. Helen’s pension is invested in a UK Corporate Bond fund. Neil and Helen were originally relatively cautious investors in earlier life as they had lower earnings and a limited understanding of investment risk and reward.</p> <p>They have not reviewed these pensions for several years.</p>		
<b>State Pension</b>		
	<b>Client 1</b>	<b>Client 2</b>
State Pension		
<b>Notes</b>		
Neil and Helen have never checked their State Pension records.		

<b>PART 12: INHERITANCES</b>		
<b>Wills</b>	<b>Client 1</b>	<b>Client 2</b>
Do you have a current Will?	Yes	Yes
<b>Notes:</b>		
Neil and Helen have Mutual Wills leaving all their assets to the survivor and then to the two children in equal shares. Both are keen to ensure that the children are guaranteed to receive the residual assets on second death.		
<b>Trusts</b>	<b>Client 1</b>	<b>Client 2</b>
Are you a beneficiary under a trust?	No	No
If yes, give details		
Are you a trustee?	No	No
If yes, give details		
<b>Notes:</b>		
<b>Gifts</b>	<b>Client 1</b>	<b>Client 2</b>
Give details of gifts made and received	None	None
<b>Notes:</b>		
<b>Inheritances</b>	<b>Client 1</b>	<b>Client 2</b>
Give details of any inheritances expected	None	None
<b>Notes:</b>		
Neil's parents died several years ago. Helen's parents are alive and in good health. Any inheritance is likely to be minimal and will not be received for many years so Neil and Helen do not wish to consider this in their planning.		

**PART 13: ATTITUDE TO RISK**

**What level of risk are you prepared to take to achieve your financial objectives?**

**Notes:**

Neil and Helen have been assessed as high-risk investors. Helen has an interest in Environmental, Social and Governance (ESG) investing but this is not a key consideration for her. This is not a consideration for Neil.

Neil and Helen have a medium to high capacity for loss.

**PART 14: BUSINESS RECORDS**

**Compliance**

Date fact-find completed	12.01.24	
Client agreement issued	12.01.24	
Data Protection Act	12.01.24	
Money laundering	12.01.24	

Dates of meetings	12.01.24	
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**Marketing**

Client source		
Referrals		

**Documents**

Client documents held		
Date returned		
Letters of authority requested		

**Notes:**

**PART 15: OTHER INFORMATION**

## Useful tips as you prepare for the AF5 exam

1. **Schedule sufficient revision time** to use your notes and learning and support materials to refresh your learning and consider how what you have learned applies to the case studies.
2. **Familiarise** yourself with the format and the navigation options navigation of an onscreen written exam using the familiarisation test which can be found by clicking [here](#).

The familiarisation test is modelled on AF1, the example is relevant for every candidate preparing to sit on-screen written exams by remote invigilation. Whilst there might be slight differences in layout, it will make you familiar with navigation and use of the platform.

3. **The [Assessment Information - Before the exam](#)** area of the CII website has further practical information and support.
4. **Prepare exam technique** using the support of the Exam Guides on the AF5 unit page, found [here](#), which include examiner guidance and time-saving tips such as abbreviations.
5. **Post Fact-Find Video Technical Guides** are available and cover the main areas of knowledge that might be applicable, based on the fact-find released for each exam. For more information and how purchase this video guide, please click [here](#).