



# SYNAPTIC SOFTWARE

## 3.2 RELEASE NOTES



SYNAPTIC

29 September 2014

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## Introduction

This is a release of the Synaptic Research Suite containing multiple enhancements to existing applications.

## 1. Modeller

Modeller updates contain a new calculator for working out how much money needs to be invested in order to achieve a certain goal as well as added extra fields to capture both a client's tolerance and capacity for loss to ensure the recommendation is fully compliant.

### 1.1 Capacity & Tolerance for Loss

We have added two new fields onto the 10k screen. These are to capture a client's capacity and tolerance for loss in order to comply with the FCA ruling that an adviser should establish what a client is "willing and able to lose" on an annual basis.

**Client's Comfort Percentage**  
How certain do you want to be of achieving your goal in terms of a percentage?  
85 %

**Client's Capacity for Loss**  
☒ Enter monetary value ☐ Enter percentage value  
Please enter the amount of money the client can afford (is able) to lose in any one year assuming a total investment of £10,000:  
£

**Client's Tolerance for Loss**  
☐ Enter monetary value ☒ Enter percentage value  
Please enter the amount of money the client is willing to lose in any one year as a percentage:  
%

The graph on the right shows investment growth over 10 years. The Y-axis represents investment value in thousands of pounds (£k), ranging from £3.64k to £22.00k. The X-axis represents years from 2 to 10. A central blue line shows the projected growth, surrounded by a shaded area representing a range of outcomes.

Back Next

Once you enter figures into these fields a validation will occur with the minimum gain figure that has been calculated either by selection of the ATR level (asset allocation journey) or the fund/portfolio selected (fund based journey) to show whether the selected strategy is within both the client's capacity and tolerance for loss or not.

## Client's Comfort Percentage

How certain do you want to be of achieving your goal in terms of a percentage?

% \*

## Client's Capacity for Loss

☒ Enter monetary value ☐ Enter percentage value

Please enter the amount of money the client can afford (is able) to lose in any one year assuming a total investment of £10,000:

£

This equates to a percentage of 15.24%



The minimum (5% chance) gain in a 1 year period is outside of your capacity for loss

## Client's Tolerance for Loss

☐ Enter monetary value ☒ Enter percentage value

Please enter the amount of money the client is willing to lose in any one year as a percentage:

%

This equates to a monetary value of £1,910.00 compared to £10,000



The minimum (5% chance) gain in a 1 year period is within your tolerance for loss

Where the MMM figures are;

Maximum (5% chance) Gain in a 1 year Period is:	31.34%	(£3,133.76)
Average (Mean) Gain in a 1 year Period is:	6.66%	(£665.59)
Minimum (5% chance) Gain in a 1 year Period is:	-18.22%	(-£1,822.43)

It is possible to enter these figures as both a percentage value or as a monetary value. If you enter as a monetary value then it should be a value based on if you were investing £10,000 and not what is actually being invested. This is so that it is consistent with the rest of the monetary values on the 10k screen which assume an investment of £10,000.

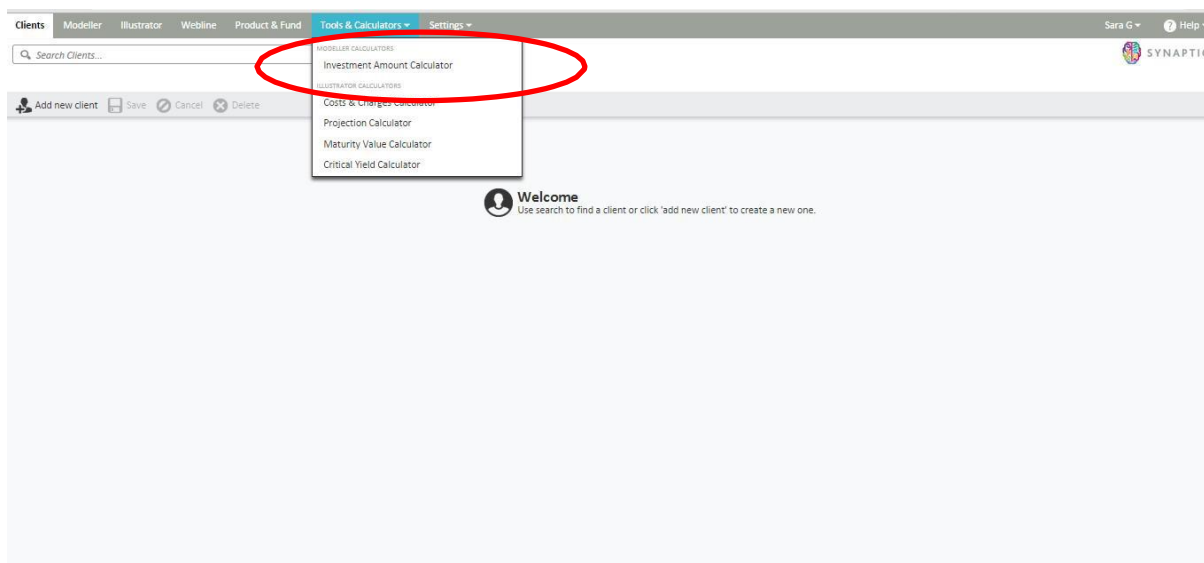
These figures will follow through to the report.

## 1.2. Investment Amount Calculator

Modeller version 3.2 comes with a new standalone calculator to help you work out how much a client would need to invest in order to achieve goal with a level of certainty.

You will need to input all the normal criteria including the type of goal (lump sum or income), the investment strategy used, the term, the target value, any money going in and the chance of success you desire. It will then return either the lump sum or the regular contribution needed to achieve that target with that level of certainty.

You can access the calculator by selecting “Tools & Calculators” and choosing the “Investment Amount Calculator”



This will open the calculator for you to input the criteria. If you have already selected a client before accessing the calculator, then this client will be imported. If you haven't then if you wish to make it client specific you will need to search for the client, select them and then re-enter the calculator. Alternatively you can choose to make it client agnostic but you must select the sex and age of the client (these inputs are required for the calculation to run)

A screenshot of the 'Investment Amount Calculator' form. The form is titled 'Investment Amount Calculator' and includes a 'Clear' button. It has two radio buttons for 'Calculate Initial Contribution' (selected) and 'Calculate Regular Contribution'. The 'Client Details' section is highlighted with a red oval and contains a message: 'You can change clients by searching for one in the 'search clients' field above and returning to this calculator.' Below this, there are fields for 'Sex' (a dropdown menu) and 'Age' (a text input). The 'Investment' section includes a dropdown for 'Use Asset Allocation Derived From', a 'Term (Years)' field, 'Goal Type' radio buttons (Lump Sum selected, Income), 'Target Value (£)' and 'Comfort Percentage (%)' fields, 'Total Solution Cost (%)' field, 'Investment Basis' radio buttons (Balanced selected, Non-balanced), 'Target Basis' radio buttons (Real selected, Nominal), and a 'Regular Contribution (£)' field.

You must also decide whether you wish to calculate the lump sum or regular contribution required.

You must then select the investment criteria which must include;

- The asset allocation – here you have the opportunity to select one of the investment strategies ATR level asset allocation or in fact any portfolio you have access to or any fund contained in any fund panel you have.
- Term
- Goal type – lump sum or income
- Target Value
- Comfort Percentage
- Total Solution Cost
- Illustration Type – Balanced or Non-balanced & Real or Nominal
- A Contribution – if you are calculating a lump sum you can input a current regular amount with a frequency, if you are calculating a regular amount then you can input a lump sum and specify the frequency of the regular amount to be calculated

### Investment

Use Asset Allocation Derived From

Balanced

\*

Term (Years)

10

\*

Goal Type

☒ Lump Sum
 ☐ Income

\*

Target Value (£)

15000

\*

Comfort Percentage (%)

75

\*

Total Solution Cost (%)

2

\*

Illustration Type

☒ Balanced
 ☐ Non-balanced

\*

Illustration Type

☒ Real
 ☐ Nominal

\*

Regular Contribution (£)

150

\*

Regular Contribution Frequency

Monthly

\*

Calculate

Quick Report

The calculated initial contribution is

not yet calculated

Once you have entered all your criteria click on calculate and the system will return the value the client needs to contribute in order to achieve the target value with the specified comfort level over that term using the asset allocation selected.

### Investment

Use Asset Allocation Derived From

Balanced

\*

Term (Years)

10

\*

Goal Type

☒ Lump Sum
 ☐ Income

\*

Target Value (£)

15000

\*

Comfort Percentage (%)

75

\*

Total Solution Cost (%)

2

\*

Illustration Type

☒ Balanced
 ☐ Non-balanced

\*

Illustration Type

☒ Real
 ☐ Nominal

\*

Regular Contribution (£)

150

\*

Regular Contribution Frequency

Monthly

\*

Calculate

Quick Report

The calculated initial contribution is

£1643

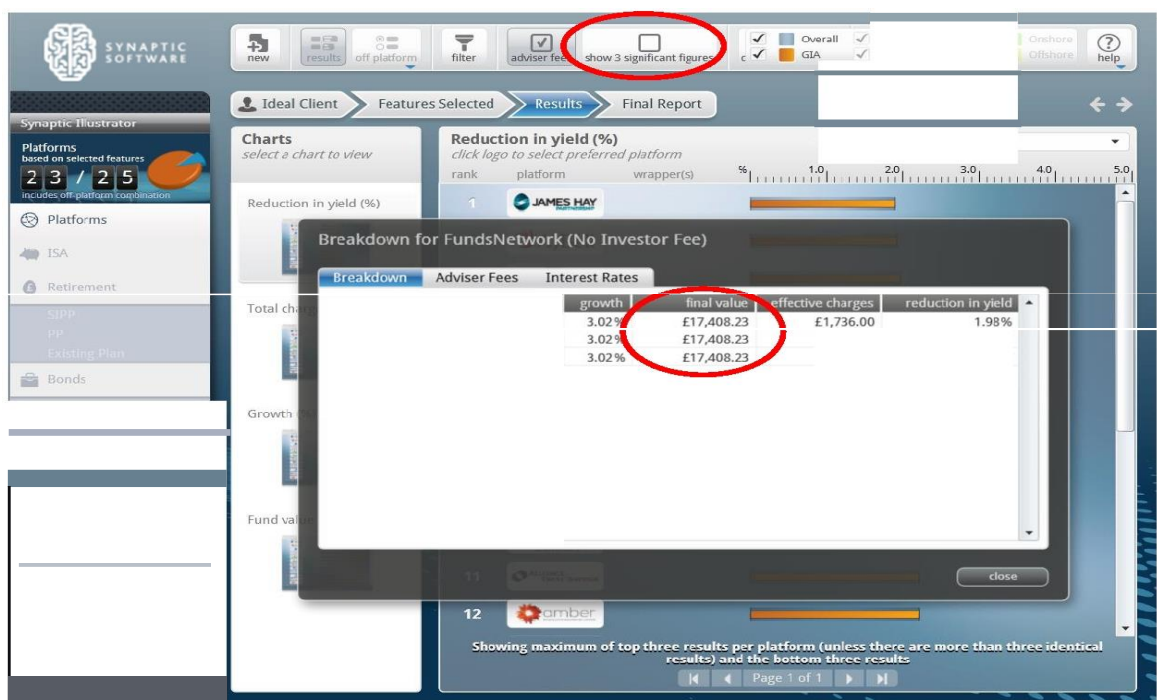
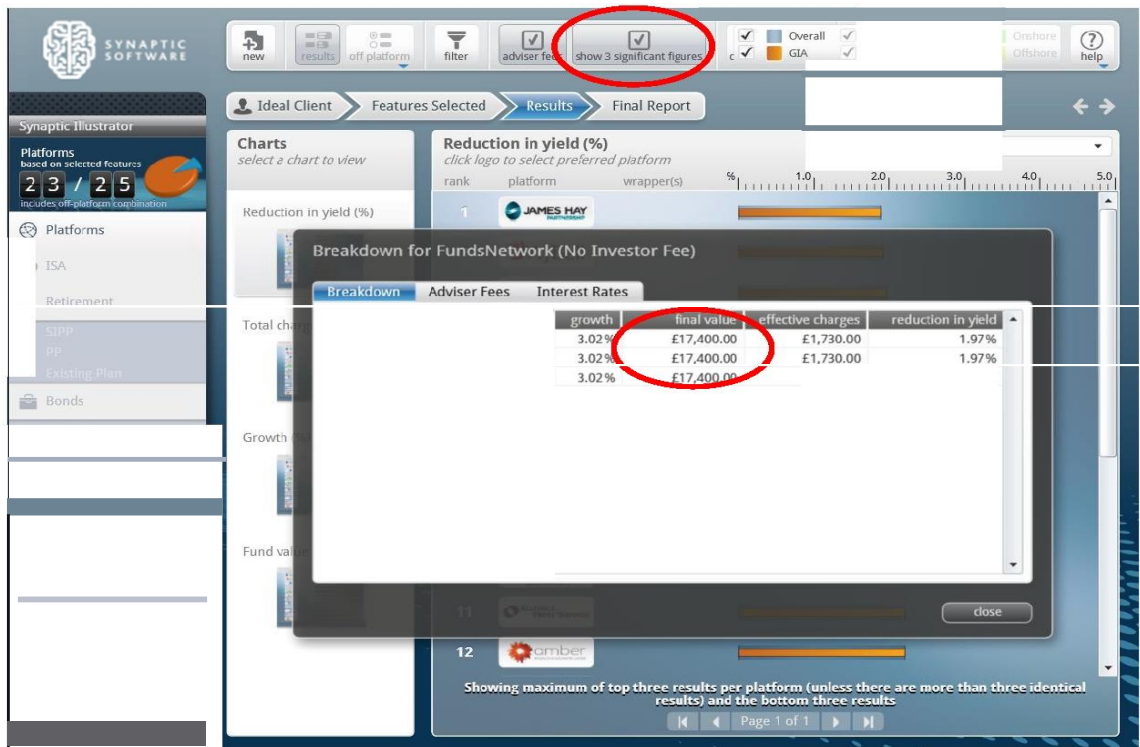
You can then print a quick report that will contain all of the data. You can repeat the calculation changing different criteria as much as you like and save a report each time but once you leave this screen all the input criteria will be lost.

If a figure of £0 is returned it means you would not need to add any money to the scenario in order to achieve the criteria requested.



## 2. Comparator Update

We have made one very small change to Comparator and given the ability to a user to display the exact results from our calculations and not just the results to 3 significant figures.



These numbers will be pulled through into any reports.

### 3. Illustrator Update

In addition to the above, users with an Illustrator licence will benefit from some enhancements to the Costs & Charges Calculator. We have added the ability to recalculate over a different term and created a new version of the calculator for producing a projection when you do not have one from a provider.

#### 3.1 Costs & Charges Calculator extension

There is a new box before the calculate button where you have the option to change the term the projection is run over. This has a number of uses;

1. If you have multiple existing projections from different plans and for some reason they have different terms you can use the calculator to now align the terms together.
2. You can do the above and still use the additional costs capabilities – please note the results will contain both calculations in one result i.e. the additional costs plus the change of term and if you wanted to see the effect of both individually you would need to do 2 separate calculations
3. You could use it to demonstrate retiring at different retirement dates i.e. changing from 65 to 67.

The calculator will default to the original term unless you tick the box.

The screenshot shows the Synaptic Illustrator web application. The top navigation bar includes 'Clients', 'Modeller', 'Illustrator', 'Webline', 'Product & Fund', 'Tools & Calculators', and 'Settings'. A search bar for 'Search Clients...' is on the left, and the user 'Sara G' is logged in on the right. The main content area is titled 'Additional Costs' and contains a table with columns: Cost, Frequency, Indexation, Name, Reason, and an 'Add' button. Below the table, the 'Revised Projection Term' section is highlighted with a red oval. It includes the instruction: 'To alter the term of this projection tick the override term box, and enter a new term in the boxes below.' There is an 'Override Term' checkbox, followed by input fields for '10' years and '3' months. Below these are 'Calculate' and 'Quick Report' buttons. At the bottom, the 'Projection Results' section shows a table with columns: Growth Rate, Original Working Value, Adjusted Monthly Value, and Reduction In Yield (RIY).

You can then select a new term and press calculate as normal

**Additional Costs**

Enter additional costs in the table below. Any costs with a frequency of "Initial" will be taken off the initial value at outset. "E" costs should be entered as the amount per frequency, i.e. £10 monthly will take a £10 charge each month. "%" costs should be entered as the annual % cost we will then apply the proportion due per frequency to equate to the annual % cost.

Cost	Frequency	Indexation	Name	Reason	Add

**Revised Projection Term**

To alter the term of this projection tick the override term box, and enter a new term in the boxes below.

☒ Override Term    13 years    6 months

Calculate Quick Report

**Projection Results**

Growth Rate	Original Maturity Value	Adjusted Maturity Value	Reduction In Yield (RIY)

## 3.2 Projection Calculator

Some providers do not supply illustrations/projections for certain product types, this can make the process of assessing cost and comparing to the open market very difficult. For this reason we have added a new calculator to Synaptic Illustrator in order for you to be able to do this.

You can access it from the "Tools & Calculators" dropdown or from the Illustrator tab

**Projection Calculator**

Enter the initial value, term and any existing contributions if available. The maturity value would be on an illustration from the provider.

Initial Value: £0.00

Term: 0 years, 0 months

**Contributions**

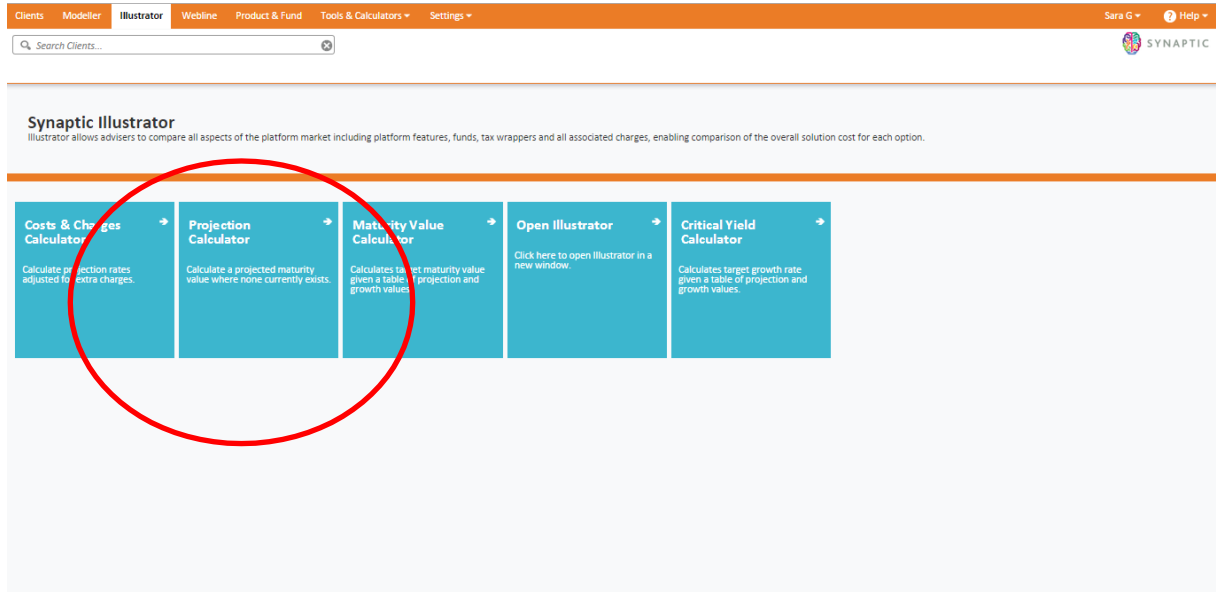
Amount £	Frequency	Indexation	Add

**Projection Rates**

Enter the growth rates you wish to use, the maturity values will then be calculated with a 0% RIY.

Growth Rate	Maturity Value (No Charges)	Reduction In Yield (RIY)	Add

<https://comparatorpre.synaptic.co.uk/FusionUI/Illustrator/ProjectionCalc>



You need to fill in the initial amount, contribution profile, term and the growth rates you wish to use. We will then calculate the “no charge growth” as a maturity value i.e. if the investment grew compounding and had an RIY of 0%.

The screenshot shows the Synaptic Projection Calculator form. The top navigation bar is the same as the previous screenshot. The main content area is titled 'Projection Calculator' and includes a 'Clear' button. The form contains several input fields and a table. The 'Initial Value' field is set to £12,458.00. The 'Term' is set to 15 years and 3 months. The 'Contributions' table has one row with an amount of £50.00, frequency of Initial, and indexation of None. The 'Projection Rates' table is circled in red and contains three rows of data.

Amount £	Frequency	Indexation	Add
£50.00	Initial	None	✕

Growth Rate	Maturity Value (No Charges)	Reduction in Yield (RIY)	Add
2.00%	£16,917.67	0.00%	✕
5.00%	£26,322.35	0.00%	✕
8.00%	£40,448.29	0.00%	✕

You then need to specify the charges levied at the adviser, product and fund level and then press calculate.

[Clients](#)
[Modeller](#)
[Illustrator](#)
[Webline](#)
[Product & Fund](#)
[Tools & Calculators](#)
[Settings](#)

Sara G
 Help

Search Clients...

5.00%	£26,322.35	0.00%	✕
8.00%	£40,448.29	0.00%	✕

**Costs**

Enter all the plan and fund costs in the table below. Any costs with a frequency of "Initial" will be taken off the initial value at outset. "E" costs should be entered as the amount per frequency, i.e. £10 monthly will take a £10 charge each month. "E" costs should be entered as the amount per frequency to equate to a flat fee.

Cost	Frequency	Indexation	Name	Notes	Add
% 0.85%	Initial	None	Adviser Fee		✕
% 0.40%	Initial	None	Product Fee		✕
% 1.20%	Initial	None	Fund TER		✕

[Calculate](#)
[Quick Report](#)

**Projection Results**

Growth Rate	Maturity Value (No Charges)	Adjusted Maturity Value	Reduction In Yield (RIY)
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This will return the projection at the rates you specified taking into account the costs you have entered.

[Clients](#)
[Modeller](#)
[Illustrator](#)
[Webline](#)
[Product & Fund](#)
[Tools & Calculators](#)
[Settings](#)

Sara G
 Help

Search Clients...

Cost	Frequency	Indexation	Name	Notes	Add
% 0.85%	Initial	None	Adviser Fee		✕
% 0.40%	Initial	None	Product Fee		✕
% 1.20%	Initial	None	Fund TER		✕

[Calculate](#)
[Quick Report](#)

**Projection Results**

Growth Rate	Maturity Value (No Charges)	Adjusted Maturity Value	Reduction In Yield (RIY)
2.00%	£16,917.67	£16,504.84	0.17%
5.00%	£26,322.35	£25,680.03	0.17%
8.00%	£40,448.29	£39,461.27	0.17%

We think the improvements in release 3.2 will help you work through the Synaptic Software more efficiently.

If you do have any feedback about our software please call us on 0800 028 0033.



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