Discount Rate Legislation

The Evidence

14th November 2017

Executive Summary

In order to consider whether the GAD information, and particularly the conclusion that 95% of claimants will be over-compensated by 35%, is accurate and helpful, one must first distinguish between two different questions:

1. What asset allocation do you consider appropriate for a claimant who is a 'low risk' investor?
2. What level of risk is required to meet a claimant's cash-flow needs and what asset allocation best meets that level of risk?

Whilst these look like the same question, they are very different.

As set out in the body of this note, if you ask an investment manager the first question then, regardless as to the discount rate that the award was based upon, they will invest in a 'low risk' manner.

Consequently, there is no assessment of cash flow and the asset allocation does not alter as the discount rate changes.

However, if you ask the second question, analysis of the cash-flow need should then follow and, if the claimant's needs require exposure to more or less risk, the asset allocation should alter accordingly. In other words, if the claimant's needs can be met at 'very low risk' because of the applied discount rate, this should be the instruction to the investment manager, which in turn should give rise to a different asset allocation.

The MOJ's Questionnaire to the four wealth managers consulted set out cash flows to be met from different lump sums, and explicitly stated "*we are especially interested in how the composition of any recommended portfolio might change in relation to different levels of the Discount Rate*". In other words, the MOJ was seeking evidence in response to the second question, which I agree is the one that is relevant to the determination of the discount rate.

As can be seen from the analysis at Appendix 1, the resulting portfolios from three of the investment managers (Firms A, B & C) show little evidence of any change in their recommendations according to the level of compensation and the cash flow needs.

If the investment managers had been invited to show the asset allocation for a 'very low risk' investor where the claimant had been compensated on a minus 0.75% discount rate, a 'low risk' investor where the claimant had been compensated on a 1% discount rate and a 'average risk' investor where the claimant had been compensated on a 2.5% discount rate, the asset allocations would have been different.

Whatever the investment managers thought they were being asked, it seems that three out of the four answered the first question, with only one answering the second question.

The answers from the one firm that answered the second question (Firm D) were then removed from the analysis.

Therefore, what purports to show evidence of overcompensation does nothing of the sort. If you always invest the same way, regardless as to the basis of the discount rate, such an investment plan will always illustrate over-compensation for those whom have had a lower discount rate applied than for those whom have had a higher discount rate applied (on the premise that there is an assumption of positive real returns from assets over time).

Given the exclusion of what we consider appropriate advice from Firm D having undertaken suitable cash-flow analysis, we are dismayed that this submission is rejected, meaning that only the first question is answered.

Furthermore, the following question was asked during oral evidence to the Committee from Lord Keen:

> ***Ellie Reeves:*** *My understanding is that the idea of claimants being overcompensated comes from a Government Actuary report. The portfolios in that report are based on unpublished questionnaires returned by only four wealth management firms. Is that the total evidence for the idea that claimants are being overcompensated?*
>
> ***Lord Keen:*** *It is not the totality of the evidence. We have had submissions from both claimants and defendants about the issue of the discount rate and its impact upon the level of compensation that is received. We have the perceptions, for example, of insurers as well.*
>
> *Can I be clear? The Government Actuary's Department findings were an illustrative review, essentially, based on the material that was placed before them. As you know, there were two portfolios of investment that were analysed by the Government Actuary: portfolio A and portfolio B. While portfolio B might have reflected the conduct of claimants in the past, because of the relatively high discount rate, portfolio A was wholly independent of that, and therefore was reflective of what would actually happen in the market when a claimant was investing their fund.*
>
> *It was interesting when we spoke to those involved in the investment of funds on behalf of claimants that they talked about the investment classes selected by portfolio A as reflecting low risk, defensive, cautious, personal injury, and low risk overall. Indeed, it was the sort of investment they would make for someone subject to the Court of Protection, for example. There was a clear body of evidence pointing to the way in which the funds could be invested. Over and above that, there was the Government Actuary's determination that the median was being overcompensated to the extent of 135%.*

The MOJ indicates that 34 pieces of information were assessed: 14 of these were portfolios from the four wealth managers. In arriving at the average asset allocations for Portfolio A, only 11 out of the 34 pieces of information were used. Only 2 responses from the wealth managers are included in the sample. Portfolio A is derived from the average asset allocation of the following:

No.	Source	Name
1	Consultation response A	WMA Private Investor Conservative Index
4	Consultation response B.1	Low Risk Investor
5	Consultation response B.2	Defensive Portfolio
8	Consultation response B.4	FTSE UK Private Investor Conservative Index
10	Consultation response B.5	FE Invest Cautious Model Portfolio
12	Consultation response C	Typical PI portfolio
13	Consultation response D	Personal Injury Fund
17	Consultation response E	Client D
19	Consultation response F	Risk Profile 3: Low Risk
21	WMA Firm A	Portfolio 1 (Medium Low Balanced)
25	WMA Firm C	Portfolio 1 (Discretionary Portfolio – Lower Risk)

Given that the majority of the information included is either based upon indices or portfolios matched to a given level of risk, and cannot take cash flow needs into account, these measures answer the first question set out above and not the second question.

Note 8 of the Questionnaire stated:

> *Figures based on three illustrative discount rates are provided, to assess how the recommended investment portfolio would change, depending on compensation amounts.*

However, the replies to the Questionnaire and indices and portfolios taken into account do not and could not (in respect of the indices and portfolios) provide any information as to how the recommended investment portfolio would change, depending on the applied discount rate; as the portfolio, index and fund would invest in exactly the same way for a claimant who is compensated on minus 0.75% as 2.5%.

Whilst GAD is asked to cash-flow model, it is on the following basis, that bears no relation to the three Cases in the Questionnaire or, therefore, the responses:

- A term certain 30-year duration, meaning that there is no account of mortality risk;
- A £10,000 per annum need, meaning that the impact of taxation will be more modest or even zero; and
- An RPI-linked need, meaning that there is no allowance for uncompensated real earnings growth.

It is not a surprise that when Portfolio A is modelled against a more modest, term-certain, RPI-linked, £10,000 per annum need, there is an indication of over-compensation. The analysis undertaken is simply not on a 'like-for-like' basis.

Consequently, to rely on this very limited evidence alone, when it does not provide an answer to the appropriate question, is, in my opinion, a fundamental flaw in the process of setting the personal injury discount rate.

I have kept this commentary as brief as possible; a more detailed analysis of the evidence is at Appendix 1.

Richard Cropper
For and behalf of Personal Financial Planning Ltd.

Appendix 1: How does the assessment of need alter the claimant's risk profile?

The following table sets out assumed needs, of the three 'pen pictures' from the Questionnaire, to be met from the lump sum award of damages in each case:

	Case 1	Case 2	Case 3	
Annual needs net of charges and taxation				
Care	-	£50,000	£10,000	(A)
Other costs to retirement	£40,000	£35,000	£32,000	(B)
Other costs from retirement	-	£35,000	£24,000	(C)
Less, other income				
Benefits	-£10,000	-£10,000	-£10,000	(D)
Earnings, net of taxation	-	-	-£28,000[1]	(E) = gross figure x 0.8
Pension, net of taxation	-	-	-£16,000[2]	(F) = gross figure x 0.8
Resulting annual needs from the lump sum				
To retirement age / for life	£30,000	£75,000	-	(G) = (A) + (B) + (D)
To retirement age	-	-	£4,000	(H) = (A) + (B) + (D) + (E)
From retirement age	-	-	£8,000	(I) = (A) + (C) + (D) + (F)

In light of the above, consider Case 3.

The investment manager had a lump sum of £770,000 to meet ongoing needs of £4,000 per annum for 15 years and £8,000 per annum for the remaining 20 years.

The following table illustrates that cash-flow analysis indicates that a real and net return of **minus 5.31%** per annum would be required to make the sum of £770,000 meet the income needs of £4,000 per annum for 15 years and £8,000 per annum for 20 years thereafter, with the capital being exhausted at the end of the final year:

Years	Value of the Lump Sum	Real and Net Return at Minus 5.31%	Income Need to Retirement	Income Need from Retirement	Remaining Value of the Fund
1	£770,000	-£40,850	-£4,000		£725,150
2	£725,150	-£38,471	-£4,000		£682,679
3	£682,679	-£36,218	-£4,000		£642,462
4	£642,462	-£34,084	-£4,000		£604,378

[1] For ease, I have assumed that 20% taxation would apply on the whole amount of the gross income of £32,000. This is likely to overstate the impact of taxation given the assumed availability of the Claimant's personal allowance.

[2] Again, I have assumed that 20% taxation would apply on the whole amount of the gross income of £20,000. This is likely to overstate the impact of taxation given the assumed availability of the Claimant's personal allowance.

5	£604,378	-£32,064	-£4,000		£568,314
6	£568,314	-£30,150	-£4,000		£534,164
7	£534,164	-£28,339	-£4,000		£501,825
8	£501,825	-£26,623	-£4,000		£471,202
9	£471,202	-£24,998	-£4,000		£442,204
10	£442,204	-£23,460	-£4,000		£414,744
11	£414,744	-£22,003	-£4,000		£388,741
12	£388,741	-£20,624	-£4,000		£364,118
13	£364,118	-£19,317	-£4,000		£340,800
14	£340,800	-£18,080	-£4,000		£318,720
15	£318,720	-£16,909	-£4,000		£297,812
16	£297,812	-£15,800		-£8,000	£274,012
17	£274,012	-£14,537		-£8,000	£251,475
18	£251,475	-£13,341		-£8,000	£230,134
19	£230,134	-£12,209		-£8,000	£209,925
20	£209,925	-£11,137		-£8,000	£190,788
21	£190,788	-£10,122		-£8,000	£172,666
22	£172,666	-£9,160		-£8,000	£155,506
23	£155,506	-£8,250		-£8,000	£139,256
24	£139,256	-£7,388		-£8,000	£123,868
25	£123,868	-£6,571		-£8,000	£109,297
26	£109,297	-£5,798		-£8,000	£95,498
27	£95,498	-£5,066		-£8,000	£82,432
28	£82,432	-£4,373		-£8,000	£70,059
29	£70,059	-£3,717		-£8,000	£58,342
30	£58,342	-£3,095		-£8,000	£47,247
31	£47,247	-£2,507		-£8,000	£36,740
32	£36,740	-£1,949		-£8,000	£26,791
33	£26,791	-£1,421		-£8,000	£17,370
34	£17,370	-£921		-£8,000	£8,448
35	£8,448	-£448		-£8,000	£0

Even allowing for real earnings growth on the need of, say, 2% per annum, the real and net return required from the award is still just minus 3.31% per annum. On any reasonable basis, this does not require exposing the claimant to any investment risk.

For 'Case 3' on 'discount rate 1' the investment managers who responded to the survey provided the following portfolio breakdown:

Asset Type	Firm A	Firm B	Firm C	Firm D
Cash	5.0%	5.0%	4.3%	100.0%
Index-linked Gilts	0.0%	0.0%	6.1%	0.0%
Fixed interest Gilts	0.0%	0.0%	8.1%	0.0%
Overseas government inflation-linked bonds	0.0%	0.0%	10.4%	0.0%
Overseas government fixed interest bonds	0.0%	0.0%	4.2%	0.0%
Corporate Bonds (fixed interest)	0.0%	10.0%	25.6%	0.0%
UK Equities	20.5%	26.0%	5.2%	0.0%
Overseas Equities	14.3%	9.0%	8.8%	0.0%
Property	0.0%	8.0%	5.6%	0.0%
Commodities	0.0%	0.0%	3.5%	0.0%
Gilts (Fixed & Index-Linked)	0.0%	35.0%	0.0%	0.0%
Fixed Income	33.2%	0.0%	0.0%	0.0%
Alternatives	27.0%	8.0%	18.2%	0.0%
TOTAL	100.0%	101.0%	100.0%	100.0%

I assume from the above that Firm D had undertaken some reasonable analysis with regard to the need from the award, given that they suggest 100% to be held in cash is appropriate.

Now consider Case 2.

The investment manager had a lump sum of £6.1million to meet ongoing needs of £75,000 per annum for life (71 years, if no allowance is made for the risk of living longer).

The following table illustrates that cash-flow analysis indicates that a real and net return of **minus 0.37%** per annum would be required to make the sum of £6.1million meet the income needs of £75,000 per annum, with the capital being exhausted at the end of the final year:

Years	Value of the Lump Sum	Real and Net Return at Minus 0.37%	Income Need from Retirement	Remaining Value of the Fund
1	£6,100,000	-£22,496	-£75,000	£6,002,504
2	£6,002,504	-£22,137	-£75,000	£5,905,367
3	£5,905,367	-£21,779	-£75,000	£5,808,588
4	£5,808,588	-£21,422	-£75,000	£5,712,167
5	£5,712,167	-£21,066	-£75,000	£5,616,100
6	£5,616,100	-£20,712	-£75,000	£5,520,389
7	£5,520,389	-£20,359	-£75,000	£5,425,030
8	£5,425,030	-£20,007	-£75,000	£5,330,023
9	£5,330,023	-£19,657	-£75,000	£5,235,366
10	£5,235,366	-£19,308	-£75,000	£5,141,058
11	£5,141,058	-£18,960	-£75,000	£5,047,098

12	£5,047,098	-£18,613	-£75,000	£4,953,485
13	£4,953,485	-£18,268	-£75,000	£4,860,217
14	£4,860,217	-£17,924	-£75,000	£4,767,293
15	£4,767,293	-£17,581	-£75,000	£4,674,711
16	£4,674,711	-£17,240	-£75,000	£4,582,471
17	£4,582,471	-£16,900	-£75,000	£4,490,571
18	£4,490,571	-£16,561	-£75,000	£4,399,011
19	£4,399,011	-£16,223	-£75,000	£4,307,787
20	£4,307,787	-£15,887	-£75,000	£4,216,900
21	£4,216,900	-£15,552	-£75,000	£4,126,349
22	£4,126,349	-£15,218	-£75,000	£4,036,131
23	£4,036,131	-£14,885	-£75,000	£3,946,246
24	£3,946,246	-£14,553	-£75,000	£3,856,693
25	£3,856,693	-£14,223	-£75,000	£3,767,469
26	£3,767,469	-£13,894	-£75,000	£3,678,575
27	£3,678,575	-£13,566	-£75,000	£3,590,009
28	£3,590,009	-£13,240	-£75,000	£3,501,769
29	£3,501,769	-£12,914	-£75,000	£3,413,855
30	£3,413,855	-£12,590	-£75,000	£3,326,265
31	£3,326,265	-£12,267	-£75,000	£3,238,998
32	£3,238,998	-£11,945	-£75,000	£3,152,053
33	£3,152,053	-£11,625	-£75,000	£3,065,428
34	£3,065,428	-£11,305	-£75,000	£2,979,123
35	£2,979,123	-£10,987	-£75,000	£2,893,136
36	£2,893,136	-£10,670	-£75,000	£2,807,467
37	£2,807,467	-£10,354	-£75,000	£2,722,113
38	£2,722,113	-£10,039	-£75,000	£2,637,074
39	£2,637,074	-£9,725	-£75,000	£2,552,348
40	£2,552,348	-£9,413	-£75,000	£2,467,936
41	£2,467,936	-£9,102	-£75,000	£2,383,834
42	£2,383,834	-£8,791	-£75,000	£2,300,043
43	£2,300,043	-£8,482	-£75,000	£2,216,560
44	£2,216,560	-£8,175	-£75,000	£2,133,386
45	£2,133,386	-£7,868	-£75,000	£2,050,518
46	£2,050,518	-£7,562	-£75,000	£1,967,956
47	£1,967,956	-£7,258	-£75,000	£1,885,698
48	£1,885,698	-£6,954	-£75,000	£1,803,744
49	£1,803,744	-£6,652	-£75,000	£1,722,092
50	£1,722,092	-£6,351	-£75,000	£1,640,741
51	£1,640,741	-£6,051	-£75,000	£1,559,690
52	£1,559,690	-£5,752	-£75,000	£1,478,938

53	£1,478,938	-£5,454	-£75,000	£1,398,483
54	£1,398,483	-£5,158	-£75,000	£1,318,326
55	£1,318,326	-£4,862	-£75,000	£1,238,464
56	£1,238,464	-£4,567	-£75,000	£1,158,897
57	£1,158,897	-£4,274	-£75,000	£1,079,623
58	£1,079,623	-£3,982	-£75,000	£1,000,641
59	£1,000,641	-£3,690	-£75,000	£921,951
60	£921,951	-£3,400	-£75,000	£843,551
61	£843,551	-£3,111	-£75,000	£765,440
62	£765,440	-£2,823	-£75,000	£687,617
63	£687,617	-£2,536	-£75,000	£610,081
64	£610,081	-£2,250	-£75,000	£532,831
65	£532,831	-£1,965	-£75,000	£455,866
66	£455,866	-£1,681	-£75,000	£379,185
67	£379,185	-£1,398	-£75,000	£302,786
68	£302,786	-£1,117	-£75,000	£226,670
69	£226,670	-£836	-£75,000	£150,834
70	£150,834	-£556	-£75,000	£75,278
71	£75,278	-£278	-£75,000	£0

The Questionnaire states the following with regard to inflation:

> *All income and outgoings figures (including care costs) should be assumed to rise in line with inflation going forwards. The measure of inflation assumed should have regard to the type of income/outgoing being considered (in line with the usual assumptions used by the investment manager).*

As a result, I would expect that all personal injury experienced investment managers would allow for earnings growth in respect of future care and earnings. Again, allowing for 2% real earnings growth (for reasons clearly set out in the cases of *Sarwar* and *Thompstone el al*), the required real and net return is now 1.63%.

For 'Case 2' on 'discount rate 1' the investment managers who responded to the survey provided the following portfolio breakdown:

Asset Type	**Firm A**	**Firm B**	**Firm C**	**Firm D**
Cash	5.0%	5.0%	4.3%	8.4%
Index-linked Gilts	0.0%	0.0%	6.1%	5.4%
Fixed interest Gilts	0.0%	0.0%	8.1%	54.4%
Overseas government inflation-linked bonds	0.0%	0.0%	10.4%	0.0%
Overseas government fixed interest bonds	0.0%	0.0%	4.2%	0.0%
Corporate Bonds (fixed interest)	0.0%	10.0%	25.6%	5.4%

UK Equities	20.5%	26.0%	5.2%	21.5%
Overseas Equities	14.3%	9.0%	8.8%	4.9%
Property	0.0%	8.0%	5.6%	0.0%
Commodities	0.0%	0.0%	3.5%	0.0%
Gilts (Fixed & Index-Linked)	0.0%	35.0%	0.0%	0.0%
Fixed Income	33.2%	0.0%	0.0%	0.0%
Alternatives	27.0%	8.0%	18.2%	0.0%
TOTAL	100.0%	101.0%	100.0%	100.0%

One can see from the above that Firms A, B and C provided the same answer for Case 2 as for Case 3.

This is because, as far as Firms A to C are concerned, they have been asked to invest a sum of money for both claimants at 'low risk'. Therefore, regardless as to level of need, duration of loss, capacity for loss or mortality risk of living longer, both claimants get the same portfolio.

Firm D answered the second question and provided a reasonable response.

In Case 3, there was no need to expose the claimant's money to investment risk, so 100% case is entirely appropriate. In Case 2, the real need was much greater and was over a much longer period of time, therefore, more risk was appropriate than in Case 3.

However, as set out in Appendix 2, Firm D's responses were removed from those that were taken into account when establishing the model portfolios.

Appendix 2: What information was taken into account by the MOJ?

The following table sets out all of the evidence considered by the MOJ, with those marked in yellow that were taken into account and those marked red that were rejected:

No.	Source	Name	Risk Allocation	Comments
1	Consultation response A	WMA Private Investor Conservative Index	Low	Identified by report as 'Lower' risk and equated with the 'Low Risk' MOJ category
2	Consultation response A	WMA Private Investor Income Index	None	Has risk level between the Conservative and Balanced Indices, so not allocated
3	Consultation response A	WMA Private Investor Balanced Index	Higher	Identified by report as 'Medium/Low' risk but PI clients separated into 4 categories, of which this is the highest risk benchmark used
4	Consultation response B.1	Low Risk Investor	Low	Identified as a suggested broad asset mix for a low risk investor
5	Consultation response B.2	Defensive Portfolio	Low	Identified as one of 2 options for a low risk investor. The equity allocation of 25% versus 34% for the other option (Cautious see below), suggests that the Defensive Portfolio fits better with a Low Risk approach (also, not a big difference between these 2 portfolios)
6	Consultation response B.2	Cautious Portfolio	None	See comments on Defensive Portfolio above. No reason to suppose it would be suitable as the highest risk benchmark
7	Consultation response B.3	Court of Protection Client	None	Not referred to as Low risk and no evidence to suggest that it is Highest risk. CoP clients can have very low risk approaches, so not included
8	Consultation response B.4	FTSE UK Private Investor Conservative Index	Low	Considered for low risk clients and labelled as Conservative, so best fit for 'Low' risk approach
9	Consultation response B.4	FTSE UK Private Investor Income Index	Higher	Considered for low risk clients but given the 52.5% allocation to equities suggests this would be a higher risk approach for a PI case

10	Consultation response B.5	FE Invest Cautious Model Portfolio	Low	Cautious Investor synonymous with 'Low' risk
11	Consultation response B.5	FE Invest Moderately Cautious Model Portfolio	Higher	Given the 52% allocation to equities (including 5% allocation to UK Smaller Companies) suggests this would be a higher risk approach for a PI case
12	Consultation response C	Typical PI portfolio	Low	Refers to a Cautious approach and that assumed investment risk should be defensive/low risk (a mixed portfolio balancing low risk investments)
13	Consultation response D	Personal Injury Fund	Low	Designed for Cautious investors who cannot afford to take a big loss
14	Consultation response E	Client A	Higher	Risk profile identified as medium (higher risk of 2 medium classifications). A recent actual allocation to a PI client. 74% to Equities, so definitely equates with highest risk the majority of PI clients are likely to take.
15	Consultation response E	Client B	None	Between the risk profiles for Client A and Client D (also potentially not suitable since allocation is from 2009)
16	Consultation response E	Client C	None	Note this is Client C portfolio 1 (Client C portfolio 2 has 46.4% allocated to mixed assets, so have no idea what this might relate to and so omitted from analysis). Between the risk profiles for Client A and Client D (also potentially not suitable since allocation is from 2012)
17	Consultation response E	Client D	Low	Risk profile identified as Low medium (lower risk of 2 low medium classifications). A recent actual allocation to a PI client. 14% to Equities, so looks to equate with low risk approach
18	Consultation response F	Risk Profile 2: Very Low Risk	None	Identified as very low as opposed to low (see below) so not suitable
19	Consultation response F	Risk Profile 3: Low Risk	Low	Defined as such
20	Consultation response F	Risk Profile 4: Lowest Medium Risk	Higher	Report mentions "most claimants were unhappy or uncomfortable with having to take on more risk than level 4 risk profile" – so sensible to assume this as highest risk

21	WMA Firm A	Portfolio 1 (Medium Low Balanced)	Low	Risk is defined as one of: Lower, Medium Low, Medium High, Higher, and investment objective defined as one of: Capital, Income, Balanced (mix)). Assigned the lowest risk of the 2 Medium Low Balanced portfolios so this is close enough to 'Low' risk (lower end of medium low)
22	WMA Firm A	Portfolio 2 (Medium Low Balanced)	Higher	Given that 3 different PI cases have been provided, each with awards calculated based on Discount Rates of -0.75%, 1% and 2.5%, there is a wide enough mix to include the highest risk recommendation for this firm as representative of the highest risk approach that would typically be recommended.
23	WMA Firm B	Portfolio 1 (Low/Medium risk)	None	Ignored as not close enough to 'Low' risk (and no sub-divisions of low/medium risk classification)
24	WMA Firm B	Portfolio 2 (Medium Risk)	Higher	Given that 3 different PI cases have been provided, each with awards calculated based on Discount Rates of -0.75%, 1% and 2.5%, there is a wide enough mix to include the highest risk recommendation for this firm as representative of the highest risk approach that would typically be recommended.
25	WMA Firm C	Portfolio 1 (Discretionary Portfolio – Lower Risk)	Low	Assigned the higher risk of the 2 "Discretionary Portfolio - Lower Risk" portfolios to 'Low' Risk based on assumption that the lower risk one is very low risk (<15% equities)
26	WMA Firm C	Portfolio 2 (Discretionary Portfolio – Medium Risk)	Higher	Given that 3 different PI cases have been provided, each with awards calculated based on Discount Rates of -0.75%, 1% and 2.5%, there is a wide enough mix to include the highest risk recommendation for this firm as representative of the highest risk approach that would typically be recommended.
27	WMA Firm C	Portfolio 3 (Discretionary Portfolio – Lower Risk)	None	The lower of the 2 lower risk portfolios – so assumed very low risk, so Ignore (<15% equities)

<table>
<tr><td>28</td><td>WMA Firm D</td><td>Portfolio 1</td><td>None</td><td rowspan="7">These are essentially bespoke portfolios which have been picked based on allocating an amount to cash (for short-term expenditure and liquidity needs) and the rest to either a cautious or moderate risk portfolio. However, since we do not know the relative amounts allocated to the cash and mixed portfolio elements, one cannot easily derive the underlying mixed portfolio allocations – as such, we have ignored all portfolios from this Firm for the purposes of the illustrative portfolios.</td></tr>
<tr><td>29</td><td>WMA Firm D</td><td>Portfolio 2</td><td>None</td></tr>
<tr><td>30</td><td>WMA Firm D</td><td>Portfolio 3</td><td>None</td></tr>
<tr><td>31</td><td>WMA Firm D</td><td>Portfolio 4</td><td>None</td></tr>
<tr><td>32</td><td>WMA Firm D</td><td>Portfolio 5</td><td>None</td></tr>
<tr><td>33</td><td>WMA Firm D</td><td>Portfolio 6</td><td>None</td></tr>
<tr><td>34</td><td>WMA Firm D</td><td>Portfolio 7</td><td>None</td></tr>
</table>