



Reduction In Yield

for

Example Client

Created by obvio

## Introduction

The following report contains a Reduction In Yield forecast. Reduction In Yield is a figure used to examine the effect of charges on the growth of a policy.

It is an effective way to compare the growth of two policies as it accounts for the charges being applied to both policies as well as their growth rate, giving a more accurate comparison than simply comparing the growth rate of both portfolios.

## Overview

Forecasts Included:

- RIY Forecast obvio v Standard Offshore Bond Charges

## Forecast: RIY forecast: 2 Dec 2019

The portfolios include in this scenario are:

- obvio Platform

- Offshore Portfolio Bond

### Investment details

Investment amount: £475000

Contribution: £0 per month

Investment term: 10 years 0 months

## Portfolio: obvio Platform

### Growth rates

1: 6%

### Charges

Initial Charge:	3.76%
Annual adviser fee:	1%
Annual portfolio charge:	0.4%
Annual platform fee:	0.4%

## Portfolio: Offshore Portfolio Bond

### Growth rates

1: 6%

### Charges

Initial Charge:	0%
Annual adviser fee:	1%
Annual portfolio charge:	1%
Annual platform fee:	£400
Fund Charges:	1.2%

6% vs 6%

**Offshore Portfolio Bond has a final monetary value £68,354 lower than obvio Platform**

obvio Platform

Rate of return required: 7.08%

Offshore Portfolio Bond

**£685,743**

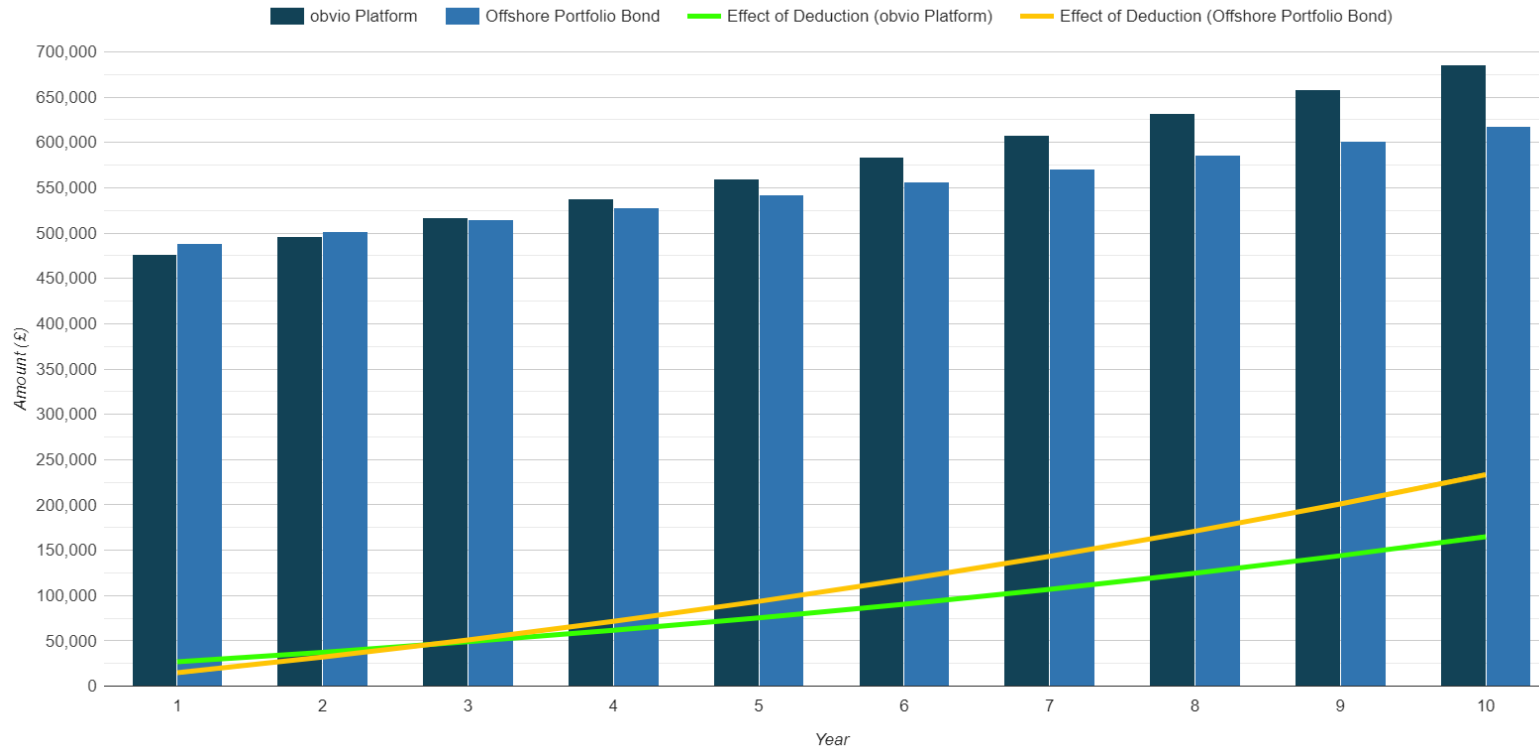
**£617,389**

Net Yield      Reduction In Yield

Net Yield      Reduction In Yield

3.74%      2.26%

2.66%      3.34%



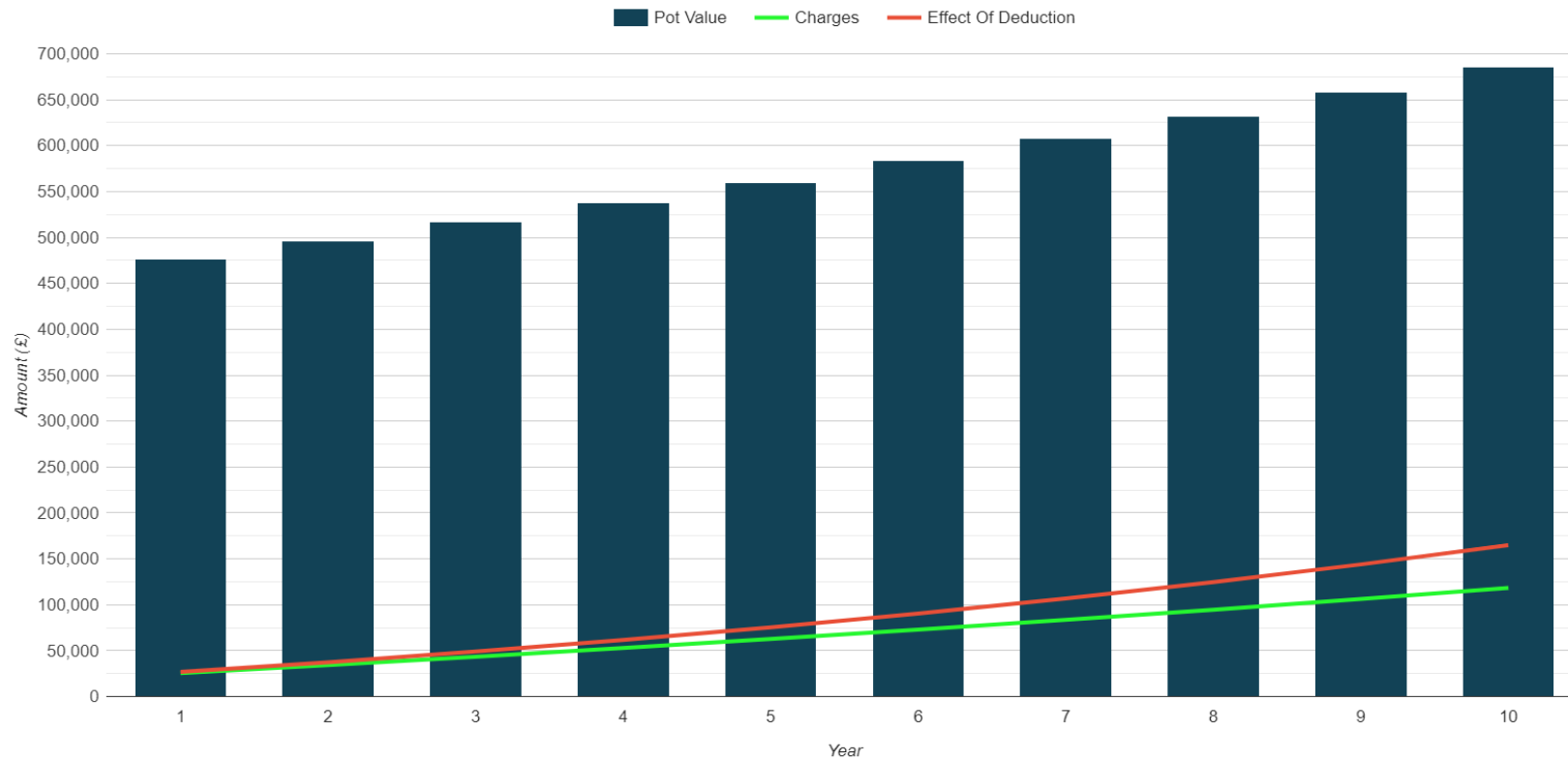
**Portfolio: obvio Platform**

6% growth rate

Net Yield  
**3.74%**

Reduction In Yield  
**2.26%**

Final Value  
**£685,743**



**Portfolio: Offshore Portfolio Bond**

6% growth rate

Net Yield  
**2.66%**

Reduction In Yield  
**3.34%**

Final Value  
**£617,389**

