

Step 6: Development of assets

«My Private Banker» shows the investor the development of assets up to the end of the selected time horizon as well as the key figures at the end of the time horizon.

The **most likely level of assets** reflects the development of assets if the proposed financial plan was implemented in a disciplined manner and return assumptions were met. Part of a disciplined implementation is that financial assets are regularly reconciled with the asset allocation defined in the financial plan (= rebalancing) and that savings are invested into the corresponding asset categories.

For the **desired level of assets** «My Private Banker» shows the investor the required annual returns on financial assets. The calculation is made on the assumption that the investor defines the composition of financial assets on her own and does not rebalance assets annually. «My Private Banker» performs a reality check on the required annual return.

The **worst-case level of assets** shows the amount of assets at the end of the time horizon in case the financial plan was implemented in a disciplined manner, but the annual risk budget has been used up year after year.

The financial plan should be reviewed annually and adapted if necessary. This enables a timely reaction to changes in the environment. A good time to do it is at year end when key financial figures can be updated with newly available information sources (such as bank account statements, pension fund statements etc.). Year end is also a good time for rebalancing financial assets and investing savings into corresponding asset categories.