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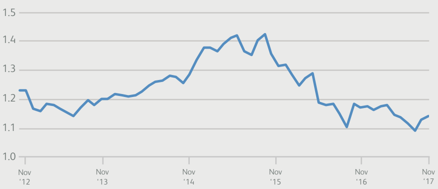
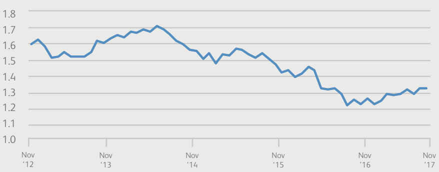
wealth management

financial
Newsletter
Edition 25 – Winter 2017

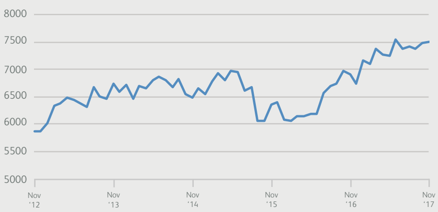
What is the British Pound worth vs. Euro?



What is the British Pound worth vs. Dollar?



FTSE 100 Chart



KEY FACTS & FIGURES – The UK Economy		
BoE Base Rate	0.5%	Nov 2017
Unemployment	4.3%	Aug 2017
Inflation (CPI)	3.0%	Sept 2017

Agenda

Base rate

The Bank of England raised interest rates for the first time in more than 10 years to 0.5%, increasing the cost of borrowing for British households.

UK economic outlook

- UK gross domestic product (GDP) in volume terms was estimated to have increased by 0.3% between Quarter 1 and Quarter 2.
- In the output measure of GDP, growth was driven by services, which grew by 0.5% between Quarter 1 and Quarter 2.
- In the expenditure measure of GDP there was relatively strong growth in government spending and investment; there was, however, a slowdown in growth in both household spending and business investment, to 0.1% and 0.0% respectively in Quarter 2.
- UK GDP growth in volume terms increased by 1.7% between Quarter 2 2016 and Quarter 2 2017.
- UK GDP in current prices increased by 0.8% between Quarter 1 and Quarter 2 2017.

Inflation

- The Consumer Prices Index (CPI) 12-month rate was 3.0% in September 2017, up from 2.9% in August 2017; it was last higher in March 2012.
- The main contributors to the increase in the rate were rising prices for food and recreational goods, along with transport costs, which fell by less than they did a year ago.
- These upward effects were partially offset by downward contributions from a range of goods and services, in particular clothing prices, which rose by less than they did a year ago.

UK unemployment

- The unemployment rate (the proportion of those in work plus those unemployed that were unemployed) was 4.3%, down from 5.0% for a year earlier and the joint lowest since 1975.
- Estimates from the Labour Force Survey show that, between March to May 2017 and June to August 2017, the number of people in work increased, the number of unemployed people fell, and the number of people aged from 16 to 64 not working and not seeking or available to work (economically inactive) also fell.
- There were 32.10 million people in work, 94,000 more than for March to May 2017 and 317,000 more than for a year earlier.
- There were 1.44 million unemployed people (people not in work but seeking and available to work), 52,000 fewer than for March to May 2017 and 215,000 fewer than for a year earlier.
- There were 8.81 million people aged from 16 to 64 who were economically inactive (not working and not seeking or available to work), 17,000 fewer than for March to May 2017 and 13,000 fewer than for a year earlier.
- Latest estimates show that average weekly earnings for employees in Great Britain in nominal terms (that is, not adjusted for price inflation) increased by 2.2% including bonuses, and by 2.1% excluding bonuses, compared with a year earlier.

Investing in the next generation

It's natural to want to give your family a leg up financially. We all know how expensive life can be, especially at certain times – whether that's buying a home or studying. If you are able to help without risking running out of money yourself, it's important that you do so effectively.

Daunting challenges

According to the Resolution Foundation, 58% of the UK's personal wealth – being savings, investments, pensions and property – is held by those aged 55 or over. More strikingly, less wealth is in the hands of all under-45s than those aged between 65 and 74.

As property prices have outpaced wage growth, buying a home has become more daunting for many. By one measure, houses are half as affordable as 20 years ago.

Before that, certain generations may face tuition fees of up to £9,250 a year if they choose to go to university – barely two decades since it was free to study. According to the Institute for Fiscal Studies, students now graduate with average debts of roughly £50,000.

Lending a helping hand

If you have chosen to offer your family support, it could make sense to make your gift sooner, rather than later.

Inheritance tax should be taken into consideration, as up to 40% of your estate above a tax free allowance could be liable. However, gifts that you make can be exempt if you outlive them by at least seven years.

Weddings can be an excellent opportunity to be generous without having to worry about tax implications. The first £5,000 of any wedding gift to a child will be exempt from inheritance tax.

Remember that tax can be highly complex and specific to personal circumstances, so it could prove valuable to consult an expert for independent advice. Tax rules are also subject to change over time.

Gifts for their future

If you're looking to build a nest-egg for a child, there are compelling reasons to take a long-term approach. Investing early, with the capital locked away for as long as 18 years, gives your money longer to work to deliver returns that can then be reinvested until the money is needed.

It is important to remember that that the value of investments, and the income from them, will fluctuate. While investing necessarily introduces risks, it also opens up opportunities for greater returns over the long term.

When investing for children, it is worth considering Junior ISAs (individual savings accounts). When they come to liquidate their investments, all capital gains will be tax-free irrespective of their circumstances – allowing them to make the most of your gift.

When deciding how to invest, remember that ISA and Junior ISA tax rules may change in the future and tax advantages depend on your individual circumstances.

The views expressed in this document should not be taken as a recommendation, advice or forecast.

If you are unsure about the suitability of any investment, speak to your 2plan financial adviser.

Written by Adam Palin, Consumer Investment Writer, M&G Investments

What does your retirement look like?

So, you're in a workplace scheme. Job done? Not quite. Retirement may seem like a long way off but 'life's longest holiday' takes a bit of planning. After all, you want plenty of 'spending money' to enjoy yourself and that 'holiday break' could last longer than you think.

Life expectancy has improved dramatically in the last few decades and many people will now live much longer than you might have expected. According to the Office for National Statistics, a 65-year-old man in the UK will live for an average of 18.5 years, while a woman of the same age can expect to live for 20.9 years*.

Living longer and healthier lives is great news, but it makes planning for your retirement ever more important. Luckily, preparing for the future can be a straightforward task and there's lots of help available.

To create a plan, start by asking yourself:

- When do I want to retire?
- What income do I want?
- Can I afford to retire?

Your retirement date

In 2015, the government made changes to the way you can take your pension, known as 'pension freedoms'. You can now take cash from your pension any time from age 55, and you no longer need to retire at 65. You can usually work for as long as you wish and phase retirement in when it suits you.

Could these changes affect your preferred retirement age? Perhaps you'd like to take some of your money sooner, or work part-time while taking some pension income? The good news is, the flexibility of the new rules mean that you have many more retirement options than ever before.

Can you afford it?

The first thing to do is to calculate your total retirement income. These can include your state pension and all your private or workplace pension pots.

The schemes should send you these details regularly – if not contact them to ask for a statement, or use the government's pension tracing service (pensiontracingservice.com) to locate lost pots.

You can use the state pension calculator (www.gov.uk/check-state-pension) to find out when you can start collecting your state pension and how much you could receive.

Include in your total calculations any income you may receive from other sources such as investments, rent, interest on bank deposits and potential funds from downsizing.

Think carefully about how long your retirement could be and how much income you'll need. Account for health and lifestyle factors, and changes to personal circumstances. It's also important that there might be other things that you would like to do with this money too, for instance, leaving an inheritance for your children or social care, should you need it down the line.

Budget carefully as people often overestimate how much income they'll need, and how much income their savings will provide. It's important not to underestimate the length of your retirement. If there is a shortfall, you might need to save more now.

Remember, a financial adviser will be able to help you understand your retirement needs, your savings potential, and investment options.

Want to know your options?

Generally, you can start taking pension benefits when you're 55 (under certain circumstances you may be able to take them earlier) as:

- a tax-free lump sum, normally up to 25%;
- regular income with a drawdown pension;
- guaranteed regular income with an annuity or a drawdown pension with a secure income feature, or
- a combination of these.

Alternatively, if you're some time away from retirement, you can wait and decide later. The key thing is that your savings are there for you when you need them.

Please note that not all options are available under all plans and any contract with a guaranteed minimum pension or guaranteed annuity option carries restrictions.

This information is based on our understanding of current taxation law and HMRC practice, which may change.

How do you decide what's right for you

Choosing the right retirement option for you isn't something you have to do alone. To help you decide, there's a range of advice and guidance services available. Contact your 2plan independent financial adviser who will be best placed to advise you on your retirement options.

Don't delay – the sooner you follow these simple steps, the better your chances are of achieving the retirement you want.

Finding out what you've got in total is essential to forming a plan for the future. Your workplace pension scheme will provide you with the basics, but it's important that you make the most of all your savings to make sure the retirement you want, is the retirement you get.

At Aegon it's our mission to help the UK achieve a lifetime of financial security. We've led the way in innovation that can make people's financial assets work smarter as well as harder. From online technology that gives one-stop access to a universe of investment opportunity – to retirement products that make wealth planning simple, easy and fulfilling – we're dedicated to getting people closer to their financial goals every day. Speak to your 2plan adviser to find out more.

* National life tables, UK: 2014–2016.

Alistair Welham, Head of Marketing Communications, Aegon UK

Global growth supporting markets

We believe the outlook for global economic growth is fairly strong, which should be supportive for equity markets. Emerging economies in particular have the potential to benefit from the widespread encouraging economic signs we have been seeing of late.

There are risks to be aware of however. Most central banks are now looking to gradually 'tighten' monetary policy, reducing quantitative easing (QE) and slowly raising interest rates, with the US Federal Reserve (Fed) leading the way. This has the potential to make bond markets slightly more volatile. We saw this in September when the Bank of England (BoE) warned of a sooner-than-expected rate rise.

Central bank policy has supported stockmarkets for a long time now by providing cheap money to financial institutions, almost becoming the norm. We think a move away from loose monetary policy should cause markets to focus more on company fundamentals (the underlying health of firms) and not central banks. This is in an environment which should generate a wider gap between winners and losers in stockmarkets.

UK economy – mixed prospects

In the UK the economic outlook remains mixed. Recent company earnings have been encouraging and the strength of the global economy is clearly good for globally-exposed UK companies. However UK growth has been slow, in contrast to other world markets, with the unknowns around Brexit undoubtedly a factor.

Consumer credit has also been growing much faster than household incomes in recent years, with car finance having seen some of the fastest expansion. This is something the BoE is pushing credit providers to increase safeguards against with its latest measures.

As we know from past experiences, the risk to the wider economy of rising consumer credit is if we see shocks to the system, such as rises in interest rates. The probability of a rate rise is certainly high but the pace of any increases is likely to be slow and contained under a lower "ceiling".

Europe buoyed

Angela Merkel remaining as German Chancellor after September's election has kept confidence up in the eurozone. The economic outlook for the region is encouraging, supporting European stockmarkets, while election risk from the beginning of the year is dissipating. Economic data continues to improve, while company earnings are strengthening, and on a relative basis stocks are not particularly expensive.

US policy reform stalls

Some economic signs in the US also continue to strengthen. However, continually low wage growth is impacting consumer confidence. There is also increasing uncertainty around the President's fiscal stimulus plans, including increased infrastructure spending and tax cuts. Despite grand plans which could have boosted companies, there has been a failure so far to get these approved and implemented. While economic growth is solid, company earnings are more questionable. On top of this, stocks look expensive compared to their developed market peers.

Japan in focus

We think Japanese stocks offer better relative value. We believe there is potential for rising wage growth, which would support future economic growth. It is also clear that some of Prime Minister Shinzo Abe's policies since his election in 2012 are having an effect. Inflation has been positive and stable lately, while unemployment continues to fall. At the same time business sentiment remains positive, suggesting confidence of future growth.

Corporate governance, which has been poor historically in Japan, is improving. Employment reform to bring more women into the workplace is another factor which should benefit the Japanese economy, providing a new source of labour and indeed consumer.

Japanese companies have been able to deliver solid earnings growth, with more positive than negative news across a wide range of sectors and industries. Improving corporate earnings have been supportive of share prices in recent months but they still represent reasonable value compared to other global markets.

So against this largely positive backdrop, what are the main risks? They mainly revolve around central bank policy. If inflation increases faster than targeted, it could force the major central banks to raise interest rates quicker than expected. This has the potential to upset markets. In addition, central banks (in particular the US Fed) are edging closer to reducing their long-standing QE programmes. They have helped fuel stockmarkets in recent years, so their gradual reduction has the potential to cause problems.

Alex Burn, Investment Manager, Architas

The value of investments and any income from them can go down as well as up and is not guaranteed, and you could get back less than you originally invested. Past performance is not a guide to future performance. The views expressed within this article are those of Architas, who may or may not have acted upon them.

UK equities – Knowing what you don't know

The UK is under growing pressure to secure a transitional deal that can safeguard trade with Europe. Given the opportunities and challenges facing the UK economy and the unpredictable path of sterling, we believe that a neutral stance on UK equities could represent an intuitive option for investors.

UK unemployment has fallen to just above 4%–its lowest level since 1975. When unemployment is low, wage growth typically accelerates, but this hasn't been happening recently. What's more, thanks to the weak pound, inflation of close to 3% is wiping out the 2% nominal wage growth, leading to negative real wage growth.

The consumer counts

With real wages shrinking, consumers have been saving less. A lower savings rate has been helpful for the economy in that retail sales and consumption in the UK held up better than they otherwise would have done in the months immediately after the fall in sterling. But savings rates can only go so low, and the recent decline has reduced the UK consumer's ability to withstand any further economic shock.

The UK economy is 60% consumption, so the UK consumer is key for the nation's economic prospects. Consumers tend to reduce spending if they aren't feeling confident and we have already seen a sharp dip in consumer confidence, which could have a negative impact on more domestically orientated companies that rely on UK consumption.

The UK economy is also quite sensitive to the housing market. If house prices go up, consumers tend to feel more confident. In recent months, both the RICS survey of house prices and the growth rate of UK home prices have weakened.

Of course, UK businesses have a large role to play in the economy as well. Investment intentions surveys for both manufacturing and services companies took a hit last year, but have since recovered, with the Bank of England estimating that quarterly growth in business investment will contribute 0.5% to GDP growth over the next quarter.

Does the historical bias towards small- and mid-caps still make sense?

Large-cap multinational companies listed on the UK's FTSE 100 source nearly 70% of their revenue from abroad, so when sterling falls, their stock prices tend to rally. After the Brexit vote, sterling fell dramatically and the FTSE 100 rallied, providing some of the best local-currency equity returns for 2016. Meanwhile, the more domestically focused mid- and small-cap stocks should outperform if sterling rises.

The bias of UK fund managers towards small- and mid-cap UK equities over the past few years has paid off handsomely. In fact, the average weight of an all-cap UK equity fund to this space is above 40%, whereas the benchmark weight of small- and mid-caps in the FTSE All Share is only about 20%. This means that the average UK equity fund is about 20% overweight to small- and mid-caps. At a time when the outlook for the domestic economy is so uncertain, this feels like a very large bet, so it probably makes sense to hold a small- and mid-cap weighting closer to the benchmark.

Another positive for investors in UK equities is the fact that UK companies pay high dividends. UK equity dividend yields are about 4% for the FTSE All Share–notably higher than the dividend yields on offer in the US, Japan and Europe.

Time to stay neutral

For investors in UK equities, lack of clarity on the outlook for the economy and sterling means staying neutral on large- vs. small- and mid-caps probably makes sense. But within certain sectors, some companies will still be better poised to navigate this uncertain environment. Against this backdrop, we believe that finding income from UK equities is a sensible way to dampen the volatility that comes with potential price fluctuations.

Article written by Nandini Ramakrishnan, Global Market Strategist, J.P. Morgan Asset Management

The views expressed in this article can change throughout time and are not to be taken as investment advice or recommendation. The value of investments and the income from them may go down and up and investors may not get back the full amount invested.

How you can secure a guaranteed retirement income

Retirement can be exciting, the thought of having spare time to do all of the things that there wasn't enough time for whilst working, can open up lots more opportunities. But this can also be a confusing and scary time with many asking 'how am I going to be able to fund this?' An annuity may be able to help and in the words of Jane Austen, 'an annuity is a very serious business; it comes over and over every year, and there is no getting rid of it.[1]'

What is an annuity?

A financial product that will give you a guaranteed retirement income for life in exchange for a one-off lump sum payment. You only need a minimum of £2,000 to take out an annuity, and the amount you receive will be based on factors such as, the current price of Government Bonds (gilts), your health and lifestyle, your age, and even your postcode.

Who are annuities good for?

If you want the peace of mind of having a regular income in retirement. You won't outlive the product – it will always pay you an agreed amount of money for however long you live.

If I don't buy an annuity, what happens?

You don't have to buy an annuity straight away, or at all. In some circumstances you may be able to use a portion of your pension to buy an annuity, rather than commit the entire amount. In all cases, there are some questions we'd ask you to think about very carefully:

- Can you afford to take any risks with the pension pot you've saved to date?
- How will you pay for your cost of living in retirement without a guaranteed income?
- You could leave your money invested in a product called 'drawdown', but if markets perform poorly the value of your fund could fall (and your income may reduce).

What are the basics?

- It's a guaranteed income paid every year until you die.
- You can usually take up to 25% of your pension savings as tax-free cash. You can then purchase your annuity with some or all of the remainder of your pension savings.
- Your income can increase every year in line with inflation if you want it to.
- Your health or lifestyle may mean that you could get a higher level of income.
- You can't change your mind – beyond any cancellation period you cannot reverse the decision or change the options.
- You can protect your loved ones in the event of your death, by choosing an option for the annuity income to continue to your spouse or dependant.
- You can also protect your income payments for a guaranteed period of up to 30 years, or alternatively select 'value protection' if you wish the remainder of your annuity purchase price returned to your loved ones as a lump sum (less any income already paid).
- Annuity rates fluctuate all the time and the income you will receive is based on the annuity rate at the time of purchase.

Advantages

- All annuities, except investment-linked annuities, carry no investment risk to your pension savings. This means your income won't be affected by fluctuations in the stock market.
- You will know how much money you'll receive regularly for the rest of your life.
- You can still choose to take some of your pension pot in cash before you commit the remainder to purchasing an annuity.
- You can buy an annuity that will give you an income linked to inflation. It will initially be a lower amount, but will go up over time.
- You can choose to provide for your spouse or dependants, which will reduce your income by a small amount, by less than 10%. This is based on if you were to take a 50% dependant's pension.
- You can choose to protect the value of your annuity from the possibility of dying early through something known as 'value protection'.

Disadvantages

- Once you've bought an annuity, you can't trade it or swap it for another product.
- If you die relatively soon after buying the annuity, payments will stop unless you have chosen to continue payments to a spouse or dependant through a particular benefit such as a guaranteed period or value protection.
- Annuity rates change all the time and different providers offer different rates. It's important to shop around and get the best rate for you.
- Additional options will reduce the income you receive.
- Options can't be added or removed once the policy is in force.
- Your income might not always cover your expenses as the cost of living changes, unless you have selected the option for your income to increase.

Who are Just

Just have been working closely with 2plan for over five years to help 2plan clients access a guaranteed income for life using a personally underwritten annuity. We help people increase their retirement income by taking into account factors such as where you live, your lifestyle and your medical history.

We believe that many people could benefit from having a personalised annuity, tailored to their own circumstances.

The options we provide

Our products offer a range of benefits that can be tailored to your needs. These options provide greater flexibility or protection for your regular income. The options available are shown below, they all include guaranteed income for life:

- Frequency of income payments and when you would like them to start.
- Guarantee periods of up to 30 years; if you die during this time, your income continues to your loved ones for the remainder of your chosen period.
- Value protection to provide a lump sum if you haven't received the full value of your pension, in the event of your death.
- Inflation proofing.

It's really important that you take time to consider the options you select for your annuity, as this will ensure the product you choose is the right one for you.

What should I do next?

If you're interested in buying an annuity, then we recommend that you speak to your 2plan adviser in the first instance.

[1] *Sense and Sensibility, chapter 2 – Jane Austen*

Article written by Peter Leach, Key Account Manager, Just Group Plc

Income Protection: Living the dream

Illness needn't be a barrier to your long-term financial aspirations, all you need is a little early planning and a small regular investment to safeguard your future.

We live in uncertain times. UK employment levels are at record highs, yet more of us are unable to work due to illness with over 765,000 people in the UK currently claiming incapacity benefits.* Given that the average family would have to cut their household expenditure by 48%** to survive on Employment and Support Allowance, and that the average length of a serious or critical illness insurance claim is over four years*** it's surprising that so few of us take out some form of protection for lost earnings.

Consider this, too: Macmillan Cancer recently published a report saying there are approximately 30,000 cancer sufferers in the UK between the ages of 40 and 50 whose mortgages are being paid by parents. It's safe to say that no one wants to find themselves in this awkward financial situation.

There are other, longer-term implications of a sudden loss in income: for example, as we get older and thoughts move toward retirement, what impact would this have on your ability to maximise pension contributions? Would a loss of income due to incapacity mean pushing back your chosen retirement age? Or accepting a lower retirement income? And if that were the case, how would it revise your perspective on later life in general?

An Income Protection pays a monthly tax-free income until you're well enough to go back to work, which you can use to help pay your bills, mortgage or medical costs.

It covers you for absences caused by a wide range of illness, injury or disability. You can get it even if you're self-employed. And you can get pay-outs from just seven days after your policy starts.

Given its relatively small cost when compared to other protection products, Income Protection should be considered as soon as we leave the parental home to venture on our own path to financial independence. Whether we're renting or saving towards a deposit to buy a property, very few of us can withstand the impact of a long term illness on our finances.

A good way to highlight Income Protection's many benefits is to focus on your life goals and dreams. Income Protection helps to protect these dreams and aspirations – the family home we've saved years for, giving your children the best opportunities in life, the care-free, financially secure retirement we all want. It's at this point that Income Protection becomes an essential part of the protection conversation. Historically overlooked when compared to life and serious illness cover, Income Protection really should be the product at the heart of our protection priorities.

*ONS, Out of Work Benefits, 2017
**Protection Insurance Survey 2015,
***Drewberry Insurance, Feb 2015

Justin Taurog, Managing Director for Sales & Distribution at VitalityLife

Why and How should I invest?

What are the benefits of long-term financial planning?
If you're looking to buy a house, car or even a holiday, you'll plan for it. Whatever future aspirations you have, a plan helps you to focus on your goal – and the earlier you can do this, the better.

When it comes to financial planning, many things can throw you off course and not all of them are of a financial nature – for example, your health and career can both have a big impact on your financial wellbeing. Putting plans in place, implementing them early and having a long-term view, will help to minimise the impact of unforeseen events, whether they're personal, social or economic.

So, I should start investing as soon as possible?
Once you've had a good look at your finances and decided you can afford to invest, it's important to understand how to maximise your savings and get them working as quickly as possible. This can involve investing into several types of savings vehicles and a variety of investment funds, over a number of different timeframes.

By planning your finances, you can aim to reduce the overall tax you pay; and the longer you save, the greater potential benefits you receive.

What is inflation and what impact can it have on savings?
Inflation eats into the worth of your money – but saving over the longer term helps to combat its effects. If your savings grow by less than the rising costs of goods and services you buy today, you won't be able to use the money saved to purchase the same items in the future, simply because of inflation. That's the real challenge of keeping all your money in cash when interest rates are low and prices in the shops are increasing all the time.

How do I know if I'm ready to invest?
It's slightly unfair to answer a question with a question, but it's easy to put off something you're unfamiliar with. Only you can say when you're ready – so, there are two things you should be asking yourself: 1). Do I have access to cash if I needed it quickly? And 2). Can I leave the money invested for a sufficient time to let it grow (at least 5 years)?

If you answered 'no' to either of these questions, then investing your money might not be right for you. But if you answered 'yes,' then just remember that the earlier you start investing, the better chance you have of your savings growing.

Should I invest regularly or pay in a lump sum?
Saving money regularly not only helps with your own monthly budgeting, but it can also help smooth out the natural highs and lows of investing. Overall though, the longer you can invest in the stock market, the better it is likely to be for you.

Timing your investment so that you buy when the market is low and sell when the market is high troubles even the very best of investment professionals! Investing regularly reduces the risk of buying high when investing a lump sum (expensive!). The technique of investing at regular intervals is known as 'pound cost averaging.'

What if I need to get my hands on the money quickly?
Selecting the right type of savings vehicle is just as important as choosing where to invest – because not all savings vehicles allow you to access your savings at a time that's convenient to you, or some might charge you if you need to access your savings earlier than expected.

Bear in mind that there are some cash accounts that will pay higher levels of interest provided the money is held for a minimum length of time, but accessing your cash early could swallow up that interest. Or, you might be denied access altogether until the term is up.

Savings vehicles like Stocks and Shares ISAs tend not to restrict access to your money, but the value of your investment may fluctuate, especially over a short period of time. So you need to be clear about the money you can save over the medium-term so as to avoid being forced to sell when the value of your investments could be low. Spreading your investments so you're holding assets over different periods of time can help with this – just remember that the less time you're invested, the less time your money has to grow.

How long should I invest for?
Having a range of goals over the medium and long term will help you focus on how long to remain invested. However, investing in the stock market shouldn't be viewed as a short-term investment – you need to be thinking at least five years. Plus, you should always keep some money readily available for the household to cover unforeseen events.

What are the tax advantages of investing?
Savings vehicles have their own tax rules, with the likes of ISAs having different rules and savings limits from pensions and bank accounts.

Holding different saving vehicles could help you control the level of taxes you pay today and perhaps more importantly, the level you pay later in life. For example, when taking an income or withdrawal from a Cash ISA or a Stocks and Shares ISAs the amount taken isn't seen as taxable income. You are therefore free to withdraw some or all of these savings without further liability to income or capital gains tax. (Note: there are some ISAs such as Save to Buy and the new Lifetime ISA that restrict the amount that can be saved and may place a charge on early access.)

How do I know which is the best investment option for me?
First let me say: doing nothing is not a good option! If you're unsure, spreading your savings across different vehicles (including ISAs) and funds will provide you with the flexibility you may need. Putting money away over the longer term is really important for your ability to enjoy the future, even if it's just a small amount to begin with. And start as early as you can – even £20 or £30 a month will turn into a healthy pot of money in time, compared to if you leave it in a bank account or spend it now -don't be fooled though into believing this level of saving will be sufficient to replace your salary when you retire.

Financial advisers across the country are authorised to help people decide between the many saving and investment options on offer – there's a cost for this service, but it'll be explained to you from the outset.

Article written by Alistair Wilson, Head of Retail Platform Strategy, Zurich

Success is far easier to achieve when you understand your priorities

There are many and a wide ranging list of reasons why clients and perspective clients seek financial advice. These may include;

- Establishing your financial goals and creating a plan to help you achieve this
- Protecting yourself and loved ones
- Trying to improve your financial situation and making the most of your assets

To name just a few……

However as we are aware the number of Financial Advisers has dramatically reduced over the last few decades and many have been forced to become restricted advisers i.e. selling and advising on a limited range of products and via a limited panel of providers, whilst at 2plan wealth management we continue to offer Independent Financial Advice, thereby offering advice utilising, accessing and providing financial products across the whole of the market.

In previous editions of the newsletter, Chris Smallwood, CEO of 2plan wealth management has also talked about additional financial savings afforded to our clients, as we have negotiated special terms with leading providers, platforms and fund management groups.

However it was great to read recently in a survey by Dunstan Thomas that clients' of financial advisers can hope to be almost 40% a year better off in retirement than those who opt to take financial decisions by themselves.

It went on to say, "While it is inevitable those who go to an adviser for assistance have more savings to manage in the first place, it is worth noting financial advisers instill the financial disciplines of saving, planning and reviewing progress, which helps build long-term savings."

Talking of financial disciplines and priorities, many clients of 2plan wealth management benefit from their adviser providing ongoing advice.

At the review meeting your adviser will check to ensure no changes in your financial situation and contact details, as well as looking at your financial objectives. However, for investment and pension clients, a key component is considering your attitude to risk and taking into account your capacity for loss. You may recall completing a questionnaire when you invested originally so we can evaluate your appetite for risk. Now we have improved the service offered at your review meeting, by enabling your adviser to send this risk profiling questionnaire to you before they meet up with you, so you can complete this important document in the comfort of your own home at your own pace.

Understanding risk and the potential rewards and losses is fundamental to any robust financial planning and therefore many clients are already approving of this new enhancement to our service proposition.

I am sure your adviser will make you aware of this new development and trust this will help you further understand your priorities.

Along with this information, your investments and funds can be monitored and your adviser will also point out any areas for discussion.

Well-armed with your complete financial picture, your 2plan wealth management adviser will be able to help you shape your financial future and is sure to assist in you achieving your financial objectives.

2plan wealth management Ltd

Lasting Power of Attorney

A will deals with matters in the event of your death, but what if you became unable to handle your affairs while still alive?

If you're worried that, as you get older, a physical or mental illness could affect your ability to manage your personal affairs, you should consider setting up a Lasting Power of Attorney (LPA). This is a legal document which allows you to appoint one or more people to either help you make legal decisions, or make them entirely on your behalf.

There are two types of LPA available: Health & Welfare and Property and Financial Affairs.

Health and Welfare LPA – your appointed 'attorneys' will be able to act on your behalf if you became completely unable to make decisions regarding your own wellbeing. For example, if your circumstances mean you require full time care, or a particular medical treatment they will step in and act in your interests.

Property and Financial Affairs LPA – your attorneys can make decisions concerning your bank accounts, paying bills or even selling your home if required. Unlike the Health and Welfare LPA, this version can be used as soon as it is registered, but only with your permission – ie. you are still fit to make other decisions on your affairs.

Choosing your attorneys

When deciding who you would like as your attorneys, there are a few things to consider:

- How well do you know them?
- How well do they look after their own affairs?
- Do you trust them to make decisions that are best for you?
- Will they be comfortable making these decisions?
- If you choose more than one attorney, you'll also need to decide whether they will make decisions separately or together

When you set up your LPA you can nominate replacement attorneys in case your chosen attorneys become unable to carry out the role for whatever reason.

Knowing that your financial affairs will be looked after by people you trust can give you valuable peace of mind.

Lasting Powers of Attorney are not part of 2plan wealth management's offering and are offered in our own right. 2plan wealth management accepts no responsibility for this aspect of our business. A solicitor will be best placed to help you deciding whether an LPA would be suitable for you and in setting up an LPA.

If you would like to discuss any of these topics in more detail, please feel free to contact me to make an appointment. If you have friends, family members or colleagues who you think would be interested in these topics, please pass this newsletter to them.

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