Vizion Wealth
Independent Financial Advisers & Wealth Managers

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JULY / AUGUST 2025

Who will inherit your pension? Find out now!

Understanding the importance of nominating a beneficiary

PLANNING AHEAD TO SAFEGUARD MORE OF YOUR WEALTH
Secure your wealth for retirement and future generations

NAVIGATING MARKET UNCERTAINTY
How to build long-term wealth with a tailored strategy

THINKING OF RETIRING OVERSEAS?
Understanding the impact of a frozen State Pension on your retirement income

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Inside this issue

Welcome to our latest issue. Inside, we explore a new study that reveals a startling insight. As many as one in six (15%) individuals with a partner are unclear about who will receive their pension savings if they pass away before accessing them[1]. Even more concerning, this figure rises to nearly one in five (18%) among the Silent Generation (aged 79 and older). Such statistics highlight the urgent need for improved awareness and planning regarding pension inheritance. This lack of clarity can lead to legal complications and emotional distress for loved ones when the time comes to distribute these assets. Turn to page 07 to read the full article.

If you have accumulated wealth over your lifetime, it is never too early to plan so that any remaining wealth is distributed to your chosen beneficiaries in the most tax-efficient way. On page 40, we explain why planning ahead ensures that a greater portion of your wealth ends up in the hands of the people and causes you care about most. It also provides peace of mind for you and your loved ones.

Market volatility is an inevitable part of investing, influenced by factors such as geopolitical events like the invasion of Ukraine, trade wars, inflationary pressures and changes in interest rates, which can cause significant market fluctuations. While it may be tempting to react to these shifts, it's crucial to focus on strategies that mitigate the impact of turbulence and keep your long-term goals on track, as explained on page 08.

Similarly, retiring abroad may seem like a dream come true, but it could come with hidden financial costs for some British pensioners. Understanding your entitlements and planning can make all the difference, so find out more on page 10.

A complete list of the articles featured in this issue can be found opposite.

Let us turn your financial aspirations into reality

Whether you're growing your investments, safeguarding your wealth or preparing for retirement, there is no better time to take action than today. For more details, please contact us to discuss your requirements.

Source data:

[1] The research was conducted by Censuswide among a sample of 2,000 general consumers who have a partner, whether married, in a relationship or a civil partnership. The data was collected between 07/02/25 and 10/02/25.

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Information is based on our current understanding of taxation legislation and regulations. any levels and bases of, and reliefs from, taxation are subject to change.

The value of investments may go down as well as up, and you may get back less than you invested.

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Are annuities included in your retirement income plans?

Ensuring financial stability in your golden years

An annuity converts pension savings into a regular income, providing financial stability in retirement. Annuities deliver guaranteed income, ensuring that retirees do not outlive their savings. Unlike drawdown pensions, which depend on market performance, annuities offer peace of mind through predictable payments.

But should annuities be included in your retirement income strategy? The answer depends on your circumstances, health and financial goals. To assist you in deciding, here is an overview of some key aspects to contemplate when considering annuities as a part of your retirement plan.

ENHANCED LIFE ANNUITIES FOR INCREASED PAYOUTS

One lesser-known reason for annuities is their potential for enhanced rates for individuals with specific health conditions. Common conditions such as diabetes, heart disease or a history of smoking may qualify you for an enhanced or impaired life annuity. Insurers calculate life expectancy when determining rates, meaning those with lower expected longevity might benefit from increased payouts.

If you have any underlying conditions, it's worth considering enhanced annuities for retirees facing health challenges. Medical evidence could help you maximise your retirement income, and we can assist you by comparing quotes from various providers.

FIXED-TERM AND TEMPORARY ANNUITIES

If committing to a lifetime annuity feels like a step too far, fixed-term annuities may offer an alternative. These products guarantee income for a specific number of years, such as five or ten, providing retirees with greater flexibility while still enjoying consistent payments.

Temporary annuities can be a valuable tool for certain situations, such as bridging the financial gap before reaching State Pension age. They are also beneficial if you wish to wait for improved financial markets or are postponing long-term financial decisions until later in retirement.

PHASED PURCHASING OF YOUR PENSION POT

Not all of your retirement funds need to be locked into an annuity at once. Phased purchasing enables you to convert part of your pension pot into an annuity while leaving the rest invested. This method can balance guaranteed income with the potential for market growth over time.

Additionally, delaying the purchase of annuities for a portion of your savings may enhance your income later on. Annuity rates typically rise with age due to reduced life expectancy and potentially the onset of health issues. However, bear in mind that market performance can fluctuate and there is always a risk of your remaining savings diminishing.

CONSIDERATIONS FOR FINANCIAL PLANNING ACTIONS

When it comes to annuities, careful financial planning is essential.

Here are some steps to assist you in making your decision:

- **Evaluate the market:** Annuity rates can differ considerably, so it's wise to compare options to secure the best deal.
- **Assess health-related benefits:** If applicable, an enhanced annuity could significantly boost your income.
- **Decide between fixed-term and lifetime options:** Flexible solutions, such as temporary annuities, may be beneficial if you're unsure about long-term commitments.
- **Compare providers:** The "open market option" enables you to obtain quotes from various providers instead of remaining with your pension company, which may enhance your income.
- **Seek professional advice:** Annuity decisions are often irreversible, making expert guidance essential for navigating the complexities of retirement planning. ◀

Speak with us to secure your retirement future

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Planning for retirement involves numerous choices, and selecting the right annuity can greatly influence your financial security. Whether you're considering an enhanced, fixed-term, or phased annuity approach, obtaining tailored advice is essential for making informed decisions.

Contact us today to discuss your options and optimise your retirement income. Our experts are prepared to provide personalised guidance tailored to your unique needs and circumstances. Don't wait – take this step towards a more secure and confident retirement.

How gut instinct is guiding financial futures

A new report reveals that millions rely on guesswork when planning for retirement

Millions of UK adults are approaching retirement guided more by intuition than by careful planning, according to recent report findings[1]. The research reveals that one in six people (16%) rely on gut instinct to determine how much they will need for a financially secure retirement. Alarmingly, nearly two in five (39%) have not calculated their retirement needs at all.

Among these, 43% of Generation X and 34% of Baby Boomers admit they have yet to do the maths. Many are either approaching or have already reached State Pension age. This lack of preparation poses real risks. Nearly half (47%) worry their savings will not last throughout their retirement, including 31% of Baby Boomers. It presents a sobering snapshot of Britain's retirement readiness.

COMPLEXITY OF RETIREMENT PLANNING

One key reason people resort to guesswork is the sheer complexity of retirement planning. There are countless factors to consider, including inflation, the age at which you expect to retire, lifestyle aspirations and additional sources of income. Making sense of it all without the appropriate tools or guidance can feel overwhelming.

Another challenge is connecting with your future self. For many, retirement feels distant, competing with the immediate demands of daily life. This can make it tempting to postpone planning, hoping it will all come together later. However, delaying can result in missed opportunities to build financial security.

UNDERSTANDING YOUR RETIREMENT OPTIONS

Navigating your retirement options presents another challenge. Deciding whether to opt for flexible income, lump sums or a guaranteed lifelong income (annuity) can be perplexing. Each option comes with its own potential benefits and risks. For instance, drawdown offers flexibility but relies on investment performance, whereas annuities provide stability but afford little room for change.

Fully understanding these options is vital for making the right decisions. Many pension plans allow you to combine approaches to meet your needs, but not all providers offer every option. Reviewing your pension plan's features and seeking financial advice can help you remain on track.

HOW MUCH WILL YOU NEED?

A significant aspect of planning involves estimating how much money you'll need to maintain your lifestyle in retirement. This depends on personal goals and aspirations, ranging from travel and hobbies to home improvements or supporting family members. Each of these elements accumulates, making it essential to calculate their costs.

To stay informed, regularly review the value of your pension plans and consider future projections using tools such as pension calculators. In addition to pensions, income from other sources, like rental properties, part-time work or investments, can provide extra security. Customising your forecasts to your unique circumstances is essential. ◀

Is it time to establish a clearer financial roadmap for your retirement?

If you are uncertain about where to start or would like assistance in understanding your pension options, expert help is just a call away. Contact us today to discuss your needs and discover how you can create a more precise financial roadmap for your retirement. It's never too early – or too late – to begin planning for the future you deserve.

Source data:

[1] Ipsos Mori conducted research among 6,000 UK adults. Fieldwork was conducted between July and August 2024. Data was weighted post-fieldwork to ensure the data remained nationally representative on key demographics.

Why you should look to maximise your savings potential

Making the most of your new tax allowances for the 2025/26 year

As we are now a few months into a new tax year, in this article, we look at why you should consider maximising your savings potential. With new tax allowances available and another year to benefit from tax-efficient savings, now is the ideal time to organise your finances. Acting early can help you maximise your returns throughout the year and ensure you make the best financial decisions.

Here's why taking action and seeking professional financial advice is essential.

YOUR NEW TAX-EXEMPT ISA ALLOWANCE

One of the most valuable benefits of a new tax year is the reset of your Individual Savings Account (ISA) allowance. For the 2025/26 tax year, you can save or invest up to £20,000 in ISAs. Whether you prefer a Cash ISA, a Stocks & Shares ISA or a combination of the two, ISAs remain among the most tax-efficient options for growing your wealth. Any interest, dividends or capital gains earned within an ISA are tax-efficient.

By taking action early in the tax year, you give your contributions more time to grow. This allows you to fully enjoy the benefits of compound interest or investment returns throughout the year. Delaying this action until the end of the tax year may result in missing out on months of potential growth.

BENEFITS OF INVESTING EARLY

Many people wait until March of the following year to fully utilise their tax allowances; however, starting early presents distinct advantages. Firstly, it may help maximise tax-efficient growth, allowing your money more time to work effectively for you.

Secondly, it mitigates the stress of last-minute decisions that may not align with your long-term objectives. Lastly, as inflation continues to diminish the real value of cash savings, investing early can prove beneficial and may generate returns that counterbalance rising costs.

If you are uncertain about where to begin, professional guidance will assist you in developing a strategy tailored to your financial goals while effectively managing risk.

OTHER TAX ALLOWANCES TO OPTIMISE FURTHER

While ISAs are a popular choice, they are just one aspect of the financial landscape. The 2025/26 tax year presents additional allowances to consider when planning your financial strategy.

- **Pensions:** The annual pension allowance remains at £60,000 (or 100% of your income, whichever is lower) or £3,600 if you have no relevant earnings, assuming the MPAA (Money Purchase Annual Allowance) has not been triggered and no tapering applies. Making contributions early may ensure you benefit from both tax relief and longer-term investment gains.
- **Capital Gains Tax (CGT) Allowance:** With the CGT allowance now reduced to £3,000, strategic planning is crucial to avoid unnecessary tax liabilities.
- **Dividend Allowance:** The tax-free threshold for dividends has been lowered to just £500. Structuring your investments efficiently could help you reduce your tax burden and increase your net returns.

By combining these allowances with thoughtful planning, you can significantly reduce the taxes you pay while growing your wealth.

IMPORTANCE OF PROFESSIONAL FINANCIAL ADVICE

Starting afresh with the new tax year presents an opportunity to review your financial plans. Our aim is to assist you in maximising this year's allowances and ensuring they align with your long-term objectives.

We will assist in maximising tax-efficient savings, ensuring that your investments align with your timeline and risk preferences. We can also provide guidance to help you confidently navigate economic uncertainties or market fluctuations. Investing always carries some risk, but expert support can help you find the right balance between growth and security. ◀

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With the 2025/26 tax year underway, there's no better time to seize the opportunities it offers.

If you're looking to optimise your savings and make the most of your allowances, contact us today. Whether you need guidance on ISAs, pensions or broader financial planning, expert professional advice will streamline the process and keep you on track. Contact us now to discuss your needs and start your financial year on the right footing.

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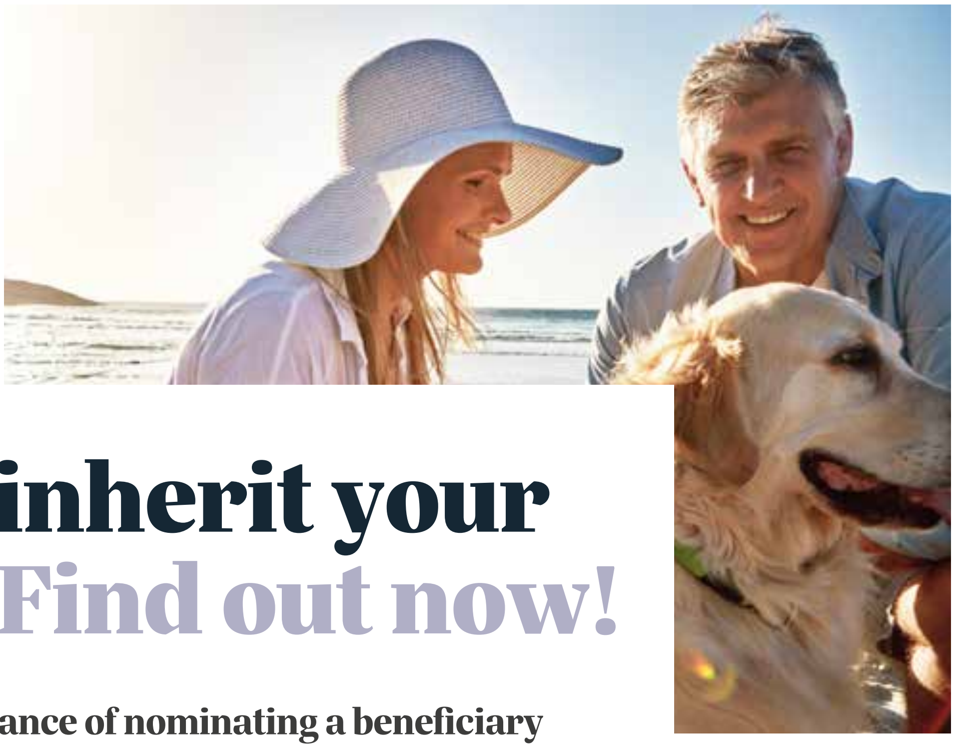

Who will inherit your pension? Find out now!

Understanding the importance of nominating a beneficiary

A new study reveals a startling insight. As many as one in six (15%) individuals with a partner are unclear about who will receive their pension savings if they pass away before accessing them[1]. Even more concerning, this figure rises to nearly one in five (18%) among the Silent Generation (aged 79 and older). Such statistics highlight the urgent need for improved awareness and planning regarding pension inheritance.

Equally concerning is the 3% of respondents who believe their current pension beneficiary may still be an ex-partner. While the majority (65%) of individuals name their spouse or partner as their beneficiary, others have chosen family members (20%), charities (4%) or friends (3%). However, a significant proportion remain uncertain about who will inherit their pension. This lack of clarity can lead to legal complications and emotional distress for loved ones when the time comes to distribute these assets.

IMPACT OF RELATIONSHIP STATUS AND AGE ON PENSION NOMINATIONS

Relationship status plays a pivotal role in pension nomination trends. Alarmingly, one in four (25%) individuals living with a partner but not married or in a registered civil partnership are uncertain about their pension beneficiaries. This may be due to their partner not being officially recognised as their next of kin, which leaves their pension distribution vulnerable to unintended outcomes.

Age is another key factor influencing awareness regarding pension beneficiaries. Among younger adults aged 16 to 24, nearly a third (30%) claim not to know who will inherit their pension. This could be attributed to workplace pension auto-enrolment schemes, where younger individuals often give little thought to long-term financial planning. Regardless of age or marital status, the inconsistency across demographic groups underscores the importance of regularly reviewing and updating pension beneficiary details.

WHY KEEPING YOUR PENSION NOMINEE UPDATED MATTERS

Your pension pot is a significant financial asset, comparable to your savings or other valuable possessions. Keeping its inheritance aligned with your wishes is crucial for providing financial security to your loved ones and avoiding unnecessary complications. When life events like marriage, divorce or job changes occur, it's easy to lose track of previous nominations. This can lead to outdated beneficiaries who may no longer reflect your wishes.

It is essential to understand that, while pension providers are not legally bound by your stated nomination, they do take it into account when determining the distribution of a pension. Regularly updating your nomination can help ensure that your wishes are honoured.

HOW TO CHECK AND UPDATE YOUR PENSION BENEFICIARY INFORMATION

One of the simplest ways to protect your retirement savings is by keeping your pension beneficiary information up to date. Most pension providers offer online methods to review and amend these details, making the process quick and straightforward. Whether online or through a paper form, it typically takes just a few minutes to confirm or update your nominee information. A small effort now can prevent emotional distress for your loved ones in the future. ◄

Contact Us Today

If you are uncertain about your pension nominations or require guidance, we are here to assist. Contact us today to discuss your needs or to learn more about securing your family's financial future.

Source data:

[1] The research was conducted by Censuswide among a sample of 2,000 general consumers who have a partner, whether married, in a relationship or a civil partnership. The data was collected between 07/02/25 and 10/02/25.

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Navigating market uncertainty

How to build long-term wealth with a tailored strategy

Market volatility is an unavoidable aspect of investing. Geopolitical events, such as the invasion of Ukraine, trade wars, inflationary pressures and alterations in interest rates, are among the numerous factors that lead to market fluctuations, sometimes significantly. When markets change, especially during rapid declines, it can be challenging not to react. Nevertheless, history shows that you are more likely to reach your long-term investment goals if you have a strategy and stick to it across all market conditions.

> MAKING DRAMATIC CHANGES TO YOUR PORTFOLIO IN RESPONSE TO SUDDEN MARKET MOVEMENTS CAN OFTEN DO MORE HARM THAN GOOD.

This may sound simple, but investors have faced significant tests in recent times. Deviating from a carefully considered plan can have far-reaching consequences. It can transform a temporary loss of confidence into a realised loss within an investment portfolio.

President Trump's recent tariff announcements illustrate how a single geopolitical decision can unsettle global markets. Coupled with ongoing uncertainties, such as the enduring effects of the Ukraine conflict, these developments underscore the necessity for a structured investment approach.

Here we explain how to mitigate the impact of market turbulence while maintaining your long-term goals on track.

MAINTAIN DISCIPLINE

Making dramatic changes to your portfolio in response to sudden market movements can often do more harm than good. Emotional reactions, such as withdrawing from the market after a significant drop, risk locking in losses. A disciplined investor recognises that short-term volatility is not an indicator of long-term performance. Staying the course and adhering to a well-researched investment strategy is essential for weathering these temporary storms.

Over the years, history has demonstrated that markets tend to recover following downturns. For example, in the aftermath of global financial crises, disciplined investors who remained steadfast often enjoyed significant recovery gains. Remember, impulsive decisions made from fear or speculation can undermine the progress of even the most considered investment plan.

DIVERSIFY YOUR PORTFOLIO

Diversification remains the golden rule of investing. By spreading your investments across various asset classes, such as equities, bonds and property, as well as across different industries and regions, you can reduce the overall risk exposure of your portfolio.

The ripple effects of tariff disputes between the US and other countries illustrate this principle. Investors with portfolios heavily concentrated in affected markets faced disproportionate losses, while those with diversified holdings performed better. A well-balanced portfolio is better equipped to endure specific market shocks and provide stable, long-term results.

REGULARLY REBALANCE

It's not uncommon for market fluctuations to cause shifts in the balance of your investment portfolio. Over time, the original mix of asset allocations may change due to varying rates of return, potentially increasing your exposure to risk or diverging from your investment goals.

Rebalancing ensures that your portfolio remains aligned with its intended risk and return profile. For example, following a strong market rally for equities, an investor might reduce their holdings in stocks and reallocate some of those gains to bonds or other more stable investments. Regularly reviewing and fine-tuning your asset allocation is essential for staying on track.

USE TIME TO YOUR ADVANTAGE

Successful investing thrives on time, and beginning as early as possible remains one of the most powerful strategies for building wealth. The earlier you start, the longer your investments have to grow, and the more opportunities you create for generating returns. Time in the market enables you to withstand short-term fluctuations while benefiting from the consistent upward trajectory that many financial markets historically deliver.

An early start also provides you with the flexibility to undertake calculated risks, as you have a longer time horizon to recover from any potential downturns. One of the key contributors to long-term investing success is the effect of compounding, which generates returns not solely on your initial investment but also on the earnings your portfolio accumulates over time. The earlier you begin, the greater the cumulative effect compounding can produce.

INVEST REGULARLY

Consistency is crucial. Investing a fixed amount at regular intervals, irrespective of market conditions, is a strategy known as pound-cost averaging. This approach can help to mitigate the effects of market volatility by distributing your investment over time.

During market downturns, for example, this strategy enables you to acquire more shares for the same amount of money, potentially enhancing your returns during a recovery. It's a straightforward yet powerful method of remaining committed to your investment plan and avoiding attempting to time the market, which is notoriously difficult even for seasoned professionals. ◀

Want to speak to us about your investment needs?

Whether you are an experienced investor or just starting out, having a strategy tailored to your needs is vital for navigating market uncertainty. We can help you create a customised investment plan designed to assist you in achieving your financial goals.

Contact us today to discuss your requirements or learn more about how we can assist you in navigating the complexities of the investment landscape. Together, we can make your money work smarter for you.

Thinking of retiring overseas?

Understanding the impact of a frozen State Pension on your retirement income

Retiring abroad may appear to be a dream come true, but for some British pensioners, it could carry a hidden financial cost. If you move to certain countries outside the UK after retirement, your State Pension could be 'frozen'. This means you will not receive the usual annual increases granted under the triple lock system.

The triple lock was introduced in 2010 to ensure that the State Pension keeps pace with the cost of living by increasing it each year by the highest of three measures: 2.5%, inflation or average earnings growth. However, British expatriates in countries without a reciprocal social security agreement with the UK effectively have their pensions fixed at the rate at which they were initially paid.

COST OF EXPAT RETIREMENT

The financial impact of a frozen pension can be significant. For a retiree whose pension was frozen 15 years ago, the loss amounts to nearly £26,000. Over a 20-year retirement, that figure could rise to an eye-watering £70,000. These figures highlight the gap between pensioners who remain in the UK and those living abroad in countries where pensions are frozen.

To provide context, a UK retiree who moved overseas before 2011, when the triple lock came into effect, misses out on annual increases that could have significantly boosted their income. Over time, the financial gap widens as inflation and living costs rise, while a frozen pension remains stagnant. For example, according to recent analysis, those who moved abroad just five years ago are already £7,391 worse off, experiencing a real terms reduction[1].

WHERE ARE PENSIONS FROZEN?

Whether your State Pension is frozen depends on your choice of retirement location. Fortunately, if you relocate to a country within the European Economic Area (EEA), Switzerland, Gibraltar or a nation with a reciprocal social security agreement with the UK, your pension will continue to increase annually under the triple lock.

However, this is not the case for popular expat destinations such as Canada, Australia or New Zealand. For retirees in these countries, pensions remain frozen at the rate they were when payments commenced.

LONG-TERM FINANCIAL IMPLICATIONS

Being locked out of the triple lock uprating is not solely about missed income; it concerns long-term financial security. Over the decades, inflation diminishes the value of a static pension, leaving retirees struggling to keep up with basic living costs. Paying for utilities, medical expenses and everyday items becomes increasingly challenging.

For instance, the analysis highlights that a pensioner who first began receiving their basic pension in 2000 would still be getting £67.50 per week if they relocated to a country without an indexation agreement, compared to the full rate of the new State Pension, £230.25 a week, offered to those in the UK today.

YOUR RETIREMENT PLAN MATTERS

Planning for retirement abroad involves more than simply selecting a location. It is essential to grasp the financial implications, including the restrictions imposed by the UK's frozen pension policy. Whether you are contemplating relocation to Australia, Canada or even further afield, you should balance the potential losses against the lifestyle advantages of moving. ◀

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How can I get advice on my retirement plans?

Don't jeopardise your financial future by neglecting the impact of frozen pensions. Contact us now to discuss your requirements or explore your options.

Source data:

[1] Interactive Investor 04/06/25 – This estimate assumes full State Pension payments are uprated by 3.7% in 2025 (the Office for Budget Responsibility's inflation forecast for September 2025), and by 2.5% per year thereafter in line with the triple lock.

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Two-thirds of UK adults are concerned about affording care in later life

Rising costs, independence and the necessity for proactive financial planning

Recent data highlights a growing concern about the affordability of care and the maintenance of independence in retirement. Research has shown significant worries among UK adults regarding how they will finance care needs and medical expenses in later life.

According to the findings, more than two-thirds (67%) of adults in the UK are extremely concerned about covering the costs of care, whether at home or in a residential facility[1]. Alarmingly, 63% expressed worries about completely running out of money during their retirement years. These statistics underscore the necessity for early financial planning to address these future challenges.

TOP PRIORITIES FOR RETIREES HIGHLIGHT HEALTH AND INDEPENDENCE

When asked to identify priorities for retirement, respondents overwhelmingly emphasised good health (96%), maintaining independence (95%) and ensuring financial security (95%). Furthermore, 92% of individuals highlighted the significance of staying in their own homes as they age.

This desire for independence highlights the struggle many face when adapting their homes to accommodate evolving physical and medical needs. More than three-quarters (78%) of those surveyed valued the ability to make home modifications, such as installing stairlifts or walk-in showers. However, over half admitted to feeling anxious about how they would fund such renovations should their health deteriorate.

HOW LIFETIME MORTGAGES OFFER A SOLUTION

For many adults in the UK, the equity in their homes represents a significant yet often untapped resource. Lifetime mortgages, which enable homeowners to access a portion of their property's value while retaining full ownership, offer a potential solution.

By releasing equity tied up in their homes, retirees can secure funds to cover essential expenses, ranging from medical bills to in-home care or home adaptations. This financial tool enables individuals to modify their surroundings in a way that supports independence, without the pressure to sell their home or downsize.

RISING COSTS, PUBLIC HEALTH STRAINS AND FINANCIAL PLANNING

The concerns highlighted by the research are affected by rising living costs and overburdened public health services, factors that also heighten individuals' anxieties about retirement.

Without a clear plan, individuals may become reliant on limited state provisions or struggle to meet care costs out of their own pockets. The study's findings indicate that the public in the UK is acutely aware of these risks but may lack the tools to address them.

Talk to us about your retirement needs

If funding for later-life care concerns you, there's no need to face these challenges alone. Contact us to discuss your needs and explore options. Together, we can help you find the most suitable choices to support your retirement goals.

Source data:

[1] Unless otherwise stated, the data used in this press release originates from a survey of 4,000 nationally representative UK adults conducted for LV= by Opinium in March 2025.

FOR EXAMPLE, AN INDIVIDUAL NEEDING A HOME ADAPTATION LIKE A WHEELCHAIR RAMP OR LIFT MIGHT UTILISE A LIFETIME MORTGAGE TO FINANCE THESE MODIFICATIONS, ENSURING THEY CAN REMAIN COMFORTABLE AND SELF-SUFFICIENT IN THEIR HOME ENVIRONMENT.

Getting your financial plan in order

Setting the course for a secure future

As we enter the second half of 2025, the same familiar issues continue to affect the financial landscape. Inflation, although easing, still impacts spending power. Meanwhile, a series of stealth tax increases is gradually boosting government tax receipts. It's a complex environment; however, there has never been a better opportunity to review and refresh your financial plan.

At its core, financial planning centres on you. Beyond money and investment strategies, it emphasises your dreams, priorities and long-term objectives. A carefully considered plan also prepares you for life's uncertainties, such as job losses or unforeseen emergencies.

By adopting a systematic approach to budgeting, insurance, taxes, investments and retirement planning, financial planning offers the stability and clarity needed to secure your present and lay the groundwork for a brighter future.

START BY SETTING CLEAR GOALS

Any effective financial plan begins by defining your goals. These should be mapped out across different timeframes – five years, ten years and beyond. Consider what you want your life to look like at each stage. Are you saving for a home, preparing for your children's university fees or building a retirement fund?

Short-term goals may involve setting aside an emergency fund or saving for a major purchase. Medium-term objectives often centre on tax-efficient investments, retirement planning or managing larger financial milestones. Long-term aims might include securing a consistent retirement income and developing an effective estate plan to minimise Inheritance Tax for your loved ones.

STAY ON TRACK WITH CASHFLOW MONITORING

Monitoring your cash flow is essential for clarifying your financial position, both now and in the future. A comprehensive cashflow analysis allows you to evaluate your income and expenditures while anticipating future needs. This approach not only eliminates uncertainty but also enables you to adapt to changes, such as inflation or shifting lifestyle priorities.

By monitoring your cashflow, you can also create 'what-if' scenarios. These assist you in planning for contingencies, exploring options and ensuring your financial decisions align with your goals.

BE PREPARED FOR LIFE'S EMERGENCIES

Life is unpredictable, and emergencies can disrupt your financial plans. Whether it's the sudden loss of a job, illness or unexpected home repairs, having a contingency plan is essential. Build a robust emergency fund that covers at least three to six months' worth of expenses, and ensure your insurance policies provide sufficient coverage for key risks.

TACKLE DEBT EFFECTIVELY

Debt, particularly mortgages, affects long-term financial health. Formulating a strategy to manage or pay off debt is essential. With rising interest rates, you might consider accelerating repayments to minimise costs. Furthermore, evaluate whether reducing debt aligns with your broader goals, such as retiring earlier or lowering regular expenses.

MANAGE RISK WITH ONGOING ASSESSMENTS

Risk is not limited to investments; it encompasses your overall financial stability. Reflect on how market

volatility, health issues or employment uncertainties might affect your finances. Are your investments in line with your risk tolerance? Will your family's future remain secure if unexpected changes occur?

Regular risk assessments ensure your financial plan remains adaptable, regardless of how economic or personal circumstances change.

CREATE A BESPOKE INVESTMENT STRATEGY

Investment decisions are essential to any financial plan and must be customised to your individual circumstances. A well-balanced portfolio weighs risk against return, incorporating a variety of asset classes such as cash, bonds, property and equities.

Diversification is vital for reducing risk. By spreading investments across various categories, we aim to help you minimise the impact of any single market downturn. Your strategy should also consider life stages – younger investors may be willing to accept higher risks, while retirees prioritise stability.

OPTIMISE TAX PLANNING

Frozen tax bands, particularly Inheritance Tax thresholds, render it increasingly essential to ensure tax efficiency in your planning. By utilising trusts, gifting strategies and investments held outside your estate, you can protect your assets and reduce tax burdens. A well-considered tax plan preserves more for you and your family.

DON'T FORGET TO ENJOY LIFE

Financial planning should not solely focus on numbers; it ought to enhance your quality of life. After navigating the challenges of recent years, it is crucial to incorporate leisure and enjoyment into your budget. Whether it's a family holiday or a weekend getaway, these moments refresh the mind and revitalise your approach to creating a secure financial future. ◀

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Take the next step towards your personalised financial plan – contact us today!

Your financial plan should be as unique as you are, reflecting both your current circumstances and future aspirations. We can assist you in developing a strategy that adapts to life's complexities while ensuring you stay on track to achieve your goals. Please contact us to discuss your individual needs or to find out more about how we can help.

"FROZEN TAX BANDS, PARTICULARLY INHERITANCE TAX THRESHOLDS, RENDER IT INCREASINGLY ESSENTIAL TO ENSURE TAX EFFICIENCY IN YOUR PLANNING. BY UTILISING TRUSTS, GIFTING STRATEGIES AND INVESTMENTS HELD OUTSIDE YOUR ESTATE, YOU CAN PROTECT YOUR ASSETS AND REDUCE TAX BURDENS."

Preparing for retirement: What you need to know

How to navigate your transition to life after work

The age at which you decide it's time to take life easy is a very personal choice. When your retirement day arrives, you can toss away your alarm clock, bid farewell to your commute and discard those restrictive business suits.

W**hether you're planning to travel,** spend more time with your family or take up a new hobby, it's essential to review your financial plans to ensure you have the means to achieve your goals.

Although the big day may now be close at hand, it is prudent to remain vigilant regarding any changes to retirement regulations, benefits and financial plans, in case they may affect your retirement fund. To help you focus, we've compiled practical steps to take as your retirement approaches.

UNDERSTAND WHAT YOU'VE GOT

One of the initial steps to planning your retirement involves tracing all your pensions and verifying how much income they will generate. Many of us undergo career changes, which can lead to losing track of workplace pensions. Fortunately, the UK government provides a pension tracking service to assist you in locating any lost pensions.

It is equally important to understand when you can access these funds. If you have a SIPP (Self-Invested Personal Pension), the earliest access age is usually 55, rising to 57 in 2028 for those born after April 1971. Other pension schemes may have different rules, so examine your plan carefully.

CHECK AND STREAMLINE YOUR FINANCES

Knowing how much your pension is worth is key to understanding the lifestyle you can lead in retirement. Keeping track of its value, along with any returns or changes in investment strategy, allows you to make informed financial decisions. It's equally vital to get a State Pension forecast to ensure you qualify for the full amount, as this will form part of your overall income.

Additionally, if you have other investments, such as Individual Savings Accounts (ISAs) or savings accounts, now is the time to assess their value. Understanding all your assets allows you to create a cohesive financial picture. Remember, managing your investments effectively will enhance your retirement fund.

DECIDE HOW TO ACCESS YOUR FUNDS

When accessing your pension, there isn't a one-size-fits-all solution. You can withdraw lump sums, purchase a guaranteed income stream

through an annuity or choose a combination of both. The decision hinges on your personal circumstances and long-term goals.

As you approach retirement, it is also worth evaluating how your pension is invested. If security is your priority, it may be wise to adjust your investment strategy to lower risk levels. Moving away from volatile assets as retirement approaches can help protect your savings.

PLAN FOR A SMOOTH FINANCIAL TRANSITION

Creating a retirement budget can help you align your expectations with financial reality. By assessing how much income you will need compared to how much you'll have, you can avoid any unwelcome surprises. Certain expenses may decrease, such as work-related costs or a paid-off mortgage, while others, like healthcare or travel, could increase. Consider these changes to create a realistic plan.

Additionally, consider how you will spend your time. Retirement isn't merely a financial shift but a change in lifestyle and it's vital to prepare mentally for this transition. A carefully crafted financial and emotional strategy can assist in making the process seamless.

TAKE EXPERT PROFESSIONAL ADVICE

Your pension is crucial for achieving financial independence in retirement, so any decisions related to it should be made with care. If you're uncertain about any aspect of your retirement planning, we can help you make informed and tailored choices. A well-structured plan will instil confidence as you embark on this next phase of life ◀

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Is it time to discover how we can help you?

Retirement should be a time to enjoy life on your own terms, but reaching that stage requires preparation and planning. To ensure you're ready to make the most of it, speak to our experienced team, who can guide you through your options and provide personalised advice.

Contact us today to discuss your requirements or find out more about how we can help tailor a retirement plan that works for you.

This article does not constitute tax, legal or financial advice and should not be relied upon as such. Tax treatment depends on the individual circumstances of each client and may be subject to change in the future. For guidance, seek professional advice. The value of your investments can go down as well as up, and you may get back less than you invested.

> **“KNOWING HOW MUCH YOUR PENSION IS WORTH IS KEY TO UNDERSTANDING THE LIFESTYLE YOU CAN LEAD IN RETIREMENT. KEEPING TRACK OF ITS VALUE, ALONG WITH ANY RETURNS OR CHANGES IN INVESTMENT STRATEGY, ALLOWS YOU TO MAKE INFORMED FINANCIAL DECISIONS.”**

Helping your elderly parents face their financial needs

Remaining focused on established investment principles is essential

Has the time come for 'the talk' with your parents about their money? Having the money talk with your parents could be critically important. When you were growing up, adults may have been in charge of your finances. But that was then, and this is now.

> **TO GENUINELY SUPPORT YOUR PARENTS, IT IS CRUCIAL TO ORGANISE THEIR FINANCIAL PAPERWORK. ENCOURAGE THEM TO GATHER AND STORE ESSENTIAL DOCUMENTS IN A SAFE, ACCESSIBLE LOCATION.**

Their lives are changing, and although they successfully navigated their way into retirement, it does not necessarily mean they have planned further ahead. As they age, their needs and goals will evolve, so now is the time to discuss these matters with them to help ensure they have a plan in place.

Charging in for the discussion is not the best strategy to adopt; it might be wiser to take a softly, softly approach when starting 'the talk' with your parents. You could initiate the conversation by discussing the financial plans you are making for your retirement. This could then naturally lead to asking them what plans they have in place for the future.

UNDERSTANDING THEIR NEEDS AND GOALS

It's not a comfortable conversation to have, but taking the time to ask your parents about their needs and goals will help you understand where they stand. You might begin by posing key questions such as who will care for them when they're older, where they'd like to live if they can no longer look after themselves and who they'd wish to make decisions on their behalf when they no longer can.

Although you may have grown up believing your parents are invincible, they are only human, and ageing can present challenges such as poor health or increasing care costs. Understanding their financial situation is a vital first step. Assist them in identifying their savings, insurance policies, investments and whether they have paid off their home. This will indicate if their finances align with their potential future needs.

PRACTICAL STEPS TO ADDRESS POTENTIAL FINANCIAL CHALLENGES

If it becomes clear that there may be financial concerns in the future, there are practical steps to explore that do not necessarily require any financial contribution from you.

Should they contemplate downsizing? Moving to a smaller home can lower living and maintenance expenses. It's also a practical way to declutter and simplify daily life.

Would it make sense to relocate? If your parents live in an area with a high cost of living, moving to a more affordable location could free up income. Furthermore, relocating closer to family may offer peace of mind and convenience.

Have they created a budget? Helping your parents to structure a realistic budget could reveal areas where they can save without compromising their quality of life.

Have they considered multi-generational living? While not suitable for everyone, having your parents move in with you could reduce costs while fostering closer family ties, provided that this aligns with everyone's preferences.

ORGANISING FINANCIAL DOCUMENTS

To genuinely support your parents, it is crucial to organise their financial paperwork. Encourage them to gather and store essential documents in a safe, accessible location. These may include details of savings accounts, insurance policies, Wills, pensions and investments.

To make things easier, compile a list of contacts for their accounts and insurers. Having these documents readily available simplifies planning and provides clarity during unforeseen circumstances.

These steps will collectively help to create an accurate picture of your parents' financial position and determine whether they are sufficiently prepared for the future.

BUILDING A PLAN FOR PEACE OF MIND

Approaching these conversations with empathy is crucial. This isn't about scrutinising how much your parents possess or what you may inherit. Rather, the focus should be on ensuring that their later years are characterised by security and dignity.

By planning proactively, you can provide the entire family with peace of mind. The earlier you initiate this discussion, the easier it will be to decide on a course of action..

Need professional guidance? We're here to help

Initiating the financial conversation with elderly parents can feel overwhelming, but you don't have to face it alone. If you would like assistance in navigating these discussions, or help reviewing your parents' financial plans, we're here to provide guidance. Contact us to discuss your needs and discover the best path forward for you and your family.

Planning a wealthy retirement

Secure your future with smart financial choices

Whether you're employed, a partner or self-employed, you can contribute to a pension. Employers are legally required to provide workers with access to a pension scheme, while anyone self-employed or unemployed, who cannot invest in an occupational plan, can pay into a personal pension, such as a SIPP (Self-Invested Personal Pension) or a stakeholder policy.

Pensions are the most tax-efficient wrappers available to investors, with up to 45% of Income Tax reclaimable on contributions. Furthermore, many employers regard their defined contribution workplace pension schemes as a valued and affordable benefit, which leads them to offer generous contributions to their employees. If you are an employee and currently not a member of your company's pension scheme, inquire with your HR department for further details.

Saving into a pension is among the most tax-efficient methods for investing in your future. However, for many people, pension rules appear to be a minefield, and recent changes in pension legislation have made this complexity even more daunting. Fortunately, with careful planning, you can navigate these obstacles and lay a strong foundation for a prosperous and comfortable retirement.

STARTING EARLY AND TAKING RESPONSIBILITY

One of the most powerful levers in retirement planning is time. Starting early allows for the benefits of compounding, where your earnings are reinvested to generate further returns. Even small contributions made in your 20s can grow significantly by the time you retire. Given the UK's rising life expectancy, planning for a longer retirement is now more crucial than ever.

Another critical factor is taking responsibility for your financial future. Traditionally, many workers relied on final salary pension schemes, but these are becoming increasingly rare. Today, the responsibility for building a sufficient retirement fund largely falls on individuals. This shift means it's up to you to ensure that your investments, savings and contributions align with your future aspirations.

SAVING REGULARLY AND REVIEWING YOUR PROGRESS

For those wondering how much to save, the answer lies not in large one-off payments but in consistent, regular contributions. A small amount saved each month can create a substantial nest egg over time. Automating your contributions can simplify this process, ensuring you stay on track.

It is equally important to review your plans regularly. Life is unpredictable, and your circumstances are likely to change over the decades. Whether it involves a new job, a family addition or unexpected expenses, reviewing your retirement plans helps to keep them aligned with your goals. A good rule of thumb is to reassess your retirement strategy at least annually or whenever there is a major life event.

BUILDING WEALTH BEYOND PENSIONS

While pensions are a key piece of the puzzle, diversifying your wealth-building strategies can provide additional layers of security. Investing in stocks, ISAs (Individual Savings Accounts) or property can offer supplementary income streams during retirement.

Furthermore, you might consider working longer or part-time during the initial years of your retirement. This strategy not only enhances your financial resources but may also postpone the need to draw down your pension, allowing it to grow further. However, as these decisions involve complex calculations, we can help ensure that your strategy is both realistic and effective.

SEEKING PROFESSIONAL ADVICE

Ultimately, the world of pensions and retirement planning can be complex, particularly as you accumulate multiple pension pots or have specific needs. Professional advice will significantly enhance your approach by helping you identify and address gaps in your strategy. We can also assist in estimating how much you'll require for retirement and how to achieve your desired lifestyle.

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Is it time to speak to us about your future?

Planning for a prosperous retirement needn't be daunting. With prompt action, consistent saving, and a well-defined strategy, you can ensure the future you've always desired. For personalised advice or to explore your options further, contact us today. We will assist you in charting a clear path to achieving your financial goals. Don't wait – your future starts now.

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Saving vs investing

Understanding your financial options for now and the future

Managing your finances can often feel overwhelming, particularly when deciding between saving and investing. Savings are aimed at short-term needs or emergencies, offering a sense of security and quick access to funds through low-risk options such as savings accounts. This approach ensures that you are financially prepared for unforeseen expenses or near-term goals.

Investing, on the other hand, centres on long-term wealth growth by acquiring assets such as stocks or property. While investing entails higher risks and potential market fluctuations, it offers the chance for greater returns and helps counteract the effects of inflation. Both strategies are fundamental to financial planning and must align with your personal goals. Let us explore each option and consider the factors that can guide your decision-making.

WHAT IS SAVING?

Saving involves setting aside money in a secure account, such as a cash savings account. It's an effective way to achieve short-term financial goals, like funding a holiday, preparing for a significant purchase or building an emergency fund. Savings accounts are generally low-risk, easily accessible and offer a stated interest rate.

However, there is a downside to relying solely on saving for the long term. The relatively low interest rates offered by savings accounts seldom keep pace with inflation, which refers to the rising cost of living. Over time, the purchasing power of money held in savings can diminish, meaning that your hard-earned cash may not stretch as far in the future as it does today.

WHAT IS INVESTING?

Investing, on the other hand, involves allocating your money into assets such as shares, bonds or funds with the aim of achieving substantial growth over time. By investing in the stock market, you obtain the potential to earn returns that surpass inflation, allowing your money to grow more effectively than it would in a savings account. However, investment carries risk. The value of investments can fluctuate, with market conditions causing your portfolio to rise or fall.

However, taking a long-term approach can alleviate these risks. Extended horizons often enable your investments to recover from short-term fluctuations, and consistent monthly contributions could help reduce the impact of market volatility. Investing is a powerful means of securing your financial future and can make your money work significantly harder than saving alone.

FINDING THE RIGHT BALANCE BETWEEN SAVING AND INVESTING

Understanding your financial goals is crucial when deciding whether to save or invest. Short-term goals typically align well with saving because the accessibility and stability of a savings account can provide peace of mind. Conversely, long-term aspirations, such as retiring comfortably or funding your child's education, often benefit from the potentially higher returns of investing.

Diversification is another crucial factor to consider. Depending entirely on saving or investing can expose you to unnecessary risk or missed opportunities. Creating a financial plan that incorporates both strategies can provide stability while still allowing your money to grow. A common approach is to establish a solid emergency fund through savings first before gradually shifting focus towards long-term investing.

ASSESSING YOUR RISK TOLERANCE

Before making investment decisions, it is equally important to assess your personal risk tolerance. Some individuals are comfortable enduring market fluctuations, whereas others favour a more cautious approach.

Understanding how much risk you are willing and able to take ensures that your financial strategy aligns with your comfort level and life circumstances. Our professional financial advice can also assist you in balancing risk and opportunity to suit your unique goals.

Looking to take action today?

Whether you're looking to save for a major purchase or invest for long-term growth, the initial step is to create a clear plan tailored to your needs. Establishing the right balance of saving and investing starts with understanding your goals, timeline, and risk appetite.

If you would like to explore your options or learn more about developing a strategy that suits you, please contact us today. We are available to discuss your financial needs and assist you in making informed decisions for a secure future.

Principles of successful investing

Building wealth in an uncertain world

It's not surprising that the world of investing can seem complex. Investors today are confronted with ever-changing market conditions, a constant stream of news and an overwhelming number of investment options. Navigating this landscape can feel daunting, even for seasoned investors.

However, the principles of successful investing remain refreshingly simple. By following five timeless strategies, you can build an effective long-term plan designed to help you achieve your financial goals with confidence and clarity.

A real-world example of the significance of time is illustrated by global market uncertainty. During President Trump's tariff announcements, stock markets experienced increased volatility, causing some investors to panic-sell. However, early and consistent investment helps mitigate the effects of such market turbulence over time.

1.

START EARLY TO HARNESS T HE POWER OF COMPOUNDING

One of the most effective methods for building wealth is to start investing as early as possible. Time allows you to harness the power of compounding, where your earnings generate additional returns. These compounded returns create a snowball effect, with growth accelerating over the years. Whether through interest, dividends or capital gains, the earlier you begin, the larger your potential portfolio.

2.

COMMIT TO MAKING REGULAR CONTRIBUTIONS

Investing regularly is as crucial as starting early. By adopting a disciplined approach, such as setting up monthly investments, you not only maintain investing as a priority but also engage in 'pound-cost averaging'. This means you purchase more shares when prices are low and fewer when prices are high, thereby reducing the overall cost of your investments.

This strategy is especially beneficial

during uncertain times. For instance, market fluctuations caused by escalating trade tensions during Trump's administration made finding the 'perfect' time to invest virtually impossible. Regular investing mitigates the risks associated with market timing while cultivating a habit of long-term financial growth.

3.

ENSURE YOU'RE INVESTING ENOUGH FOR YOUR FUTURE

Saving for goals such as retirement, a home or education necessitates a clear understanding of how much you need to invest today. The amount you save now directly influences your future financial security. For instance, if your estimated retirement costs are linked to your current income, commencing earlier and investing a higher percentage can alleviate long-term pressures.

Major global events, ranging from tariff wars to unexpected market downturns, underscore the necessity of cultivating financial resilience. By making adequate investments, you establish a safety net strong enough to withstand short-term economic fluctuations while maintaining your long-term objectives.

4.

STAY THE COURSE WITH A CLEAR PLAN IN PLACE

Market volatility can lead investors to focus excessively on short-term movements. This often results in emotional decisions, such as buying when markets surge or selling during downturns. Having a well-structured investment plan assists in avoiding these pitfalls by maintaining a long-term perspective.

For instance, the unpredictability sparked by President Trump's tariff decisions led to sharp fluctuations across industries. Investors who rushed to react to these events often fared worse than those who adhered to a diversified, long-term plan. Remember, choppy waters are temporary, but a solid financial strategy endures.

5.

DIVERSIFYING YOUR PORTFOLIO IS KEY

Diversification is one of the simplest yet most effective methods for managing risk. By spreading your investments across various asset classes, industries and geographical regions, you lessen your portfolio's exposure to market-specific shocks.

During the global economic uncertainty caused by tariff disputes, diversified portfolios have proven far more stable than those dependent on a single sector or market. Balancing equities with bonds, domestic with international investments, and technology with traditional industries ensures that gains in one area can offset losses in another.

TAKE THE FIRST STEP TODAY

Successful investing doesn't require a crystal ball or perfectly timed decisions; it's about adhering to clear, proven principles. By starting early, investing regularly, contributing sufficiently, remaining disciplined with a plan and diversifying wisely, you can craft a financial strategy designed to withstand uncertainty and achieve your long-term goals.

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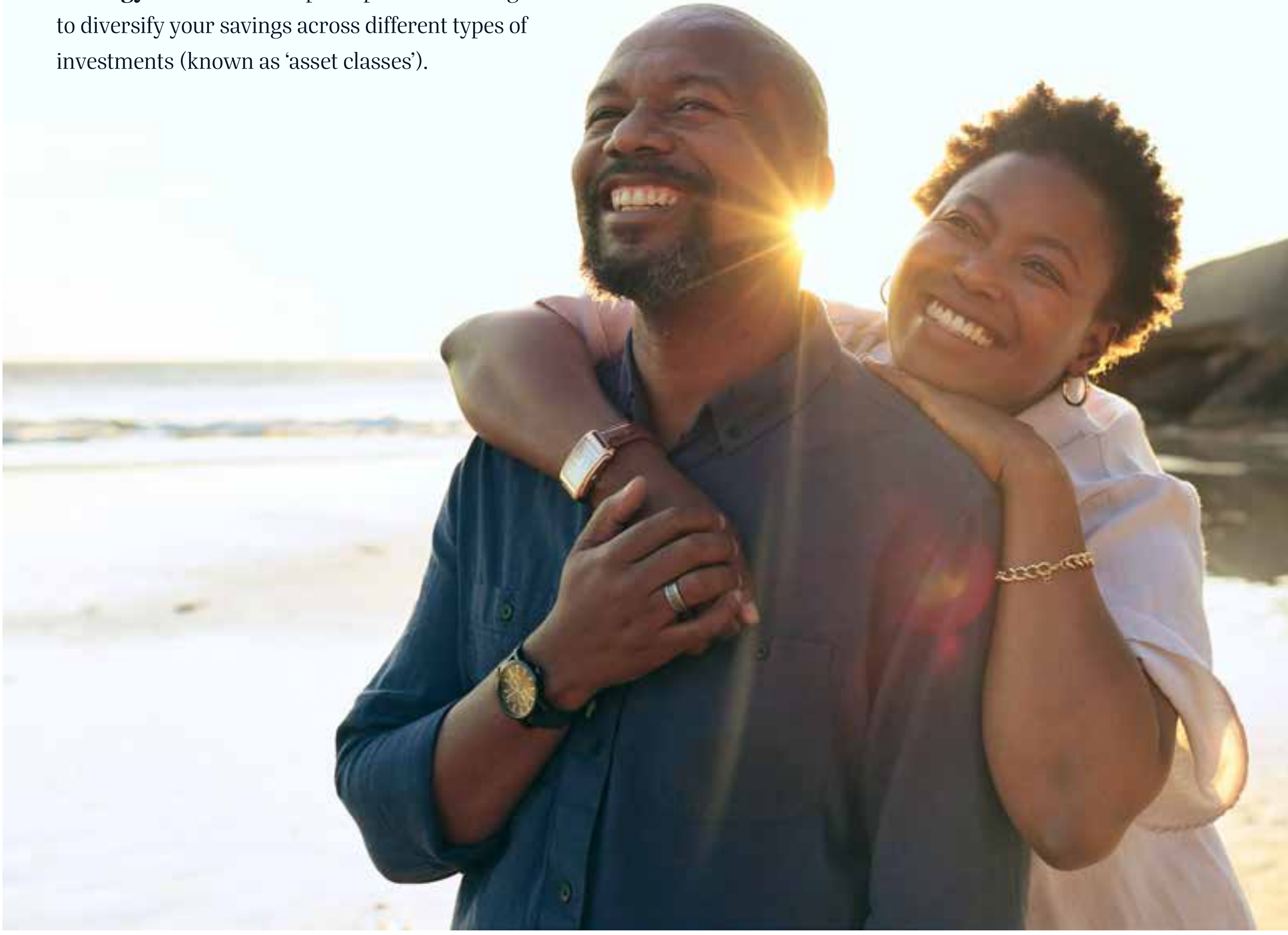
Is it time to speak to us about your investment goals?

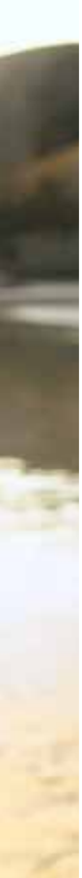
Whether you're new to investing or looking to refine your strategy, professional guidance will make all the difference. Contact us to discuss your unique financial goals and explore solutions tailored to your needs. Take the first step towards building a secure financial future.

What is the right mix of investments for you?

Finding the right balance for your financial goals is key

Your investment mix is essential for your long-term investment success and shapes your suitable strategy. One of the core principles of investing is to diversify your savings across different types of investments (known as 'asset classes').





I f you've ever heard the saying, "Don't put all your eggs in one basket', you understand the concept. Asset allocation involves dividing the money you invest among various asset classes.

The final outcome is an investment portfolio that balances risk and return in a way that suits you. It is a strategy you can utilise to guide your investment decisions over the years. You can update this strategy as needed should your personal circumstances or objectives change.

ROLE OF ASSET ALLOCATION IN YOUR PORTFOLIO

Asset allocation forms the foundation of a successful investment strategy. By diversifying your investments across various asset classes such as equities, fixed income and cash, you minimise the risk of significant losses if one investment underperforms. Each asset class responds differently to various market conditions, and distributing your funds amongst them ensures that you aren't overly dependent on a single type

This strategy not only mitigates risk, it also paves the way for smoother, more consistent long-term returns. Effective asset allocation allows you to create a framework, providing your portfolio with a purposeful structure that aligns with your financial objectives while accommodating market fluctuations.

UNDERSTANDING RISK TOLERANCE AND ASSET CLASS BREAKDOWN

The optimal mix of investments largely relies on your willingness and capacity to take risks as an investor. Equities, for instance, tend to yield higher returns over the long term but come with greater volatility. Fixed income, like bonds, generally offers more stable but lower returns, whereas cash delivers stability but rarely increases your wealth significantly over time.

These broad categories can be further subdivided into sub-classes based on geography, industry and other characteristics. For instance, equities can be classified into UK, US, international and emerging markets. This enables you to diversify not only by asset type but also by specific areas of focus, thereby enhancing the potential for growth while managing risk.

THE RISK-RETURN PRINCIPLE

Every investment decision involves a trade-off. By including equities in your asset mix, you position yourself for greater returns but must also be prepared for the possibility of larger losses. Conversely, a portfolio weighted more heavily towards bonds or cash can provide protection during market downturns, although it may lack the growth potential necessary for achieving ambitious financial goals.

Balancing risk and return is a personal decision based on your financial goals, time horizon and emotional comfort with market fluctuations. An investor approaching retirement, for example, may prefer a conservative portfolio to protect their savings, whereas someone with decades to invest might focus more on equities for long-term growth.

DEFENSIVE VERSUS GROWTH ASSETS

Defensive assets, such as government bonds, cash and high-dividend stocks, are low-risk investments designed to preserve capital and provide steady income. They tend to perform well during market downturns, making them ideal for conservative or near-retirement investors, although their long-term growth potential is somewhat limited.

Growth assets, such as equities in emerging companies and property, involve higher risks but provide greater long-term returns. Because they are susceptible to short-term fluctuations, they are suited for investors with a higher risk tolerance and longer investment horizons. A balanced combination of both types aids in managing risk while pursuing both capital preservation and growth.

WHY DIVERSIFICATION MATTERS

Each year, various asset classes and sub-classes experience fluctuations in performance. For instance, an asset class that performs exceptionally well one year may sharply underperform the next. By maintaining a diverse mix of investments in your portfolio, you effectively spread out the risk and mitigate the impact of any single underperforming class.

This diversification also creates a smoothing effect. Even if one asset class falters, gains in others can offset the losses, providing a steadier overall return over time. It is this balance that helps investors weather market volatility and remain on track towards achieving their goals. ◀

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Do you need to speak to us about your investment goals?

Choosing the right mix of investments can seem daunting, but you don't have to do it alone. Whether you're just starting or reviewing your existing portfolio, we're here to help. Contact us today to discuss your investment needs and find out how we can create a personalised strategy to help you achieve your financial goals. Take the first step toward a brighter financial future.

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Setting investment goals and timescales

How to clarify your path to financial success

Establishing clear investment goals is essential for achieving long-term success, as they serve as a roadmap outlining the purpose and desired outcomes of your investments. By defining your priorities, you can make informed decisions, avoid distractions and effectively track your progress. Whether you are saving for retirement, funding your child's education or building wealth for future opportunities, clear objectives ensure that every decision aligns with your broader financial aspirations.

Equally important is pairing these goals with realistic timelines, which provide the necessary space for investments to grow while fostering discipline and patience. Unrealistic deadlines can lead to impulsive decisions and unnecessary pressure, jeopardising long-term success. In contrast, practical timelines encourage steady growth, help manage risks and leverage the power of compounding returns. Together, clear objectives and realistic timescales create a balanced investment strategy, forming a strong foundation for financial stability and success.

WHY DO PEOPLE INVEST IN THE STOCK MARKET?

Investment goals are as diverse as the investors themselves. For some, the primary objective is to build wealth and work towards financial freedom. This might involve growing a portfolio over decades to provide the funds necessary to pursue passions, retire comfortably or achieve a worry-free lifestyle.

Some may invest with specific goals in mind, such as saving for a child's schooling or university fees. The costs of education can be considerable, and early planning ensures that you are financially prepared to support your child's future. Likewise, planning for your own retirement is a significant reason why many people turn to investments, aiming to enhance their pension and secure a comfortable lifestyle in their later years.

Then, there are those attracted to the excitement of speculative investments. These investors utilise their knowledge of the markets to seek higher returns in the short term, aiming to capitalise on opportunities in rapidly changing conditions. Regardless of the motivation, having well-defined goals drives focus and clarity in any investment strategy.

DEFINING INVESTMENT TIMESCALES

One of the most critical steps in investment planning is understanding your timescale. Are your goals short-term, medium-term or long-term? Knowing your timeframe is essential, as it dictates the appropriate strategy, level of risk and financial products to consider.

Short-term investments generally focus on preserving capital and maintaining liquidity. These are ideal for objectives like saving for a wedding, a car or a house deposit within the next one to three years. Riskier investments may not be appropriate here, as the short time frame does not allow for recovery from market volatility.

Medium-term goals typically span five to ten years and require a balance between growth and stability. For instance, accumulating funds for a child's secondary school fees may involve a combination of equities and bonds to secure steady returns without incurring excessive risk.

Long-term investments, like retirement savings or leaving a legacy for future generations, are where you can afford to take more risk. Over longer durations, markets tend to level out, allowing more opportunity for substantial growth despite short-term fluctuations.

ROLE OF LIFE STAGE AND RISK TOLERANCE

Your life stage is a critical factor when establishing investment goals and timelines. Young professionals might favour long-term growth strategies, such as investing in equity-focused funds, as they have decades to recover from any market setbacks. Conversely, individuals nearing retirement may prioritise the protection of their wealth by reallocating to lower-risk assets such as bonds or cash-based products.

Risk tolerance is another important consideration. While younger investors with few financial responsibilities may embrace higher risk in pursuit of potential rewards, others, particularly those with families or nearing a significant financial milestone, often favour stability. Aligning your strategies not only with your stage in life but also with your comfort with risk is essential for effective investing.

WHY FLEXIBILITY MATTERS

Well-defined goals are essential, but so is flexibility. Markets evolve, personal circumstances change and unexpected events can occur. Being adaptable allows you to pivot when necessary without derailing your overarching plan.

For instance, an investor saving for a new home may choose to delay their purchase and instead reallocate funds to grow their retirement nest egg. Similarly, market downturns can present new opportunities to acquire undervalued assets that may not have been part of your original strategy but could enhance your long-term portfolio value.

Regularly reviewing your goals and portfolio is essential for remaining responsive to these changes. The financial landscape is always evolving, and a flexible approach enables you to capitalise on new opportunities while mitigating unforeseen risks. ◀

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Want guidance on setting your investment goals?

Navigating the realm of investments can seem daunting, especially when it comes to setting goals and comprehending timescales. However, you need not face it alone. Whether you're beginning your journey or refining an existing plan, tailored advice can help simplify the process and ensure you're on the right track.

Contact us today to discuss your financial aspirations and how to achieve them. We will assist you in defining your goals, establishing realistic timescales, and crafting an investment strategy tailored to your needs. Together, we'll develop a plan designed to turn your financial dreams into reality.

How much do you need to retire comfortably in 2025?

Start planning now to secure your financial future

If you hope to enjoy a comfortable retirement when you cease working, review your pension savings now, as the amount of money you may require could come as a shock. According to the latest data, a single person now needs a staggering £43,900 annually to sustain a comfortable lifestyle in retirement, while couples need £60,600 a year[1]. These figures underscore just how vital it is to have a clear retirement strategy in place.

But what does a "comfortable" retirement mean, and why does it cost so much? By exploring this concept and understanding the associated costs, you can better plan for a financially secure retirement.

UNDERSTANDING WHAT 'COMFORTABLE' LOOKS LIKE

A 'comfortable' retirement is defined as one that enables financial independence and allows for the enjoyment of a few luxuries. This might mean a Mediterranean holiday each year with sufficient spending money, several weekends away within the UK and regular meals out. Other indicators include a comprehensive broadband, TV package and clothing budgets.

For a single person, these costs total £43,900 annually after tax. To cover this, they would need a pre-tax income of £40,245, in addition to the State Pension, which is £11,973 for the 2025/26 tax year. If you're relying on a pension pot to provide this income through an annuity, the total savings required range from £540,000 to £800,000.

BREAKING DOWN THE NUMBERS

The figures account for essential expenses and discretionary spending. These projections include weekly averages of £75 for groceries, £42 for dining out and £21 on takeaways, along with annual costs for holidays and clothing. They aim to reflect realistic living standards rather than extravagant lifestyles. For couples, their combined expenses raise the financial requirement.

Annuity rates used in these calculations vary based on factors such as health, age and the type of annuity selected. Currently, they range from £5,000 to £7,500 for every £100,000 of savings. While annuities provide a guaranteed income for life, fluctuations in rates and individual circumstances can significantly impact your retirement planning.

STEPS TO BOOST Y OUR RETIREMENT SAVINGS

Although these numbers may seem overwhelming, minor adjustments and thoughtful planning can yield significant results.

Here are a few steps you can take to improve your retirement outlook:

- **Start early:** Time is your greatest asset. Regular contributions made earlier in your career allow savings to grow due to compounding interest.
- **Maximise employer contributions:** Take full advantage of workplace pension schemes and match your employer's contributions whenever possible.

- **Consider investments:** Diversifying your portfolio into stocks and shares ISAs or other investments may provide higher returns than a traditional pension plan, although it carries higher risks.
- **Delay retirement:** Working a few extra years can give your savings longer to grow and reduce the number of retirement years your funds need to cover.
- **Review your spending:** Budget carefully during your working years to prioritise retirement savings.

Seeking professional advice from us will also help you identify the right approach to suit your individual circumstances and goals.

WHAT'S YOUR RETIREMENT STRATEGY?

Your retirement should be a time to enjoy financial freedom, pursue your passions and live the life you've always envisioned. However, achieving this requires careful planning and preparation. The sooner you begin taking action, the better your chances of building the secure nest egg you need to turn your dreams into reality.

Early planning provides you with the opportunity to fully capitalise on growth over time and to confidently manage any uncertainties that may arise. Don't leave your comfort and financial independence in retirement to chance. By starting today, you're investing in the future you deserv.

Time to get in touch to secure your future?

If you're unsure about your retirement savings or want tailored advice, we are here to help. Contact us today to discuss your requirements and discover how to achieve the financially secure retirement you deserve.

Source data:

[1] Data from the Pension and Lifetime Savings Association (PLSA) 04.06.25 https://www.plsa.co.uk/news/article/latest-retirement-living-standards-show-costs-for-minimum-retiree-needs-have-fallen-while-moderate-and-comfortable-standards-see-modest-rises

Why six in ten millennials are struggling to save for retirement

The financial balancing act millennials face

Research indicates that the current life stage of Millennials (those in their late 20s to early 40s) is significantly impacting their future retirement plans, as short-term financial priorities take precedence[1]. The study, which surveyed 4,000 UK adults, reveals that six in ten (59%) Millennials are struggling to save for retirement. In comparison, 48% of Generation Z (ages 18-26) and 39% of Generation X (ages 41-56) face similar challenges.

A variety of factors contribute to this savings shortfall among millennials. A quarter (25%) of them cite fluctuating incomes as the primary barrier to saving, while almost the same proportion (24%) highlight childcare responsibilities. Millennials, particularly women, are disproportionately affected by these life events, which often include parental leave, career changes or a complete break from work. When combined with soaring housing and childcare costs, these responsibilities make saving for the distant future feel nearly impossible for many.

THE WIDENING GENDER SAVINGS GAP

The research highlights how gender intersects with financial challenges at this life stage. Women in the Millennial age group are more likely to face interruptions in career progression due to childcare or eldercare responsibilities. This not only reduces their immediate earning potential but also significantly impacts their retirement savings over time.

Data from the research highlights a stark disparity between men and women in terms of saving for retirement. From ages 25-34, the amount saved into pensions by each gender begins to diverge, and by the time individuals reach ages 45-54, men are contributing 50% more per month to their pensions than women (£245 vs £165). If left unaddressed, this gap leaves many women significantly less financially prepared for retirement compared to their male counterparts.

SHORT-TERM GOALS TAKE PRIORITY

Despite the stereotype of Millennials as frivolous spenders, with their brunch habits unfairly scrutinised, the reality is far from the ‘avocado on toast’ cliché. Only one in five (20%) millennials report that paying into a pension is a financial priority. Instead, immediate concerns such as housing costs, student loan repayments and childcare take precedence.

The research further reveals the strain that short-term financial pressures place on retirement savings. Over the past year, 7% of Millennials have decreased their pension contributions, and another 7% have stopped contributing entirely. While automatic enrolment in workplace pensions has helped some maintain their contributions, the risk remains that individuals may not readjust their pension savings once short-term challenges ease. Left unaddressed, this could lead to a retirement savings gap that is too large to bridge.

THE CRITICAL ROLE OF EMPLOYERS

Employers have a crucial role in shaping the retirement readiness of their Millennial employees. For instance, continuing employer pension contributions during parental leave or work breaks can ease some of the financial challenges caused by these life events. Additionally, companies could offer tailored financial wellbeing programmes that help employees align short-term spending with long-term savings goals.

Educational initiatives are an important tool for employers. By increasing financial literacy and awareness, they can help Millennials feel more empowered to plan for their future. Providing transparent and accessible guidance on how to adjust pension contributions following major life changes could make a substantial difference.

FAILING TO ACT COULD MEAN A RETIREMENT SHORTFALL

It’s estimated that as many as 17 million people in the UK are not saving enough to achieve the retirement they expect. For Millennials, this serves as a wake-up call. The earlier steps are taken to address gaps in savings, the more manageable and effective those adjustments can be.

It’s crucial to recognise that retirement planning doesn’t have to be overwhelming. Dividing it into small, manageable steps, such as gradually increasing contributions, seeking professional guidance or utilising workplace benefits, can reduce much of the stress involved in saving. ◀

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Take charge of your financial future

If you’re feeling stuck in your saving efforts, know that you’re not alone, and help is available. We can assess your current financial situation and recommend tailored solutions to meet your retirement goals. Whether you’re facing short-term pressures or planning for the long haul, it’s never too late to start making a positive impact.

Contact us today to discuss your requirements or to learn more about the tools and strategies available to help you build the secure retirement you deserve. Begin taking control of your financial future now.

Source data:

[1] Research conducted by Opinium for Phoenix Group in September 2024 among 4,000 UK adults.

This article does not constitute tax, legal or financial advice and should not be relied upon as such. Tax treatment depends on the individual circumstances of each client and may be subject to change in the future. For guidance, seek professional advice. The value of your investments can go down as well as up, and you may get back less than you invested.

Reassessing strategies to minimise Inheritance Tax liabilities

What crucial transformation is poised to reshape estate planning?

Estate planning has always been pivotal in managing how wealth is passed on, but changes to pension rules from 6 April 2027 will reshape the landscape. Historically, pensions have served as both a source of retirement income and a tax-efficient tool for intergenerational wealth transfer.

However, as pensions are now part of the taxable estate upon death, some individuals may need to reassess their strategies to minimise Inheritance Tax (IHT) liabilities. The era of relying on tax advantages to preserve pensions as the last untouchable asset in decumulation is nearing its end. Instead, a reimagined approach to wealth-building and distribution will be necessary.

WHY APRIL 2027 IS A GAME-CHANGER FOR ESTATE PLANNING

From 6 April 2027, the inclusion of pensions in the IHT calculation signifies a significant turning point. Until now, it has been common practice to access other assets first, leaving pensions untouched to take advantage of an exemption from IHT.

This has incentivised families to maximise the value of their pensions across generations. However, with the Autumn 2024 Budget announcement introducing this change, it is clear that traditional strategies are no longer sufficient.

PASSING WEALTH TO FUTURE GENERATIONS

While those in the decumulation phase reconsider how to draw down their assets, the impact is equally significant for individuals in accumulation phases. For people in their accumulation years (30s to 50s), during which the focus is on building wealth for retirement, pensions must now be assessed within the broader context of estate planning.

While pensions still provide immediate tax relief on contributions and secure long-term retirement income, their implications for IHT

upon death in certain situations may make them less attractive for passing wealth to future generations.

DIVERSIFICATION: THE EMERGING STRATEGY

Given the changing tax priorities, diversification beyond pensions becomes an essential strategy. Individual Savings Accounts (ISAs), which offer tax-efficient growth and income, are one example. ISAs provide incredible flexibility, allowing individuals to access funds at any time without penalty. However, post-April 2027, ISAs will remain part of the taxable estate for IHT purposes, just like pensions.

For those looking to break free from traditional estate planning tools, Business Relief (BR)-qualifying investments can offer appealing alternatives. Investments in private trading businesses or certain AIM-listed companies qualify for significant IHT relief after two years, helping to avoid or reduce tax charges.

CONSIDERABLE RISK TOLERANCE STRATEGIES

With the introduction of a £1m Individual Business Relief Allowance in April 2026, unlisted investments or agricultural property gain an IHT-free cap, while investments exceeding this figure receive 50% relief.

Qualifying AIM-listed company shares also attract 50% IHT relief but do not benefit from the £1m allowance. While these benefits are enticing, BR investments carry high risks. Their value can fluctuate, and any tax relief depends on the invested businesses maintaining their status as qualifying assets. This makes such strategies suitable only for those with considerable risk tolerance.

RE-EVALUATING TRADITIONAL SOLUTIONS

The urge to maintain pensions as a central pillar of financial planning is understandably strong. However, it has become abundantly clear that the post-2027 estate planning landscape requires a more balanced and multifaceted approach. Although pensions are valuable for retirement income due to upfront tax savings, many innovative financial tools and investment vehicles are likely to be considered to develop flexible, efficient strategies that also protect long-term generational wealth.

For families with larger estates, combining approaches such as BR investments with various other strategies could unlock more nuanced opportunities. The earlier you explore these options, with our assistance, the better the potential you will have to minimise your tax burdens and maximise your family's inheritance.

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Are you ready for what's to come?

The landscape of estate planning is evolving, and timely action is crucial. From understanding the implications of the April 2027 pension changes to exploring tailored alternatives, the choices you make now will determine the legacy you leave behind.

If you're ready to reconsider your estate planning or wish to explore alternative strategies, we're here to assist. Contact us today to discuss your specific needs or to learn more about the best approach for your family's future. Take charge of your estate planning to ensure peace of mind for you and your loved ones.

Financial security remains a concern for retirees in the UK

Only 48% of mid-retirees are confident their private pension will last a lifetime

A new report has revealed troubling insights into the financial confidence of retirees in the UK. Alarmingly, just under half (48%) of mid-retirees feel assured that their private pensions will sustain them throughout their lives. This leaves the remaining half grappling with uncertainty, despite decades of planning and saving. The report paints a disheartening picture of financial security in retirement.

One of the most striking aspects is the disparity in financial confidence between genders. While 32% of men reported feeling secure about their finances, only 19% of women felt the same. This underscores an urgent need to address the gender gap in retirement planning, as women are disproportionately affected when it comes to financial security in later life.

GROWING NEED FOR INCOME STABILITY

The research highlights how financial priorities evolve as retirees age. An overwhelming 83% indicated that the need for a steady income from private pensions becomes increasingly important over time. Unsurprisingly, the same percentage expressed concern regarding the potential decrease in their income. Here, too, women displayed greater anxiety (87%) compared to men (79%).

These findings indicate a growing demand for solutions that ensure income stability. Nearly two-thirds (64%) of respondents believe private pensions should serve as sources of income for life, rather than merely functioning as flexible savings pots. However, despite their importance, these essential pensions are often managed without ongoing professional guidance.

CALL FOR REGULAR FINANCIAL REVIEWS

What's clear from the report is that many mid-retirees have adopted a 'set and forget' approach to their pensions, which could prove detrimental in the long term. While retirement planning traditionally focuses on the lead-up to retirement, the findings underscore a pressing need for ongoing financial reviews during retirement itself. Just as regular health check-ups safeguard your wellbeing, frequent financial MOTs could play a vital role in keeping your retirement plans on track.

One suggestion made by experts is the concept of a mid-retirement MOT. This would act as a thorough financial and lifestyle review, providing guidance on estate planning, fraud protection, access to state benefits and strategies to manage finances if cognitive decline becomes a concern. By re-evaluating your financial situation every few years, you can better prepare for the unpredictable years ahead.

INNOVATIVE SOLUTIONS FOR LONG-TERM NEEDS

For many retirees, the challenge lies in balancing flexibility and security in managing their pension savings. The report recommends adopting 'flex first, fix later' strategies. This involves utilising pension drawdowns during the early stages of retirement, combined with annuities in later life to guarantee income stability. Such blended approaches could offer retirees the financial adaptability they require early on while safeguarding against unexpected shortfalls later.

The findings also illuminate a systemic issue. Despite the increasing complexities of managing retirement incomes under pension freedoms, 65% of respondents believe there is insufficient support for retirees navigating these challenges. This underscores an urgent need for improved advice and accessible resources tailored to every stage of retirement.

DON'T SLEEPWALK THROUGH RETIREMENT

The report illustrates how many retirees are sleepwalking through critical financial decisions in later life. They belong to the first generation facing pension freedoms, and the complexity of these choices requires increased support and education. Without adequate planning, the risk of financial instability during the latter years of retirement poses a significant danger. Taking action now can avert considerable hardships in the future. ◀

Take control of your retirement plan

Ensuring that your private pension meets your needs throughout your life requires preparation, informed decision-making, and regular reviews. Whether you are currently managing your pension or need assistance in optimising your income strategy, the right professional financial advice can make all the difference.

If you're concerned about your financial future or would like to explore ways to secure a lifelong income, please get in touch with us. Together, we can evaluate your retirement plan and help you create a solution tailored to your needs. Your future deserves the utmost care.

Source data:

[1] Ignition House is a research consultancy specialising in market research and consulting. The report is based on an online survey Ignition House conducted with a nationally representative sample of 1,000 UK people aged 65-75 years old who hold a non-advised private pension, excluding people in receipt of state pension only and those with more than £20,000 defined benefit pension household income. Research was conducted from October to November 2024.

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Growing trend among silver splitters

How property wealth enables a clean break for the over-50s

Divorce among those over 50, often referred to as 'silver splitters', is on the rise. This trend introduces financial complexities that younger couples may not face, particularly regarding property wealth. Research indicates that one in ten (11%) couples over the age of 50 rely on property wealth, such as proceeds from selling their family home or using equity release, to cover the costs of their divorce[1].

For many in this age group, their home is not merely a place of refuge but also their largest financial asset, holding both monetary and sentimental value. With individuals over 55 owning a staggering £3.5 trillion in property assets across the UK, it's no surprise that property dominates conversations about divorce for older couples[2]. However, the stakes are high. Decisions made during this emotionally charged process can dramatically influence retirement plans and long-term financial stability.

PROPERTY WEALTH IN NUMBERS

According to research, 60% of those divorcing after 50 place their home at the centre of financial discussions during separation. For some, property wealth allows for a clean break. For others, maintaining connections to the family home is a priority, often driven by familiarity, attachment or the desire to remain close to family and friends.

When navigating this critical decision, couples have several options available to them. Around 18% of individuals buy out their partner by using their savings. Meanwhile, 5% opt for equity release, a growing option that allows homeowners to unlock the value of their property without selling it outright. Currently, an average of £69,600 can be released through equity in England and Wales, an amount that has increased by 20% over the past five years[3].

EMOTIONAL AND FINANCIAL CHALLENGES

For many over-50s, separating later in life presents specific emotional and financial challenges. A home often embodies years of shared memories and stability, making the division of property assets more poignant. Simultaneously, finances can become more entangled after decades together, adding an extra layer of complexity to the divorce process.

What's surprising is that only 8% of divorcing couples in this age group seek financial advice. This can leave individuals vulnerable to making short-sighted decisions with far-reaching consequences. With retirement on the horizon, it is crucial to obtain expert guidance to weigh up options and consider the short- and long-term implications of their choices. Without tailored advice, many risk undermining their future financial security.

CASE FOR PROFESSIONAL FINANCIAL ADVICE

The decisions made during a divorce for those over 50 extend far beyond who remains in the house or whether it is sold. These choices impact inheritance plans, investments and retirement savings. Seeking professional financial advice ensures that all options are explored, from equity release and buy-outs to alternative arrangements that could benefit both parties.

Tailored financial advice is particularly vital for individuals who own multiple properties or possess other assets, such as pensions. These situations necessitate clarity and expert planning to ensure a fair division while preparing for the years to come. Furthermore, advisers can highlight lesser-known options, such as downsizing or temporarily renting, which may provide flexibility without compromising long-term security.

TAKE CONTROL OF YOUR FINANCIAL FUTURE

Divorce after 50 is undoubtedly a challenging chapter, both emotionally and financially. Property, which is often the most substantial asset, requires careful consideration and expert advice to prevent hasty decisions that could impact your future.

Navigating complex processes, such as equity release or valuing a shared home, might feel overwhelming, but you need not face it alone. If you are experiencing divorce or wish to understand your options, now is the time to take action. ◀

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Need help exploring your options?

Do you need guidance on optimising your property wealth during a divorce? We are here to help you explore solutions tailored to your unique situation. Contact us today to discuss your needs and secure your financial future with confidence.

Source data:

[1] Opinium Research conducted 2,945 online interviews of UK adults who are divorced. The research was conducted between 25 October and 12 November 2024.

[2] Office for National Statistics, Household net property wealth by household representative person (HRP) age band: Great Britain, April 2016 to March 2020, January 2022 (most recently available).

[3] Legal & General analysis of Office for National Statistics, Median house prices for administrative geographies, September 2024.

Financial vulnerability post-divorce

The financial divide women face after separation

Women's incomes are often reduced by half following a divorce, leaving them financially vulnerable. New research indicates that 24% of women struggle to make ends meet, compared to just 16% of men. Nearly one in five (19%) find it challenging to cover essential expenses, a figure nearly double that of men in similar situations. This financial strain can extend into retirement, where women encounter even greater challenges due to smaller pension pots and missed career opportunities.

The introduction of no-fault divorces in the UK three years ago has made it easier for couples to separate. However, this legislative shift has also highlighted the stark financial difficulties that many women encounter post-divorce. Living alone is inherently more expensive, as there is no partner to share housing and utility costs. For women, this adjustment is particularly challenging, with 63% citing the loss of financial support as a difficulty compared to only 39% of men. These statistics present a concerning picture of unequal financial recovery following a marital split.

CAREER AND EMPLOYMENT CHALLENGES

For many women, divorce signifies a substantial change in their career trajectory. While 19% re-enter the workforce post-divorce and 24% view it as an opportunity to refocus on their careers, the journey is fraught with challenges. Balancing work and family responsibilities becomes a formidable obstacle, with women twice as likely as men to reduce their working hours to accommodate childcare needs (14% vs. 7%). Furthermore, 19% of women report difficulties in managing parental and work duties after separating, compared to just 9% of men.

This interruption not only affects immediate income but also has long-term ramifications on career advancement and retirement savings. Women who take career breaks or accept reduced working hours frequently contribute less to pension schemes, thereby exacerbating the financial gap in their later years.

OVERLOOKED ROLE OF PENSIONS

The financial disparity extends into one of the most overlooked aspects of divorce settlements: pensions. Only 13% of divorcing couples include pensions in their negotiations, despite these being a substantial financial asset. Alarmingly, 28% of women choose to waive their rights to their partner's pension, compared to 17% of men.

This oversight leaves women disproportionately disadvantaged, as they tend to retire with smaller pension pots. Women often earn less during their working years due to the gender pay gap and sacrifices made for caregiving responsibilities. The Pension Freedoms initiative, introduced a decade ago, provides flexibility for those aged 55 and older; however, such measures offer little solace to women who have received minimal or no pension assets following divorce.

PLANNING FOR A SECURE FINANCIAL FUTURE

The financial impact of divorce does not cease with the immediate fallout; it extends well into retirement. Women are significantly more concerned about retiring alone, with 13% expressing worries compared to 8% of men. This ongoing financial strain highlights the importance of comprehensive divorce settlements that take into account all assets, including pensions.

Careful financial planning during and after divorce is essential. Women who have taken career breaks or worked part-time may benefit from seeking professional financial advice to better understand their rights and options. Addressing pensions during settlement negotiations can significantly contribute to securing long-term financial stability.

Take the first step towards financial security

Divorce is undeniably challenging, both emotionally and financially. However, understanding the financial implications and seeking informed advice can alleviate some stress. Whether you are navigating a separation or planning for the future, professional financial advice will make a significant difference.

If you are encountering challenges or have inquiries regarding your financial security after divorce, please do not hesitate to get in touch. Contact us to discuss your needs, explore your options, and begin constructing a secure future.

Source data:

[1] Opinium Research conducted 2,945 online interviews of UK adults who are divorced. The research was conducted between the 25th October and 12th November 2024.

Beyond the excitement of wedding bells

Why financial and legal matters matter before 'I do'

Weddings are undeniably exciting occasions. They signify the union of two lives, the celebration of love surrounded by family and friends, and the symbolic beginning of a shared future. Nevertheless, alongside the romance and joy, weddings are also well-known for two other aspects: significant expenses and meticulous planning. From finding the perfect venue and selecting elegant attire to choosing the ideal cake, every detail demands attention.

However, while the focus often centres on creating a magical day, couples seldom consider the practicalities they will encounter after the celebrations conclude. Few, for instance, contemplate seeking professional financial advice or legal assistance to secure their future. Yet these steps are as pivotal as saying 'I do'. After all, a marriage represents not only emotional unity but also a legal and financial partnership.

ROLE OF LIFE AND INCOME PROTECTION

Life insurance is familiar territory for many. It ensures financial security for a spouse or family in the unfortunate event of death, often linked to liabilities such as a mortgage. By covering such debts, life insurance offers invaluable peace of mind. However, while life insurance protects against untimely death, there is also the likelihood that a working-age adult may experience a period of illness or injury that prevents them from working.

Income protection insurance addresses this gap. It provides a reliable source of income during extended absences from work due to health issues, safeguarding a couple's ability to pay bills, maintain savings and cover other essential expenses, including insurance premiums. Some policies even offer flexibility, allowing adjustments to the level of cover as income increases or circumstances change. By securing income protection early, couples can concentrate on building their future without the stress of financial uncertainty in the face of unexpected challenges.

BEYOND THE BIG DAY: WILLS AND ESTATE PLANNING

Another essential yet often overlooked step is drafting a Will. Under British law, existing Wills are revoked upon marriage unless specifically written in anticipation of the union. For many, this makes marriage the ideal milestone to either create or update a Will. While it may seem unnecessary for those with modest

assets or simple wishes, a Will streamlines the estate administration process and ensures your intentions are fulfilled. Blended families, where individuals have children from previous relationships, require additional estate planning to balance the interests of a surviving spouse with those of children from earlier partnerships.

Pensions and life insurance policies should also be reviewed to ensure that the correct beneficiary nominations are in place, as these are not governed by a Will. This step can prevent complications and ensure that a spouse or other dependants remain financially secure after a partner's death.

CRUCIAL ROLE OF LASTING POWER OF ATTORNEY

While Wills oversee the distribution of assets after death, a Lasting Power of Attorney (LPA) safeguards you during your lifetime. An LPA empowers a trusted individual, often a spouse, to manage your financial affairs or make health and welfare decisions on your behalf if you lose the mental capacity to do so yourself. There are two types of LPA. The 'Property and Financial Affairs' LPA deals with matters such as accessing bank accounts to settle bills or managing investments. The 'Health and Welfare' LPA permits decisions regarding medical treatment, care arrangements and even life-sustaining interventions.

Some may assume that marriage grants automatic rights to act on a partner's behalf, but this is not the case under the law. Without an LPA, a spouse may need to apply for a court order to obtain such authority, which can be time-consuming and costly. Whether the loss of capacity is temporary or permanent, having an LPA in place ensures that essential decisions can be made seamlessly.

Is it time to take the next step to secure your future?

While it's natural to focus on the romance of your wedding day, consider the realities of life together. Financial and legal planning is not merely about safeguarding against worst-case scenarios; it is also about giving yourselves the freedom to build the life you desire without worry.

If you're planning your big day or have recently tied the knot, now is the moment to speak to us. From discussing protection insurance to drafting wills and setting up LPAs, taking these steps will offer invaluable peace of mind. Contact us today to explore your options and secure a brighter, more secure future together. We look forward to hearing from you.

> **LIFE INSURANCE IS FAMILIAR TERRITORY FOR MANY. IT ENSURES FINANCIAL SECURITY FOR A SPOUSE OR FAMILY IN THE UNFORTUNATE EVENT OF DEATH, OFTEN LINKED TO LIABILITIES SUCH AS A MORTGAGE. BY COVERING SUCH DEBTS, LIFE INSURANCE OFFERS INVALUABLE PEACE OF MIND.**

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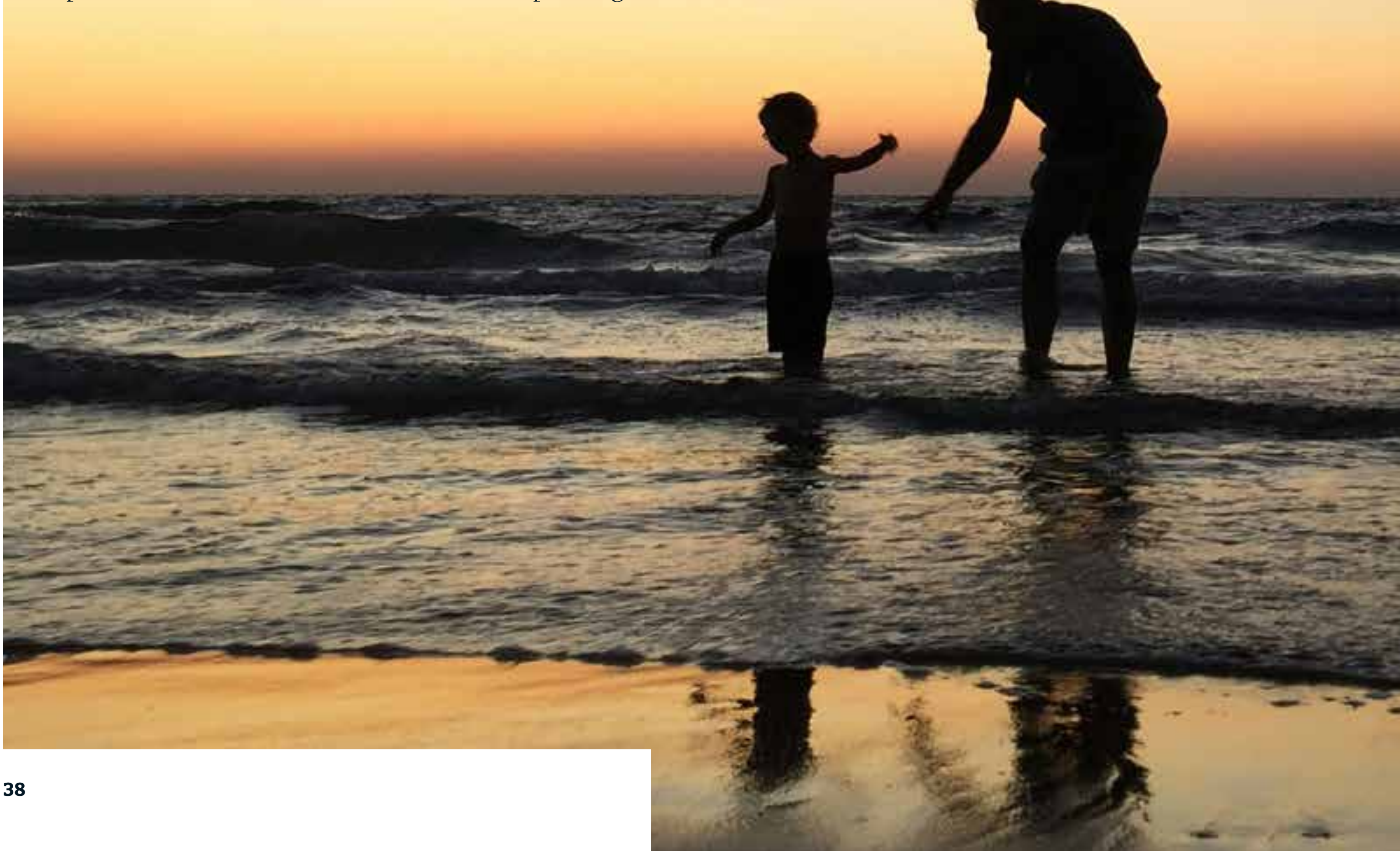
Unlocking greater financial efficiency

An offshore bond provides a tax-efficient wrapper issued outside UK jurisdiction

If you consistently reach your pension annual allowance (£60,000 tax year 2025/26) – which reduces to an amount between £10,000 and £60,000, if your total income plus employer pension contributions is over £260,000 – you could also maximise your £20,000 yearly Individual Savings Account (ISA) contributions and fully utilise your annual Capital Gains Tax (CGT) allowance. Additionally, offshore bonds offer an extra layer of tax efficiency for those earning over £260,000, where the pension annual allowance may be lowered. These options can be invaluable for effective financial planning.



An offshore bond (often referred to as an international investment bond) is essentially a tax-efficient wrapper issued outside UK jurisdiction. Although the term 'offshore' has at times been linked to complex tax avoidance schemes, ongoing regulation ensures that offshore bonds remain transparent and legitimate financial planning tools. They are widely utilised in well-structured tax strategies for high-net-worth individuals.

HOW OFFSHORE BONDS WORK

Similar to a pension, offshore bonds permit investment in a wide range of assets, including equities, bonds, property and alternative investments. However, there is no tax relief on contributions made when investing in an offshore bond. The true advantage lies in the tax deferral benefits that these arrangements offer.

Capital within the bond accumulates without being subject to CGT, allowing gains to 'roll up' over time tax-free. Taxes are payable only when the funds are accessed and are taxed as income at your marginal rate. This feature facilitates sustained growth and strategic tax planning. However, careful analysis is essential to weigh the potential benefits against cost considerations, as offshore bonds may incur higher product or administration fees compared to their onshore counterparts.

UNLOCKING TAX EFFICIENCIES

Offshore bonds provide several methods to reduce your effective tax rates. For instance, you may be able to offset some of the gains against your Personal Savings Allowance (PSA). The PSA thresholds for the 2025/26 tax year are £1,000 for basic rate taxpayers, £500 for higher rate taxpayers and £0 for additional rate taxpayers. This makes offshore bonds especially advantageous for those seeking to optimise their tax position.

Furthermore, offshore bondholders can take advantage of a distinctive withdrawal mechanism. An annual withdrawal of 5% of the original capital can be made without incurring a tax charge. This allowance may accumulate annually if left untouched, offering a flexible and tax-deferred method of generating liquidity when required.

OFFSHORE BONDS AND ESTATE PLANNING

While offshore bonds are not inherently exempt from Inheritance Tax (IHT), they are often incorporated into estate planning strategies. The bond itself remains part of an individual's estate; however, placing it in a trust can help manage IHT liabilities. The trust structure removes the bond from the individual's estate, thus reducing its taxable value.

However, when establishing a trust, the jurisdiction and specific structure play a crucial role in its tax efficiency. Obtaining experienced financial advice is essential to ensure compliance with tax laws and look to maximise the IHT benefits of using offshore bonds in such strategies.

AVOIDING THE PERSONAL PORTFOLIO BOND TRAP

Investors should exercise caution to ensure their offshore bond does not inadvertently fall under the Personal Portfolio Bond (PPB) rules. These rules incur an annual tax charge when the bond's underlying assets are excessively tailored to the policyholder's circumstances, such as holding shares in a private company they own.

PPB rules function as an anti-avoidance measure aimed at curbing the misuse of offshore bonds for sheltering personal assets. This can result in a 'deemed gain' being taxed annually, even if no actual withdrawal has occurred. Effectively managing this risk entails careful asset selection and strategic planning to preserve the tax-efficient benefits of the bond.

TOP SLICING RELIEF FOR EFFICIENT GAINS

Top slicing relief is another tool that offshore bondholders can use to limit their tax exposure. This mechanism spreads the taxable gains on a bond over the years it has been held, ensuring that they reflect historical income levels rather than the current tax band.

For instance, if a bond has a gain of £100,000 over ten years, the relief calculates the tax as though £10,000 had been received each year. This can make a significant difference, particularly for those wishing to avoid being pushed into higher tax brackets. However, note that top slicing relief does not apply if the bond has fallen under PPB rules.

TIME APPORTIONMENT RELIEF FOR NON-RESIDENTS

If you have spent periods outside the UK while holding an offshore bond, Time Apportionment Relief (TAR) may reduce your taxable gain. This relief allows you to exclude the years during which you were not a UK resident when calculating the gain subject to UK Income Tax.

For instance, if you held a bond for ten years but resided abroad for three of those years, gains would be prorated so that only seven years of investment growth would incur UK tax. This is particularly advantageous for expatriates or those considering relocation in the future, enhancing the international flexibility of these instruments.

MAKING THE MOST OF OFFSHORE BONDS

Offshore bonds are complex financial instruments that, when used appropriately, can provide substantial tax advantages. Their ability to accumulate gains free of tax and offer tax deferral and estate planning benefits makes them a valuable resource for high earners and wealth planners. However, to maximise their potential, careful planning and professional guidance are essential. ◀

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Want to discover how offshore bonds could optimise your financial plan or help achieve your long-term goals?

Contact us today to discuss your requirements or learn more about how offshore bonds can fit into your financial strategy. Take the first step towards smarter financial planning!

This article does not constitute tax, legal or financial advice and should not be relied upon as such. Tax treatment depends on the individual circumstances of each client and may be subject to change in the future. For guidance, seek professional advice. The value of your investments can go down as well as up, and you may get back less than you invested. Offshore bonds, tax planning, inheritance tax planning and estate planning are not regulated by the Financial Conduct Authority.

Planning ahead to safeguard more of your wealth

Secure your wealth for retirement and future generations

If you have accumulated wealth throughout your life, it is never too early to begin planning for the funds you need now and in the future, while also ensuring that any remaining wealth is distributed to your chosen beneficiaries as tax-efficiently as possible.

Before considering transferring wealth to others, it's crucial to ensure you (and your spouse or partner) have sufficient income for your retirement years. Begin by assessing your spending needs during retirement. This encompasses essential day-to-day living costs, 'nice-to-haves' such as holidays or hobbies, and any one-off expenses that may arise.

CONSIDER THE EXPENSES OF LONG-TERM CARE

Your health needs may change as you age, and it is essential to consider the possibility of requiring long-term care. Care costs can significantly reduce your wealth, but there are strategies available to help protect it.

Once your retirement needs are secured, you can start contemplating what you wish to pass on to your loved ones, when to do so and how to do it efficiently.

UNDERSTANDING THE EFFECTS OF INHERITANCE TAX

Inheritance Tax (IHT) can significantly diminish the wealth inherited by your beneficiaries. To manage this, it is essential to grasp how IHT operates. No IHT is owed if the value of your estate is below £325,000 (the nil rate band). However, amounts exceeding this threshold are taxed at 40%.

For married couples or registered civil partners, there is usually no IHT on assets transferred between them. Moreover, unused allowances can be passed to the surviving partner, potentially increasing the threshold to £650,000.

Leaving your family home to direct descendants can provide an additional residence nil rate band (RNRB) of £175,000, raising the total allowance to £1 million for couples. Estates exceeding £2 million may face a reduction in this allowance, so advance planning is crucial to maximise these benefits. The government has confirmed that the nil rate band and residence nil rate band will remain frozen until at least 2030.

MAXIMISE WEALTH TRANSFERS THROUGH GIFTING

Gifting is a way to pass on wealth during your lifetime. For instance, you can gift up to £3,000 each tax year, exempt from IHT. Additionally, smaller gifts of up to £250 per recipient are also exempt. If you give more than £250 to one person in a tax year, none of that gift qualifies for the exemption.

Larger 'lifetime' gifts may also be exempt from IHT, provided you survive at least seven years after making them. These are known as PETs (Potentially Exempt Transfers).

ARE TRUSTS A SUITABLE ALTERNATIVE FOR YOU?

Placing assets in a trust can be an effective solution for larger estates or more intricate family dynamics. Trusts not only protect assets from IHT after seven years but also provide control over how and when beneficiaries access the funds. This can be particularly beneficial to support children or grandchildren over time.

SAFEGUARD YOUR ESTATE WITH APPROPRIATE LEGAL DOCUMENTATION

Having the appropriate legal documentation is essential for safeguarding your estate and ensuring that your wishes are fulfilled. Keep your Will current, particularly after significant life events such as marriage, the birth of a child or divorce.

Additionally, establishing a Lasting Power of Attorney (in England and Wales) or a Continuing Power of Attorney (in Scotland) is essential. This legal document appoints someone you trust to make decisions on your behalf if you become unable to do so. Proper record-keeping is also crucial. ◀

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Are you ready to take action today?

Planning ahead ensures that a greater portion of your wealth ends up in the hands of the people and causes you care about most. Contact us today to discuss your requirements.

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