Telford Mann
Pensions & Investments

Your Financial Planning – Key Areas Where We Can Help

telfordmann.co.uk

Financial Planners
Chartered

Your financial planning

– key areas where we can help:

Saving and Investment

In the process of building up your savings, you may have opened deposit accounts with different banks and building societies. And if you've invested in ISAs, OEICs, or unit trusts (or even PEPs!) they may also be with a range of product providers. In those situations, it's almost impossible to keep track of the performance of each of your accounts. Fortunately, we can help.

Your planner can regularly review all your savings and investment portfolios, to ensure they remain tax efficient, appropriate and maximising the returns you receive. (Please keep in mind that inflation dilutes the buying power of money, so the returns on your savings and investments should, ideally, be higher than the rate of inflation.)

- ISAs are popular with all savers and investors – our research identifies the pick of the bunch for either regular savings, or lump sum investments
- If you have children or grandchildren, we can show you how best to save for their future and establish arrangements which will help pay for school fees
- Perhaps you want to start saving or investing? Talking things over with one of our planners is one of the easiest ways to get started

Keeping your eggs in different baskets

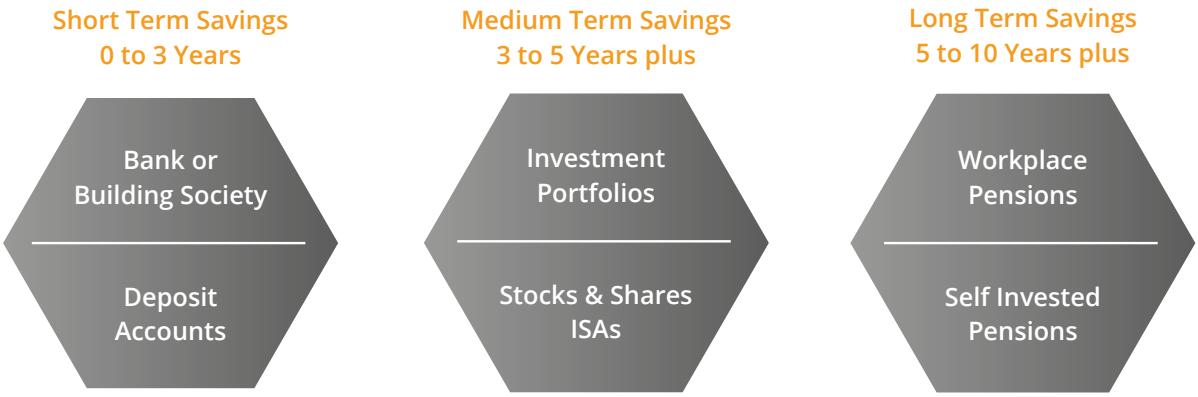
You expect your money to perform different functions at different times. Once the bills have been paid, you need some money on hand to pay for emergencies, to cover your holiday spending and to fund other relatively short term financial needs as they arise.

To help you save for larger, medium-term expenses, such as moving home or buying a car for example, your money must be earning interest (at a rate that's higher than the rate of inflation) in a bank or building society account.

Last, but not least, you must set aside some money for your retirement. Although a bank or building society account can be suitable for short and medium term savings, your money will not have the opportunity to grow in the same way as it would in a Stocks & Shares ISA.

Conversely, a workplace pension or a self-invested pension (SIPP) is likely to provide you with much better long term investment returns (and tax relief) but your money will be locked away until you reach age 55.

With the above in mind, we can help you apply a '3-pot strategy' to managing your finances. The strategy accommodates your short term, medium term and long term monetary needs and helps you allocate your financial resources efficiently and profitably.



Tax & Estate Planning

Despite what you may have been led to believe, inheritance tax (IHT) planning isn't about complex or exotic and slightly 'suspect' schemes: it's to do with time, knowledge and attention to detail. There are a range of straightforward and tried and tested mainstream options which help mitigate potential IHT liabilities.

Estate planning services, pensions, Enterprise Investment Schemes and trusts can all be utilised in effective tax & estate planning. Once your planner has put the fundamentals in place, he or she will then spend as much time as necessary sorting out the details of your IHT plan – i.e., the 'fine-tuning' that can make a big difference.

Some of the Tax & Estate Planning issues your planner will consider include:

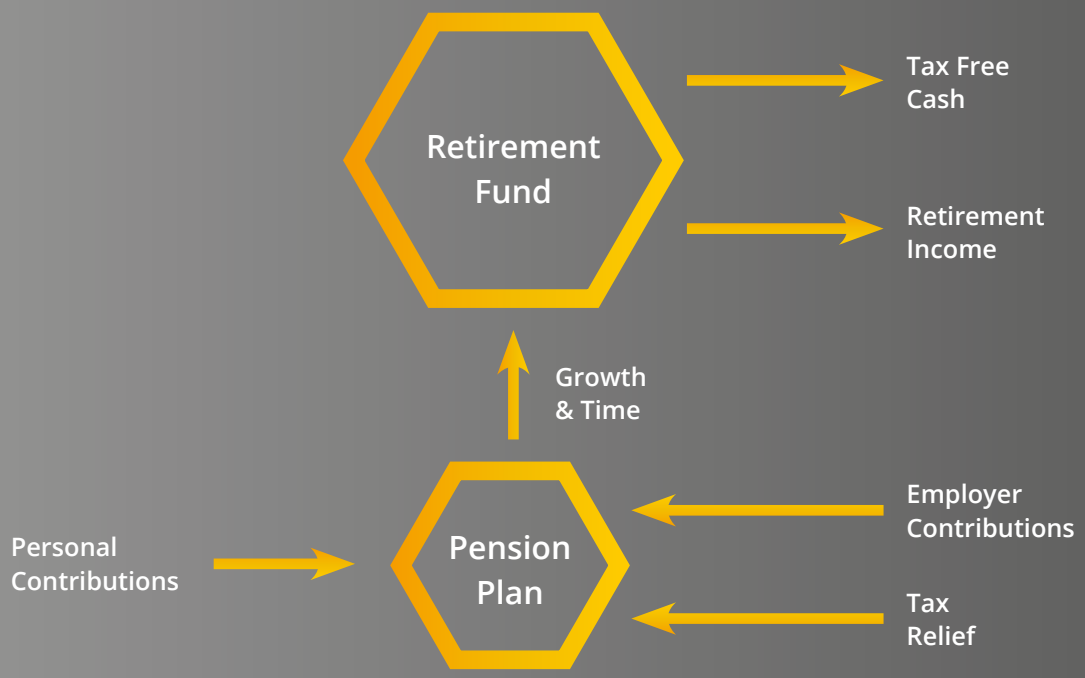
- 'Qualifying' investments that allow you to hold money, which for IHT purposes is (legally) outside of your estate but still accessible to you
- Granting lasting powers of attorney to a person you trust. Should you lose the ability to manage your financial affairs, lasting powers of attorney give someone the legal authority to do that for you
- Although advances in healthcare are helping people live longer than ever before, the older you get, the more likely you are to need personal care. A plan can be established which ensures that you'll be properly looked after, should the need arise
- Gifting money to your beneficiaries can help reduce a potential inheritance tax liability – providing you go about the process correctly
- Setting up a whole of life insurance policy can ensure that beneficiaries have sufficient capital to discharge any IHT liability, rather than paying the tax bill out of your estate
- Pensions don't have to be subject to IHT – if you take the right steps
- Perhaps you're considering a bequest to a charity? In which case, a charitable trust could be beneficial. A trust can be used to leave a legacy and secure permanent ongoing financial benefits for the institution involved.

Pensions & Retirement Planning

This is one of the most complicated areas of financial planning. Pre-retirement planning for example, involves different considerations to post-retirement planning.

While you're working, your focus is mainly on saving and investing. But once you retire, the emphasis changes. It's less about saving and more about identifying strategies for deploying the capital you've accrued. Pension planning is a key building block of our service. With our help, you can accumulate the pension fund you desire and ensure that your retirement plan is placed to produce the income you require when you retire.

We can advise on the best way to start saving and how much to invest in a pension. Although personal pensions are far from being a perfect savings option, they can significantly reduce your tax bill. However, there are other tax-efficient, long term savings vehicles which, depending on your circumstances, may be more suitable for you than a standard personal pension. We'll explain to you what your options are, and help you choose the right option for you.



If you're close to retirement, you may have pension plans with previous employers. As such, some of those plans may not have been reviewed for quite some time and might not be performing as well as they could. Your planner will review those arrangements and, with your permission, make adjustments to ensure that your different pensions work together and are as financially rewarding as they should be.

In the past, the only practical choice for people who needed an income from their pension, was to exchange their pension fund for an annuity. Those days have gone. Not only can you draw income directly from your pension pot, you also have more flexibility on how and when you take your pension. As ever, more choice means more issues to consider: your planner will provide the guidance you need.

Protection Planning

As you know, if things can go wrong, they will. Protection planning is intended to help you cope financially when your income is temporarily or permanently reduced. Although most protection options are relatively simple and inexpensive, the peace of mind they provide is worth every penny.

Debt-related protection: Most people have a mortgage at some stage in their life which would have to be paid off if a borrower/ wage-earner died prematurely: in that circumstance, life insurance can make sure the mortgage is repaid in full.

Income-related protection: For couples with young children and major financial commitments, arrangements can be made to provide a monthly income if a parent were to die prematurely. Should a wage earner be unable to work because of illness or an accident, an income protection plan can replace all or part of the income lost.

The chances of contracting – and surviving – a critical illness (a heart attack, cancer or a stroke, for example) are increasing. A serious illness may mean that the wage earner is temporarily or permanently unable to work, or is in need of specialist and expensive assistance. Critical illness insurance can provide a tax-free lump sum to help pay off all or part of a mortgage, make major alterations to the home, pay for care and discharge any major debts.

Corporate & Trustee Services

An attractive employee benefit scheme motivates existing staff and helps attract prospective employees. Benefits such as Death in Service, private medical insurance and key man cover are now more affordable than they were in the past. Your planner will tailor a package that fits your requirements – and your budget – exactly.

If you would like to review or set up a Workplace Pension Scheme, your planner can work alongside you and your accountants to make sure that you have the right solution in place.

When a business has funds which are surplus to immediate requirements, those funds are usually left on deposit, earning next to nothing. Our investment management service ensures that businesses, trusts and individuals enjoy significantly higher rates of return on their surplus capital.

For trustees, we can help expedite investment management duties and ensure that monies are invested in accordance with the Trust Deed to provide the requisite level of distribution. As well as producing regular reports, we also attend trustee meetings as and when required.

Discretionary Fund Management Service

Very few advisory firms have the skills, experience or conviction to manage their clients' investments in house. We are the exception. Rather than outsourcing our investment management function to external fund managers, over whom we have relatively little control, we manage our clients' monies internally. Employing our own researchers, analysts and fund managers enables us to respond quickly to market conditions and maintain complete and direct control over our client portfolios.

Through our Discretionary Fund Management Service (DFM) you can delegate the responsibility for the management of your equity investments to our in-house portfolio managers. Using a mix of asset classes and securities, your manager will create and manage a portfolio for you that fully reflects your views about investment risk and reward. (Should you wish to adopt an ethical and/or socially-responsible investment strategy, the manager will create an appropriate portfolio for you.)

If you're seeking capital growth over the long term, the manager will, at the very least, be aiming to grow your investment over and above the prevailing rate of inflation. For an income-based portfolio, the primary goal will be to generate an income of around 3-4 per cent a year.

The DFM service is appropriate if you have neither the time nor expertise to manage your own portfolio. The service shifts the majority of the paperwork to us and transfers the requirement to account to Her Majesty's Revenue & Customs for each investment transaction from you, to us.

We monitor the performance and composition of our portfolios in line with current market and economic conditions. As you know, markets, finances and personal circumstances change over time, which is why it's important to review your portfolio – and your attitude to risk – at least once a year and ideally, more frequently. Your adviser will contact you to arrange regular review meetings to update you on the performance of your investments and to check to what extent your needs and requirements may have changed.

Please remember that as the service is discretionary, the manager is responsible for all investment decisions and will buy and sell securities in accordance with the strategy agreed with you.

One platform

to manage all your investment, ISA and pension needs

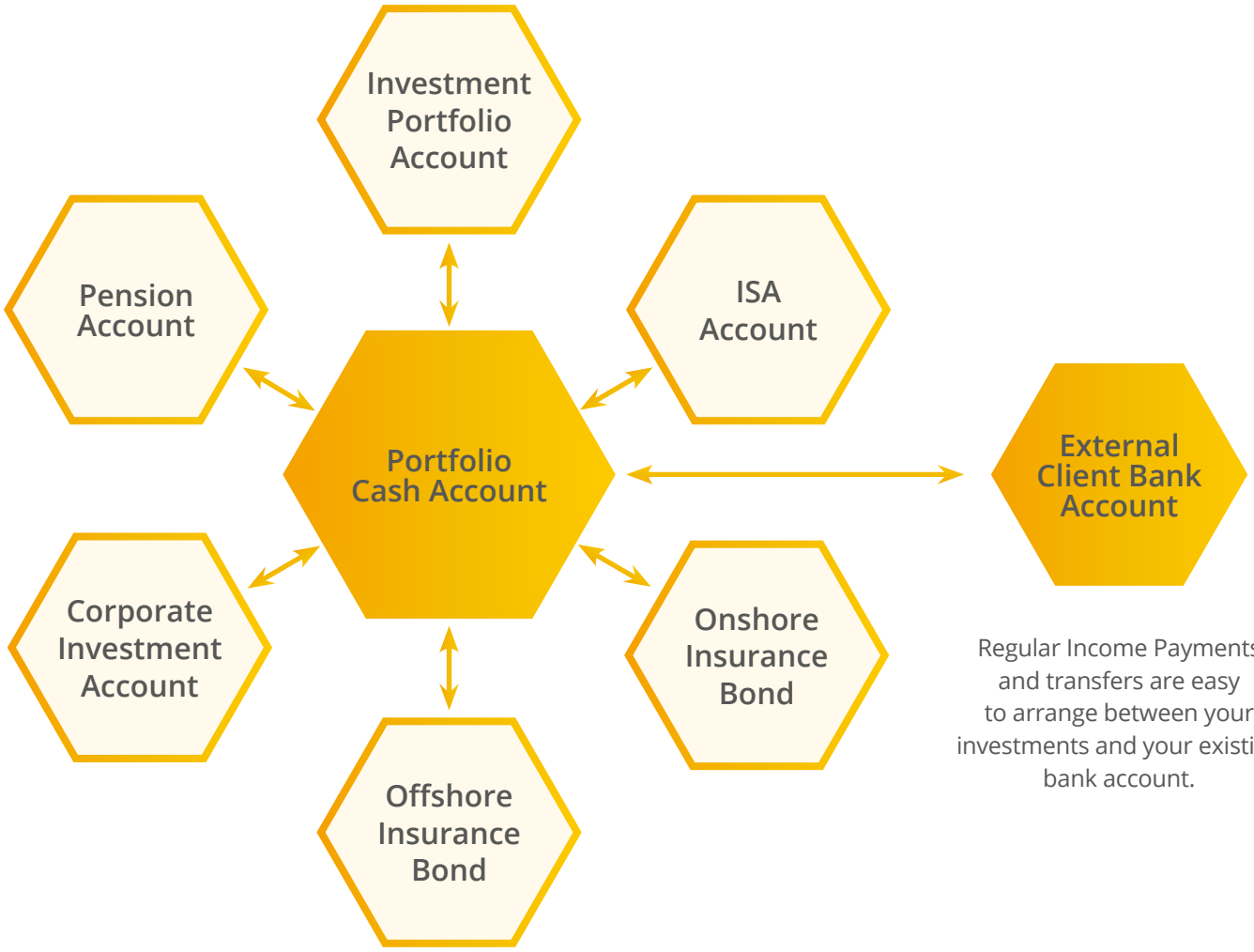
The Telford Mann Investment Management Service is a digital investment management platform: an electronic repository where all your investments are gathered together. The platform reduces the amount of time you spend managing your capital and provides you with an immediate and up-to-date overview of your financial position.

Centralising the management of your different types of investments, such as ISAs, unit trusts, shares and pensions allows you to monitor the value of each account and the overall value of your portfolio, as and when you choose.

We track the performance of each account and its underlying investments on an ongoing basis.

This analysis enables your investment manager to identify the portfolio's strengths and weaknesses and modify your investment strategy to either capitalise on favourable market conditions, or minimise the risk to your portfolio in adverse conditions.

The diagram below illustrates how the service works.



Regular Income Payments and transfers are easy to arrange between your investments and your existing bank account.

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Pensions & Investments

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