

**This is a sample – please contact us on 01279 657555 for more information.**

# Money & Wealth

Issue 16 | Spring 2021

## Inside this issue:

---

Vaccine sparks optimism among investors

---

Pandemic leads to growing ESG awareness

---

Taking back control of your retirement

---

A new wave of investors spring to life

# Contents

Vaccine sparks optimism among investors	02
And the world's happiest pensioners are...	03
UK dividend update	04
Taking back control of your retirement	04
Pandemic leads to growing ESG awareness	05
Dealing with divorce	06
Financial support for family the norm for a third of retirees	07
People accessing their pensions - on the rise	07
A new wave of investors spring to life	08
Millions keep ill health secret from loved ones	09
Have you updated your pension expression of wishes?	09
Tips for a smooth retirement	10
At sea with your finances?	10
One in three Generation Xers to retire on minimal incomes	11
Key points from the Spring Budget 2021	12
A pledge to "continue doing whatever it takes"	12

## Vaccine sparks optimism among investors

**Spring has arrived and, for the first time in what feels like a long while, hope is in the air – and we are all certainly in need of it. Positively for investors, the signs are looking increasingly optimistic, with belief growing that we are making our first steps toward meaningful economic recovery.**

The rapid development, approval and rollout of several effective coronavirus vaccines has sparked hope that restrictions can soon start being lifted as per the government's 'road map'. Recent research has also shown encouraging signs that, as well as protecting vaccinated individuals, the programme will also slow transmission within communities. This has sparked hope of a powerful surge in economic activity in the near future as restrictions ease.

### Recovery goes global

Vaccine programmes aren't just causing a renewed surge of positivity in the UK; the International Monetary Fund's latest forecasts suggest that the global economy is projected to grow by 5.5% this year. This represents an upward revision of 0.3% from the IMF's last projection in October 2020. Vaccine-related optimism was also behind a strong inflow of equity funds across the final quarter of 2020.

### Could rates go negative?

The Bank of England held interest rates steady at 0.1% in February, but it gave banks and building societies a six-month period to prepare for such a possibility. If introduced, sub-zero rates would further reduce the incentive to save on deposit, potentially increasing demand for shares. And, consequently, this would place even greater emphasis on investment portfolios.



### Spring clean your finances

The future of the economy remains uncertain, but there are positive signs for investors. So, it's more essential than ever to ensure your investment portfolio is working for you. Now could be the perfect time to undertake a review of your portfolio and rebalance the allocation of asset classes as required, ensuring your investments are well-diversified and performing in line with your long-term requirements and objectives.

**The value of investments and income from them may go down. You may not get back the original amount invested. Inheritance Tax Planning is not regulated by the Financial Conduct Authority. A pension is a long-term investment. The fund value may fluctuate and can go down. Your eventual income may depend on the size of the fund at retirement, future interest rates and tax legislation.**

The rapid development, approval and rollout of several effective coronavirus vaccines has sparked hope that restrictions can soon start being lifted as per the government's 'road map'

## And the world's happiest pensioners are...

In Finland, according to a recent study<sup>1</sup>, which places the Finnish capital of Helsinki as the happiest place to retire. The study also revealed that a pension fund of £225,000 is needed to live out a comfortable retirement in this happiest of cities.

The *World Happiness Report* was used to create a 'happiness index' of cities across the world and combined with cost of living, average salary and life expectancy data from over 50 countries. Three more northern European capitals also made the cut, according to the research, with Copenhagen, Reykjavik and Oslo ranking among the world's top five cities for a happy retirement. Completing this cheerful list is Switzerland's Geneva, the country's second most populous city, at spot number three.

### UK retirees not far behind

Positively, several UK cities ranked highly on a list that took account not only of the happiest, but the most affordable, places to retire. While Australia's Melbourne topped this list, Belfast, Edinburgh and London also featured within the world's top 20 happiest retirement cities on the basis of affordability.

<sup>1</sup>Audley Villages, 2020

## UK dividend update

UK dividends dropped by 44% year-on-year in 2020 to £61.9bn, according to Link Group's most recent Dividend Monitor<sup>2</sup>. The lowest annual total since 2011, it was nevertheless boosted by a better-than-expected Q4, which saw suspended payouts restored.

The financial sector accounted for two-fifths of the cuts, the most significant contributor. Oil dividend cuts contributed another fifth. Less affected were dividends from FTSE 100 companies, with underlying dividends falling by 35%; mid-caps' payouts fell by 56%.

### Cause for hope?

Forecasts suggest that payouts could rise by 8.1% on an underlying basis, yielding £66bn in 2021; in a worst-case scenario, they could fall by 0.6% to £60.7bn.

CEO Corporate Markets of Link Group, Susan Ring, commented: *"There are reasons for optimism, but the resurgent pandemic has pushed back the reopening of the economy even further. We still believe the worst is past, but a new lockdown means our expectations for 2021 are significantly more subdued."*

<sup>2</sup>Link Group, 2021



## Taking back control of your retirement

**Consumers lack confidence and understanding about issues relating to their pensions, according to two studies. The findings reveal the need for people to fully engage with their retirement planning.**

### Overestimating State Pension

Savers are confused about the amount of State Pension income to which they're entitled, as well as the age at which it can be claimed, according to a Which?<sup>3</sup> survey. Nearly a third of people overestimate their State Pension income (by up to £50,000 over their whole retirement in some cases), while seven in ten cannot identify their current State Pension age.

These figures bring into sharp relief large holes in the nation's pensions knowledge; that's why Which? believes more should be done to engage and educate consumers about pensions issues, so they can better plan for their retirement.

### The nation's biggest financial worry

Meanwhile, a financial wellbeing study<sup>4</sup> reveals that funding retirement is UK workers' top money concern for a second consecutive year, with a third of employees listing it as their main financial worry.

The group has previously identified low engagement with later life financial topics as a major issue for employees and is concerned that it continues to be such a significant problem – not just financially, but also in terms of the impact financial worries have on their wellbeing.

### Keep on track

Funding retirement is complicated, but careful planning and expert advice will put you firmly on the right track. Understanding the various options available to you and what's best for your unique circumstances is essential, as it will allow you to make sound, informed decisions.

<sup>3</sup>Which?, 2021,<sup>4</sup>Close Brothers, 2019

**The value of investments and income from them may go down. You may not get back the original amount invested. A pension is a long-term investment. The fund value may fluctuate and can go down. Your eventual income may depend on the size of the fund at retirement, future interest rates and tax legislation.**



## *Pandemic leads to growing ESG awareness*

**The inclusion of ESG (environmental, social and governance) issues within mainstream investment strategies has been gaining in prominence during the pandemic, according to new research – and it’s a trend that’s set to continue.**

### **The global rise of ESG – a megatrend here to stay**

ESG investment has been increasingly catching the interest of investors across the globe for several years now, due to consumers’ growing desire to know where their money is being invested and the wider social and environmental impact it is having. In fact, according to a recent survey from CoreData, 75% of professional fund buyers believe that all investment funds will be incorporating ESG factors into their strategies within the next five years.

This means that many people are now spending 20 to 30 years in retirement – many of whom enjoy very good health due to improved living standards. So, you’re still likely to want to enjoy holidays, meals out and other treats when you retire!

### **The COVID effect**

The survey also found that the rise of ESG investment has been accelerated by the pandemic, with 80% of UK fund investors saying it has led them to focus more on ESG.

Founder and principal of CoreData, Andrew Inwood, commented: *“The pandemic has helped reset humanity’s moral compass and encouraged people to favour investments aligned with their beliefs and values.”*

### **COP26 will keep fire burning**

Environmental factors such as pollution, waste and climate change are among ESG investors’ biggest concerns, according

to research<sup>5</sup>. This is likely to mean that coverage of the 26th UN Climate Change Conference of the Parties (COP26), to be held in Glasgow this November, will further boost interest in ESG investing. Across the pond, new US president Joe Biden has committed to an ambitious new climate regime, which is also expected to raise climate change and the COP26 conference higher on the world agenda. Yet another reason why ESG is set to be a watchword for 2021 and beyond.

<sup>5</sup>BlackRock, 2020

---

**This means that many people are now spending 20 to 30 years in retirement – many of whom enjoy very good health due to improved living standards**

---

**The value of investments and income from them may go down. You may not get back the original amount invested. A pension is a long-term investment. The fund value may fluctuate and can go down. Your eventual income may depend on the size of the fund at retirement, future interest rates and tax legislation.**



## *Dealing with divorce*

**With couples locked down together for months on end whilst juggling work and possibly home schooling, the past year has sadly put huge strain on many relationships.**

With a post-lockdown divorce boom predicted by many family lawyers, it's tricky to know where to start regarding the division of finances.

On divorce, a couple need to decide how to fairly divide financial assets including their home, money in current and savings accounts, pensions and investments.

**A pension is a long-term investment. The fund value may fluctuate and can go down. Your eventual income may depend on the size of the fund at retirement, future interest rates and tax legislation. The value of investments and income from them may go down. You may not get back the original amount invested.**

They may be entitled to a portion of their ex-spouse's pension or a share in the sale of their property, for example. They may also have to make decisions about the value of maintenance payments to maintain their and their children's lifestyle. Heightened stress and reduced financial circumstances caused by the pandemic may make coming to an agreement more challenging. If they are unable to agree, they may still be able to settle out of court by hiring a trained mediator or collaborative lawyer. If not, they may have to ask a court to decide.

---

With a post-lockdown divorce boom predicted by many family lawyers, it's tricky to know where to start regarding the division of finances

---

### **It's good to talk**

We understand this is a challenging time and can help guide individuals through how to best invest the proceeds of a settlement, divide assets tax-efficiently, set up comprehensive protection cover and manage their post-divorce expenditure.

# People accessing their pensions – on the rise

## Financial support for family – the norm for a third of retirees

A third of those planning to retire last year, expected to support their families financially, providing handouts totalling over £3,700 a year, or £311 a month, although 12% expect to contribute £500 or more<sup>6</sup>. Top priorities for those supporting loved ones include living and accommodation costs.

Almost a quarter (24%) will give family members regular cash to cover everyday living costs such as food, and 20% cover some or all of their household bills. A further 19% pay for treats such as holidays and 15% have put money towards a property purchase.

### Don't forget your financial security

It's natural to want to provide support to loved ones, especially with the current economic situation impacting people's finances. However, with the pandemic also affecting pension savings, this could restrict your ability to continue to support family members. Talking to us can help you quantify how much support you can provide without compromising your financial future.

<sup>6</sup>Key, 2020

**During Q4 2020, more people accessed their pensions and more money was withdrawn, compared to Q4 2019. A total of £2.4bn was withdrawn from pensions in Q4 2020, a 6% increase from the £2.2bn withdrawn in Q4 2019.**

HMRC data indicates that 360,000 people accessed their pensions in the three months to 31 December 2020, up 10% from the same period in 2019, meaning the average amount withdrawn per individual was lower<sup>7</sup>.

### Pandemic impact

There is usually a slight decrease in the number of savers accessing their

pensions in the final quarter of the year, meaning that this change in behaviour is potentially a result of the pandemic. With unemployment and redundancies rising, many people may be feeling the need to dip into their pensions, for relatively small amounts in some cases.

### Weigh your options carefully

Taking money from your pension may seem attractive in the current climate, but it's not without its risks. We can help you weigh up your options so that you can make an informed decision.

<sup>7</sup>Gov, 2021



**A pension is a long-term investment. The fund value may fluctuate and can go down. Your eventual income may depend on the size of the fund at retirement, future interest rates and tax legislation. The value of investments and income from them may go down. You may not get back the original amount invested.**



## *A new wave of investors spring to life*

**Savers disappointed by record-low interest rates are looking for new ways to make their money work harder this spring. With savings accounts offering minimal interest rates, some are pondering investing with the hope of reaping higher returns.**

Despite many families suffering reduced financial circumstances, others have managed to put away a surprising amount in savings due to lockdown. UK savings hit record levels in early 2020 after surging from 9.5% in Q1 to a record 27.4% in Q2 and have remained at historic highs since<sup>8</sup>.

### **To save, or not to save?**

Last year, £125bn was put away in savings accounts, and the first half of 2021 is expected to see this figure increase, according to the Bank of England. This means that many people have witnessed their savings accounts grow substantially at a time when they are receiving little to no interest in return – a situation prompting many to consider alternatives to holding cash and think about taking their first tentative steps into the investment market.

### **Why you should seek advice**

With a huge variety of funds available, many would-be investors find it challenging to know where to start. Seeking professional advice enables you to put a sound investment plan in place, with sensible and achievable goals. The effectiveness of taking advice is demonstrated by a study<sup>9</sup>, which highlights that people have better financial outcomes when they have an ongoing relationship with an adviser. Those who reported receiving advice at both time points in our analysis had nearly 50% higher average pension wealth than those only advised at the start. Benefits were greater for less-affluent investors, with a 'just getting by' group enjoying a 24% (£35,054) boost to their pension wealth across the ten year study period.

### **In it for the long haul**

Before investing, it's important to establish a savings safety net, and commit to investing over the long term, at least five, preferably ten years. Historically, although investing in equities has generally delivered better long-term returns than cash, there have been significant short-term falls in the past and there remains a risk the value of investments can fall; we therefore need to establish your risk tolerance before recommending any investments. Whether you're looking at your pension, establishing an investment portfolio, a stocks and shares Individual Savings Account (ISA), or perhaps a Junior Individual Savings Account (JISA) for under-18s in the family, contact us to take the first step on your investment journey.

<sup>8</sup>UK Parliament, 2021, <sup>9</sup>ILC, 2019

**A pension is a long-term investment. The fund value may fluctuate and can go down. Your eventual income may depend on the size of the fund at retirement, future interest rates and tax legislation. The value of investments and income from them may go down. You may not get back the original amount invested.**





## Millions keep ill health secret from loved ones

**A new study<sup>10</sup> has revealed that seven million people (13% of the population) are hiding a mental health condition from loved ones, while nearly four million (7%) are keeping quiet about a physical health problem.**

Although we all have personal information we'd prefer to keep private, concealing the truth from our families can cause symptoms such as anxiety (34%), guilt (29%) and difficulties sleeping (25%), as well as have serious long-term implications.

### Protect yourself and your family

Keeping important health issues secret from your family could be painful and shocking if you died or became seriously ill. What's more, they could find themselves facing financial hardship at an extremely difficult time.

Even if you have a life insurance or critical illness policy, your claim may be rejected if, as with your family, you also don't tell your insurer about your condition. If you're hiding a mental or physical health condition when the policy is underwritten, there's a significant chance you could invalidate your life insurance or critical illness policy.

### How we can help

In these difficult times, a problem shared is a problem halved. By talking to us, we can help you put sufficient protection in place that will protect both you and your family against unexpected life events.

<sup>10</sup>Life Search, 2020

## Have you updated your pension expression of wishes?

### If not, now is the time!

Essentially, an expression of wishes allows you to designate one or more beneficiaries whom you would like to inherit your pension.

While many people draw up an expression of wishes when they first open their pension, many forget that it needs to be updated as they move through life. Some also mistakenly believe that they don't need to update it as long as they have a valid Will.

### What happens if you don't update your expression of wishes

Keeping your expression of wishes up to date is the best way to ensure your pension goes to your intended beneficiaries – otherwise, your money may not be distributed according to your wishes. Pension providers will mostly pay out according to their clients' wishes, but they have the discretion to select different beneficiaries if deemed appropriate.

Failing to update your expression of wishes could therefore render the process of settling the death benefits a difficult and protracted experience for your beneficiaries at an already painful time.

We are on hand to assist you with all aspects of your pension planning.



**A pension is a long-term investment. The fund value may fluctuate and can go down. Your eventual income may depend on the size of the fund at retirement, future interest rates and tax legislation. The value of investments and income from them may go down. You may not get back the original amount invested.**



## Tips for a smooth retirement

**Whether 2021 is the year you've earmarked for your retirement or, due to the pandemic, you've decided to retire earlier than intended, it's not too late to get your plans in place.**

Organisation is key to ensuring your retirement goes smoothly, even if it still seems a long way off, and we're here to help you get your finances on track. After all, retirement should be a time to look forward to and not overshadowed by financial concerns.

**The following steps should help you get started:**

- **Get a State Pension forecast**  
This will show you how much State Pension you'll get and when you'll receive it, visit [www.gov.uk/check-state-pension](http://www.gov.uk/check-state-pension)
- **Value all pensions**  
Check your annual statements to find out how much your workplace or private pensions are worth
- **Locate any lost pensions**  
If you're unable to find important information related to previous pensions, the government's free Pension Tracing Service can help you locate the necessary details

- **Quantify savings, investments and debts**  
Establish exactly how much you have in savings and investments, such as ISAs or property, to boost your retirement income. Prioritise paying down debts so that you start your retirement debt-free
- **Consider how much you need in retirement**  
We can help quantify your expected income to ensure you can afford day-to-day living costs, as well as some luxuries such as holidays. We'll also take into account that your income requirements could change over time
- **Be scam savvy**  
Pension scams are on the rise, so watch out for schemes encouraging you to transfer money from your pension to another investment or access your pension early
- **Seek advice**  
Financial advice can be particularly valuable at a time of uncertainty. We can help make the big decisions at retirement easier by showing you all of your options and giving you the confidence that you're making the right choices for your future.

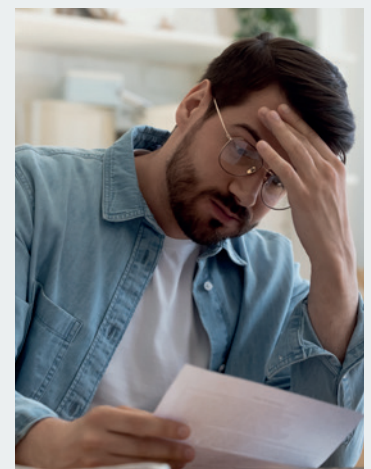
**The value of investments and income from them may go down. You may not get back the original amount invested. A pension is a long-term investment. The fund value may fluctuate and can go down. Your eventual income may depend on the size of the fund at retirement, future interest rates and tax legislation.**

## At sea with your finances?

**If you feel a little at sea with the financial basics, you're certainly not alone - and yet many people are needlessly ashamed of their lack of financial understanding.**

A recent study<sup>11</sup> revealed that 55% of adults struggle to open up about money, with nearly one in five (18%) citing shame or embarrassment as the primary reason, followed by not wanting to burden others (18%) and 15% feel it causes stress or anxiety. We're here to tell you that nobody is expected to know everything about their finances. If you're concerned about your finances or need help with basic financial topics, we aren't here to judge. We're on hand with simple, jargon-free advice that will provide you with the confidence and understanding you need to take control of your finances once and for all.

<sup>11</sup>Money and Pensions Service, 2020





## One in three Generation Xers to retire on minimal incomes

**The pandemic has highlighted a number of generational inequalities, with existing pre-pandemic social fault lines laid bare, alongside financial ones. Yet while much of the news has focused on job losses and bleak prospects among the UK's youngest adults, for one group a different kind of 'Long COVID' is threatening to leave them destitute in old age.**

Around one in ten say they are now spending their savings to get by, and 13% say the pandemic has caused them to save less

According to research<sup>12</sup>, the hardest hit will be the generation that entered the job market too late to benefit from generous defined benefit pension plans and too early to take full advantage of schemes such as auto-enrolment. Millions of people in this group – known as Generation X – are now expected to face significant challenges in retirement.

### The plight of Generation X

The findings from the report show that one in three, or nearly 4.3 million, Gen Xers born between 1965 and 1980 are set to reach retirement with minimal incomes. Just over 2.3 million expect to predominantly rely on the State Pension which equates to just over £9,000 a year, or £25 a day.

Increasingly referred to as the 'forgotten generation', most Gen Xers would like to save more for retirement but face significant barriers in doing so. The pandemic has only exacerbated this, with

nearly 1.6 million Gen Xers furloughed, 1.3 million on reduced working hours and just over half a million made redundant.

Around one in ten say they are now spending their savings to get by, and 13% say the pandemic has caused them to save less.

### Financial worries

Half of Gen Xers yet to retire say they are worried they won't be able to live the lifestyle they want and 48% believe they will be worse off than their parents in retirement. At the same time, 11% (around 1.4 million) may be unaware of their financial futures, putting them at risk of sleepwalking into financial hardship in retirement.

### Helping you prepare for retirement

We're here to offer financial advice and help reduce your risk of facing retirement without adequate financial provision.

<sup>12</sup>ILC UK, 2020

**The value of investments and income from them may go down. You may not get back the original amount invested. A pension is a long-term investment. The fund value may fluctuate and can go down. Your eventual income may depend on the size of the fund at retirement, future interest rates and tax legislation.**

# Key Points: Spring Budget 2021

## Job Support

- Furlough scheme extended until 30 September 2021 – the government will continue to pay 80% of employees' wages up to £2,500 a month until the end of June, employers then pay a 10% contribution in July, rising to 20% in August and September
- The Self Employment Support Scheme also extended until the end of September.

## Business support & taxation

- A new 'Recovery Loan Scheme' replacing previous emergency government funding to support businesses, offers loans between £25,000 to £10m up to 31 December 2021 (government provides an 80% guarantee)
- A new 'Restart Grants' scheme provides retail, hospitality, accommodation, leisure and personal care firms up to £18,000, and non-essential retailers £6,000
- Business Rates Relief for retail and hospitality firms has been extended for three months to the 30 June 2021, with a two-thirds discount available until 31 December 2021
- Corporation Tax will rise from 19% to 25% in April 2023 for all businesses with profits over £50,000, a tapered rate will be introduced for profits above £50,000, so that only businesses with profits of £250,000 or more will be taxed at the full 25% rate, businesses with profits of £50,000 or less will continue to be taxed at 19%
- To encourage business investment, a temporary 'super-deduction' tax incentive scheme will cut companies' tax bills by 25p for every £1 they invest, by providing allowances of 130% on qualifying investment in new plant and machinery, from 1 April 2021 to 31 March 2023
- VAT 5% reduced rate for tourism and hospitality sectors extended until 30 September 2021, followed by an interim rate of 12.5% for six months.

## Personal taxation, wages and pensions

- From 6 April 2021 Personal Allowance increased to £12,570 and the Income Tax higher rate threshold increased to £50,270, both thresholds will remain at these levels until April 2026
- National Insurance threshold increased to £9,568 from 6 April 2021, the Upper Earnings Limit will be £50,270
- Inheritance Tax nil-rate band remains at £325,000 and residence nil-rate band at £175,000, until April 2026
- Capital Gains Tax annual exemption remains at £12,300 for individuals and £6,150 for most trusts
- Lifetime Allowance for pensions remains at £1,073,100 until April 2026, the Annual Allowance remains at £40,000
- New single-tier State Pension increased to £179.60 per week in April 2021, the older basic State Pension increased to £137.60 per week
- ISA (Individual Savings Account) allowance remains at £20,000 for the 2021/22 tax year
- JISA (Junior Individual Savings Account) allowance or Child Trust Fund annual subscription limit remain at £9,000 for the 2021/22 tax year
- National Living Wage increased to £8.91 per hour from April 2021 and will include those aged 23 and over.

## Property transactions

- Stamp Duty (SDLT) holiday on house purchases in England and Northern Ireland extended, with the £500,000 threshold at which SDLT starts to apply ending on 30 June, a threshold of £250,000 applies for a further three months, with the regular £125,000 threshold returning from 1 October 2021. In Wales, the Land Transaction Tax (LTT) temporary tax reduction has been extended to 30 June 2021
- Mortgage guarantee scheme introduced from April, with the government providing guarantees to UK lenders who offer mortgages to buyers to secure a loan with a 5% deposit on a property of up to £600,000 up to 31 December 2022.

## A pledge to "continue doing whatever it takes"

**During his second Budget on 3 March, as expected, COVID support featured front and centre of Rishi Sunak's statement, in what is an exceptionally challenging time for both the UK and global economies.**

The Chancellor's proclamation to "continue doing whatever it takes" set the course, with the statement centring around a three-point plan offering support for jobs and businesses, fixing finances, and charting economic rebound, which he anticipates will be "swifter and more sustained" than previous expectations.

The medium-term economic outlook from the Office for Budget Responsibility's (OBR) was unveiled. A strong economic rebound for the UK is forecast, over the remainder of 2021, as restrictions ease, allowing economic activities to resume. Growth is expected to moderate towards the end of the year and output to return to its pre-pandemic level in mid-2022, six months earlier than previous predictions, reflective of the faster rollout of the vaccine. OBR forecast economic growth of 4% this year and by 7.3% in 2022.

As the economy reopens and emergency fiscal support is withdrawn, borrowing is forecast to fall back from a peacetime record of £355bn in 2020/21 to £234bn in 2021/22. Although the Chancellor didn't set any new fiscal targets during the Budget, he did acknowledge that tax rises would be necessary in the coming years to help restore the public finances.

**The value of investments and income from them may go down. You may not get back the original amount invested. A pension is a long-term investment. The fund value may fluctuate and can go down. Your eventual income may depend on the size of the fund at retirement, future interest rates and tax legislation.**

**It is important to take professional advice before making any decision relating to your personal finances. Information within this document is based on our current understanding and can be subject to change without notice and the accuracy and completeness of the information cannot be guaranteed. It does not provide individual tailored investment advice and is for guidance only. Some rules may vary in different parts of the UK. We cannot assume legal liability for any errors or omissions it might contain. Levels and bases of, and reliefs from taxation are those currently applying or proposed and are subject to change; their value depends on the individual circumstances of the investor. No part of this document may be reproduced in any manner without prior permission. The value of investments can go down as well as up and you may not get back the full amount you invested. The past is not a guide to future performance and past performance may not necessarily be repeated. If you withdraw from an investment in the early years, you may not get back the full amount you invested. Changes in the rates of exchange may have an adverse effect on the value or price of an investment in sterling terms if it is denominated in a foreign currency. Information is based on our understanding of taxation legislation and regulations. Any levels and bases of, and reliefs from, taxation are subject to change. Tax treatment is based on individual circumstances and may be subject to change in the future.**