



Sound Financial

RETIREMENT PLANNING SPECIALISTS

Professional Briefing

The Best 10 in 10!

A decade of changes to the Financial Planning world

- Housekeeping & phones
- Questions as & when
- Conclude by 9am latest
- www.soundfp.co.uk

Welcome



GIVES FREEDOM, CHOICES & BUYS
EXPERIENCES

1.

**Money &
Meaning**



**Practical &
Material**

OUR LEVELS OF ASPIRATION



**Rekindled /
Unfulfilled
Passions**



**Leaving a
Legacy**

**Money &
Meaning**



TOP 5 REGRETS IN LIFE...

1. Did not live a life true to myself
2. Having worked so hard
3. The courage to express feelings
4. Stayed in touch with friends
5. Let myself be happier

**Money &
Meaning**



Business plan

Financial plan

Life plan



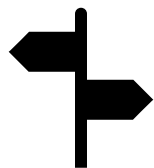
Life plan

Financial plan

Business plan

2.

**Order
Order**



The 'R' word

The Second Life

30-Year Weekend?

Retirement is not just a financial event!

**Order
Order**



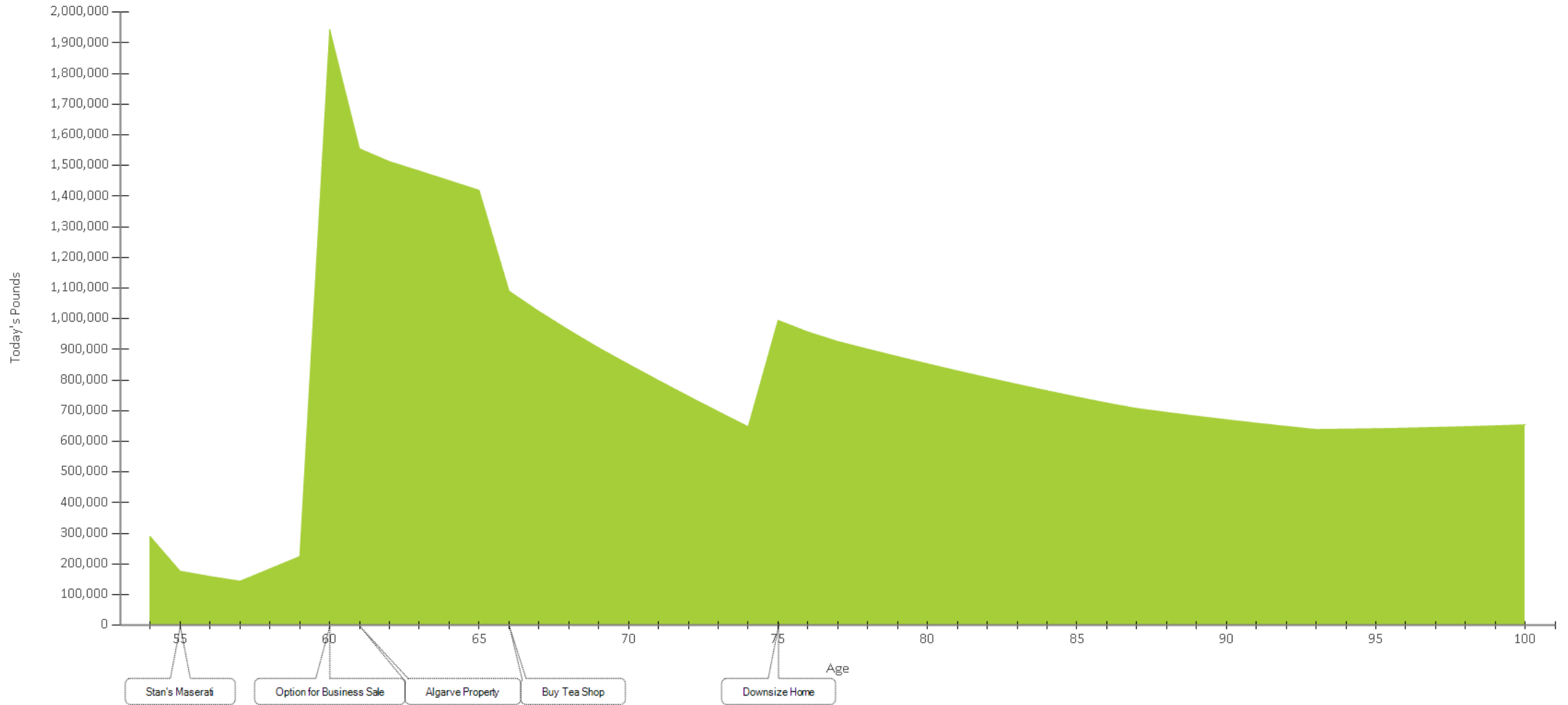
"He was worried he would have nothing to do
when he retired."

**Order
Order**



You know you're ready to retire when you think "getting lucky" means finding your car in the parking lot.

**Order
Order**

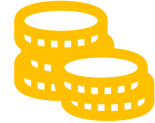




YOUR MONEY OR YOUR LIFE?

3.

**Retirement
Outcomes**



THE DEFINITION OF MONEY?

**Retirement
Outcomes**



RETIREMENT SPENDING IS NOT LINEAR

**Retirement
Outcomes**



Game changer - April 2015

Changes & benefits of flexible withdrawal

DB transfer risks

4.

**Pension
Freedom!**



Order of withdrawal from pensions and investments is more important

Sequence of returns risk

**Pension
Freedom!**



Lifetime Allowance

Annual Allowance

Tapering of relief

5.

Issues



Asset Classes

Diversification

Rebalancing & Patience

6.

Investments



ASSET CLASS RETURNS 10 YEARS TO YEAR END 2019

- Global market – **11.7%**
- Global value – **11.35%**
- Global small – **12.6%**
- UK market – **7.2%**
- EM market – **5.8%**
- Global comm' prop' (reit)- **12.7%**

Investments

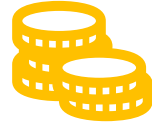


ASSET CLASS RETURNS 10 YEARS TO YEAR END 2019

- Global short-dated bonds – 1.5%
- Global inflation linked bonds – 4.6%
- UK index linked gilts – 5.6%
- Cash – 0.4%

Excludes inflation and costs

Investments



Investing in the stock-market is like playing with a yoyo whilst on the 'up' escalator – you need to focus on the escalator, not the yoyo

Investments



The average intra-year decline in the equity markets...

..13.8%!

What is risk? What it isn't...

Investments



ALL SUCCESSFUL INVESTING IS GOAL-FOCUSSED AND PLANNING-DRIVEN

- Human nature is a failed investor - **emotions** and **investing** are not good bed-fellows
- Example from 2007 – 2017 FTSE 100
- The same in the U.S.A. 1987 – 2007
- Average investment returned **10.81%**
- Average return received by the investor..
- **...4.48%**

Investments



Active Funds v Passive

FADS

Woodford, et al

7.

**Costs &
Concerns**



INVESTMENT FADS & FASHIONS

- Unregulated Include – Overseas Property, Forestry, Film Schemes, Storage Pods And Diamonds!
- Cape Verde (BBC Panorama)
- Car Parking Spaces ‘Guaranteeing’ 8% Net Pa
- Unregulated Collective Funds
- Peer To Peer Lending
- Liquidity (Property Funds, Commodity ETFS E.G.)
- Gold

Costs & Concerns



Inter-generational Wealth Planning

‘Giving with a warm hand’

Bloodline Protection

8.

**Estate
Planning**



IHT Allowances – Up to £1M – NB Pensions

RNRB

The use of Trusts

9.

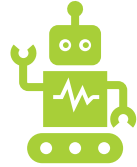
Tax Drivers



ESTATE PLANNING OPTIONS

- Do nothing and leave assets to heirs via Wills, but the IHT liability remains
- Spend capital and reduce the value of the estate and thus the IHT liability, but is impractical in many cases where there is a large estate/property
- Lifetime gift of assets/capital/income either directly to beneficiaries or indirectly via trusts for added control and protection
- Insure life against the liability, rather than mitigate it, combined with the appropriate trust
- Invest in Business Property Relief (BPR) qualifying investments, which would be IHT free after a two year holding period – much higher risk
- Make gifts to charities and/or political parties in Wills, which are IHT exempt.

Tax Drivers



The Future?

- Value
- Face to face advice still preferable, but cost factors
- Family Stewardship
- Money Coaching
- ESG factors on Investing

10.

The Future...



Questions...



...ASK US

Thank you for attending and for your continued support of our business.

If in doubt...