PARKLIFE

CONNECTING AND COMMUNICATING

AUTUMN 2023

In this issue

Welcome to Parklife

Welcome to the Autumn 2023 edition of Parklife, our magazine created to help you get the most from your money and your life.

Steve Braidford
Director and Financial Planner

Welcome to the autumn edition of Parklife which offers our usual mix of, what I hope you will find to be, thought-provoking and informative articles, all united by our philosophy of Financial Life Planning that range from reductions in Capital Gains Tax allowances to the relationship you have with your future self and what impact that might have on how you manage your money today.

We also cover the work we have done over the last few months with a number of charities, which is a part of my work that gives me particular satisfaction and reminds us all at FLP that it is not just about the money, but how we use it to make our lives and those around us better, that is most important.

THANK YOU AND BONNE VOYAGE TO ROB WHITTLE

As one of the founding partners of the firm, Rob Whittle has helped numerous people make the most of their money and he is now planning a well-deserved and planned retirement of his own. Our thanks to Rob for the enormous contribution he has made to the success of the firm that he and Bill Ward worked so hard to create and we wish him well on his quest to complete an impressive bucket list of travel and projects, embracing his own personal Financial Life Plan!

Wishing you and your loved ones a happy autumn.

Introducing YOU Asset Management

New partnership will provide a variety of new investment opportunities.

Shane Balkham, Chief Investment Officer, YOU Asset Management

We are excited to announce that we are now in partnership with YOU Asset Management who will provide an additional investment option to all our clients. If they haven't already done so, your adviser will be able to provide you with more details in due course. We asked the founder, Shane Balkham, to introduce himself and give a brief outline of what YOU can add to our investment service.

I launched YOU Asset Management in 2004 as an antidote to an industry dominated by firms that built investment portfolios that frequently delivered poor investment outcomes for their clients.

I wanted to recommend an investment portfolio that 'did what it said on the tin' so that I could confidently connect the investment engine to the client's Financial Life Plan.

Drawing on this experience I created a range of 10 actively managed, multi-asset portfolios where defined and measurable client outcomes sat at the heart of the investment process.

The investment engine we designed combines the best mix of asset classes (companies, bonds, property, absolute return, and other assets) and we ensure that our clients get exposure across the globe. As you progress along the 'risk' scale, your portfolio will increasingly allocate a greater proportion to equities (companies) compared to diversifying assets like bonds. In other words, we believe clients shouldn't have all their investment eggs in one basket.

As we know all too well, the economic and political landscape changes regularly and therefore we need to have a mechanism that enables us to tilt your portfolio in certain directions to ensure we keep you on course for the agreed investment journey. These decisions are taken at the monthly YOU Investment and Asset Allocation Committee meeting.

For example, in 2020 we decided to increase exposure to Japanese companies by 1% across all client portfolios. We took this decision because several structural changes in Japan had provided a more supportive environment to Japanese companies, and we felt this provided a good opportunity for our clients to capitalise on these developments. Japanese companies did benefit from these measures and this position continues to provide positive returns for our clients.

Looking at the current scenario, we anticipate ongoing market volatility until substantial evidence of inflation reduction becomes apparent in both the UK and the US. We are also attuned to the potential repercussions of increasing interest rates on households and the broader economy. Although it can be hard, it is important to remember that political and economic challenges are to be expected over the course of a long-term investment journey and that the combination of an experienced financial planner and investment manager gives you the tools you need to focus on achieving your Financial Life Plan.

Writing this article has given me a chance to look back on the hurdles we faced when launching YOU Asset Management. Initially, it was just the two of us, self-funding our way, and our primary challenge was finding clients who believed in us.

Jumping to the present, it's amazing to see how far we've come. Currently, we're honoured to be entrusted with managing assets worth over £2 billion on behalf of our clients. This growth speaks to the hard work and choices we've made as a team.

Along the journey, there have been moments of recognition that have truly meant a lot to us. We were humbled to receive the Specialist Investment Award, a sign that our approach to specialised expertise is making an impact. We also earned the title of Best Discretionary Fund Manager, a reflection of our commitment to achieving the best outcomes for our clients.

I am fortunate to be doing a job that I love with a fantastic team committed to delivering great investment outcomes for clients and I look forward to seeing where the journey takes us next.

Wishing you and yours a great end to 2023.

Lending a hand with the Bank of 'Mum and Dad'

How can we give our children a financial 'leg-up' when they need it most?

Matthew Taylor,
Financial Planner

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As children struggle financially with rising prices and living independently by either buying or renting, what are the ways in which the 'Bank of Mum and Dad' can lend a helping hand?

A GIFT

A simple gift can be any asset that you give away which has a value be it money, property, or personal possessions such as antiques, jewellery or works of art. When gifting you should always have one eye on the rules for Inheritance Tax (IHT) so that your gift(s) are not added back into the value of your estate when you die.

There are a number of gifting allowances that are exempt from IHT, the most important being the annual exemption of £3,000 per person. You can also make regular gifts from income as long as this does not significantly reduce your lifestyle.

You can't gift something and deem it removed from your estate if you then still "enjoy" it without a financial cost i.e., you can't gift a holiday home but still go there as and when you please as if it was still your own.

Any gift is 100% exempt from IHT if the donor is still alive 7 years after the gift has been made (the liability starts to be tapered down after 3 years).

A DEPOSIT FOR A PROPERTY

Most lenders will accept a deposit that has been gifted and there is no immediate tax charge however, an inheritance tax liability could arise at a later date. If your child is buying a house with a partner or friend(s), you can protect the money you have gifted using a deed of trust.

A LOAN TO HELP BUY A PROPERTY

The loan agreement should set out the amount of interest and when it needs to be repaid i.e. when the property is sold. It should also state what should happen if anyone involved in the loan dies, or if Mum and Dad require the return of their money. Lenders will factor loan repayments into affordability calculations.

MORTGAGE ASSISTANCE

a) Guarantor mortgage

A family member acts as a guarantor by pledging savings or property as security which could be lost if the borrower misses payments or the property is repossessed.

b) Family Offset mortgage

The amount of interest the borrower pays is reduced by linking their mortgage to a family member's savings account. The parent won't earn interest on the offset amount and lenders will usually require a minimum amount in the linked account.

c) Joint mortgage

A joint mortgage with your child makes you equally liable for the repayment of the loan. If however you already own a property, then your child's new home would count as a second home generating an additional 3% stamp duty. If it is your second home and you are still on the mortgage when the property is sold, there may be a capital gains tax liability.

d) Joint borrower, sole proprietor mortgage

You accept joint responsibility for the mortgage payments without having a legal claim to the property. Parent and child are both named on the mortgage but only the child will be on the property's deeds avoiding the stamp duty surcharge.

A TRUST

There are several types of trust, but the simple premise is that they enable the donor to control who the beneficiaries are, what they will get and when. There can be tax implications for trusts and they can be complex to set up but as well as being a way to maintain some degree of control over the money they can also be a good option for reducing IHT liability.

DON'T FORGET ABOUT YOU

We can guide you through these options to find the one that is most suitable for you and your family. Having decided how you would like to help, a Financial Life Plan is a great way to help you decide how much support you can afford to give whilst still retaining a good quality of life.

Having decided how you would like to help, a Financial Life Plan is a great way to help you decide how much support you can afford to give whilst still retaining a good quality of life.

Inheritance Tax Planning, Will Writing, Trusts and Taxation are not regulated by the Financial Conduct Authority.
As a mortgage is secured against your home, it could be repossessed if you do not keep up the mortgage repayments.

Evaluating investment performance

Comparing the performance of your investments to other investors or an investment that doesn't match your portfolio's mix of assets can cause you to make decisions that go against your own best interests.

Bill Ward
Financial Planner

It is difficult to avoid hearing about the highs and lows of various markets around the world and it is tempting to remember the better performing numbers and compare them to the return on your own portfolio.

This can be a mistake, especially if you have a diversified portfolio that uses a mix of assets to smooth the volatility typically associated with investing entirely in equities.

If your portfolio is invested entirely in global equities and it is underperforming the global equity index then there might be a problem. But if you target diversification through a mix of asset types, then using that global index to judge your portfolio's performance is comparing apples with oranges.

INVESTING WITH HINDSIGHT IS EASY

It could be that your investments are not aligned with your tolerance for risk. If you don't like to feel that you are lagging behind the major stock markets then maybe you should increase the share of equities in your portfolio. Remember however that you will also have to deal with the downside of being heavily invested when the market falls. There are always trade-offs to be made and not everyone is comfortable with the volatility that comes from investing entirely in equities.

The perfect portfolio will always look clear with the benefit of hindsight. Diversification means that your portfolio will never be fully invested in the best-performing asset class, strategy, factor or fund. This is how diversification is designed to work and it should be seen as a benefit not a problem.

It's always going to feel like you should've taken less risk when the market falls and more risk when it rises. The goal is to pick a target mix of assets that can balance those feelings to allow you to feel comfortable and remain invested in both types of markets.

If you need to benchmark a diversified portfolio's performance then you should not simply compare it to the returns on one or more of the world's stock markets but rather against a benchmark that has a similar asset mix and diversification profile.

THE "RIGHT" INVESTMENT RETURN IS A NUMBER SPECIFIC TO YOU

It's one thing to make portfolio decisions based on changes to your circumstances, risk appetite or time horizon. Problems arise when you make portfolio decisions based on recent performance numbers that have nothing to do with your goals or emotional disposition as an investor.

The real risk for investors has nothing to do with underperformance or black swans or recessions or market crashes. The real risk is that you are tempted to chase returns that are not suited to your circumstances or objectives. A long-term target for the return on your investments should not be a generic market index but a number that is unique to you and based on a blend of your risk profile, time horizon and goals which is achieved with a diversification strategy that is specific to you.

> The only true benchmark you should really care about is whether or not you're on track to achieve your goals.

ARE YOU ON TRACK TO ACHIEVE YOUR FINANCIAL GOALS?

How do you know what investment returns you need until you know what you want to achieve with your money?

A Financial Life Plan asks you to first identify what you want to achieve with your money. What are your objectives, why are you investing? When you are clear about what you want to achieve then your plan will help you to calculate the returns you need to meet those targets. This provides the only true benchmark you should really care about which is whether or not you're on track to achieve your financial goals.

The value of investments may fall as well as rise. You may get back less than you originally invested.

Charity News

Supporting our local community and charities.

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Gareth Higton
Director and Financial Planner

It always gives the team at FLP great pleasure to help local and national charities and as you can see, we have been particularly busy over the last few months.

From left to right: Oscar MacFicheallaigh, Amy Pirie founder of Horse Sense Wirral, Sam Braidford, Dave Pryce and Kim Mercer.

Horse Sense Wirral is a charity that cares and looks after abused and neglected horses at their horse sanctuary which is next to our FLP offices. We have been supporting them since we moved into our new home and the team was pleased to make a recent donation to Amy Pirie, the charity's founder and driving force. We sponsor 4 horses, Mojo, India, Rowan and Mika. To find out more about the great work they do, please visit www.horsesensewirral.com.

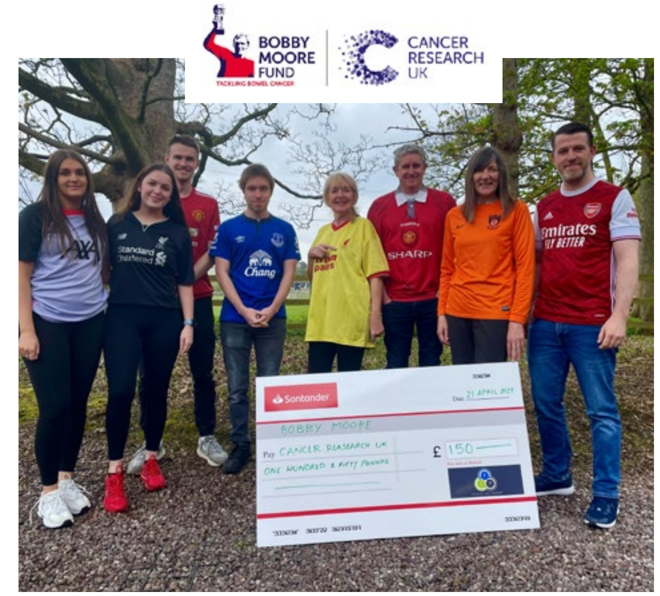
From left to right: Lee Travis, Alan Hodgson, Bill Ward, Gareth Higton, Ross Welsh, Steve Braidford and Sam Braidford.

The FLP golf team enjoyed their day supporting the British Heart Foundation and Cardiomyopathy UK, a charity that funds research into Cardiomyopathy which is a disease of the heart muscle that reduces its ability to pump blood around the body and which affects around 1 in 250 people in the UK. You can find out more about their work by visiting www.cardiomyopathy.org and www.bhf.org.uk/informationsupport/conditions/sudden-arrhythmic-death-syndrome.

PROUD TO BE VOUCHEDFOR · CUSTOMER RATING
4.9 OUT OF 5 ★★★★★
Vouchedfor

FRIENDS & FAMILY PROGRAMME

We would love more clients just like you! If you are kind enough to recommend us to your friends and family, as a token of our thanks we will give you a £25 Marks & Spencer 'Dine in for Two' voucher and make a £25 contribution in your name to our Charity Fund supporting good causes.



From left to right: Jess Braidford, Courtney Booyens, Sam Braidford, Duncan MacDonald, Jenny Daly, Chris Slack, Jackie Williams and Ross Welsh.

Liverpool and Manchester rivalries in the office were put to one side for one day as we were also proud to support the Football Shirt Friday event which benefits the Bobby Moore Fund for Cancer Research UK.

Gareth Higton and Steve Braidford, FLP company directors, outside the office at the Horse Sense Wirral paddock.

This is Mojo.

This is Rowan.

How can you reduce your Capital Gains Tax liability?

More people are getting caught out by Capital Gains Tax (CGT) as allowances are reduced and an increasing number of landlords sell their properties.

Dave Jones,
Financial Planner

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From 6 April 2023, the amount of profit you can realise on your investments without incurring a CGT bill fell from £12,300 to £6,000. It will then halve again to £3,000 next year.

Any capital gain (income from the sale of an asset, less its cost of purchase) that exceeds this allowance when selling assets such as shares, bonds, funds and business assets are liable to be charged at 10% if you are a basic rate income taxpayer and 20% for those paying higher or additional rate income tax.

Any gains on selling your main residence are exempt from CGT but gains on any other residential property sales are charged at 18% and 28% for those paying the basic and higher income tax rates respectively.

What can you do to reduce any CGT liability?

TAX-EFFICIENT "WRAPPERS"

One of the great advantages of “wrapping” your investments in either an Individual Savings Account (ISA) or a self-invested personal pension (SIPP) is that all the increases are exempt from CGT leaving your investments to grow free of personal taxation. Generous allowances mean that you can place significant amounts each year in one or both of these accounts, meaning many people are able to shelter most or all of their investment and pension savings from CGT.

You can also top up your ISA and/or SIPP with proceeds from the sale of existing investments. Although the initial sale would be subject to CGT, funding unused pension or ISA allowances will shelter the proceeds from CGT on subsequent gains (you might also earn income tax-relief on the SIPP contributions).

INVEST IN FUNDS

When investing in an investment fund rather than in individual companies (through shares or bonds) you don’t pay any personal tax on the profits the fund makes whilst you hold it. It is only when you sell the fund, or take an income from it, that personal taxation may apply. This is why holding your money in a tax efficient wrapper, and taking advice when you want access to your capital, is so important.

USE IT OR LOSE IT

Like an ISA, you can’t carry over any part of you annual CGT allowance into subsequent tax years, although unlike an ISA, you can carry forward any capital losses you have realised. If you are taking profits from an investment, think carefully how best to do this. Can you offset this against a previous loss or can you spread the gain over two tax years to optimise the diminishing allowance by making use of two years’ worth a CGT exemptions? e.g. by selling before 5 April and then again just after 6 April.

> Any capital gain is liable to be charged at 10% or 20% for those paying higher or additional rate income tax.

MAKE USE OF YOUR PARTNER'S ALLOWANCE AND TAX RATE

If you hold an asset in your sole name, you could potentially reduce tax by transferring all, or a proportion of it, to your spouse. Transfers between spouses and civil partners are generally tax free and not only will your partner have their own CGT allowance to help reduce any gain but they may also have a lower personal tax rate should any tax still fall due.

REDUCE YOUR INCOME TAX

As the rate at which you pay CGT is dependent on your income tax band, reducing your income tax rate can reduce your CGT. You can reduce your taxable income by contributing more to your pension or making charitable donations, where you are able to do this through salary sacrifice.

THE TAXMAN MIGHT KNOCK TWICE

You should be aware that if you sell an asset, pay CGT, and the proceeds remain in your estate on death, the value will be added to your estate for inheritance tax purposes. Whereas no CGT is payable on assets at the time of death.

DON’T HESITATE TO GET IN TOUCH

It is important to make the best use of the reliefs and allowances that remain to limit your CGT liability. Things can get complicated, so it is important to take advice.

Tax advice is not regulated by the Financial Conduct Authority.
Tax treatment varies according to individual circumstances and is subject to change.

Lifestyle Spending

What is it, how much do we spend on it and why?

Lee Travis,
Financial Planner

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The simplest definition of lifestyle spending is your total income, less what you have to pay in tax and what you choose to save and invest. What remains is the total of all your spending on "today" and pays for how and where you live.

Some would argue that it's the most important number in any financial plan and is what all the other elements should lead to. It is also a critical number for your future planning as you decide how much to save and invest today to pay for the lifestyle you would ideally like to have tomorrow.

How many of us can honestly say however that we know this magic number? How much in total we actually spend each year on housing, cars, holidays, restaurants, hobbies, children, luxuries, etc.

DO WE AT LEAST KNOW WHAT'S DRIVING THOSE SPENDING CHOICES?

Money is personal, emotional, and messy. How we spend it should reflect what we find valuable in life, who we want to spend our time with, why we chose our career, and the kind of attention we want from other people. Everyone is unique, there are no black-and-white rules.

Here are a few things that might be, consciously or subconsciously, influencing our spending decisions;

Family background and early experiences with money, especially what we were taught about money when young, can heavily influence our spending decisions for better or worse.

If we have had a lifetime of good financial habits then it can be very difficult to break those habits, accept that we now have a finite period in which to enjoy the fruits of our savings, and become more profligate with our money.

It could be argued that the amount of attention a problem gets is the inverse of its importance, which is how we can spend a lot of time thinking about the daily cost of a latte while the monthly cost of our latest SUV sitting in the driveway passes without much thought.

DOES MONEY MAKE US HAPPY?

Our lives can be built around money in the belief that spending it will make us happier. When it doesn't, either because it never will or because we aren't spending on the things that really matter to us, then we might think that the answer is to spend even more.

It might be that we don't know what kind of spending will make us happy because it has become habitual and we haven't experimented with different ways of using our money. Learning how to be frugal can be about finding the things we love and spending extravagantly on them while slashing spending on the things that bring us little or no pleasure.

The gap between struggle and reward is a big part of happiness. The joy of spending can fall as income rises because there's less struggle and sacrifice. This can also be seen where we link spending to how hard we have worked to earn the money believing that we "deserve" the reward of spending it.

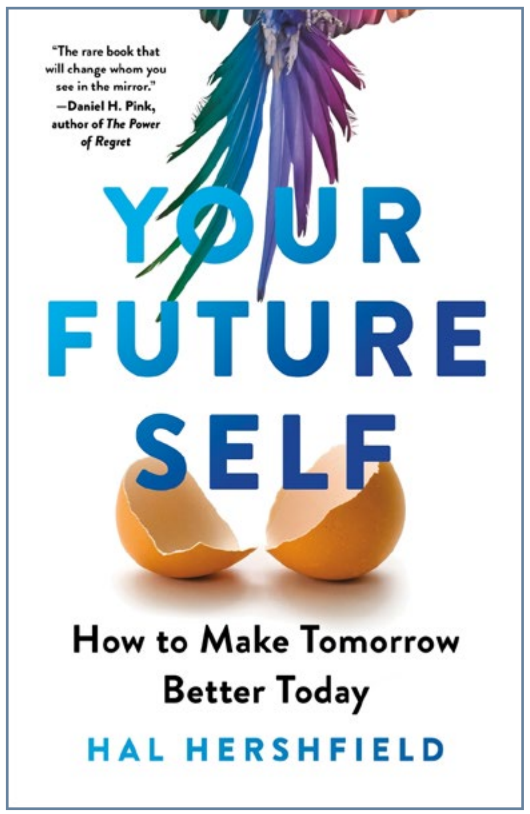
There is no such thing as an objective level of wealth, we often compare ourselves to those around us. We like to mimic others, especially those who appear to be living better lives.

The factors that combine to influence how we spend or don't spend our money are as individual as our fingerprints. Taking some time to think about lifestyle spending, how much and why we spend, is a valuable part of the process of building a Financial Life Plan.

Please don't hesitate to get in touch if you would like to create or update your Financial Life Plan. We are here to help you make the most of your money.

The FLP Book Club

We believe in a life well lived and, although most of us don't look forward to the nights drawing in, it does provide the opportunity to enjoy a few good books.



Linda Fleming,
Financial Planner

YOUR FUTURE SELF:
HOW TO CONNECT WITH AND LOOK AFTER WHO YOU WILL BE.
BY HAL HERSHFIELD

Few people would pass up the chance to travel through time and see what life will be like for our future selves. But while we want to envision the best possible future, why do some of us fail to make decisions that will truly make that a reality, while others succeed? Why do some of us choose steak over vegetables at dinner, waving off concerns of raising our cholesterol? Why do some splurge on luxury cars that we can't really afford, while others choose cheaper models and save more for the future? Why are so many of us so disconnected from our future selves?

Many of us view the future as incredibly distant, making us more likely to opt for immediate gratification that disregards our health and wellbeing in the years to come. People who are able to connect with their future selves, however, are better able to balance living for today and planning for tomorrow.

> While we routinely make sacrifices for those we feel closest to — our spouses, children and parents — and will even give money or our time to help complete strangers, the one person whose plight we may actually ignore is our future self.

This book is split into three sections. The first section asks who is this future self we are supposed to be making sacrifices for and will it be the same person that we are today? Some aspects of our personality change over time and others remain constant. It's difficult to make long-term decisions such as who to marry if we view our future selves as likely to be very different.

Multiple versions of us spread out over time and are linked together like a series of interlocking chains. Over time the links in the chain may be weakened so that faraway versions of us might seem like strangers. We treat strangers differently than we treat ourselves often failing to consider their best interests.

Stronger connections to our distant selves are linked to positive outcomes and can be found in a variety of areas such as greater financial well-being, a greater likelihood to exercise and better psychological well-being. Strengthening the connection to your future self can boost your willingness to take more actions on your future self's behalf.

The second section asks why we find it so hard to connect with our future selves and offers three broad explanations.

1. We get overly focused on the present and fail to consider the future because the present is more certain than the future. Our present-day emotions seem more powerful than the ones we expect our future selves to feel and time feels as if it lasts longer in the present, making it more difficult to be patient.

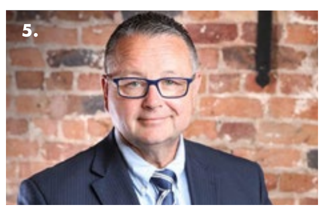
2. We think ahead to the future but only in a superficial way as we fail to recognise just how much our future selves will want to avoid the same negative situations we are escaping today.

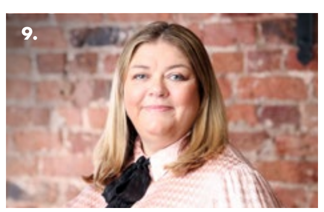
3. We fail to recognise how different our future self might be. For example, we take our present day emotions and over-project them onto our future selves.

The final section looks at ways in which we can force ourselves to better imagine how we will be and create a stronger connection that will promote better decision-making to balance today and tomorrow. Do we have the courage to see ourselves in an age-processed image and look at the face of who we will become?!

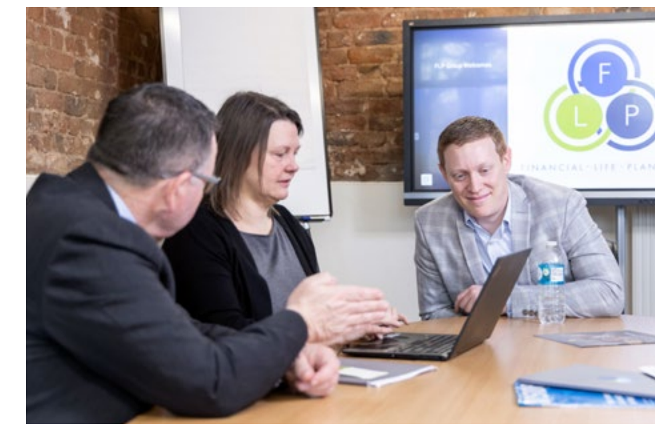
YOUR STORY • OUR ADVICE • YOUR PLAN

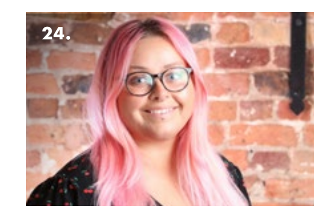
Meet the Team

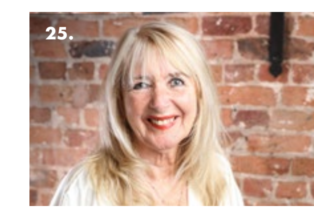


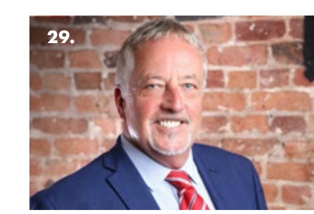


We are here to help. Please feel free to contact any member of the team if you have anything that you would like to talk to us about.



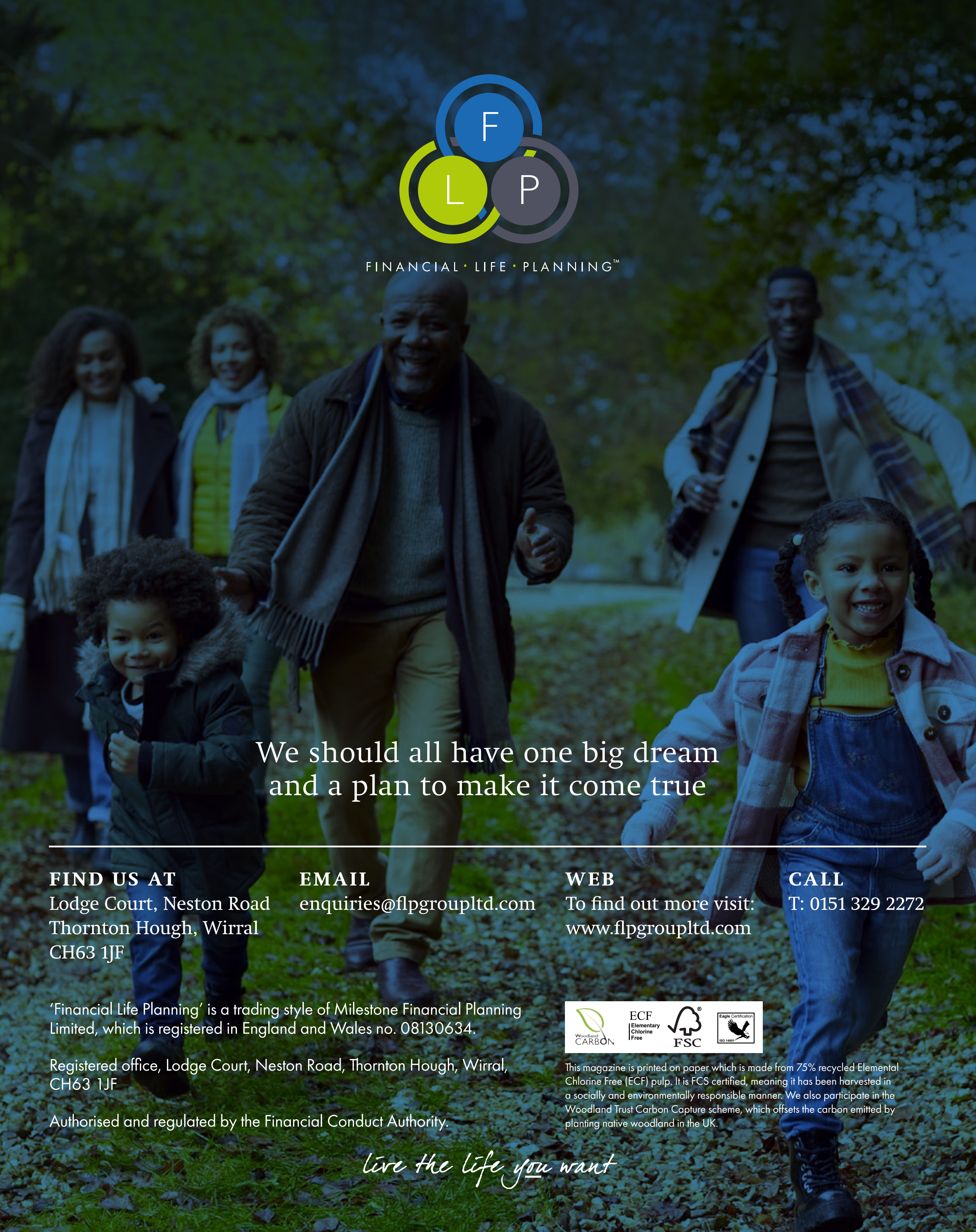






THE MILESTONE TEAM:

1. Steve Braidford – Director & Financial Planner, **2.** Gareth Higton – Director & Financial Planner, **3.** Bill Ward – Financial Planner, **4.** Lee Travis – Financial Planner, **5.** Alan Hodgson – Financial Planner, **6.** Dave Jones – Financial Planner, **7.** Jackie Williams – Financial Planner, **8.** Matthew Taylor – Financial Planner, **9.** Linda Fleming – Financial Planner, **10.** Jenny Allen – Financial Planner, **11.** Carl Gidman – Mortgage, Equity Release and Protection Adviser, **12.** Dave Pryce – Operations Manager, **13.** Samantha Booyens – Office Manager, **14.** Hayley Lilliott – Finance Manager, **15.** Duncan MacDonald – Finance Assistant, **16.** James Oliver – Paraplanner, **17.** Samantha Yaffe – Paraplanner, **18.** Ross Welsh – Trainee Financial Planner, **19.** Sam Braidford – Trainee Financial Planner, **20.** Tom Price – Trainee Financial Planner, **21.** Oscar MacFicheallaigh – Trainee Financial Planner, **22.** Suzanne Bradley – Executive Support, **23.** Paula Delaney – Personal Assistant, **24.** Ellie Roberts – Administrator, **25.** Jenny Daly – Administrator, **26.** Jess Braidford – Administrator, **27.** Kim Mercer – Administrator, **28.** Sue Howard – Administrator, **29.** Barry Caldow – Will Writer & Estate Planner).



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We should all have one big dream
and a plan to make it come true

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live the life you want