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LIFE CENTRED PLANNING

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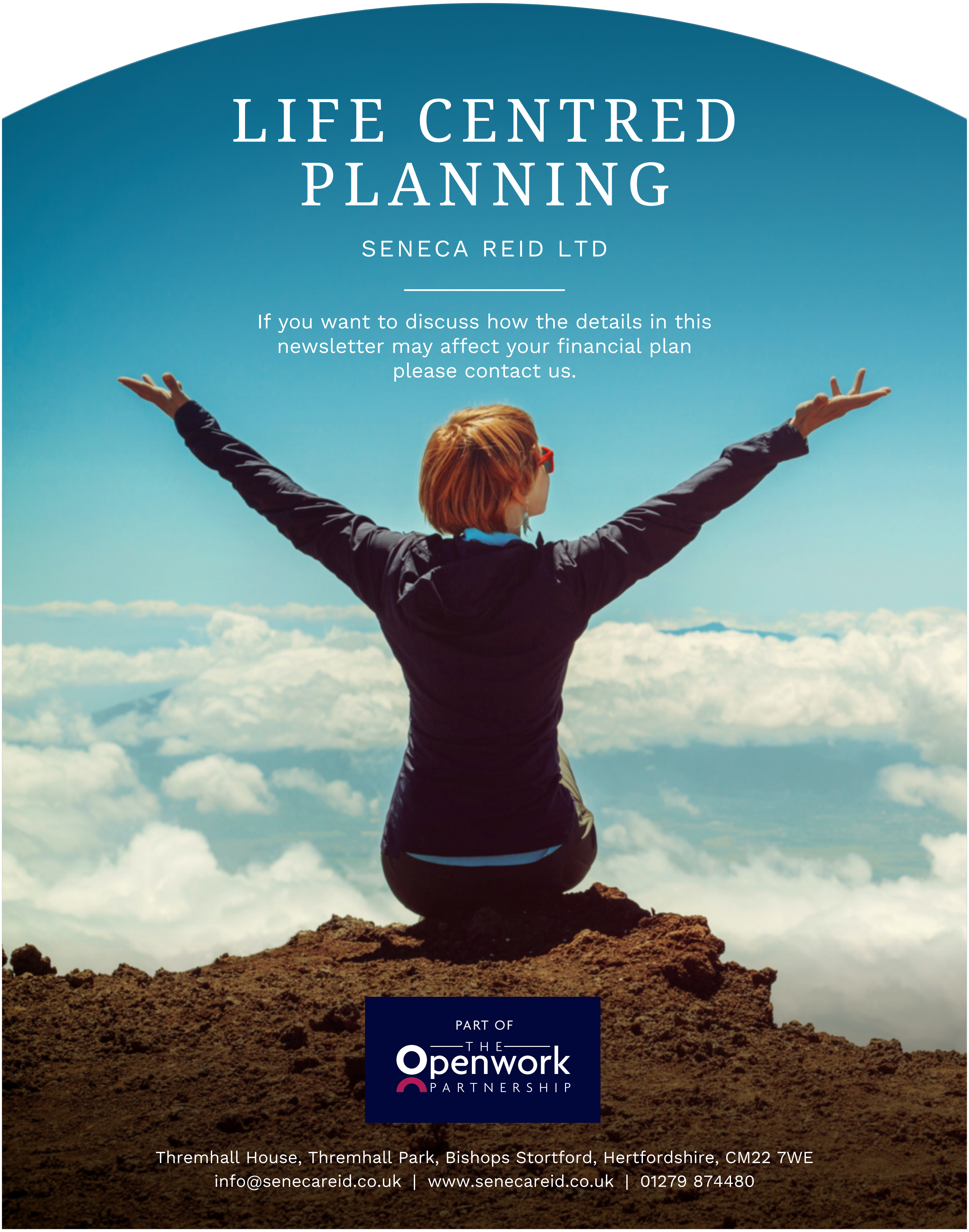
If you want to discuss how the details in this newsletter may affect your financial plan please contact us.



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Investment Update

Almost fully open for business

June saw a delay to the planned reopening of UK business and services, a drop in unemployment and some promising world economic news.

June brought the news that the UK's unemployment rate fell to 4.7% in the three months to April – a slight improvement from 4.8% in the three months to March. This, coupled with strong consumer spending figures for the month, offered some hope despite inflation jumping to 2.1% - mainly driven by the increase in the cost of fuel, clothing and eating out. Overall, the job market in particular showed good signs of recovery, with the opening of non-essential shops and outdoor hospitality venues across the UK.

The UK's planned 'freedom day' on 21 June was pushed back to July, due to the increase in Covid-19 cases following the spread of a new variant of the virus. The vaccination effort in turn stepped up – with the aim of vaccinating as much of the younger population as possible to stem the spread. Despite this news, the Confederation of British Industry (CBI) reported in June that its forecast for GDP growth is 8.2% by the end of 2021 – fuelled by a steady increase in household income and spending following the pandemic-related slowdown.

G7 makes vaccine pledge

The group of G7 economies met in the UK over three days in June, pledging among other things to commit one billion vaccines to poorer countries struggling with their rollouts. It showed that tackling the pandemic – as a global effort – is still at the forefront for many leading economies.

The latest outlook from the Organisation for Economic Cooperation and Development (OECD) was positive, forecasting that the world economy will grow by 5.8% this year. This is an improved revision from its previous forecast and can in part be attributed to successful vaccine rollouts in larger economies and the huge stimulus bill in the US.

The OECD estimates a longer period for the economic recovery in Europe and parts of South America, in contrast to the rapid bouncing back of the South Korean and US economies.

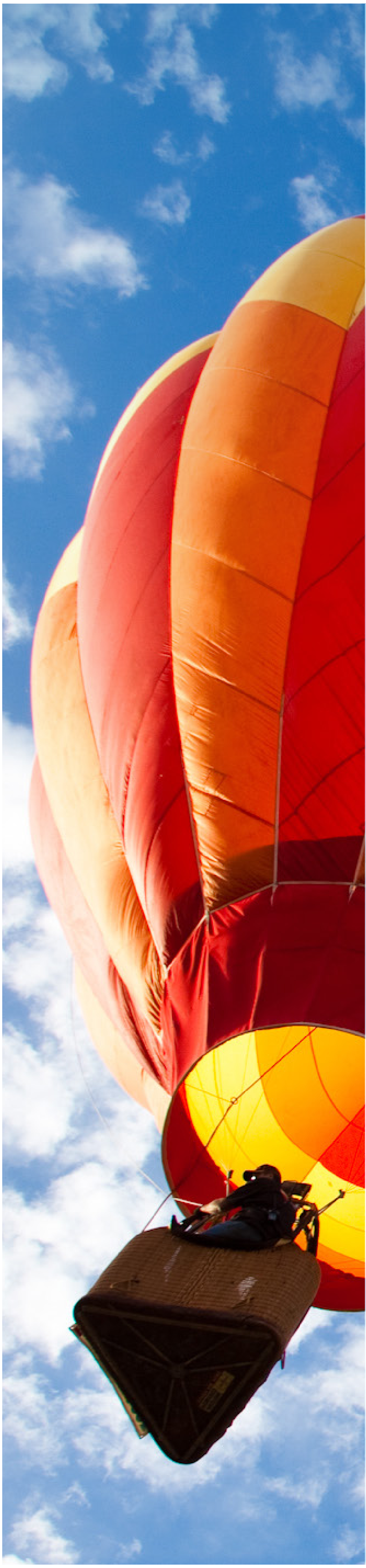
Inflation update

In May, the eurozone's annual rate of inflation jumped to 2%, which passed the European Central Bank's (ECB) target. The rise in inflation across the UK, Europe and US should not be a cause for concern, according to the ECB and Federal Reserve – which maintain the view that it's a fleeting phenomenon.

Competing with China's chip industry

In the US, the Senate passed a bill that aimed to compete with China's growth in the technology sector by funding research into artificial intelligence, quantum computing and developing the country's own chip industry.

However, China had cause for optimism in June, after reports that its producer-price index (which measures the cost of goods after they've left the factory) rose by 9% in May, the fastest pace since September 2008. It's thought this surge was caused by rising prices for oil, iron ore and non-ferrous metals.



Should we be concerned about rising inflation?

Most economists expect inflation to pick up over the next few months as lockdown restrictions ease and shops and restaurants reopen. But is this a cause for concern?

As lockdown measures begin to lift, financial markets are making their adjustments in anticipation of a rise in inflation, with bond yields picking up (meaning prices have fallen) and stock markets rotating from defensive sectors into cyclicals.

What is inflation?

Put simply, inflation measures the change in the prices of goods and services. If it rises then it takes more of our cash to buy things. We all experience inflation in our daily lives, from filling up our cars with fuel, buying groceries or using public transport.

In the UK, the official measure of inflation is the Consumer Prices Index. It's published by the Office for National Statistics (ONS), which monitors what people are spending their money on, using a basket of everyday goods and services.

The ONS adjusts the basket from time to time to reflect our changing spending habits. During lockdown, there was a shift with products like hand sanitiser and hand wipes being added, and items like white chocolate and ground coffee dropping off the list.

Inflation is all an illusion… or is it?

It's easy to ignore the impact of inflation on your finances. Most people's spending habits this month compared with the same time a year ago would probably stick to the same patterns – regardless of inflation at the time – because the differences seem small and therefore wouldn't affect the way they spend.

If you're trying to save money though, it's worth remembering that with interest rates currently lower than the rate of inflation, the real value of any cash savings is falling. In other words, the cost of living is increasing at a faster rate than your savings are growing, which means the spending power of your money is actually falling.

How will inflation affect investments?

Many people in the UK are preparing to spend the cash they've saved over the past year when the lockdown ends and shops, restaurants and entertainment venues reopen. Activity is likely to return to pre-pandemic levels and the expectation is that inflation is likely to pick up. Some economists are worried about inflationary pressures. In addition to this is the effect of government stimulus packages on the economy, which would provide another tailwind.

However, experts believe it's likely to be a short-lived phase and should not pose a longer-term challenge to fixed income or equity markets. The Bank of England does foresee inflation rising towards the 2% mark, but believes it will be a temporary phenomenon. Continuing deflationary forces like ageing demographics, technological innovation and global supply chains cast doubt over predictions of a new era of inflation.

Ultimately if you want to beat inflation in terms of finding some good returns on your savings, investing is the best option at the moment – due to cash savings rates being at such low levels.

One of the best ways to ensure your investments are given the strongest opportunity to navigate the effects of inflation on financial markets is through a global, multi-asset portfolio that's actively managed by a professional team of investors. Speak to a financial adviser to find out more.

The value of investments and any income from them can fall as well as rise and you may not get back the original amount invested.

OW3380 Exp. 04/06/22

The power to change the world

Ethical and sustainable investing are both popular and it's useful to understand the difference between the two approaches.

Investing in a responsible way is nothing new. It dates as far back as the 1700s, when religious groups such as the Quakers refused to support companies involved with the slave trade or other activities that conflicted with their values. Ethical funds started to appear in the UK in the late 1960s and early 1970s, which allowed people to invest in a way that reflected their personal values.

Ethical investing usually involves using your principles to filter out certain types of securities. For example, some ethical investors avoid sin stocks, which are companies that are involved or primarily deal with traditionally unethical or immoral activities, such as gambling, alcohol or firearms. Businesses involved with the tobacco, mining and oil industries are other typical ones to avoid.

A sustainable approach

Investing sustainably is different to ethical investing because it involves considering a wider range of issues – from how companies are managed to the impact they have on the environment and the roles they play in society. Investors are embracing this approach because there's mounting evidence to suggest these issues affect how companies perform over the long term too.

According to calculations made by the sustainable finance team at Danish bank Nordea, moving your pension savings to sustainable investment funds can be 27 times more efficient than four popular ways of reducing your carbon footprint that involve making lifestyle changes – taking shorter showers, flying less, travelling by train instead of by car, and eating less meat.

It makes good financial sense

Investing in well-managed companies that have a positive impact on society and the environment makes good financial sense. For example, if a company suffers reputational damage because it's been involved in an oil spill, discovered to be treating its workers poorly or accused of corruption, its share price will probably suffer.

Meanwhile, companies that use energy efficiently, invest in training their employees and pay their executives reasonable bonuses are likely to outperform their competitors and return more value to shareholders. Over the long term, they are also better prepared to meet future strategic challenges and take advantage of new business opportunities.

Incorporating an ESG framework

One of the difficulties with sustainable investing is that there's no standard definition of what it means. However, environmental, social and governance (ESG) factors provide a useful set of standards to assess potential investments:

— Environmental criteria look at how a company performs as a guardian for the environment, their impact on climate change or carbon emissions, water use or conservation efforts.

— Social criteria focus on a company's ability to manage relationships with its employees, clients, suppliers and the local communities in which it operates.

— Governance examines a company's leadership, shareholder rights, audits and internal controls, anti-corruption policies, board diversity, executive pay and human rights efforts, for example.

We believe that by incorporating these measures into our processes for selecting the fund managers we use to build portfolios, we can manage risk more effectively and improve returns. In addition, we expect all our investment managers to integrate analysis of ESG risk and rewards into their own investment processes too.

We only engage with those that are signatories to the United Nations Principles of Responsible Investing, the gold standard in the wealth management industry when it comes to incorporating ESG issues into investment practice. The Covid-19 pandemic has had such a substantial impact on societies and economies around the world, and the relevance of integrating a responsible investment approach is greater now than ever before.

If you want to know more about sustainable or ethical investigating visit **omnisinvestments.com/about-us/environmental-social-and-governance or get in touch**

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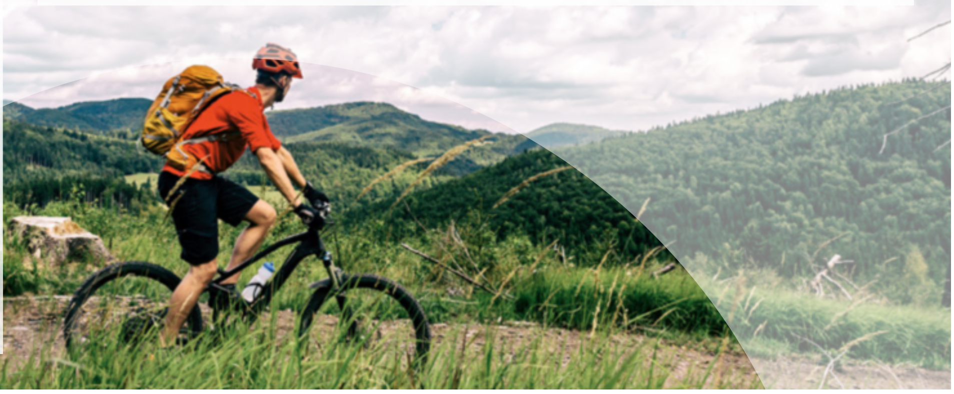


OW3216 Exp. 17/03/2022

Don't let a market dip affect your long-term investing plans

Investing is best approached as a long-term process that needs patience and commitment, as well as the ability to remain calm when markets fall, as they inevitably will.

Stock markets around the world plunged in March 2020 as investors worried that the coronavirus pandemic would cause a long and deep recession. However, the share prices of many companies made a steady recovery over the rest of the year as they adapted to the lockdown. News of successful vaccine trials then propelled markets higher during the final few months of 2020 and start of 2021.

Even seasoned investors acknowledge that it's impossible to time the market with any accuracy, which is why it's important to take a long-term approach. As the experience of 2020 demonstrates, anyone who panicked at the height of the health crisis and sold their investments would have missed out on the recovery.

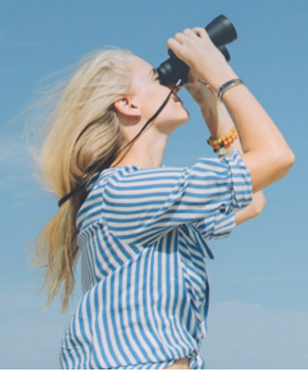
What can we learn from the way financial markets performed during the pandemic, and what are the takeaways for investors and people like you – who want a good return from their portfolios?

Think long term

In the first instance, it's a good idea to only invest money that you're unlikely to need access to at short notice. Otherwise you might have to sell your investments when the markets have fallen and you'll miss out when prices pick back up.

Markets have always recovered in the past but it can sometimes take a long time. For example, Japan's leading stock market index, the Nikkei 225, has only just climbed back to the high it reached more than 30 years ago.

Remember that you're investing with a long-term outlook and be prepared for the ups and downs that come with a market that can be volatile at times. Avoid knee-jerk reactions to what you see in the news – and try to avoid checking the value of your portfolio too often.



Choose active management

Whenever there's a downturn, financial markets fall in different ways and at different speeds – and the shape of the recovery is then different too. Last year's recession was the result of a medically induced coma as governments put in place measures to slow the spread of the virus. Some sectors suffered (such as travel and hospitality), and others benefited (such as technology and online shopping).

It's essential to understand how the market fell in order to be able to identify the most attractive opportunities as it picks back up. A professional team of fund managers have the experience and resources to position portfolios to take advantage of the recovery. They combine skills in asset allocation and fund selection to look beyond the headlines in order identify companies that can grow their profits through all conditions.

Diversify your portfolio

A diversified investment strategy that blends different asset classes from around the world offers a number of potential benefits. That's because different types of investments and regions tend to perform in various ways depending on what's happening in the global economy. As well as dampening losses when market conditions are challenging, this approach provides exposure to a wide set of investment opportunities.

Recent events remind us that the unexpected happens frequently in financial markets. Investing is always going to involve an element of risk. But by keeping a long-term perspective, taking an active approach and building a diversified portfolio, you are ultimately giving yourself more of a balance between risk and reward, which is a strong position to be in.

Stay invested in your future and leave it to the trusted professionals. Our financial advisers are here to help explain why active investment management is important to your long-term financial success.

The value of investments and any income from them can fall as well as rise and you may not get back the original amount invested.

Past performance is not a reliable indicator of future performance and should not be relied upon.

OW3318 Exp. 02/08/2021

How to plan for inheritance tax

Following the news that thousands more people are expected to pay the standard 40% inheritance tax this year because of the effects of the pandemic, we explore some of the ways to navigate the complexities of inheritance tax.

The complex laws around inheritance tax (IHT) caught many people off guard during the Covid-19 pandemic.

Along with the often-sudden loss of a loved one came the issues arising from IHT on gifts passed down to children and grandchildren.

This tax year marks the latest in a series where the number of people being charged IHT on gifts has increased.

Since 2009, beneficiaries have paid 40% IHT on estates worth more than £325,000.

Inheritance tax facts

Following the Budget in March, it was announced that thresholds will remain the same for IHT until 2026:

For single people, the threshold is **£325,000**.

For those who are married or in a civil partnership, the threshold is **£650,000**.

Couples can also pass on their assets (like an owned home) worth up to **£1 million** in total if they leave it to children or grandchildren.

Gift your way to less inheritance tax

There are ways to avoid passing on a large IHT bill to your family, whether it's through gifting or charitable donations:

— You can give away assets or cash worth up to £3,000 a year (known as the annual exemption) with no IHT to pay regardless of the total value of your estate when you die.

— You can give as many gifts of up to £250 to as many people as you want each year – although not to anyone who has already received a gift of your whole £3,000 annual exemption. To make use of this exemption, it's important to keep accurate records.

— If you are married or in a civil partnership, you can pass on your entire estate to your surviving spouse, tax free, when you pass away. Things could become more complicated, however, if your spouse was born in a different country.

— If you give a gift – of any amount – and live for a further seven years after the gift has been given, the beneficiaries will not have to pay any IHT if you pass away after that seven-year period.

— Leaving money to a charity means it's free of IHT and could cut the tax rate on the remaining amount in your estate.

Transferring to a trust or pension

Setting up a trust to transfer some of your estate into for the benefit of your grandchildren is another way to reduce the IHT liability on your assets. However, the trustees could still encounter some income or capital gains tax.

While it may not be the most obvious choice, setting up a pension for your children or grandchildren could be a tax-efficient option. The fund will transfer to them when they turn 18 but they won't be able to access the money until they're much older.

As with anything tax-related, the rules are especially complex when it comes to where your inheritance goes and how much your beneficiaries will end up receiving. That's why it's so important to speak with your financial adviser to review all your options and find the most efficient ways to pass on your wealth.

To learn more about how to make the most of your money this tax year and for more information about inheritance tax and your tax-free allowances, speak to your financial adviser.

HM Revenue and Customs practice and the law relating to taxation are complex and subject to individual circumstances and changes which cannot be foreseen

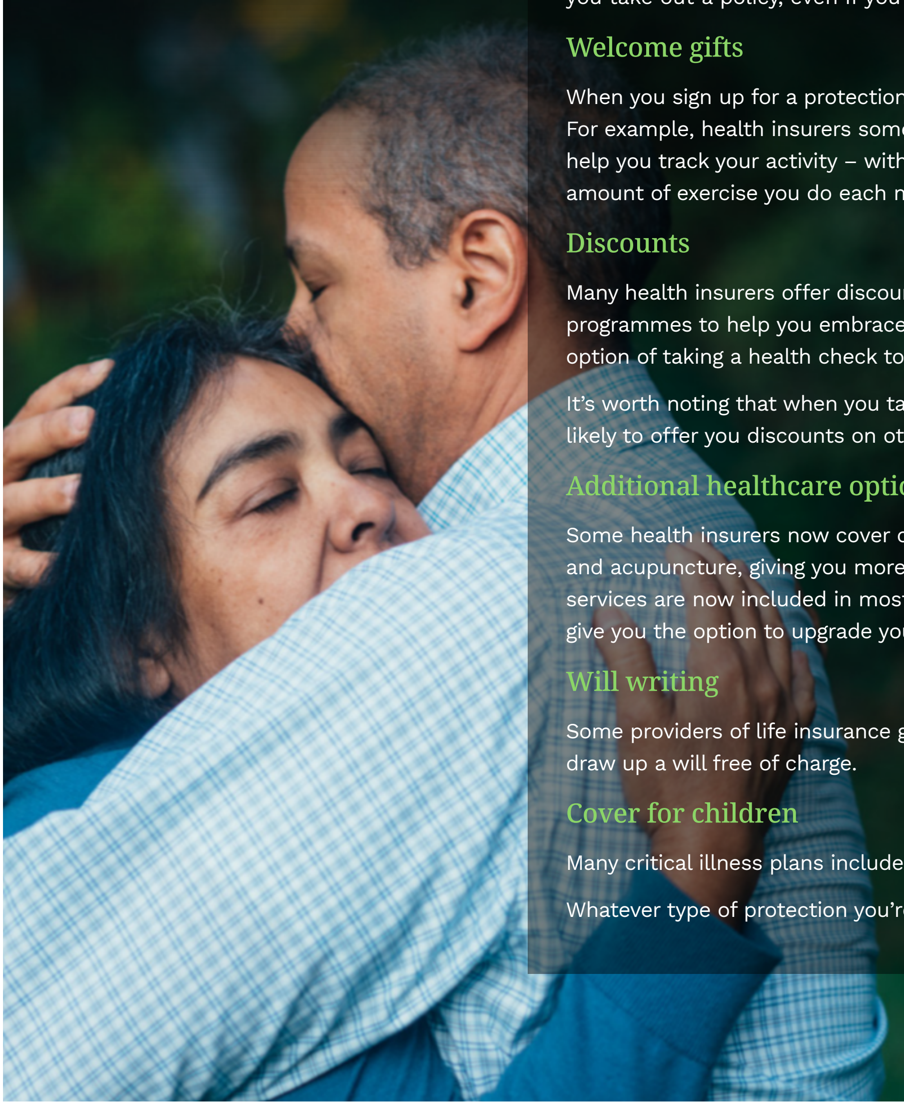
OW3370 Exp. 05/04/22

The perks of protection

What support do insurers offer after the event?

Illness and bereavement help.
Many providers give free access to services offering practical and emotional support for those left behind after the death of the policyholder.

Rehabilitation.
Insurers usually offer back-to-work support services, including physiotherapy, careers guidance or advice if you choose to go self-employed. If you're returning to work following a mental health issue, providers will continue to cover counselling sessions for a set period of time.



As well as peace of mind, many insurance providers offer additional benefits that you may not know about.

Whether we're crossing the road or getting on a plane, we encounter risks every day. For many of us, life has felt more uncertain than ever over the past year as we continue to deal with the coronavirus pandemic. Although we can't always control what's happening in our lives, we can plan for the unexpected.

By taking out a protection policy, you can safeguard your family's finances if your situation changes. The main types of protection include:

- Life cover – pays out a lump sum if you die
- Health insurance – pays medical costs at a private hospital or private ward
- Critical illness – pays a tax-free lump sum if you're diagnosed with a major illness
- Home contents and buildings – covers your home's structure (including fixtures and fittings) and contents (furniture)
- Income – pays out if you can't work due to illness or injury

As well as peace of mind, protection policies often come with added extras. We've highlighted examples of some of the perks you could receive when you take out a policy, even if you don't make a claim.

Welcome gifts

When you sign up for a protection policy, some providers offer a welcome gift. For example, health insurers sometimes offer gadgets like an Apple Watch to help you track your activity – with some even offering a discount based on the amount of exercise you do each month.

Discounts

Many health insurers offer discounts on gym memberships and weight-loss programmes to help you embrace a healthier lifestyle. Some also offer you the option of taking a health check to reduce the amount you pay each month.

It's worth noting that when you take out a protection policy, your provider is likely to offer you discounts on other products such as pet or travel insurance.

Additional healthcare options

Some health insurers now cover complementary therapies such as osteopathy and acupuncture, giving you more treatment choices. In addition, counselling services are now included in most health insurance policies and many also give you the option to upgrade your hospital room if you need treatment.

Will writing

Some providers of life insurance give new policyholders the opportunity to draw up a will free of charge.

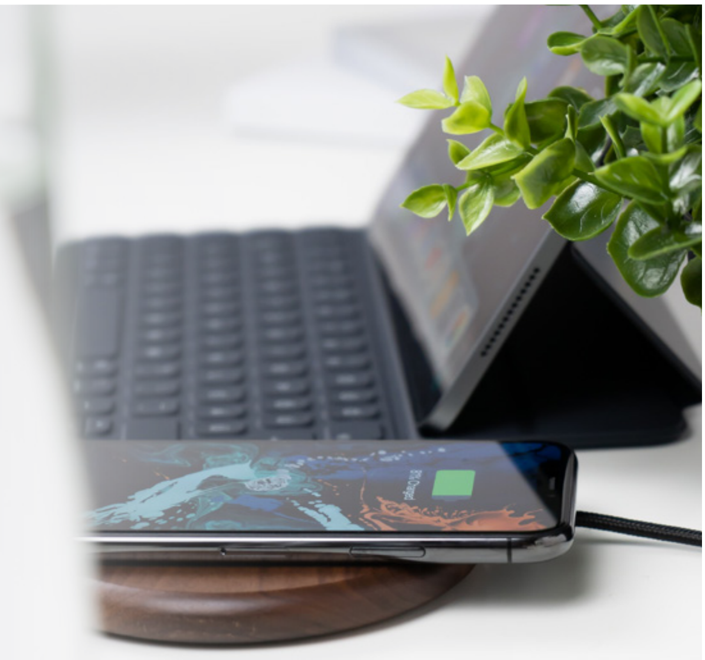
Cover for children

Many critical illness plans include free cover for dependent children.

Whatever type of protection you're looking for, get in touch and we can help

OW3219 Exp. 09/03/2022

Is it time to check your contents insurance?



We shopped online more than normal during lockdown, but does your contents insurance cover these new purchases? You might be surprised to find out how much it would cost to replace your possessions if they were damaged or stolen.

During the lockdown, we have worked from home, and we've also shopped from home. Apart from the day-to-day essentials, we are buying gadgets, appliances, clothes and equipment for the kitchen to the home office, and even makeshift home gyms.

These items can add up, so are they covered by your home contents insurance? You might need to review the level of cover in your policy in case anything is damaged or stolen and needs replacing.

What is contents insurance?

Contents insurance covers the cost of replacing possessions in your home – up to a certain amount – if they are stolen, destroyed or damaged.

When you're insuring your home, you'll select the level of contents cover. Some policies allow you to specify high-value items in your home (like jewellery or smart TVs) that normally wouldn't fall under the general contents category because they're worth more than £1,000, for example.

It's a good idea to check your coverage so you're not caught out if something does go wrong. If you take each room at a time and estimate the value of items (making a note of the high-value ones), you'll have a better idea of what your total contents cover should be.

Examples of possessions you could include are:

- Furniture
- TVs
- Laptops and computers
- Games consoles
- Hi-fi equipment
- Home exercise equipment
- Jewellery
- Expensive clothing and accessories
- Kitchen appliances

Don't forget your outdoor space

For those with gardens, the lockdown saw extra spending on tools, garden furniture, fire pits and barbeques. People also took to converting sheds into home offices.

Tally up your outdoor items and include them in your content value. And remember to lock tools and equipment away when not in use, or you risk invalidating a claim if something is stolen from your garden.

Keep receipts and read the small print

Online shopping makes it easier to store receipts in case you do need to make a claim. It's also worth registering new electronics and appliances for free warranties that often come with them. Along with these steps, find out if you are covered if you transport any items outside of your home (like a laptop, for example).

Post-lockdown travel insurance

Many of us are looking forward to travelling again and a lot of bookings have already been made. Travel insurance – even if you're travelling within the UK – is important, so it's a good idea to purchase a policy separate to one you might have with your bank. Look for coverage specific to Covid-19 to make sure you're protected if anything changes.

Your financial adviser can help you navigate the small print in your insurance policy and help you find the best contents cover to protect your belongings.

Now is a good time to review your insurance policies and make sure it covers everything you own. Our expert advisers can help you review your coverage or help you find a new policy that works best for you and your family.

OW3316 Exp. 02/08/2021