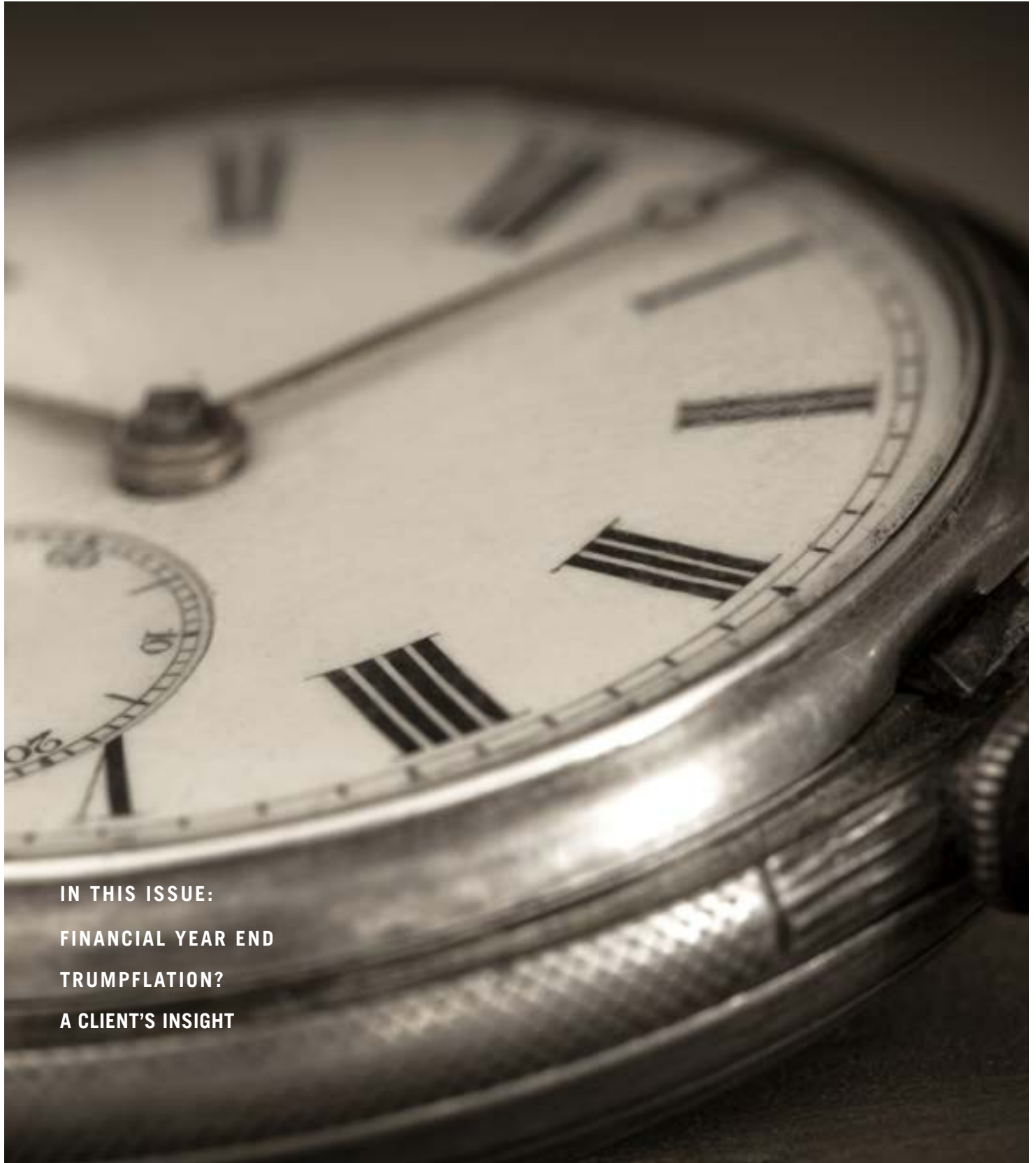


LIBERTYVIEW

INVESTMENT NEWS FOR CLIENTS OF LIBERTY WEALTH MANAGEMENT • ISSUE 07 • MARCH 2017

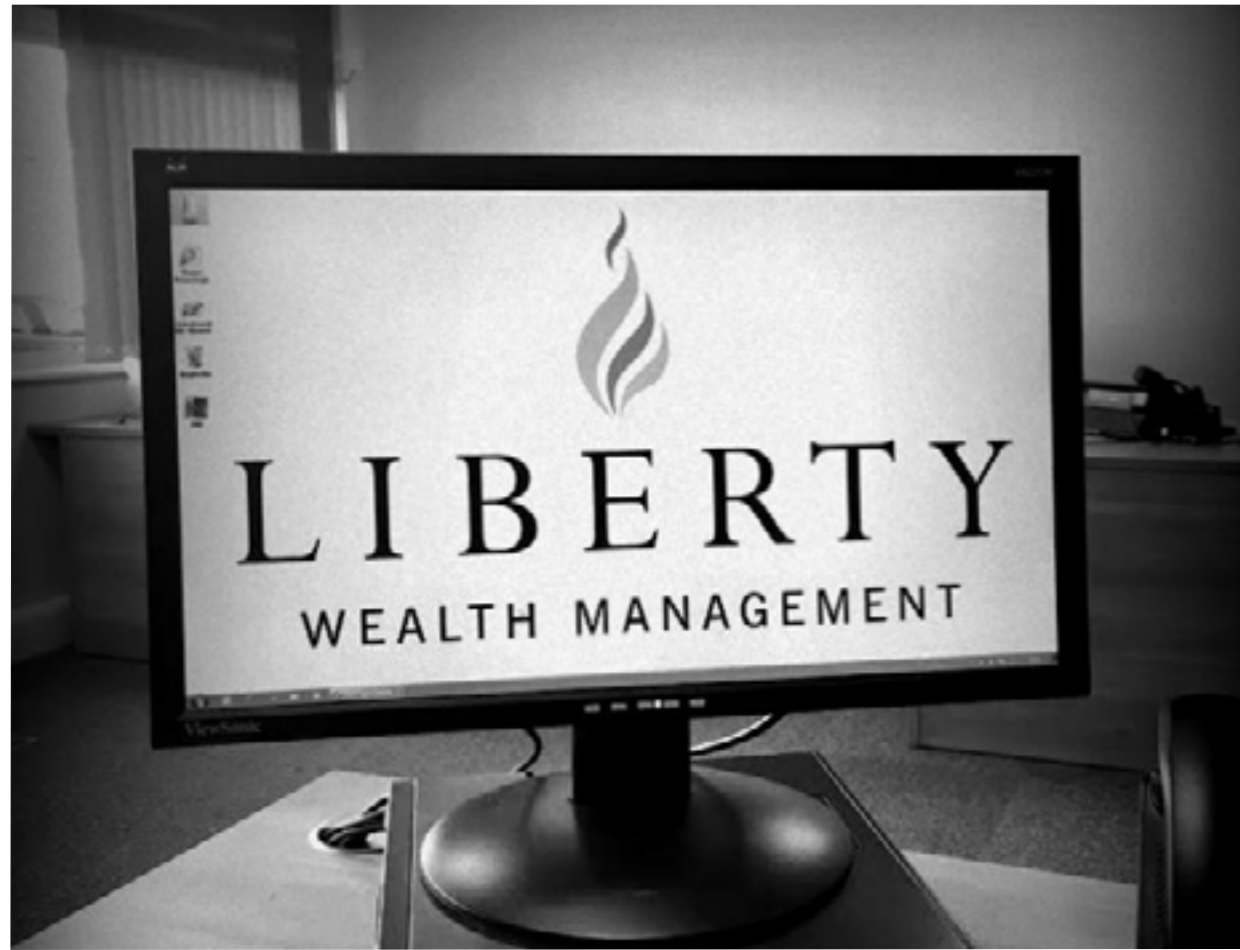


IN THIS ISSUE:
FINANCIAL YEAR END
TRUMPFLATION?
A CLIENT'S INSIGHT

Welcome to Liberty View

Features

- 4 *Looking forward in 2017*
Events in 2017
- 6 *Financial Year End*
Top Tips
- 9 *Trumpflation?*
Inflation takes the headlines
- 11 *Party time at Liberty*
New Hall Vineyard
- 12 *A Client's Insight*
By Jim Jennings
- 14 *Lauren's Exam Success*
The Next Generation
- 16 *St. James's Place Intergenerational Mortgage Range*
Powered by Metro Bank
- 18 *Company Profile*
Ginni Cole



Looking forward in 2017

We approach the end of the first quarter of 2017 having been dealt a few surprises. The Inauguration of Donald Trump on 21st January was probably the single most notable event of the year so far where we saw Mr Trump vowing to put America first. I suppose we couldn't complain about that as surely that's what the British people did when we voted for Brexit, however, it remains to be seen if Donald Trump's attempt at policy changes such as the ban on free movement into the US is seen as a step too far?

At home we are still in the middle of discussions as to "What does Brexit look like?" and "What are the priorities for Teresa May and the Conservative government?" One thing is for sure there will be

an awful lot more debate on what lies ahead but it is my feeling that events like this that are billed as seismic by the media are never quite as impactful as first thought.

On the home front, Liberty Wealth Management has been preparing for an even busier 2017. I am delighted to announce that Lauren, my daughter, has passed the last of her six exams this month so she now has letters after her name. As a father I am of course incredibly proud, as Lauren's boss I am excited about the expansion of my business and feel this is an important step in ensuring that Liberty will continue to look after our clients and their families long into the 21st Century.



At this year's Annual Company Meeting

Some of you may also be aware - especially if you've rung the office only to hear all manner of banging and drilling - that again as part of the office expansion we have completely refurbished our premises in Corringham. We have now created a very convivial environment for the staff to work and for you our valued clients to visit. Please do pop in and see us if your passing, the new coffee machine does everything but make the tea?

Over the course of the year we are committed to offering you the opportunity to come along to a seminar that aims to up-date you on Liberty and St. James's Place. We are pleased to be going back to Hylands House for our events

this year, it's a fantastic venue and the staff there always make sure you, our guests, are well catered for. In addition to the important financial stuff we are also holding our summer party again at New Hall Vineyards, Purleigh. We very much hope you will put July 21st in your diary and come along with your friends and family to what is a really fun night.

I look forward to seeing you at some stage during the year in the meantime I hope you enjoy the read.

To register your interest in future events please visit: www.libertywm.co.uk

Events in 2017



Liberty Wealth Management Summer Party

Friday 21st July 2017



Hylands House - 'Keep it in the family' Seminar

Thursday 5th October 2017



Hylands House - Seminar on The New 'Property Investment Management Service'

Date TBC



Financial Year End- Top Tips

The start of the year is a great time to refocus your finances. Follow our easy guide to make sure you're getting the most from your pension and ISA allowances.

PENSIONS

Tax Relief

Pension plans offer generous tax relief, which boosts the value of contributions by 20%. What's more, higher rate taxpayers can claim a further 20% relief through their tax return, meaning that every £100 in their pension, in effect, costs them just £60. But the Government looks like it may be curbing tax breaks for high earners in a bid to attract centre-ground support and trim billions from the deficit. If you are a higher earner, and provided you have the means and allowances, it could make sense to top up your pension pot now.

Annual Allowance

The maximum you can contribute to your pension each year while still receiving tax relief is called the 'annual allowance'. However, if you have maximised your annual allowance in the current tax year, you can go back and pay a contribution for any unused annual allowance you had in the previous three tax years.

Personal Allowance

A pension contribution can help individuals bring their income below certain tax thresholds, but it can provide other tax benefits too. For example, an individual with a net income of £122,000 or more in 2016/17 will lose entitlement to the Personal Allowance – the amount of income a person can get before they pay tax. However, by making a net pension contribution of £17,600



The new tax year begins on 5th April

(£22,000 including basic rate tax relief), that individual could bring their taxable income back down to £100,000 and get their whole Personal Allowance back. Furthermore, as a higher rate taxpayer, they could claim an additional 20% tax relief on the contribution via their tax return.

Salary Sacrifice

Salary sacrifice is another way of saving into a pension. You take a lower salary and the difference is paid into your workplace pension by your employer. With salary sacrifice, both you and your employer pay lower National Insurance contributions (NICs).

New Pension Freedoms

Many people are unaware of the tax liability that could be triggered by cashing in a pension in one transaction. Phasing withdrawals over a number of tax years is likely to be much more tax-efficient.

Passing It On

A defined contribution pension can pass entirely tax-free to any beneficiary on death, as long as the investor's death is before the age of 75. Even if death occurs after 75, nominated beneficiaries do not pay Inheritance Tax, only Income Tax at their marginal rate, and then only when the money

is withdrawn from the pension. What's more, the pension can now be left to anyone, not just a dependant, and it can even be cascaded down several generations.

State Pension

Before you retire, it's important to get a State Pension statement to find out how much you will receive and the number of qualifying years on your National Insurance record. People who miss out may be able to buy extra pension to back-fill their record and make up the difference. Retirees can also defer their State Pension and get a higher income when they claim it later in retirement. You can check your State Pension online at:

<https://www.gov.uk/state-pension-statement>.

Maximum Threshold

£1 million is the maximum anyone retiring today can have in their pension before the excess benefits are taxed at 55%. The limit is called the 'lifetime allowance' and it is, in effect, a ceiling above which pension savings should not be allowed to rise. The lifetime allowance excludes your State Pension. If the lifetime allowance is a concern you can think about using your income to fund someone else's pot – for instance, that of your spouse or partner, or a child.



Time is running out to make the most of your contributions





ISAs

ISAs have been an unquestionable success in helping foster the UK's savings habit. The government's decision to raise the annual ISA allowance to £20,000 from April sent out a strong message about the importance of ISAs to the future of personal savings. Before the end of this tax year however, there is the opportunity to shelter up to £15,240 in an ISA, with no further Income Tax to pay and with no Capital Gains Tax on its growth.

Here are some things to consider if you haven't yet used your ISA allowance for this tax year.

Personal Savings Allowance

The Personal Savings Allowance applies to standard current and savings accounts and enables basic rate taxpayers to earn tax-free interest of up to £1,000. For higher rate taxpayers the tax-free limit is £500, whilst those with total income of over £150,000 a year will not get an allowance.

Cash vs. Investment

Current market forecasts are that there is unlikely to be any rise, in UK interest rates before 2018.* Of course, no one can know for sure when rates will rise but there seems little light at the end of the tunnel for cash savers. Previous years' Cash

ISA savings could be transferred into a Stocks & Shares ISA without impacting on your allowance for this tax year.

Long-term Benefits

The long-term benefits of ISAs were further improved following changes introduced in 2015. Spouses and civil partners can inherit an additional ISA allowance equal to the value of their deceased partner's ISAs. This enables the survivor to retain the tax benefits that would previously have been lost on death.

Your Liberty adviser can give you more detailed personal advice about pensions and ISAs as part of your overall portfolio.

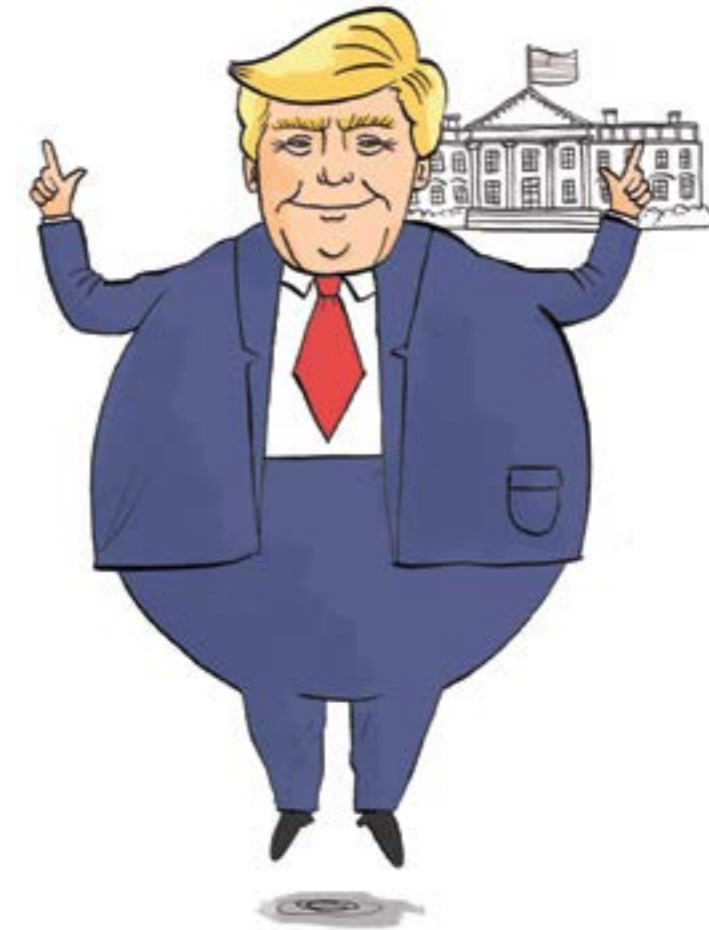
The value of an investment with St. James's Place will be directly linked to the performance of the funds selected and the value may fall as well as rise. You may get back less than the amount invested. An investment in a Stocks and Shares ISA will not provide the same security of capital associated with a Cash ISA.

The levels and bases of taxation, and reliefs from taxation, can change at any time and are generally dependent on individual circumstances.

* Howard Archer IHS Global Insight Jan 2017



Are you approaching retirement?



Inflation is back in the news — but is it all down to so-called Trumpflation?

Readers of the financial pages will have noticed the recent re-emergence of inflation as a topic for analysis.

Inflation has been steady or lowering for around the past 30 years, so any uptick is going to be worthy of note. The jury is out on whether what are unfolding now are long-term factors which will create a sea change in underlying inflation, but commentators have offered various theories as to what is creating this change.

St. James's Place Chief Investment Officer Chris Ralph points to two factors: "The fall in the value of sterling began in early 2016 prior to

the EU Referendum. And then continued more substantially afterwards. Inflation was brought into the UK particularly through consumers buying imported food, foreign cars, etc."

"The second significant factor was imported from the US and is being dubbed 'Trumpflation' by some commentators. There has been an idea to create stimulus of the US economy by quite a substantive infrastructure investment programme and that is fueling inflation fires in the US."

So how does this affect our money? If you wind the clock back to 1st January 2007 and imagine what £10,000 could buy – in today's money terms

you'd need £12,534 to have the same spending power.* And remember inflation has been relatively low over that period of time, until recently.

Chris Ralph adds: "This means money that's invested in bank or building society deposit accounts will be receiving interest rates that are very low in the current environment. We've done the analysis on this and there are no bank or building society deposit accounts that are currently higher than the current rate of inflation and only one cash ISA.

"Investors that are holding money are seeing spending power being eroded over time. Obviously as inflation picks up and unless interest rates follow or even overtake that, which in my opinion is unlikely, spending power will be further reduced."

"If you're an equity investor a reasonable amount of inflation is not a bad thing. It tends to be associated with companies that are growing and an economy that's expanding, and tends to be

good for equity prices. Contrastingly, it's not good for Sovereign Bond markets - the Government Bonds and Gilts markets in the UK. It undermines the value of the fixed coupon that they pay. As inflation increases one tends to see the price of Government Bonds falling. Those instruments associated with Government Bonds such as Corporate Bonds and High Yield Corporate Bonds may see some impact from the price of the underlying Sovereign Bond price that may be falling."

"So whilst some investors might want to hold a proportion of their assets in cash for a rainy day, and we think that's absolutely right, actually using cash in asset allocation tool within a portfolio changes the dynamics away from what we feel is appropriate for most of our clients."

**Bank of England - 21st March 2017*

An investment in equities does not provide the security of capital associated with a deposit account with a bank, building society or cash ISA, as the value & income may fall as well as rise.



Will rates continue to rise?



Party Time at Liberty

New Hall Vineyard - Friday 21st July

Following a very popular summer party last year Liberty Wealth Management are delighted to have secured New Hall Vineyard once again as a venue for this year's summer get together.

We are hoping that all our clients will start to round up all their family and friends and get them to put this event in their diaries.

We are so aware that all too often we meet a client's family and close friends under less than ideal circumstances, for example after a bereavement or marital separation. I don't want to put a dampener on things but it would be great to meet the important people in our clients lives in a happy and carefree environment.

We are a family business that really cares about it's clients and their loved ones' continuity is so important when it comes to 'keeping it in the

family' and protecting your estate from HMRC – so we want to meet all the family over a beer or a glass of wine in a great setting.

We hope everyone will join us at what is a really fun event at a brilliant venue. The party is open to all our clients, prospective clients, their families and friends.

Timings for the day are as follows:
 4:00pm: Arrival and welcome drinks
 4:30pm: Tour of the vineyards followed by wine and cheese tasting session*.
 6:30pm: Evening guests arrive
 7:00pm: Food will be served
 8:00: Live band 'Park Life' perform
 11:30pm: Close

*Places are limited so please reserve early
 Please reserve your places by visiting our Website at www.libertywm.co.uk/events



Highway 21 performed last year



Try New Hall's finest



A Client's Insight: Jim Jennings

My whole working life (some 44 years) took place in the arena of Marine Insurance against the backdrop of the City of London. After five different companies life in my very early 50's found me as one of four founding members setting up our own company. Hard work, and some decent luck, saw to it that financial security gave me the opportunity to retire at the age of 60.

Working in the insurance industry in the City gave rise to some generous benefits one of which was provided in the form of an excellent pension. One of the earlier companies I worked for provided an inaugural seminar for its elder members in which they explained the workings of retirement and the need to plan for the future as well as looking after your health and wealth.

An overriding feedback arising from this first meeting was that the knowledge and information

it imparted was needed at a much earlier stage in the working cycle rather than at a time when retirement was looming. If there is one sound piece of advice I could pass on to anybody it would be that it is never too early to start thinking about retirement and enhancing your financial wellbeing.

Lee Devonald and his team at Liberty were introduced to us by our former Financial Advisor Dan Murphy at the time of Dan's retirement. From that point in 2011 we have been with the Liberty team and both my wife and I have been delighted with the working relationship. Indeed over the years we have grown to know each team member and, in time, their families.

My main aim after leaving the work environment was to achieve the same standard of living during our retirement years as that



Jim's wife Cilla and daughter Rachel

enjoyed whilst working. I am pleased to advise that, thanks to the assistance of Dan Murphy, Lee Devonald, Liberty and St. James's Place, that goal has been realised and continues to flourish.

The other long term ambition is to pass on a good legacy to our children and to this end Lee has guided us through the various vehicles that are available to achieve this goal. Without Lee and his expertise these alternatives would not have been known to us and our children, therefore, will not have benefited from the hard work my wife and I have put in during our adult lives.

With these aims in mind we meet with Lee on a regular basis, at least once a quarter with other meetings arranged as and when necessary. Even if Lee is unavailable there is ample back-up within Liberty to obtain answers we may need

to any questions that arise. Attending the various seminars and social events hosted by Liberty during the year are also an opportunity to gain knowledge and converse with the Liberty team and other clients.

I would have no hesitation in recommending anyone to make contact with Lee Devonald and Liberty in order to discuss their concerns or needs in the area of financial planning. As explained earlier the sooner the better. There is no cause to be nervous of making contact as the meetings are conducted in a calm and relaxed atmosphere. Alternatives are fully explained to you and, as in my case, more than once if need be, and if you decide to do nothing at any stage that is always acceptable. There is never any hint of a "hard sale".



Jim with his son Patrick



Lauren's Exam Success

Lauren - what made you decide to take your exams?

It wasn't long after I came back to work after having Jake, I realised I had begun to feel too comfy in my role as a Practice Manager. I loved the job which I had built up from scratch since I joined Liberty but felt like I couldn't progress any further and felt up for a challenge and a change of direction. I had a new drive of wanting to do something different that I could be able to do to better myself, help others and provide more for my family. So I spoke to Dad about my thoughts and what else I could do and he suggested an advisory role within the practice and that's how I found out about the Next Generation Academy.

What exactly are the exams you have taken?

I have now completed six exams in just over a year in order to achieve my Diploma in Regulated Financial Planning. I needed to pass one exam first to get on the Next Generation Academy

which tested my knowledge and understanding of the financial services industry and how it was regulated.

The next four exams comprised of understanding financial protection and the products available to suit a client's needs; the main taxes on income and capital that may be charged on individuals, businesses and trusts; understanding the investment market, investment products and risks to investment performance and understanding features of pension schemes, pension flexibility and objectives in retirement planning.

My final exam was a written one based on all I had learned previously and was based on two case studies, each with seven essay questions.

How did you find getting back into studying?

Not easy! I haven't done exams since my A-levels (I'm not counting the years to find out how long ago that was) and found the thought of doing

exams again completely daunting, particularly being a mum and working part time, I wasn't sure how much studying I could fit in each day. But I took one exam at a time and spent most of my evenings at the dining room table reading, writing and testing myself in the hope things sunk in. We also had revision weeks on the Academy which were excellent and helped me immensely. I would make sure my exam was booked following the revision week as it gave me a whole week away to focus on the subject, revise with others and get prepared.

What have you enjoyed most about the Next Generation Academy?

On the first day I felt like a small fish in a very big pond and sitting in our "classroom" hearing about what the next year would entail, I wondered what on earth I had let myself in for. Fast forward to now I'm glad I stuck with it as I have learned new skills in what it takes to be an adviser, realised I enjoy it and it's something I will want to continue on doing for the foreseeable future.

But the thing I have enjoyed the most is the other people who I have been on the Next Generation Academy with. I have made friends I know I will keep in touch with far beyond the end of the Next Generation Academy and they made my time away from my family a lot easier to deal with. We support each other if anyone needs help with exams or to practice advisory skills and we all will each other on to do well. I'm excited to see

what we will all achieve in the next few years. It's almost a shame we won't see each other for one week a month now but we all have a job to get on with!

What have been your biggest challenges?

Without a doubt the biggest challenge was being away from my family for a week at a time. It's not easy explaining to a two year old why mummy is going away but a small present when I got home would soften the blow somewhat! But I knew it wasn't forever and it was a price I had to pay to get to where I wanted to be and I couldn't have done it without the help and support of my husband and family who had to put in extra babysitting hours.

What are you most looking forward to once you're qualified?

I'm looking forward to going out to meet people and putting what I have learned into practice.

How has your daily routine changed?

It's been a gradual change over the last year as I have handed over jobs to Lisa who is now the Practice Manager and runs the show. Most of the last year has been taken up by studying but now exams have come to an end, I am observing more meetings and picking up small cases to try and building on my technical knowledge.



Congratulations Lauren



The St. James's Place Intergenerational Mortgage Range - powered by Metro Bank

Buying your first home is one of the most exciting yet daunting financial decisions that we make, and families have always supported each other through the ups and downs of purchasing a home. With house prices continuing to rise, first time buyers are increasingly turning to parents and grandparents for help in taking the first step on the housing ladder.

Home ownership is a current and important advice topic – particularly for young adults, and by consequence, for their parents and grandparents. Research commissioned from the Yorkshire Building Society (5 April 2016) suggests that home ownership is now more important to people under 40 than career success, marriage, or having children. This is despite the ratio of UK house prices to income being near an all-time high; pushing home ownership beyond many young adults. The St. James's Place Intergenerational Mortgage Range, provided in conjunction with Metro Bank, is exclusively available through the Partnership to the families of existing St. James's Place clients and allows your family to choose a mortgage that works for you all. The mortgage range provides flexibility in how you can support your young relative, enabling you to offer that helping hand today while still continuing to plan for your own future.

In conjunction with Metro Bank, we have designed a range of exclusive mortgages to support clients in assisting their children and grandchildren on to the property ladder. The mortgage range includes flexible options by which clients can offer financial assistance.

Parents and grandparents can help their young relatives to save for a deposit, but they can also contribute to monthly mortgage payments. Some people jointly apply for a mortgage with their young relative – with the bank taking account of multiple incomes to calculate the maximum loan available. The higher the combined income, the higher the potential loan. Others ring-fence some of their own assets, in order to lower their young relative's interest rate.

If your child, or grandchild, chooses a mortgage from the St. James's Place Intergenerational Mortgage Range, there are three options as to how you could support them financially. Your Partner can explain the options, and advise you as to which is most suitable.

The home on which the mortgage is secured may be repossessed if the mortgage borrower(s) does not keep up repayments on the mortgage.



St. James's Place and Metro Bank

Giftng – The simplest option may be to gift money to your young relative – thereby providing or increasing their deposit. This will reduce their initial mortgage debt and monthly repayments. If you are unable to gift cash, it may be appropriate to borrow against your investments in order to fund the gift. Metro Bank provides a specialised facility, called the Money Management Account that allows St. James's Place clients to borrow against their existing St. James's Place investments. By using this facility, you could remain invested, but at the same time provide financial assistance to your young relative. Gifting, either using cash savings or by borrowing against your investments, may be preferable if it does not adversely impact your own financial plans. You would of course immediately lose control of the gifted money, and it is also important to consider any Inheritance Tax implications. If gifting is right for your family, we can advise you on standard mortgages, or those from the St. James's Place Intergenerational Mortgage Range. If relevant, we will also explain the terms, conditions and costs of you borrowing against your investments using the Money Management Account facility.

Range - Providing extra security – Should you wish to retain control over your wealth, but still use it to support your young relative, you might consider a St. James's Place Intergenerational Mortgage with a Secured Deposit Account. The Secured Deposit Account is a non-interest bearing account that is linked to your young relative's mortgage. To assist your young relative, you deposit money in the Secured Deposit Account. This money, referred to as the 'Secured Deposit', is not gifted to them; instead it remains yours, but it acts as extra security for their mortgage. Because of this extra security, their monthly mortgage repayments can be reduced, making home ownership more affordable – without you having to gift any money. The Secured Deposit Account can be funded using cash, or by you borrowing against your St. James's Place investments using the Money Management Account facility. We can advise

you as to which approach is most suitable for you. We can advise you on the most appropriate combination of deposit and Secured Deposit for you and your young relative's situations. The borrowed amount and the mortgage interest rate are dependent on the chosen arrangement. You may also have the option of funding the Secured Deposit Account by borrowing against your St. James's Place investments using the Money Management Account facility. In this case there would be extra risks, terms, conditions and costs to be borne by you. However, depending on your circumstances, this might be an appropriate way of both providing assistance and staying invested.

Jointly applying for a mortgage – where St. James's Place clients do not wish to gift or offer extra mortgage security, they may consider jointly applying for an Intergenerational Mortgage, along with their young relative. By jointly applying Metro Bank includes the St. James's Place clients income, in addition to their young relative's, to determine if the mortgage is affordable. If approved, Metro Bank would offer the mortgage to both the St. James's Place client and the young relative and hence, both clients would be liable for any repayments. Unlike most other lenders, Metro Bank does not require the St. James's Place client, as a joint applicant, to be registered on the property deeds, (although they will be included on the mortgage deeds). Therefore, the St. James's Place client would not own the property, but would still be jointly liable for the mortgage debt and hence repayments. This feature is critical to avoid exposure to Stamp Duty and other tax implications of purchasing a 'second property'.

If you would like to meet and discuss how the St. James's Place Intergenerational Mortgage Range can help you assist your family get onto the property ladder, or if you require any further information in relation to any other mortgages please do not hesitate to contact Liberty Wealth Management on 01375 656020.



Stepping onto the ladder is not easy



Ginni with her sisters Alison and Lisa



Josh's Graduation day

Ginni Cole speaks to Liberty View

How did you start working for Liberty Wealth Management?

I started working for Liberty Wealth Management in August 2014. Liberty were running more seminars and needed outside support to help with arranging them and managing the work following the event and I was delighted to join the team. It's a very friendly, family environment, I really enjoy being involved both with Lee and the rest of the Liberty team as well as Grant who supports the team with their marketing.

What is your role at Liberty?

My role at Liberty is to arrange events for both clients and prospects and support the team, this can be making telephone calls, contacting hotels and speaking to people who attend the events to find out how we can help them going forward.

What is a typical day?

As a self-employed support team member working from home, my day is very varied,

everything from speaking to people on the telephone, to arranging client events, processing business and supporting client's with their queries. Customer service is something I take huge pride in and value greatly myself. It is imperative that a client or prospects first contact is one that is both welcomed and treated with respect.

Outside work what do you get up to?

I'm a big gym fan and really enjoy being able to spend time in the gym both with friends and family. I also engage in crazy mud runs every now and again, this year I will be doing my first Tough Mudder. I have a son, called Josh who is 20 and who is also sporty, we love to run our local 5km Park Run on a Saturday morning together, along with my Partner, Richard, and his two daughters. Time with family is really important to me, walking, cooking, music – last year we saw ELO in their come back tour, which was absolutely brilliant!



Enjoying the great outdoors

Your Personal Guarantee

St. James's Place guarantees the suitability of the advice given by members of the St. James's Place Partnership when recommending any of the wealth management products and services available from companies in the group.

There are four distinctive benefits of the St. James's Place approach to wealth management:

- * Expert financial advisers
- * A broad perspective of your situation
- * A lasting relationship
- * Guaranteed advice

This quite simply gives you reassurance and peace of mind when planning your financial future.



LIBERTY

WEALTH MANAGEMENT

68 Woodbrooke Way, Corringham, Essex SS17 9DW
Telephone 01375 656 020 Facsimile 01375 678 000

www.libertywm.co.uk

SENIOR PARTNER PRACTICE OF



The Partner Practice represents only St. James's Place Wealth Management plc (which is authorised and regulated by the Financial Conduct Authority) for the purpose of advising solely on the Group's wealth management products and services, more details of which are set out on the Group's website www.sjp.co.uk/products. The 'St. James's Place Partnership' and the titles 'Partner' and 'Partner Practice' are marketing terms used to describe St. James's Place representatives. Liberty Wealth Management Limited is registered in England and Wales, Number 3783537.