WEALTH PERSPECTIVES

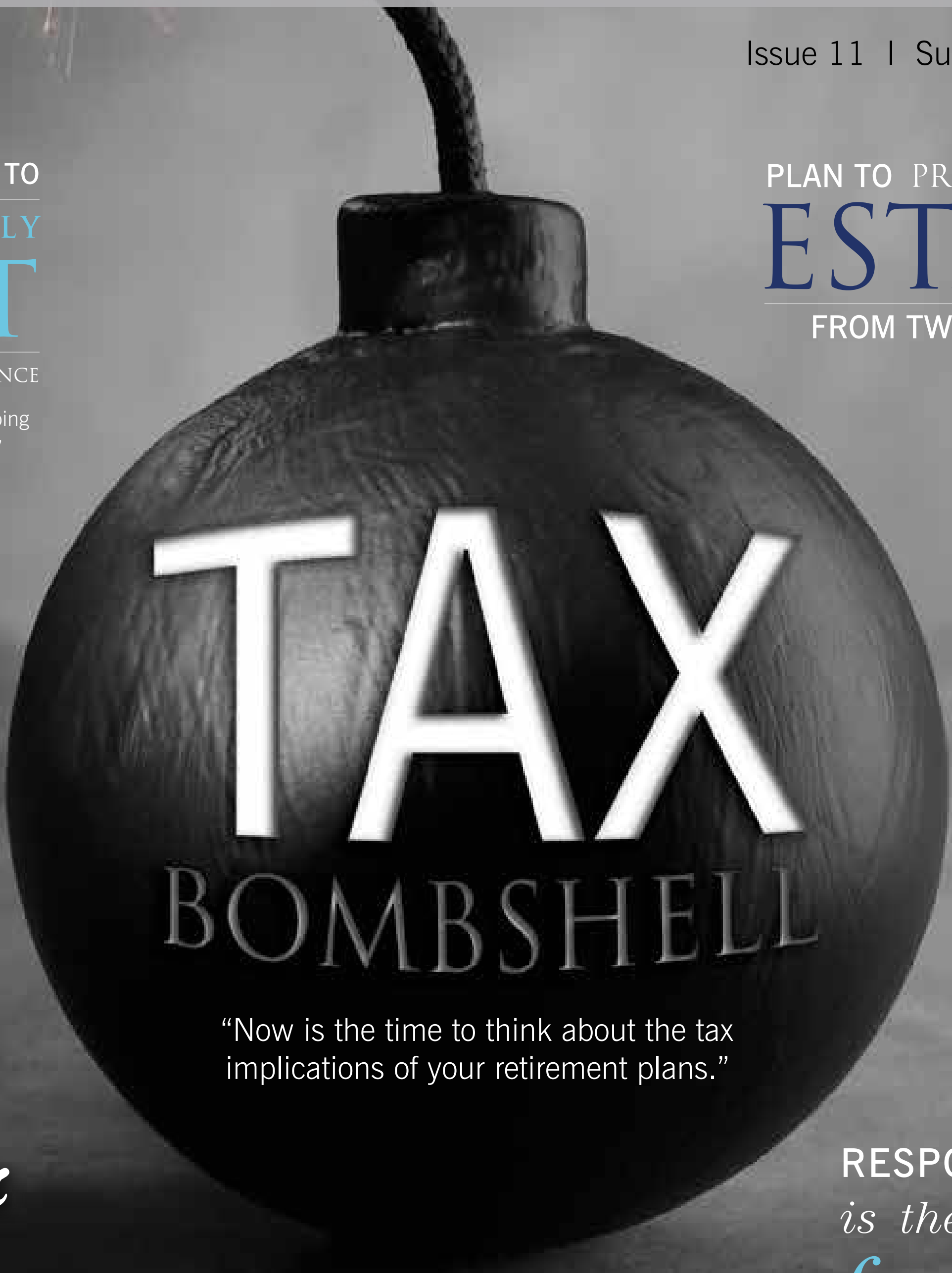
Issue 11 | Summer 2015

IT'S ALL TOO EASY TO ACCIDENTALLY **CUT** YOUR ANNUAL ALLOWANCE

"The new pension world is going to take some getting used to."

PLAN TO PROTECT YOUR **ESTATE** FROM TWO THREATS

"Long-term care and inheritance tax."



"Now is the time to think about the tax implications of your retirement plans."

Two Major Events

"The outcomes of both bringing significant change to the UK landscape."

RESPONSIBILITY *is the price of freedom*

"With increased options comes greater complexity."

Campbell Alexander Financial Management Ltd
Personal and Corporate Financial Planning

Caerus Capital Group

WELCOME TO THE LATEST EDITION *of* WEALTH PERSPECTIVES

Welcome to the latest edition of Wealth Perspectives, in which we bring you the views of Industry experts, from leading Pension and Investment companies, on the issues that affect your finances.

Keith Carby, Chairman and CEO of CAERUS Capital Group, looks at the recent Election and the reforms to pensions.

Giles Cross, Head of Marketing and Public Relations at Sanlam, raises the potential of a tax 'bombshell' awaiting the unwary at retirement.

Simon Brett, Chief Investment Officer at Parmenion, reviews the key world economies.

Nicola Robinson, Corporate Communications Manager at Parmenion, provides an overview of portfolio construction.

Kate Smith, Regulatory Strategy Manager at Aegon, advises caution before taking your pension, to avoid drastically reducing the Annual Allowance.

Edward Grant, Investment Director at Ingenious, considers the potentially expensive impacts of long-term care and Inheritance Tax.

Darren McAinsh, Technical Manager at Prudential, reviews the extensive changes to options for retirement, introduced in April.

If you wish to discuss your finances or any of the issues raised in this edition, please do get in touch.

Best wishes

Derek Campbell

Derek Campbell
Campbell Alexander Financial Management Ltd

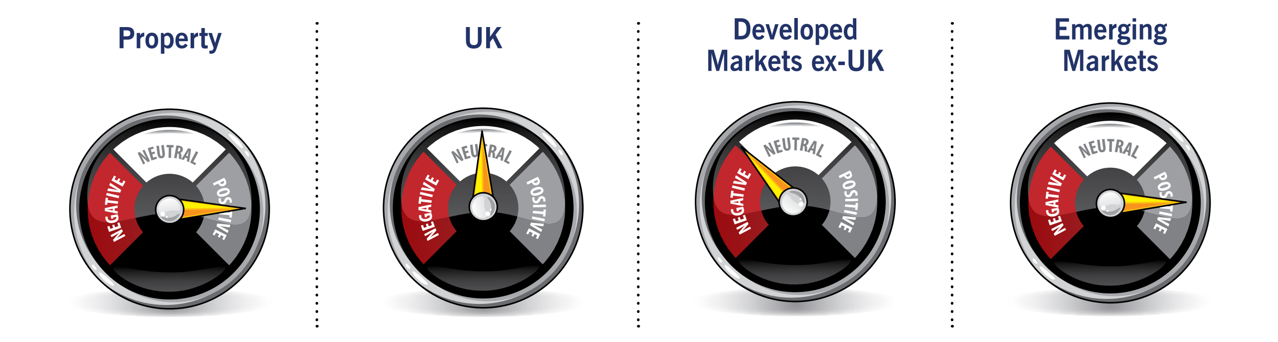
Derek Campbell

In this issue:

THE CAERUS SENTIMENT DASHBOARD

CAERUS Portfolio Management

The CAERUS Sentiment Dashboard provides, in a single view, current attitudes to the main asset classes.



Please note, this information is for indicative purposes only.

1 PENSION REFORMS

Two Major Events

2 THE GENERAL ELECTION

Since the last edition of Wealth Perspectives two major events have occurred, the outcomes of both bringing significant change to the UK landscape.

Since the last edition of Wealth Perspectives, two major events have occurred, the outcomes of both bringing significant change to the UK landscape.

The result of the Election caught many by surprise – including some of those who were elected. Hopefully, the result will bring greater stability to the UK and further encourage business and industry growth. Certainly the markets have responded positively, with the FTSE 100 remaining near its recent historic peak.

By contrast, the pensions reforms, introduced in April, were anticipated and fully documented by the media. The previous Government's relaxation of most of the restrictions associated with retirement for a large sector of the population has rightly drawn commentary and analysis from across the nation. Undoubtedly the reforms have brought the biggest changes to the retirement arena since pensions were introduced. The fundamental change is the removal of the annuity from its position as the only way to secure a defined income for life. The dominance of annuities made the move from 'accumulation' to 'decummulation' relatively simple, at the expense of flexibility.

Now, retirees are no longer required to purchase an annuity. There are other options. For example, many have invested in ISAs (and their predecessors, PEPs) as a tax-efficient way to build the funds to buy an annuity, invest in income-producing funds, or simply encash in stages to meet the requirement for income.

Much has been predicted in the media about 'Lamborghini' pensions, as those who are reaching retirement suddenly find they are permitted to 'blow the lot' and head off into the retirement sunset. But, as a number of our contributors have pointed out in this edition, it's not quite that simple. In fact, it is now more complex!

Certainly, the annuity, in a variety of guises, remains as a very low-risk option. But it is now overshadowed by a previously little-used alternative, 'drawdown'. Superficially, it's simple, but caution is the watch word, here. Taking an 'income', and tax-free cash from your hard-earned pension pot, or pots, requires very careful consideration and almost certainly, professional Advice.

We make no apology for focusing, very nearly exclusively on these changes in this edition; it would be remiss not to alert you to the pitfalls that might await the unwary.

CAERUS Capital Group

Keith Carby
Chairman and CEO
CAERUS Capital Group

IT'S ALL TOO EASY TO ACCIDENTALLY CUT YOUR ANNUAL ALLOWANCE

We've at last found our way through the back of the wardrobe and into the new pension world that was created on 6th April, but it's going to take some getting used to.

If you want to take money out of your pension, there are a number of ways you can do it without reducing your Annual Allowance.

One of my big worries is that in their eagerness to take money out of their pensions, many savers in their mid to late fifties will accidentally trigger a reduction in their Annual Allowance.

So long as you have enough relevant UK earnings, you can put £40,000 into your pension and get tax relief; this is the Annual Allowance. This total includes all of your own and any of your employer's contributions and sits across all of your pension schemes.

This is worth remembering, as more flexible working patterns mean you might have built up numerous pensions and you may be still be contributing to a pension while also receiving a pension income. Or if you get a new job, you're likely to be auto enrolled into your employer's workplace pension scheme and start making contributions.

But if you do something that triggers a reduction in your Annual Allowance, it drops from £40,000 to £10,000. And this may affect your future retirement plans.

Media and Industry comment has all pointed to the number of people who may take money out of their pension as soon as the rules allow. Our own research, conducted recently, found that 31% of over 55s were planning to access their pension after 6th April, when the new flexibilities came into place.

There's nothing wrong with this, so long as it's the right decision for your individual circumstances and you understand the implications of what you're doing. But, unfortunately, I don't think everybody does.

For the majority of pension savers in their mid to late fifties, this is the time when they're contributing the most to their pension. But if you accidentally trigger a reduction in your Annual Allowance, it could scupper your efforts to build the pension pot you need to last you through your later life.

If you want to take money out of your pension, there are a number of ways you can do it without reducing your Annual Allowance, so let's focus on these.

The first is buying a traditional, inflexible annuity. You can take 25% of your pot as tax-free cash and use the remainder to buy the annuity. You can then continue to make tax-efficient contributions up to the maximum Annual Allowance of £40,000, in the years ahead. But if you buy a new-style flexible annuity, this will trigger the £10,000 Annual Allowance – so always read the label.

The second is to go into income drawdown and only take your 25% tax-free lump sum. So long as you don't go on to take a retirement income, you won't trigger the reduction in your Annual Allowance. This option offers access to your money and your Annual Allowance isn't affected until you're ready to start taking the other 75% as income. You also get the additional flexibility of being able to continue to grow your unused fund.

The third option is to use the new small-pots rule that allows you to cash in pensions with an individual value of up to £10,000 – a lifetime limit of three applies to contract-based schemes, such as personal pensions, although there is no limit on some types of occupational pensions.

Just like other pension tax rules, the first 25% is tax free and the remaining 75% is taxed at your marginal tax rate. This rule gives you full flexibility to cash in some of your pension, perhaps to meet an immediate call on your finances, without affecting your future ability to make tax-relievable savings up to the £40,000 Annual Allowance.

In this new world of pension freedoms, the Government has ultimately given you better access to your money. The trick is to avoid stumbling into the unseen snakepits that this freedom creates.

AEGON

Kate Smith
Regulatory Strategy Manager
Aegon

“RESPONSIBILITY *is the price of* *freedom*”

– ELBERT HUBBARD

Pensions have certainly been a hot topic in the media over the last 12 months. It has undoubtedly been an unusual year with historic changes made to pensions – a number of rules have been scrapped and others relaxed.

Pensions' freedom doesn't just mean being able to retire in different ways, it also means that there are new reasons to save money in pensions.

Over the years, your accumulated pension fund has benefited from tax relief as you have made contributions during your working years. Having built up these valuable savings, you now have more freedom than ever before with what you can do with them when you come to retire but, arguably, less certainty about what you should do with them.

A new world

The limit on taking money out of a pension from age 55 has now been removed. So, whether you have £5,000 or £500,000 in your pension, you will be able to withdraw it all should you want to.

The ability to withdraw up to 25 per cent of the funds tax free continues, with the remainder subject to income tax.

The tax impact will depend on the method of withdrawal, amount withdrawn and other income received – so it is important to think carefully about the most appropriate way to do this.

Some methods of withdrawal may limit future options, such as buying an annuity, while others can make use of unused tax allowances.

The option to buy an annuity, using your pension savings to buy an income for life, still exists in the new world and the Government has stated that it believes annuities will continue to be suitable for most retirees, as it is the only product that will ensure their pension pot won't run out too soon.

Annuities have also been given more flexibility under the new rules. While they must still provide an income for life, that income can now go down as well as up, which opens the door to flexible annuities that can provide lump sums in addition to regular income.

There are also greater options to pass on annuities to future generations. As these and other new products are developed, the choices available will continue to grow, creating the opportunity for a more 'individual retirement'.

> Understanding the changes as they continue to evolve, and the different options available, can be complex.

The options available don't have to be, and shouldn't be, viewed as 'either/or' but rather blended together to provide the amount of income required during retirement, at the right risk, with the least amount of tax being paid.

There are a number of other tax-efficient Investments available, such as Individual Savings Accounts (ISAs), Enterprise Investment Schemes (EISs) and Venture Capital Trusts (VCTs), which can also be taken into account, dependant on the individual's risk appetite. A professional Financial Adviser can provide recommendations on all the available options.

And change continues

Yet again the UK pension system was a focus of the Chancellor's Budget in March 2015, with further proposed changes announced.

The not so unexpected news was that, as of April 2016, those who have already purchased an annuity will be able to sell that annuity to a third party. Under the proposal, this will be subject to the agreement of the annuity provider and the annuity holder (annuitant) could either take the proceeds of the sale immediately or over a number of years. The proceeds will be subject to income tax at the annuitant's marginal rate.

The less expected news was that, from 6th April 2016, the Lifetime Allowance for pension contributions will fall from £1.25 million to £1 million. It is proposed that there will be transitional protection for rights already saved in excess of £1 million. As from 6th April 2018, Lifetime Allowance will be indexed annually in line with Consumer Price Index (CPI).

Getting the most from your savings

The last 12 months have seen historic changes made to pensions. These changes undoubtedly offer more flexibility for retirees and make pensions a more attractive savings product for many. But understanding the changes as they continue to evolve, and the different options available, can be complex, so it's never been more important to seek professional Advice to make sure you're making the right choices for your own individual circumstances.

PRUDENTIAL

Darren McAinsh
Technical Manager
Prudential

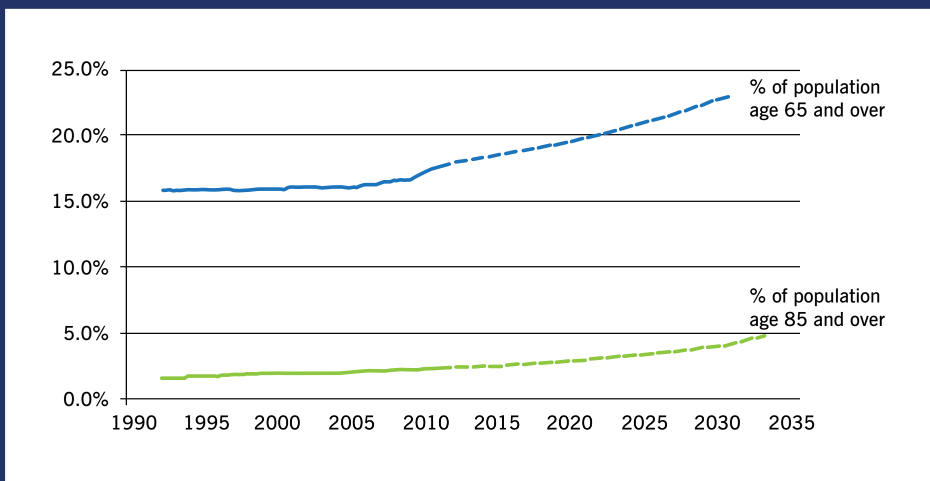
PLAN TO PROTECT YOUR ESTATE FROM TWO THREATS

1)

LONG-TERM CARE

63% of adults say they are worried about dementia in some way, according to research by YouGov.

The population is living longer than ever before. In 2012, life expectancy at 65 was 83.2 years for men and 85.7 for women and at 85, this was increased by a further 5.8 years for men and 6.8 years for women[1].



[1] Source: Office for National Statistics – National Life Tables, UK, 2010-2012 (released 21st March 2014). [2] Source: Institute and Faculty of Actuaries: How pensions can help meet consumer needs under the new Social Care regime – May 2014, Rickayzen, 2007. [3] Source: Laing & Buisson, 2013.

It is estimated that one in three women and one in five men are likely to require residential care in later life[2]. The annual cost of care highlights significant potential outgoings and a regional disparity of up to 29%[3].

Five years ago, the Dilnot Commission recognised that the potential uncapped liability for care costs discouraged providers from offering a range of insurance-based solutions.

This resulted in the Care Act 2014, which has introduced a new lifetime social care cap of £72,000 for people of State Pension age and over, starting from April 2016. Under the Care Act 2014, you will become liable for the full cost of care if your income is over £27,000 (property not included) and £118,000 (property included).

This appears to be great news to all those families blighted by the cost of care. At face value, people may see this as a true cap on all costs associated with care that could bring an end to seeing family homes sold to cover the care costs, or their family legacy decimated by the local authority bills. Sadly, the Care Act 2014 is not a perfect solution.

Region	Care cost contributing to cap (nursing cost)	Care home (daily living / accomodation cost)	Overall cost of care
East Midlands	£5,824	£26,312	£32,136
East of England	£12,272	£29,328	£41,600
London	£11,596	£31,096	£42,692
North East	£6,552	£24,492	£31,044
North West	£10,140	£24,336	£34,476
South East	£14,300	£30,888	£45,188
South West	£11,076	£28,652	£39,728
West Midlands	£11,076	£25,740	£36,816
Yorkshire & Humber	£8,372	£24,076	£32,448

The Institute and Faculty of Actuaries is doubtful that many individuals will reach the new care cap. This is due to the fact that the cap only applies in relation to local authority set care costs and not daily living costs or top-up care costs. It estimates that, for a typical individual aged 85, there is less than an 8% chance for men and 15% chance for women that they will reach the cap. The Institute states that those who hit the cap will have already spent an average of £140,000 on long-term care costs.

Planning to protect your estate from the impact of long-term care should be commenced as soon as possible. Contact your Financial Adviser to discuss what can be done.

INHERITANCE TAX

As well as long-term care costs, if an individual's wealth is in excess of their available Inheritance Tax (IHT) nil-rate band, they may have to pay up to 40% IHT on the surplus. For many couples, this will be wealth in excess of £650,000 (£325,000 for most single people), although this may alter depending on personal circumstances.

For many people, there is increasing concern over funding a potential long-term care bill whilst ensuring your estate is IHT efficient. Traditional solutions often require you to either give your wealth away or lose control of it. An increasingly popular IHT solution is the use of Business Property Relief (BPR).

BPR is a UK tax relief introduced in 1976 to enable business owners to pass shares in unquoted trading companies from generation to generation, without being subject to IHT. Shares in BPR qualifying companies become 100% exempt from IHT once they have been held for two years; considerably less time than is required with most other estate-planning strategies, which often take seven years to become effective.

You should start planning to protect your estate from the impact of Inheritance Tax as soon as possible. Contact your Financial Adviser to discuss what can be done.

Ingenious has built up an enviable track record of success over our 17-year history. We have raised and deployed over £8 billion, £800 million of which was into BPR qualifying companies.

INGENIOUS

Edward Grant
Investment Director
Ingenious Client Relationship Team.

Ingenious is not able to give Investment, legal or tax Advice and nothing contained in this article is intended to be, nor should it be construed as being, Investment, legal or tax Advice.

The Financial Conduct Authority does not regulate taxation and trust advice.

MARKET Commentary

Parmenion
It's your future.

Simon Brett
Chief Investment Officer
Parmenion Investment Managers

Finally, after a period of more than 15 years, the UK stock market closed above its previous high of nearly 7,000.

During this time frame, Investors have suffered two bear markets. The first began with the tech bubble-bursting market between 2000 and 2003, and the second started with the Great Financial Crisis (GFC) of 2008. Since May 2009, the direction of the UK stock market has been predominantly upwards, propelled by Quantitative Easing (QE), that is the printing of money, which led to a rapid improvement in sentiment and asset prices.

Whilst the precise impact of QE is still to be determined, the UK is enjoying strong growth (GDP rose by 2.8% in 2014) and nil inflation. Interest rates remain at 300-year lows and there appears to be no pressing reason for the Bank of England to raise rates. Indeed, the Bank of England Chief Economist even hinted that rates may fall! After a period of falling real income growth, wages are now rising above inflation and employment continues to reach new highs as job creation continues.

This year's Election was, perhaps, the most interesting in a generation. A significant outcome of which will be the promised referendum on whether the UK stays in the European Union. By itself, the referendum may dominate political debate in the run up to a vote in 2017, introducing uncertainty and a greater risk premium to the UK stock market.

Similar to the UK, news in Europe is perhaps overshadowing some improvements in Euro land.

The possibility of Greece running out of money to pay state salaries and pensions is real. More bailout monies are dependent upon proposed structural reforms in the economy, which have yet to be agreed with its creditors.

Although the Greek economy by itself is not large enough (2% of the Euro area) to have a major impact on the region, should it actually leave the currency union, it could send a signal to other struggling countries such as Spain and Portugal. Let's say Greece switches to a new Drachma, which is priced competitively to the Euro and prospers, could this lead others to do the same?

All of the above has overshadowed the European Central Bank (ECB) QE program. The purpose of QE is to lower borrowing costs and encourage companies/individuals to borrow and spend, thereby lifting economic growth. Already QE has lowered the Euro to almost parity with the US Dollar; this raises the price of imports and hopefully raises inflation in Europe. It will also provide a fillip to exporters as their prices fall. There is some evidence this is beginning to happen.

Japan, is not a market we have often mentioned in our market commentaries, but over 2014 and the first quarter of 2015, it has been the best performing developed stock market in sterling terms. It has been a beneficiary of two macro trends in the world economy; the strength of the US Dollar as the US continues to lead the world post the 2008 financial crisis, and second, the dramatic fall in the oil price. The former will benefit the country's exporters (strong Dollar = weak Yen) as their goods become more competitive overseas. And the second benefits Japan as it imports all of its energy needs.

The above are external factors outside of Japan's control, which have perhaps overshadowed Abenomics. The term is applied to Shinzo Abe, the prime minister of Japan, and his program to reverse 20 years of mundane growth, an ageing population and large debts. The plan involves 'three arrows'; the now familiar QE to boost inflation, spending by the Government and, finally, structural reforms such as encouraging more women to participate in the work force. The jury remains out as to whether Abenomics will work, but for the moment the Japanese stock market is enjoying a renaissance.

Overall, with many of the world's major economies growing and overall benefitting from a lower oil price, world economic growth should continue to expand in 2015. Economies that are now above their 2008 GDP are contemplating rising interest rates with care, such as the US and the UK. Those regions that are suffering from deflation (Japan and Europe) are in the midst of QE in order to boost inflation and growth. As always, the above can be derailed by external events, such as the rising tension in the Middle East, between Saudi Arabia and Iran.

After a period of falling real income growth, wages are now rising above inflation and employment continues to reach new highs as job creation continues.

Majority of over 55s are oblivious to a tax bombshell when reaching for their pension pots.

Nearly nine in 10 (85%) of over 55s are unaware they will face an income tax bill when taking out a cash lump sum under the new pension freedom rules introduced by the Government, according to new research from Sanlam in partnership with OnePoll.

The new study, which questioned 2,000 people over the age of 55 across the UK, found that 85% thought the Government had failed to communicate sufficiently that they will incur income tax on 75% of their pension by withdrawing their entire 'pot' for cash from 6th April, just as they will do if purchasing an annuity or by using a flexible drawdown scheme, one important element of accessing your pension monies that has not changed with the new rules.

Despite much confusion, appetite to take out a lump sum is high. One in three people (33%) said they planned to take advantage of the new rules and take out considerable sums, not knowing about the tax they will pay. The figures suggest that millions of people across the UK are opting to exercise the new rules, unaware that the pension funds they have built up over many years of hard work will be raided by tax charges.

Many consumers will feel annoyed on learning that, having paid high tax bills throughout their working lives, taking out a cash lump sum from their pension pot could leave them with less than expected in their pocket. This lack of awareness emphasises the need to seek the professional Advice of wealth planners, who can support people in setting their objectives for retirement and planning on how they can get there.

When made aware of the new rules and implications of high tax bills, retirees were asked what actions they would take in regards to their pension. One in three (33%) said they did not know what they would do when new freedoms came into force, highlighting the importance of services such as the Government's newly established 'Pension Wise' guidance service and Financial Advice in helping people understand their choices.

Despite much negative coverage, a further third (33%) of people thought annuities were the best route for people's retirement savings.

Couples believe they're better off with reforms

The research also found that couples believe the pension freedom makes them better off. Nearly half (48%) of married couples said they support the changes allowing more freedom to take their pension as cash.

However, couples should be cautious when making the decision to take a lump sum without thinking of the long-term implications for their future.

Data collated by the University of Birmingham, on behalf of Sanlam, revealed that the life expectancy of couples is longer than for individuals. This showed a one in two chance that one or other of a couple will be alive at age 95. In addition, there is a one in four chance that one or other of a couple will be alive at age 100.

Rather than making rash decisions right now, couples should be taking more into consideration for the future and the fact that their average life expectancy is higher than for individuals.

The raft of changes that came into force on 6th April means more people may need to seek Advice from wealth planners to help make crucial long-term savings decisions.

If you have any queries or want to find out more about the changes to pension regulation and how this could affect you, you should seek Advice from your Financial Adviser.

Sanlam

Giles Cross
Head of Marketing
& Public Relations
Sanlam UK

Past performance is no guarantee to future performance, the value of Investments can fall as well as rise so you could get back less than you invest. Nothing in this article is intended to be a personal recommendation based on your specific circumstances. While the information contained in it is based on our current understanding of the relevant UK Law, rules and guidance and is compiled in good faith and based on sources believed to be reliable, neither its accuracy nor completeness is guaranteed. Your use of the content is at your own risk, you should not rely on this information to make an Investment or financial decision. In no event shall Sanlam or the Sanlam group be liable for any errors or omissions or for the results obtained from using or relying on any of this information.

AN OVERVIEW OF PORTFOLIO CONSTRUCTION

The fund universe contains some 13,000 investable choices so, as you can imagine, a tremendous amount of research and analysis lies at the heart of professional Investment management techniques.

For all our portfolios, analysis begins with the expected risk and return of each Investment and then looks at the overall risk and return profile from combining Investments in a portfolio.

Risk and return are inextricably linked. To put it simply, the return from an Investment is the reward for accepting a certain degree of risk. It is ultimately a Client's capacity to accept risk that determines the long-term Investment returns.

While many Investment managers focus on benchmark Investment performance, we believe this only leads to disappointment. Instead, we place great emphasis on managing risk so that Clients understand the risk they are taking in relation to an Investment and consequently the outcome they can expect.

This unique approach ensures that returns are always commensurate with the level of risk taken so that Clients' expectations can be suitably managed in terms of anticipated gains and losses. In short, nobody gets any surprises.

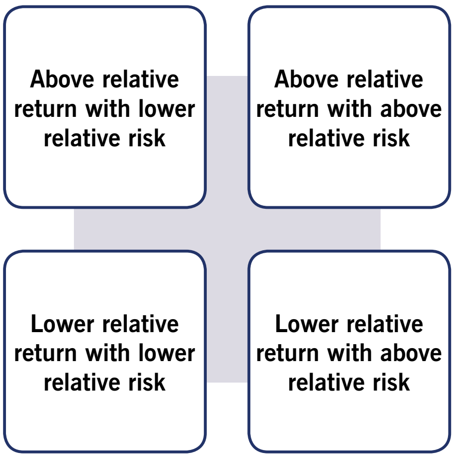
On a sector-by-sector basis, we subject the entire fund universe to a rigorous three-stage fund filtering process. Each stage of analysis is completed before proceeding to the next stage:

- Quantitative Screening (hard analysis)
- Qualitative Screening (soft analysis)
- Ongoing monitoring and 'sell' criteria

Quantitative Screening – 'The Numbers'

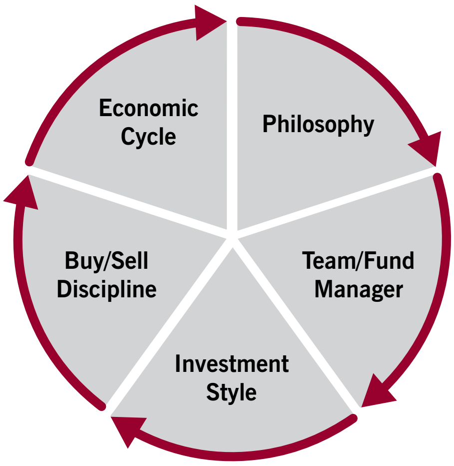
The risk/return analysis involves examining each Investment Management Association (IMA) sector e.g. Global Growth and UK Equity Income, and placing all of the funds within that sector into one of four quadrants, determined by their three-year risk-adjusted performance.

Those funds placed into the top left quadrant of the diagram are of most interest because they have above peer-group return, with below peer-group risk over the past three years. These funds meet our criteria of favourable risk-adjusted returns.



As part of this process we also consider many other factors, such as a fund's liquidity, charges, qualification within tax wrappers and consistency. This forms a shortlist of funds for our soft analysis.

Quantitative Screening – 'The People and the Processes'



The qualitative analysis measures each fund manager's skill. The objective is to understand their Investment methodology and why this has produced a favourable risk/return profile.

This broadly focuses on the fund manager and the team, their Investment philosophy and style of Investment. We also look at the buy/sell discipline for including Investments in their funds, as well as the economic cycle and how that affects their Investment approach.

Whilst there is no 'right' answer to any of the above, it is the logic and consistency of the approach that is important.

We hold face-to-face meetings with fund managers with the aim of identifying why they have outperformed and assess the likelihood of continued outperformance. This is a very thorough process, which involves digging deep into the fund manager's process and supporting resources. During this process we will also run several ratios (such as Sortino, Calmar and Omega) and look at the fund's long-term performance distribution to identify any significant risks, trends or patterns that may be of concern.

At the end of these screening processes, funds are ranked and this forms the basis for their selection in our portfolios. All portfolio funds are then monitored continuously.

Ongoing monitoring and sell criteria

The performances of all portfolio funds are continually monitored and there are face-to-face meetings held with the fund managers, at least annually.

Every fund in the portfolios is monitored on a monthly basis and if a fund drops into either the third or fourth quartile against the performance of its sector, this will prompt an automatic review. Additionally, if the fund manager leaves or there is a change in the Investment house's structure or ownership, these will also prompt an automatic review.

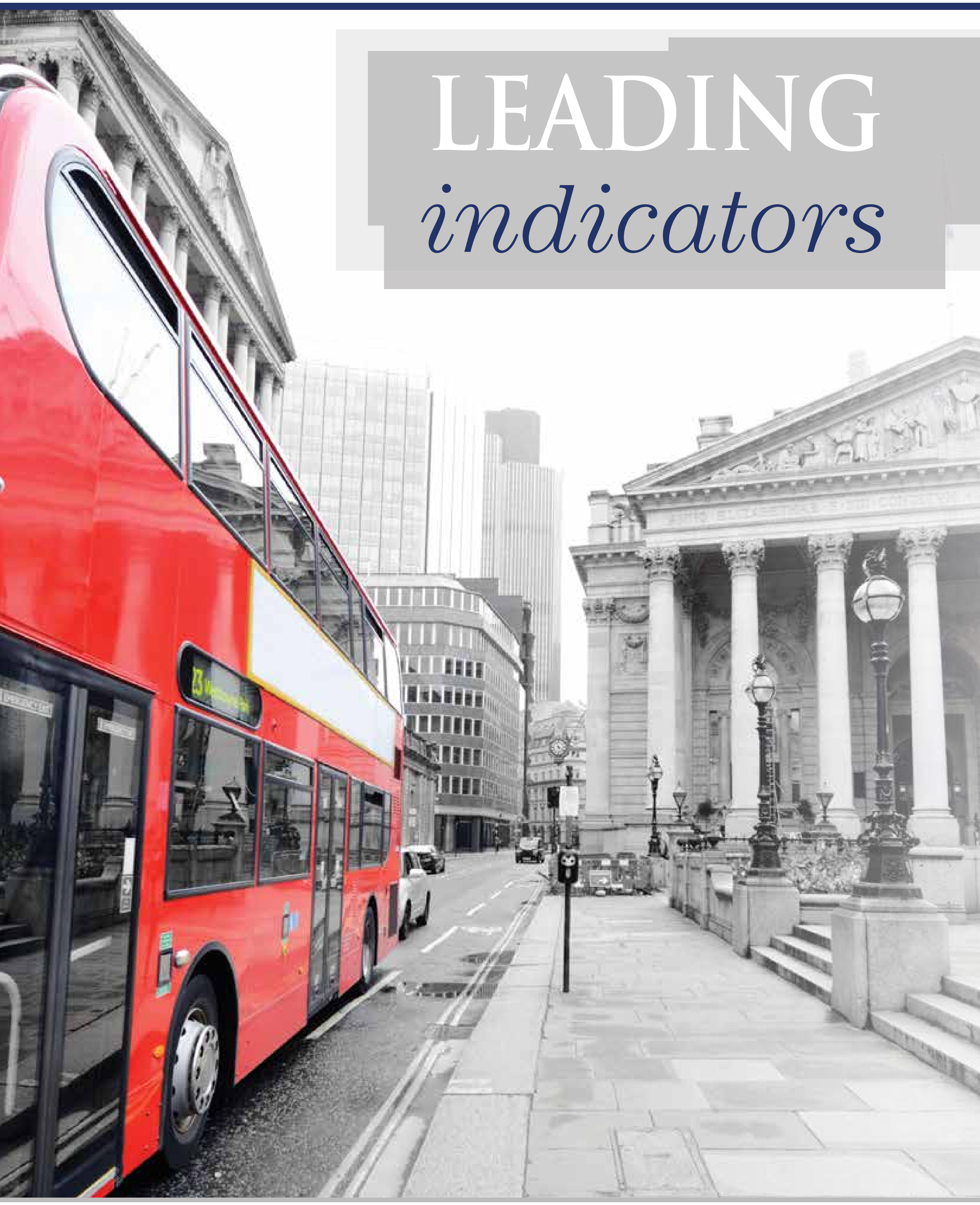
For any funds under review, we meet with the fund manager to identify if the issue is likely to be temporary or permanent in nature. If the decision is made to sell, a switch is made to an alternative fund on the research list, which has already undergone both hard and soft analysis.

Clearly, in certain areas of our analysis, there is no 'right' answer. However, it is the logic and consistency of a fund manager's approach that is important.

Parmenion
It's your future.

Nicola Robinson
Corporate Communications Manager
Parmenion Investment Managers

LEADING *indicators*



United Kingdom Stock Markets	3 months	6 months	1 year
FTSE 100[1]	2.59%	5.65%	6.34%
FTSE 250[1]	6.78%	16.98%	19.31%
FTSE All Share[1]	3.37%	7.51%	8.39%

Source: Financial Express Analytics 21st May 2015

American Stock Markets	3 months	6 months	1 year
NASDAQ 100[1]	1.70%	6.58%	25.40%
S&P 500[1]	1.23%	4.06%	14.90%

Source: Financial Express Analytics 21st May 2015

European Stock Markets	3 months	6 months	1 year
CAC 40[1]	8.12%	20.51%	18.49%
DAX[1]	7.52%	22.42%	23.62%
DJ Euro Stoxx[1]	7.44%	17.91%	19.48%

Source: Financial Express Analytics 21st May 2015

Other Stock Markets	3 months	6 months	1 year
Hang Seng[1]	11.85%	18.59%	25.08%
MSCI Emerging Markets[1]	5.59%	8.29%	13.69%
Nikkei[1]	10.20%	16.39%	43.87%

Source: Financial Express Analytics 21st May 2015

Gilts	3 months	6 months	1 year
FTSE British Government 10 – 15 years[1]	-1.69%	1.74%	10.26%

Source: Financial Express Analytics 21st May 2015

Property	3 months	6 months	1 year
Halifax Property Index[1]	1.79%	5.47%	10.64%
IPD UK All Property[1]	3.18%	7.05%	17.94%

Source: Financial Express Analytics 21st May 2015

Savings	3 months	6 months	1 year
Moneyfacts Instant Access[2]	0.16%	0.33%	0.66%
Moneyfacts 90-Day Notice[3]	0.18%	0.37%	0.73%

Source: Financial Express Analytics 21st May 2015

Inflation	3 months	6 months	1 year
UK Consumer Price Index	0.47%	-0.16%	0.00%

Source: Financial Express Analytics 21st May 2015

Interest Rates	3 months	6 months	1 year
Bank of England	0.12%	0.25%	0.50%

Source: Financial Express Analytics 21st May 2015

Notes

1 Gross return Bid-Bid, annualised (ending 21st May 2015).

2 Moneyfacts average of Instant-Access accounts, £10,000 invested, total return, gross.

3 Moneyfacts average of 90-Day Notice accounts, £10,000 invested, total return, gross.

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