



PRACTICE *focus*



David Penney, Director

Welcome to our Winter 2016 newsletter

With the festive period behind us and the New Year seeming like a distant memory, we look forward to Spring, as the days get longer and lighter already.

This can only mean the Spring Budget and tax year end is just round the corner and, in this edition, we look at some of the key concerns these significant events may bring to you and your family.

We also introduce our new Intergenerational Wealth Management service, look at how the markets have been performing in the first quarter of 2016, and welcome Jo Jackson to the Practice.

I hope you enjoy the read.

David Penney

ACT BY
5 APRIL

Planning for
tax year-end...
it's time



ST. JAMES'S PLACE
WEALTH MANAGEMENT

With Chancellor George Osborne due to deliver his Spring Budget on 16 March, and the tax year ending on 5 April, we are fast approaching two very significant dates. Both of which could have a personal impact on you, your family and friends.

Widespread commentary has speculated that pension tax relief for higher and additional rate tax payers may reduce on 16 March 2016 and, potentially, the appropriateness of Cash ISAs may diminish from 6 April, with the introduction of the Personal Savings Allowance.

From 6 April, tax payers receiving over £5,000 dividend income will be worse off and the maximum annual contribution to a pension may reduce from £40,000 to £10,000, for higher

and additional rate tax payers, or those who have flexibly accessed their pension funds. Also, from 6 April, the pension lifetime allowance will reduce from £1.25m to £1m and a new State Pension is set to be introduced.

Taking all of this into account, now is the time to really utilise these 'use or lose' tax allowances:

- ISA of £15,240 per person.
- Capital Gains Tax (CGT) of £11,100 per person.
- Vehicles that can take advantage of Business Property Relief in addition to other allowances.

As always, if any of these points affect you personally or those close to you, please contact us.

The value of an investment with St. James's Place will be directly linked to the performance of the funds selected and may fall as well as rise. You may get back less than the amount invested. The levels and bases of taxation and reliefs from taxation can change at any time and are dependent on individual circumstances.



TODAY AND FOR TOMORROW

2015 EVENT SUCCESS

We are delighted with the success of our 'Today & For Tomorrow' seminar and lunch at Harper Adams, and our evening at Shrewsbury Museum & Art Gallery, both of which we hosted last year. With the wonderful feedback we received on the back of these events in 2015, we are thrilled to announce we plan to hold similar events later this year. We really hope you found both of these occasions useful and informative, and the attendance of our guest speakers from St. James's Place – namely Andrew Humphries, Andrew Livingstone and Chris Ralph – was beneficial to you. We will provide further details of dates and venues for 2016 in due course.

THE
DAVID PENNEY
PRACTICE



Introducing
Jo Jackson
Research Analyst

Jo joined the Practice in 2016, after many years in the financial services industry. Previously working as a financial adviser for Lloyds TSB and NFU Mutual, she brings with her a wealth of knowledge and experience to our existing highly skilled team. Jo holds a Diploma in Financial Planning (DipPFS) from the Chartered Insurance Institute, and is passionate about providing clients with the very best service possible. She shares the rest of the team's ethos, in striving for excellence. Outside of work, Jo enjoys eating out, foreign holidays and providing merchandising support for her sons and their band.

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Is volatility a bad thing?

Market commentary

It has not been an easy start to the year so far for investors, with major stock indices significantly down.

As equity markets around the world continued their New Year slide in January, those already invested or thinking of investing may have, understandably, been concerned about what the near-term future might hold.

Yet, while stocks slip and slide, slowing economic growth is, of course, very far from adding up to an economic crisis – some of the major consumer indicators remain encouraging.

Short-term movements are useful for long-term investors, because they provide opportunities to acquire quality companies at deflated prices.

One of the reasons being given for the latest stock downturn is that investors are nervous

and adopting a 'herd' mentality in the face of high volatility. Another suggests a more fundamental global slowdown is under way, with recession a possibility.

However, there is a strong sense that investors have been overreacting to bad news and negative market momentum. In February, the results of a new study conducted by Goldman Sachs were published, which showed that Britain is extremely unlikely to face an economic recession over the next two years and is on safer ground than any other country in the developed world.

Current markets demonstrate the value of diversification across a range of asset classes, to help cushion your portfolio from short-term fluctuations and potentially take advantage of the opportunities that present themselves.

We like to say that volatility is the friend of the investor who knows the value of a business and is the enemy of the investor who doesn't. We absolutely love volatility; it can present us with great opportunities.

Tye Bousada, EdgePoint Investors, St. James's Place Global Equity fund.

Be fearful when others are greedy and greedy when others are fearful.

Warren Buffett, 'The Sage of Omaha' Berkshire Hathaway Inc.

St. James's Place Intergenerational Wealth Management

Our new Intergenerational Wealth Management service is designed to help families use their collective wealth to support each other during their lifetimes. Perhaps assisting a child onto the property ladder or easing the burden for elderly parents, with long-term-care funding.

Intergenerational wealth management is becoming an important financial planning consideration. With medical advances and healthier lifestyles, people are living longer, which means we need to consider when we should retire and how to make our wealth last through an extended retirement.

When considering intergenerational wealth, it is often best to involve all affected family members in the planning process, to meet everyone's needs now and into the future. Helping with childcare, school and university

fees is a natural motivation for intergenerational support, which might take the form of a tax-efficient savings and an investment plan for a grandchild. While the recently introduced 'pension freedoms' increase your options, if your circumstances are appropriate, for using your pension pot not only in retirement planning but also as a tax-efficient means of transferring wealth.

With careful planning, you can make your wealth work for all your family, sooner rather than later.

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