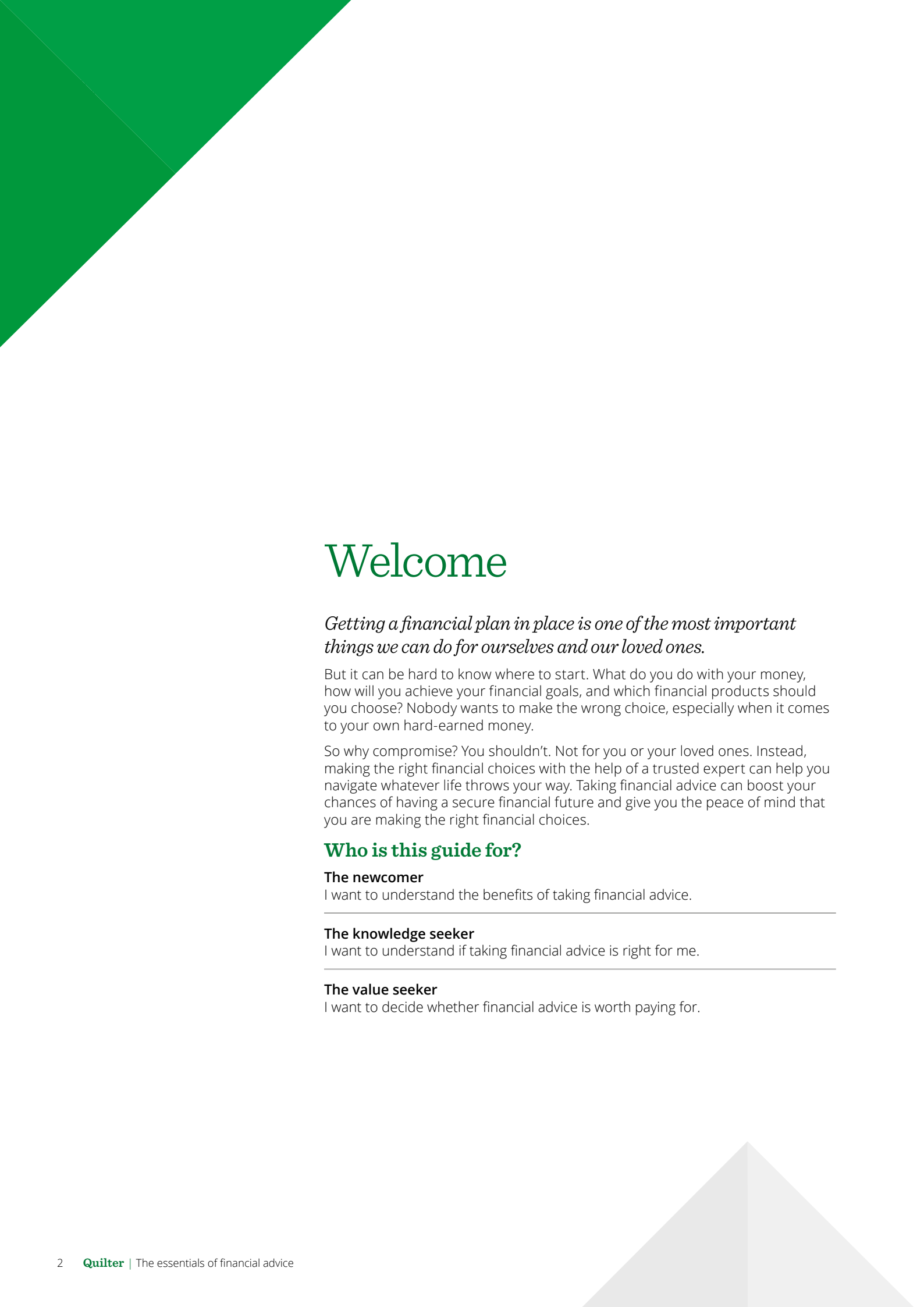




The essentials of financial advice

A beginner-friendly guide

Quilter
Financial
Advisers



Welcome

Getting a financial plan in place is one of the most important things we can do for ourselves and our loved ones.

But it can be hard to know where to start. What do you do with your money, how will you achieve your financial goals, and which financial products should you choose? Nobody wants to make the wrong choice, especially when it comes to your own hard-earned money.

So why compromise? You shouldn't. Not for you or your loved ones. Instead, making the right financial choices with the help of a trusted expert can help you navigate whatever life throws your way. Taking financial advice can boost your chances of having a secure financial future and give you the peace of mind that you are making the right financial choices.

Who is this guide for?

The newcomer

I want to understand the benefits of taking financial advice.

The knowledge seeker

I want to understand if taking financial advice is right for me.

The value seeker

I want to decide whether financial advice is worth paying for.



Why take financial advice? 8



Three ways advice can strengthen your investments 12

What we'll cover



To help you understand certain investment terms, we have underlined words that are defined in our glossary on page 15.

Basics of financial advice ⌚ 2 mins

- What is financial advice? _____ **4**
- How will my financial adviser help me? _____ **5**
- Who can benefit from financial advice? _____ **6**

The difference financial advice can make ⌚ 6 mins

- Why take financial advice? _____ **8**
- What value does a financial adviser add? _____ **9**
- ▶ Four ways advice can make you feel secure and protected
- ▶ Four ways advice can give you a sense of wellbeing and confidence
- ▶ Three ways a financial adviser can add value
- ▶ Three ways advice can strengthen your investments

Get started ⌚ 2 mins

- Start planning your financial future today _____ **13**
- Glossary _____ **15**



*Financial advisers
are highly qualified
experts focused on
delivering suitable
outcomes for you.*

What is financial advice?

Financial advice is when you pay a professionally qualified person to help plan and manage your finances. This can make sure you have the right plans and products in place to help you achieve what you want to achieve in life. Everyone has their own unique goals, but ultimately, we all want to be able to do the things we enjoy doing.

Financial advisers are highly qualified experts focused on delivering suitable outcomes for you. They'll use their skills and experience to help you make the most of your money, allowing you to enjoy life safely in the knowledge you've made suitable financial choices based on great financial advice.

Financial advice can cover:

- ▶ Building up your money through saving and investing.
- ▶ Helping to arrange a mortgage.
- ▶ Managing your money while it's invested to ensure its performing as well as it can.
- ▶ Tax planning – ensuring you are managing your money tax-efficiently.
- ▶ Planning for retirement.
- ▶ Protecting your standard of living against the unexpected.
- ▶ Preserving the wealth that you've built up for when you don't want to work so hard.
- ▶ Passing on your wealth to your loved ones.

How will my financial adviser help me?

Your financial adviser will work closely with you to understand your personal situation and identify your purpose. They will also help you by:



Assessing what level of risk you are comfortable in taking

They will evaluate your comfort level with investment risk and your capacity for loss:

- ▶ What is your investment experience and knowledge?
- ▶ How comfortable are you with the risks of investing?
- ▶ What level of risk do you need to take?



Determining your financial objectives

They will establish your hopes, aspirations, and concerns to tailor a plan that meets your needs:

- ▶ What would you like to achieve?
- ▶ When would you like to achieve it by?
- ▶ What would you like to avoid along the way?



Evaluating your financial situation

They will consider how best to invest to achieve your goals:

- ▶ Are your assets held in the most appropriate name?
- ▶ Do each of your assets have the right ownership, such as named beneficiaries?
- ▶ Are each of your assets held in the best tax wrapper, such as ISAs and pensions?



Choosing the right investment solution

They will select the most suitable financial product for your needs:

- ▶ Do your investments have the right level of return expectations?
- ▶ Is the level of investment risk appropriate and in line with what you have agreed?
- ▶ Can your investments be released if you need them to be?



Providing ongoing support

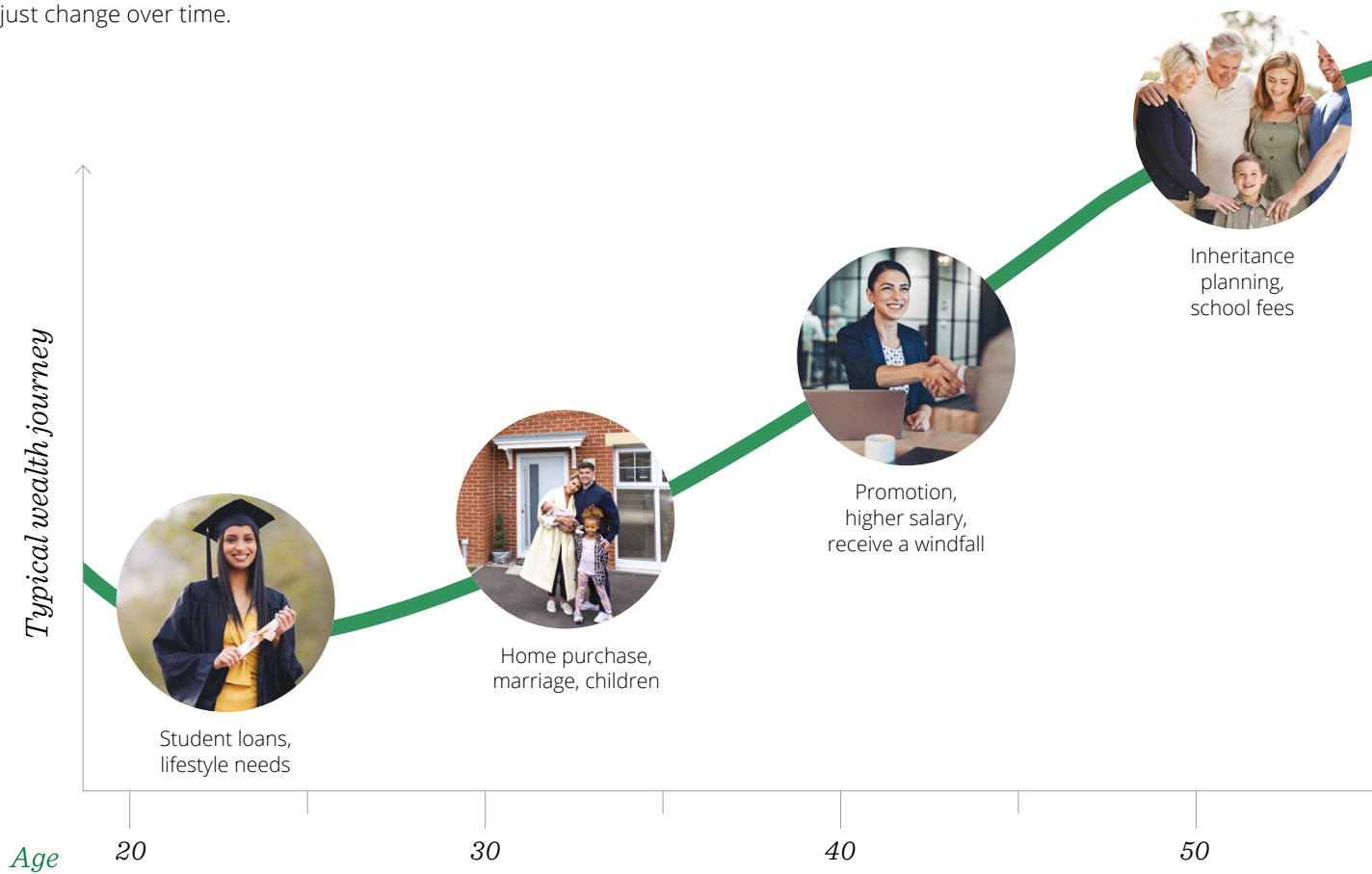
They will ensure that your investments continue to align with your goals in the future:

- ▶ Consider any changes to your purpose, goals, or personal circumstances.
- ▶ Check if any personal changes in income or capital values impact your current savings or tax situation.
- ▶ Explain how any changes impact you in terms of welfare or income, capital, or inheritance tax changes.

Who could benefit from financial advice?

Financial advice is not just for the very wealthy - everyone can benefit from it.

We have financial needs at every stage of our life – they just change over time.



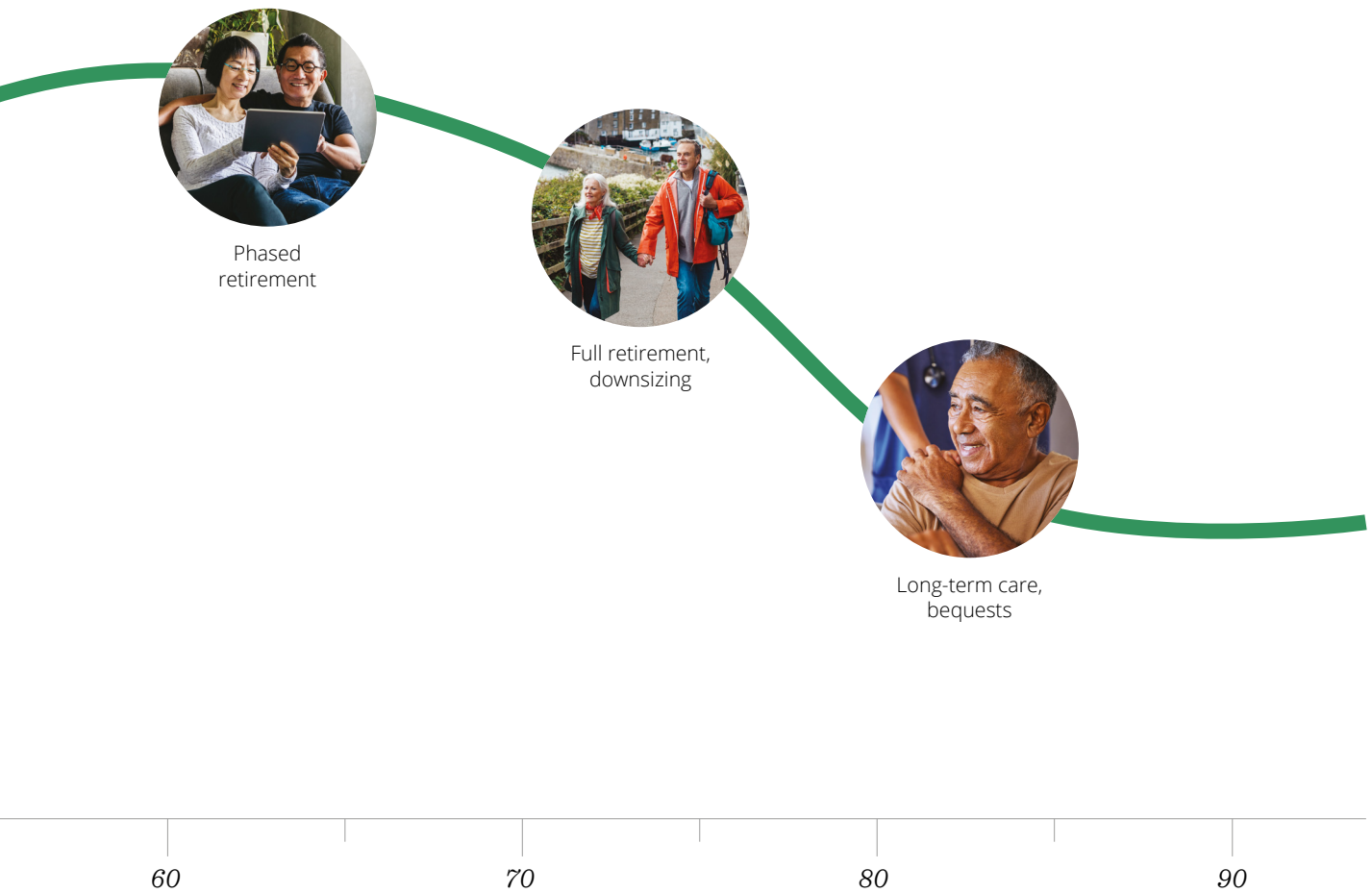
Services you may need at different stages of your life

Retirement planning: Pension funds, personal funds,

Personal and business protection: Life cover, critical illness cover, income protection cover, business cover

Wealth management: Savings, investments, tax planning, retirement planning

When you invest, you must remember that the value of investments can fall as well as rise. You might get back less than you invested.



Wealth preservation: Estate planning, succession planning, trusts, key business person

company or trustee funds

Why take financial advice?

Research shows that financial advice can make a real difference in helping you prepare for the future you want.*

Average retirement income **with** financial advice

£24,175



Average retirement income **without** financial advice

£17,168



Over a 21-year retirement, that's a difference of **£147,147**.

Source: YouGov research - 2016

Consider this example:

Average retirement income **without** financial advice **£17,168**



Average retirement income **with** financial advice **£24,175**

This is **40% higher (£7,007)** than without financial advice

Over a 21-year retirement, this means having an **extra £147,147**

Please note, this research was originally conducted in 2016. The figures quoted are likely to have changed over time and should not be used as advice. It is intended for illustrative purposes only.

Taking financial advice can also help you feel:

- ▶ Secure and protected, knowing you have plans in place.
- ▶ A sense of wellbeing and confidence, knowing you are on track to achieve your life goals.



What value does a financial adviser add?



Four ways advice can make you feel secure and protected

You know you are protecting yourself and your loved ones

1

A financial adviser will assess your position and guide you through the suitable options to protect yourself and your loved ones, whether you are single, in a partnership, have children and so on. Whatever your needs, a financial adviser can help prevent a personal tragedy from turning into financial crisis.

Helps you to plan your spending – and saving

2

To secure your long-term financial future, you need to build some assets, initially to ensure you have enough to get you through the rainy days and then to pay for those holidays and luxuries. So, step one is to plan your spending so that you can begin to save – and step two is to plan to save so you can build your wealth as efficiently as possible.

Regardless of whether you currently have £10 or £10,000, a financial adviser will look at your situation and find a starting point for you.

A financial adviser will also look at your tax position and recommend ways to ensure you are making full use of your personal tax allowances. This could be simply using ISAs or a pension plan to benefit from government incentives or it could involve more complex planning to make use of capital gains allowances.

A financial adviser will explain any tax treatment that applies to the products that are recommended as this varies according to individual circumstances and is subject to change.

Helps you to buy your home

3

Buying a house is one of the most expensive decisions we ever need to make, and the vast majority of us need a mortgage.

A financial adviser can help you navigate the complexities of discounts and variables, indemnities and early redemption fees, and could save you thousands. Not only can they seek out the suitable rates, they can help you assess sensible levels of borrowing, make the most of your deposit and might also find lenders who would otherwise not be available to you.

Helps you to plan for your retirement

4

Once your short-term saving needs have been met, you are then in a position to start thinking about your longer-term goals. People are becoming more aware that they cannot rely on the state for more than the absolute basics. However, planning for retirement is a complex business and there are many different options available.

Pensions have come a long way in terms of flexibility in recent years and now offer a wide range of investment options. A financial adviser will not only help sift through the many rules and product options but can also help construct a portfolio to maximise your long-term prospects.



Four ways advice can give you a sense of wellbeing and confidence

1

Knowing you are on track to achieve your dreams

Everyone has a vision of what they'd like their life to be. Maybe you want to retire early, invest in overseas property, pay for your children's education, or for their weddings. Whatever your dreams are or how they evolve over time, a financial adviser can help assess what is realistically possible – and put a suitable plan in place to help you achieve them.

2

Knowing you have the right combination of assets

Investing is as much about protecting the potential downsides as it is about targeting maximum growth. High returns are often associated with high risk – and not everyone is happy if their investment falls suddenly. A financial adviser will make a detailed assessment of your attitude to risk before making any recommendations. They will also ensure you don't put all your eggs in one basket by helping you diversify not only across asset classes but also across accounts, individual funds and product providers.

3

Knowing that someone is keeping you on track

Even when you have every product you need taken care of and your investments are set up and running to plan, someone needs to keep an eye on them in case changes in markets or abnormal events push them off course. You can ask a financial adviser to do this monitoring work for you. They can assess the performance of your investments, ensure that your asset allocation does not get distorted as markets move and also help you consolidate gains as the dates of your ultimate goals approach.

4

Giving you peace of mind

Money is a complicated subject and there are many things you need to think about to both protect it and make the most of it. Markets can be volatile. Employing a financial adviser can take the emphasis away from you and move it into the hands of an expert. Whether you need general, practical advice or a specialist with dedicated expertise, the money you invest in taking advice could be paid back many times over in the long term.



Three ways a financial adviser can add value

If you're going to pay for a service, you want to know you are getting value for that money. There are three important ways in which a financial adviser provides value to their customers.

Advising how and where your money is held

1

The basis of any advice is how and where your money is held: whose name is it in, who owns the money (and who will benefit from it), and what product will it be put in to make the most of tax-efficiencies. For example, should you put in an ISA or a pension? What about an onshore or offshore bond? Should your money be held in a trust to benefit other people? Each product will have its own tax implications, which a financial adviser will know and understand.

ISA investors do not pay any personal tax on investment gains or withdrawals from their ISA, but income received from some stocks and shares may have already paid some unrecoverable tax.

The value of pensions and investments and the income they produce can fall as well as rise. You may get back less than you invested.

Giving boosts to your money's potential

2

Financial advisers have an in-depth understanding of financial products and investments that gives your money an extra boost. This includes understanding your appetite for risk-taking, which in turn determines which assets your money is invested in. A financial adviser will also make sure your investments are diversified across the most suitable range of assets for you, plus they will monitor them to ensure they continue to meet your needs. Sometimes, your investments may need to be 'rebalanced'.

A financial adviser will explain that past performance should not be regarded as a guide to future performance and that future returns cannot be guaranteed.

A financial adviser will also have an element of collective buying power, meaning they can leverage price or obtain product enhancements for you.

The impact of not having enough diversification, or the incorrect asset allocation, or not rebalancing your investment portfolio can all add up. This is where financial advice can add real tangible value to your money.

Giving an objective view – making you 'stop and think'

3

When it comes to making financial decisions, you know you should use your head, rather than your heart. However, we sometimes let our emotions drive our choices, which can limit our chances of a success.

A trusted source during ups and downs

A financial adviser can provide an objective view, ensuring you do the right things, at the right time, to realise your financial goals. For example, it's natural for stock markets to go up and down in the short term, and almost all investors will experience some fluctuations during their investment journey. A financial adviser can help you ride the cycle of emotions during these ups and downs, ensuring that you don't panic sell; reassuring you that no action is required and making sure you focus on your long-term financial plan, rather than the immediate emotional comfort associated with making a change.

Seeing through the hype

Every new product or investment opportunity proclaims it is the best ever – but that does not mean it's right for you. Investors the world over have been and will continue to be caught out by market bubbles or high charges because they don't take a step back. A financial adviser knows how products and assets work in different markets and can outline the downsides for you as well as the benefits. Between you, you can then make a more informed decision about what hype you can believe – and what products you really need to avoid.

So, not only do financial advisers have the experience of navigating different market conditions, they can also help to take the emotion out of your decision making. Your financial adviser will work with you to establish a long-term financial plan.



Three ways advice can strengthen your investments

1

Maximise opportunities to grow your money

Financial advisers are experts in tax-efficient investing and have an in-depth understanding of financial markets. They can help you select the right growth strategy to achieve your long-term goals.

2

Plan the future you want to enjoy

A financial adviser can carefully select the right home for your assets. They will assess the suitability of different investments and products to help shape your future.

3

Develop specialist strategies

Financial advisers often have access to planning tools and services that many unadvised investors miss out on.



Start planning your financial future today

There's a lot to consider when planning your future finances. Knowing what to achieve and how to reach your financial goals isn't easy.

Taking expert financial advice can take the weight off, and help you plan your financial future with confidence.



Read our guide - The essentials of financial advice

Completed! You now know the fundamentals of financial advice, and how it can help you achieve your financial goals.



Book your free initial consultation today

Call Quilter Financial Advisers to book your initial free consultation and to find out more about financial advice with Quilter.



08000 85 85 90



Prepare for your consultation

To get the most out of your financial consultation, it may be worth gathering the information you have on:

- ▶ your income and outgoings
- ▶ your current mortgage details, if you have one
- ▶ any savings you have
- ▶ any pensions you have
- ▶ any other existing investments.



Your free initial consultation

Have your first meeting to talk about your financial needs and goals at a time and place that's convenient for you.



Your financial adviser will support you and give tailored advice to suit your personal circumstances.



Talk to a Quilter Financial Adviser

Your adviser can recommend the most appropriate investment strategy to achieve your financial goals.

Book a free initial consultation:



08000 85 85 90

Glossary

Don't be intimidated by all the fancy words and jargon; check out our helpful glossary of investing terms.

Assets

The type of things your money buys when you invest, like shares, bonds, or property.

Capital gains

This refers to the profit made when an investment is sold for a higher price than it was bought at.

Diversification

Diversification is the process of investing in a range of different assets or asset classes with the aim of improving performance and/or reducing the overall volatility, or the investment risk, of a fund or portfolio.

Early redemption

Refers to the act of paying off your mortgage before the end of the agreed term.

Indemnities

These are insurance policies that lenders may require borrowers to take out, especially when the loan-to-value (LTV) ratio is higher than 75%.

Investing

Putting your money into things, hoping to make a profit over time. You can invest in anything that might increase in value, like shares, bonds, property or even gold.

Protection

Refers to various types of insurance policies designed to provide financial security to individuals and their families in case of unforeseen events.

Re-balancing

Refers to the process of realigning the weightings of the assets in a portfolio. This involves periodically buying or selling assets to maintain a desired level of asset allocation or risk.

Tax-efficient

Refers to strategies and practices designed to minimise the tax impact on investment returns. This involves selecting investments and managing portfolios in ways that reduce the amount of taxes owed, thereby maximising after-tax returns.

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& Quilter Mortgage Planning Limited.
Part of Quilter Financial Planning.

5 January 2024

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