Planning for later life
An all-round view of your future

There are now 1.6 million people aged 85 or over living in the UK and this figure is predicted to more than double in the next 23 years, to over 3.4 million. The number of UK centenarians has also risen – by 65% over the last decade – and nearly one in five people will live to see their 100th birthday¹.

So it’s increasingly likely that most of us will need to pay someone to look after us in old age, either at home or in a care home.

When you’re planning for your long-term future, or making arrangements on behalf of elderly parents or other relatives, it’s vital to get the right advice. You need an expert who can take a complete view of your total financial circumstances and set up plans to see you through the rest of your life. That’s where Canaccord Genuity Wealth Management can help.

We can work closely with you and your existing trusted advisers (such as your solicitor, accountant and/or financial adviser). We’ll help you to maximise your income to provide for care home fees, while maintaining your capital tax-efficiently for inheritance purposes.

What we can offer you

Independent financial advice across all financial planning solutions and investment products available in the market. We are not tied to any specific providers or products, but will put forward the best integrated and diverse plan for your needs. For example, this might include buying an annuity, leaving some assets in cash, and a Canaccord Genuity Wealth Management portfolio to generate a steady income for you.

An experienced specialist adviser who is a:

• Chartered and Certified Financial Planner
• Fellow of the Personal Finance Society (the highest qualification awarded by the Chartered Insurance Institute – CII)
• Holder of an Award in Long Term Care Insurance – a formal regulatory examination required for an adviser to provide advice on long-term care planning.

Tax-driven investments, to make sure that as much of your income and assets as possible is exempt from tax, to keep your estate safe so you can leave it to your family.

A detailed financial plan, including a cash flow forecast and comparisons with your current situation, so you can clearly see how our advice will help you.

High levels of personal service – for example, if we recommend buying an annuity (after reviewing the whole market), we’ll manage the entire process for you and liaise with the provider about sorting out all the paperwork. And we will, of course, keep you updated on our progress.

Help for the next generation to deal with potential inheritance tax liabilities, including probate dealing services to help with estate administration. If your family wishes, we’ll provide ongoing advice and reassurance that plans are in place to ensure you will be well looked after.

The tax treatment of all investments depends upon individual circumstances and the levels and basis of taxation may change in the future. Investors should discuss their financial arrangements with their own tax adviser before investing.
Providing for the long-term future

When you or any other family members need care, planning what to do can be very stressful. You’ll be faced with many decisions and may be unsure where to start or who to talk to, particularly when it comes to sorting out how to pay for care as long as it’s needed. That’s why it’s so important to make sure an adviser takes an overall view of your total wealth and sets up the right financial plan to see you comfortably through the rest of your life.

The case study overleaf shows how restructuring your wealth can help maximise income to cover care home fees, while maintaining your capital tax-efficiently for inheritance purposes.

A single point of contact

Our dedicated specialist will keep in touch with you in whichever way suits you, including face-to-face meetings, and you can contact them by both phone and email. Supported by a highly experienced team of experts, they’ll focus on your individual needs and circumstances to determine how best to generate the income necessary for you (or your relative) to cover care home fees and safeguard as much capital as possible.

A range of quality investment solutions under one roof

If we recommend a Canaccord Genuity Wealth Management investment portfolio as part of your financial plan, we can offer you a range of investment solutions tailored to your needs and attitude to risk. These vary from bespoke discretionary investment management to model portfolio services.

Establishing your attitude to risk

We’ll ask you a few simple questions to help us work out your ‘risk profile’. We’ll then use that as a framework for your investment portfolio.

The investment management service offered by Canaccord Genuity Wealth Ltd is deemed to be ‘restricted’ as we do not provide advice in respect of pension or life insurance products. However, this service is impartial as we are not tied to any particular product provider.
Case study: Violet Smith

Violet Smith, aged 80 and widowed, was in poor health and had recently moved in with her daughter and her husband, as they were increasingly worried that she wasn’t coping at home alone.

As Violet’s health deteriorated she made the decision to move into a local care home where she could get the care she needed.

Despite having a total of £1.1 million from the sale of the family home and her existing savings, all of Violet’s £10,000 annual pension income would now be needed to pay for care home fees. Conscious of her concerns about the shortfall in care costs and her desire to leave as much as possible to her family, her solicitor sought the advice of Canaccord Genuity Wealth Management.

Our specialist care homes financial planner reviewed her financial position – income, savings and forecast costs – to see whether he could suggest an alternative to dipping into her capital each month that would also maximise her family’s inheritance.

Violet’s care home fees will initially be £54,000 a year - and may well reach £80,000 by the time she’s 95 (assuming a 3% rate of inflation).

Currently, the only way for her to pay these fees is from her savings and annual pension income – which, over time, will reduce from a combined amount of around £1.25 million to an estimated £245,000* when she reaches 95.

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### The care home financial plan

<table>
<thead>
<tr>
<th>Investment</th>
<th>Portfolio structure</th>
<th>Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>£570,000</td>
<td>Canaccord Genuity Wealth Management investment portfolio</td>
<td>c.£20,000 estimated 3.5% return</td>
</tr>
<tr>
<td>£300,000</td>
<td>Inheritance tax portfolio (minimum 2 years’ holding)</td>
<td>c.£6,000 estimated 2% return</td>
</tr>
<tr>
<td>£150,000</td>
<td>Care fees annuity</td>
<td>£25,000 (guaranteed for life)</td>
</tr>
<tr>
<td>£80,000</td>
<td>cash</td>
<td>£10,000 pension</td>
</tr>
</tbody>
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**£1.1m** capital

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*£245,000 is Violet’s savings plus her annual pension income minus her estimated care home fees.*
Our care home financial plan for Violet

Our specialist came up with a combination of financial solutions (opposite) that would give Violet an additional income each month to fund the care home fees, as well as some capital maintenance and inheritance tax planning ideas.

This illustration provides an estimated income of around £61,000 a year, which more than covers her care home fees.

In fact, it gives a surplus of approximately £7,000 in the early years, so there should be no need to dip into Violet’s capital. As well as the security of knowing that her fees are covered until she dies, it means that theoretically Violet should be able to leave about £873,000** to her family if she lives to 95 (as opposed to £245,000 in her current situation), so they’ll get around £628,000 (£873,000 - £245,000) more gross capital.

Furthermore, because the estate will have been set up more tax efficiently, the family will not need to worry about IHT. Previously, the remaining estate would have been worth £245,000 and exempt from IHT.

As Violet followed our advice:

• If she dies at 95, according to her financial plan, her estate may be worth approximately £873,000 gross (after £150,000 has been taken out of the estate to buy the care fees annuity)

• £300,000 (in the IHT plan) is not subject to IHT. The balance of the estate (£573,000) is subject to IHT, however, since Violet’s individual nil rate band of £325,000 is combined with her late husband’s of the same amount, there is no IHT payable.

** £873,000 is £950,000 (Violet’s savings of £1.1 million minus her £150,000 annuity) plus her estimated income over 15 years, minus her estimated total care home fees of around £1m. We’ve calculated the figure of £873,000 by using a professional cash flow planning tool which makes various assumptions, including an expected rate of inflation, an estimated investment return rate and Violet’s tax position. In reality, these figures may fluctuate – so it’s important to review your financial plans and any assumptions regularly.

Important information: This is for illustrative purposes only and not to be treated as specific advice. This article is based on our current interpretation of inheritance tax proposals. It has no regard for the specific investment objectives, financial situation or needs of any specific person or entity. Tax benefits depend upon the investor’s individual circumstances and clients should discuss their financial arrangements with their own tax adviser before investing. The levels and basis of taxation may be subject to change in the future.
Why choose Canaccord Genuity Wealth Management?
We provide integrated, multi-service wealth management for a diverse range of vulnerable clients.

With around 12,000 clients and over £15 billion of assets under management and administration (as at 30 June 2017), we have enough size and scale to deliver experience and expertise, combined with a highly developed and up-to-date technical infrastructure. This provides efficient and effective investment management, as well as economies of scale that allow us to be price competitive. At the same time we’re small enough to provide a personal relationship-led service with direct access to our people and knowledge.

We’ll continually monitor the progress and performance of your plan and investments to make sure they’re still on track to provide for your future. If you wish, we’ll arrange regular review meetings with you.

If you’re making arrangements on behalf of a vulnerable elderly relative with specific care needs, our investment services include solutions designed specifically for this kind of situation.
How can we help?

If you’d like to discuss whether this service would be suitable for you or your family, or to find out more, please get in touch with our specialist wealth adviser Nero Patel:

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Important information

Investment involves risk. The value of investments and the income from them can go down as well as up and investors may not get back the amount originally invested.

The investments discussed in this document may not be suitable for all investors.

Specific risks of the IHT portfolio investing in AIM-listed companies include the potential volatility and illiquidity associated with smaller capitalisation companies. There may be a wide spread between buying and selling prices for AIM-listed shares. If you have to sell these shares immediately you may not get back the full amount invested, due to the wide spread. AIM rules are less demanding than those of the official list of the London Stock Exchange, and companies listed on AIM carry a greater risk than a company with a full listing.

Inheritance tax rates and Business Property Relief rules are subject to change. In addition, investors must be prepared to hold their shares in AIM-listed companies for a minimum of two years or these assets will be considered part of their estate in the IHT calculation.

The tax treatment of all investments depends upon individual circumstances and may be subject to change. Investors should discuss their financial arrangements with their own tax adviser as the value of any tax reliefs available is subject to individual circumstances. The levels and basis of taxation may change.

Past performance is not a reliable indicator of future performance.

Where investment is made in currencies other than the investor’s base currency, the value of those investments, and any income from them, will be affected by movements in exchange rates. This effect may be unfavourable as well as favourable.

This document is for information only and is not to be construed as a solicitation or an offer to purchase or sell investments or related financial instruments. This has no regard for the specific investment objectives, financial situation or needs of any specific investor.

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