Canaccord Genuity
Wealth Management

Look forward

with confidence

Inside:

- The changing face of retirement
- Looking forward to your children's education
- Why you should care about care homes
- Making allowances for IHT

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Planning for a prosperous long-term future

David Goodfellow
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With so many political and economic uncertainties currently affecting all of us, the importance of planning ahead has never been more relevant.

The UK will have to continue paying for the costs of bailing out the 2008 financial crisis for years to come. This will put pressure on family finances as current and future governments work out how they want to balance the books – often leading to cuts in benefits we thought were sacrosanct.

Add to that the costs of Brexit and the effects of Donald Trump's policies, and it's clear we all need to make sure we're prepared for future challenges.

However, the future is always uncertain – so in a way, nothing's changed. No matter how carefully you prepare, unexpected things will happen. Some of those events will be predictable or within your control. Others won't.

Whatever the political or economic situation, it's always important to plan ahead: to consider how you'll deal with changes to your family situation, your finances or your health. Specialist advice and support can help you prepare for most eventualities, and give you the ability and confidence to deal with the unexpected.

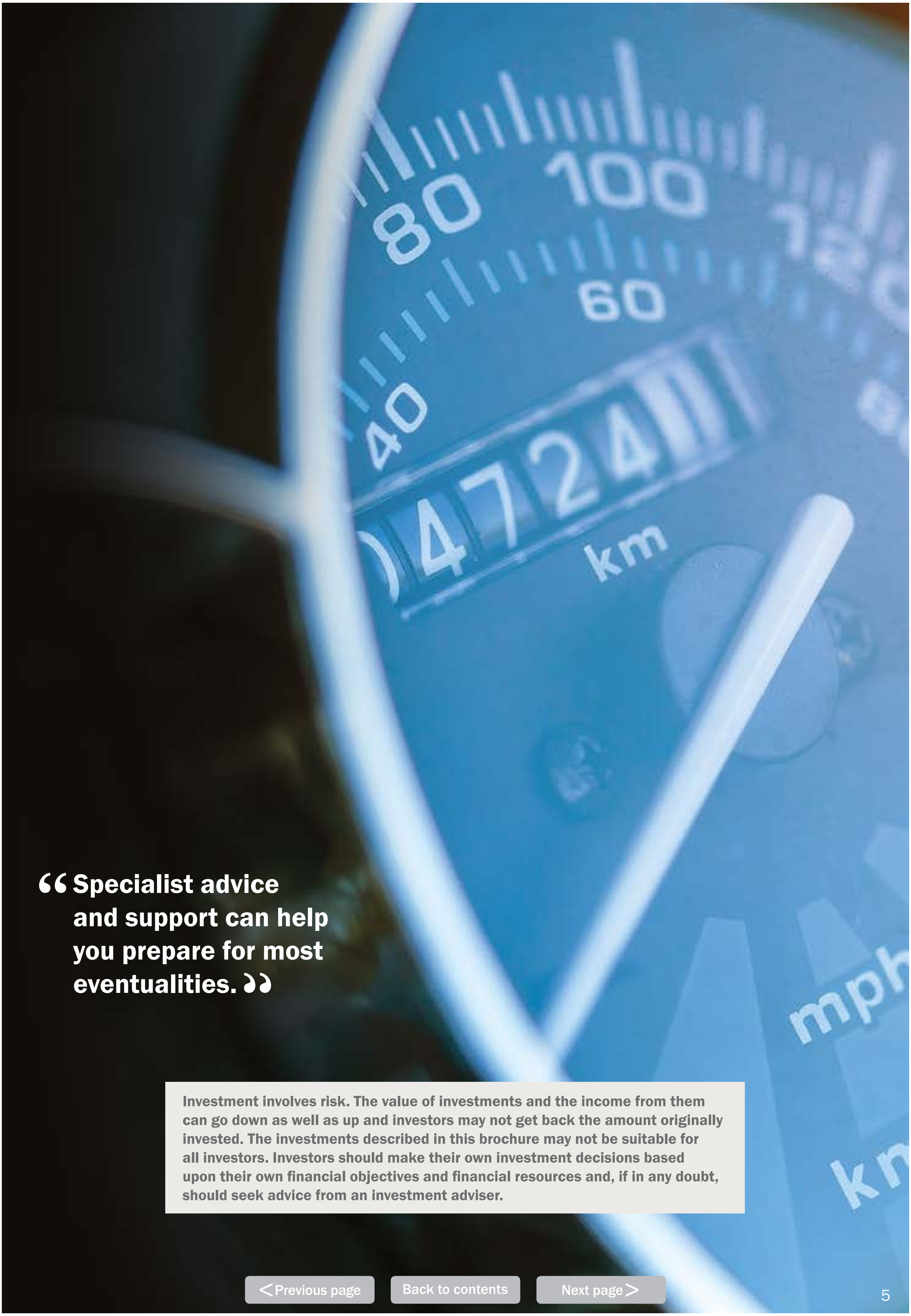
This guide presents a thought-provoking look into the future. It covers some of the big issues likely to affect your plans. It can help you consider and work towards your long-term financial goals as you think about your retirement, your family's future welfare and even the future of the planet. And it offers practical suggestions on topics like investing for the future, care homes, inheritance tax and education costs.

We hope it offers stimulating scenarios and ideas that may resonate with you; some may even inspire you to reappraise or rethink your current arrangements for an enjoyable, prosperous and fulfilling later life.

We look forward to helping you look forward with confidence.

If you'd like to discuss any of the issues or possibilities raised in our articles, please don't hesitate to get in touch. You can call us on **+44 20 7523 4500** or email **wealthmanager@canaccord.com**.

David specialises in financial planning and tax-driven investment planning. He has over 20 years' experience in advising on and investing in VCTs, EISs and tax-driven property structures. He is Chairman of the CGWM Advice and Solutions Committee and a member of the Personal Finance Society and The Chartered Insurance Institute.



“Specialist advice and support can help you prepare for most eventualities.”

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 described in this brochure may not be suitable for all investors. Investors should make their own investment decisions based upon their own financial objectives and financial resources and, if in any doubt, should seek advice from an investment adviser.

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Face up to the facts

Our ever-changing world throws us challenges at every stage of our lives. Challenges that may have considerable financial implications. This guide will help you identify and understand some of these concerns, and start looking forward with confidence to a more prosperous future for you and your family.

But first, let's take a cold, hard look at the facts, figures and statistics that should make us all sit up, take notice and start to address the key issues.

1 in 3 babies born in 2013 is expected to live to 100[1].

31% of UK parents of children under the age of 18 intend to support living costs/rent after their education finishes[5].

Younger generations will suffer financially due to the rising costs of living, higher education and housing[2].

It will cost an estimated total of over £500,000 to educate your child privately from the age of four to end of university.

Private school fees in London have risen at three times the rate of inflation over the past five years[3].

Annual private school day fees have more than quadrupled since 1990, from £2,985 to £12,700 in 2014. Wages have risen by just 76% over the same period[4].

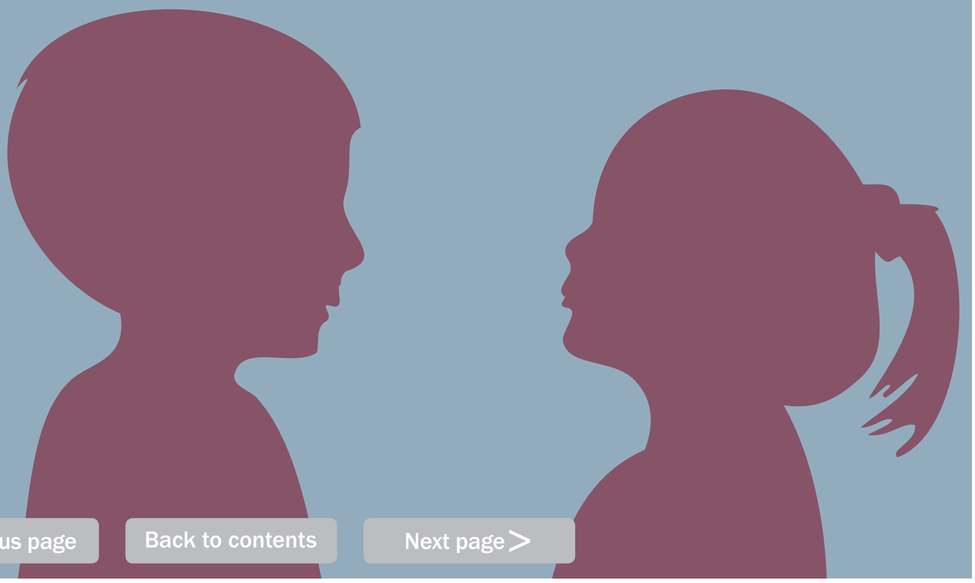
For 16-24 year olds hoping to retire at 63, they would have to save £800 a month.

However, over half of this age group (59%) aren't contributing to a pension pot at all[6].

Under new rules, people with fewer than 10 qualifying years at work will not receive any state pension[7].

6 in 10 of us expect to need an annual income of 50-100% or more of current income in retirement. The current pension replacement rate in the UK is just 29%[8].

A typical pension pot of £53,000 is likely to yield an annual income of just £3,327[9].



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Over a third of UK parents of children aged under 18 expect to help with their child's first house deposit[10].

The majority of Britons expect to receive an inheritance from their parents, but in reality 4 in 10 will get nothing[11].

75% of 20 to 35 year olds expect to receive an average nest egg of £78,000 when their parents die, yet 37% of parents intend to spend all their money in retirement[12].

Every taxpayer in Britain is facing a £54,000 liability to cover a public-sector pensions black hole which will bankrupt future generations[13].

Nearly 1 in 5 people in the UK is aged 65 or over. By 2040 it will be nearly 1 in 4. This compares to just 16% of the population 12 years ago[14].

The population over 75 is expected to double in the next 30 years[15].

48% of pension couples and 74% of single pensioners receive half their income from state pension and benefits, with 7% and 22% respectively having no other source of income[16].

The Government Actuary's department forecasts the pension fund could be exhausted by 2035/6[17].

The total deficit in FTSE 100 pension schemes at 30 June 2016 is estimated to be £117 billion[18].

27% of care home admissions result in stays of over three years[19].

On average, you can expect to pay around £29,250 a year in residential care costs, rising to over £39,300 a year if nursing care is necessary[20].

By 2025, 1.14 million people are expected to be living with dementia[21].

An estimated 4 million older people in the UK have a limiting long-standing illness[22].

If your estate is worth more than £23,250 you will have to fund your care fees[23].

58% of people don't think, or don't know if, they'll be able to afford care home costs[24].

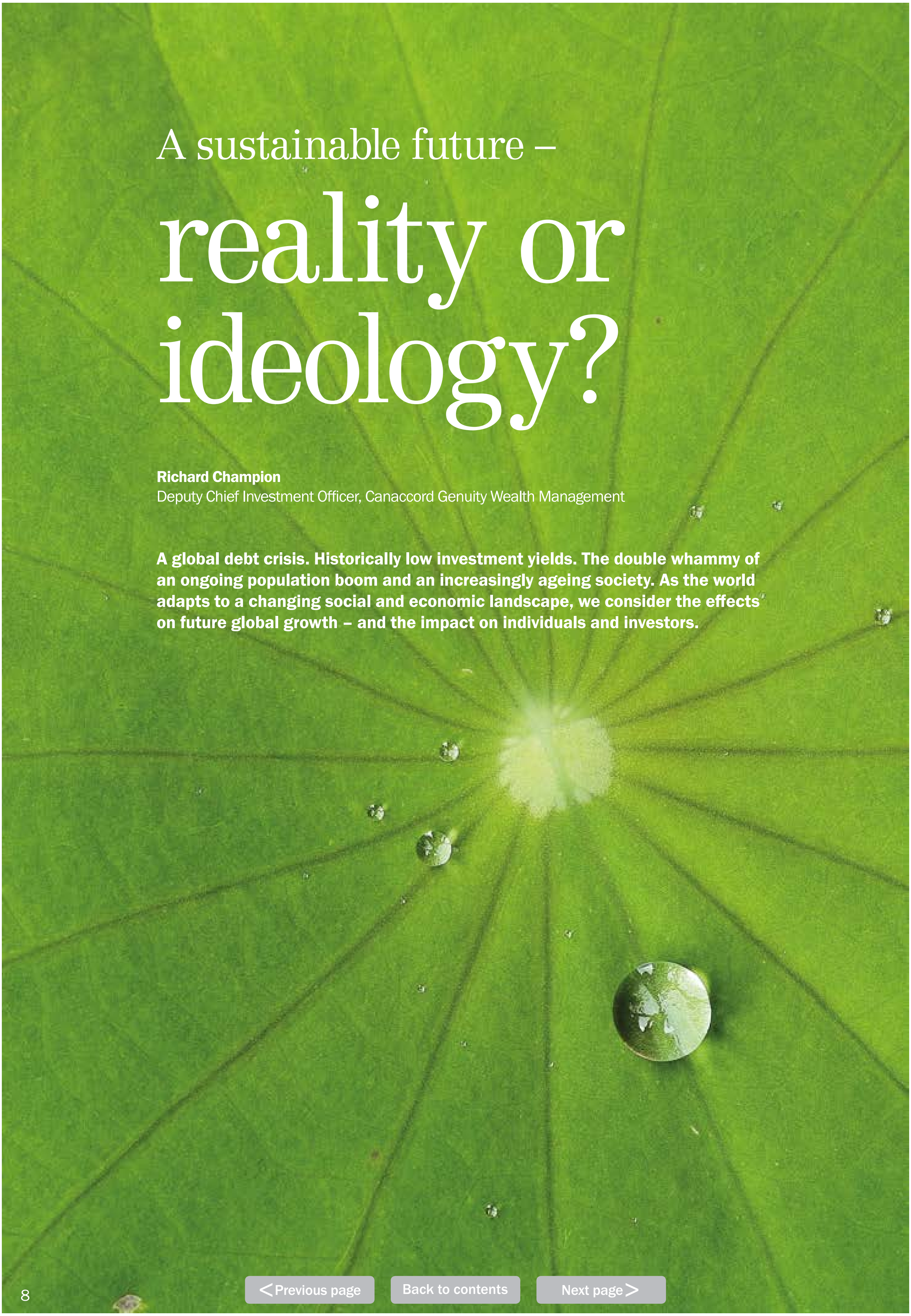
Inheritance tax contributed £5.2 billion to the Government's coffers in 2016.

The nil-rate band is currently £325,000, affecting thousands of UK homeowners each year[25].

Almost three times as many estates were expected to face death duties in 2016 compared with 2010[26].

For males born in this decade, life expectancy is estimated to rise to 91, from 86 today[27].

In 2013/2014, 49% of IHT was collected from estates in London and the south-east[28].



A sustainable future – reality or ideology?

Richard Champion
Deputy Chief Investment Officer, Canaccord Genuity Wealth Management

A global debt crisis. Historically low investment yields. The double whammy of an ongoing population boom and an increasingly ageing society. As the world adapts to a changing social and economic landscape, we consider the effects on future global growth – and the impact on individuals and investors.

For at least 50 years, governments, companies and individuals across the world have been on a borrowing binge. And while the resulting mountain of debt has helped oil the wheels of economic growth over that period, the implications for the future may not be so positive. As the world tries to rebalance its revenues against its outgoings, it's highly likely that growth in years to come will be lower than we're used to, as we work off that debt hangover.

Chasing diminishing returns

At the same time, as we work through the unconventional policies with which Central Banks are combating the aftershocks of the global financial crisis – such as ultra-low interest rates and extraordinary monetary stimulus – investors have been driven further up the risk spectrum in the hunt for income. And with many trillions of dollars of government bonds still offering negative yields, this may continue for some time yet.

The result of lower yields and abundant liquidity has been ever-higher asset valuations. This is evident in fixed income, equities and other asset classes too. In fixed income markets, we saw historic low yields in 2016 – and by historic, we're measuring the time scale in centuries. Within other asset classes, commercial property and equities have also seen a ramp-up in valuations, to sometimes disconcertingly high levels.

When compared only with fixed income, these valuations may appear reasonable – but are they realistic? Valuing one thing off the value of something else that stands at a peak is not a sure-fire way to make money in the longer term.

Conversely, there still appears to be relatively little evidence that many trillions of dollars' worth of quantitative easing has produced what Bank of England Governor Mark Carney once called 'escape velocity' for the real economy.

A growing state of inequality

This environment has clearly given a huge boost to those with financial and property assets, who tend to be older on average, but has excluded those without such assets. The result? Widening income inequality, social exclusion, political polarisation and, just as importantly, generational inequality. Ask how many 30-year-olds can afford to buy even a starter home in London, for instance. This youth disillusion contributed to the much better than expected performance of Jeremy Corbyn's Labour Party at the recent UK general election.

What's more, we can't ignore the conflicting demographic pressures around the world. The global population is currently increasing by around a billion every 12-13 years, but in the developed world there is more and more evidence of ageing taking its toll on economic vitality – at least in the sense in which we've traditionally measured it. It's the burgeoning ranks of pensioners in Japan, Europe, China and North America who most require the stable, quality investment yields that have become especially scarce – and who may now be forced to sell down their capital to fund their retirement lifestyles.

Meanwhile, the vast increase in population within emerging markets means they're clamouring for capital investment to fund their development; and yet may suffer from a lack of developed-world capital to fund it.

Prepare for the long haul

The future of the global economy is always difficult to predict, but it's particularly tricky in these uncertain times. We are facing a number of serious headwinds as we look to the future, but recent experience can offer some useful lessons for investors today and the investors of tomorrow.

The drag on economic growth, as we slowly move to a more sustainable environment, is likely to last a long time, and we must get used to this new normal. Now, more than ever, if you want to look forward with confidence, it's crucial to plan for saving and investment, and to start on the road to building a lump sum for retirement as early as possible.

Richard is a member of our Asset Allocation and Portfolio Construction committees, as well as chairing the UK Stock Selection Committee. He has extensive experience running Global, European and UK equity portfolios, as well as managing money for high net worth clients. He is an Associate of the Society of Investment Professionals.

“It's crucial to plan for saving and investment, and to start on the road to building a lump sum for retirement as early as possible.”

What people really think

We all want to be part of a world where our financial future is secure and our lifestyle sustainable – but how confident do people really feel and what are they doing about it? Canaccord Genuity Wealth Management asked c.2,000 adults in the UK about their feelings on facing up to the big issues, including their personal financial futures, their family's financial futures and the wider economy[29].

Financial priorities

17% of Brits prioritise spending, over 14% who prioritise saving for retirement.

15% of women prioritise saving for retirement versus 13% of men.

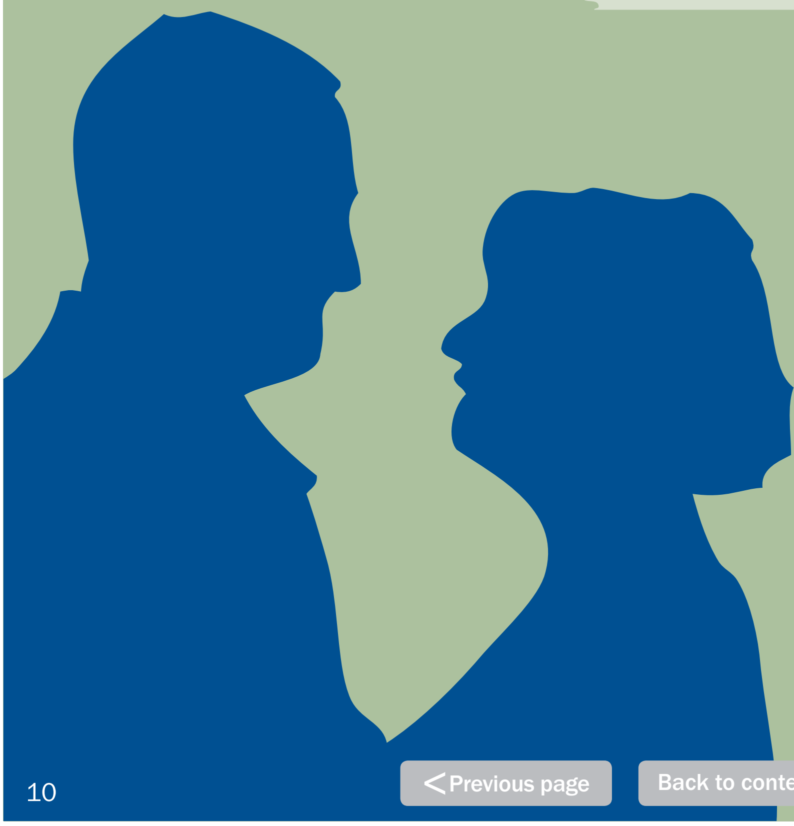
Paying for care homes

58% of people don't think, or don't know if, they'll be able to afford care home costs, given the average cost is £29,250 a year.

Wealth concerns

22% of high net worth individuals are concerned about long-term illness as a threat to their wealth.

15% of women worry about macro-economic events versus 24% of men.



Retirement age

22% of high net worth individuals are concerned about long-term illness as a threat to their wealth.

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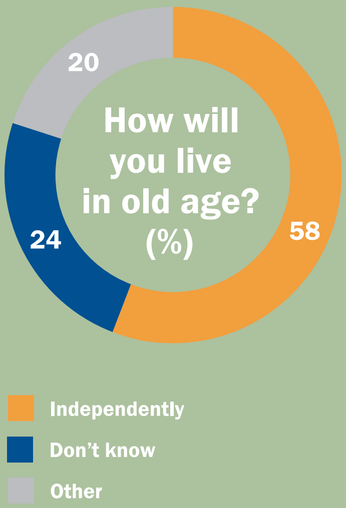
Circumstances in old age

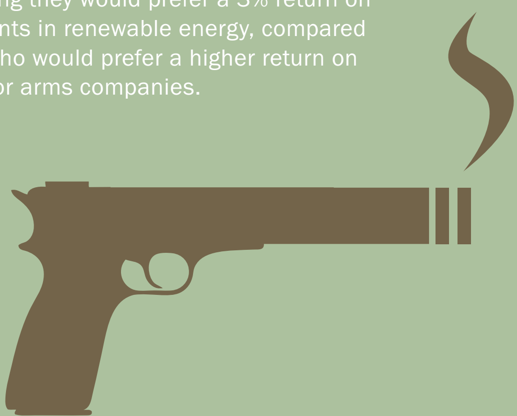


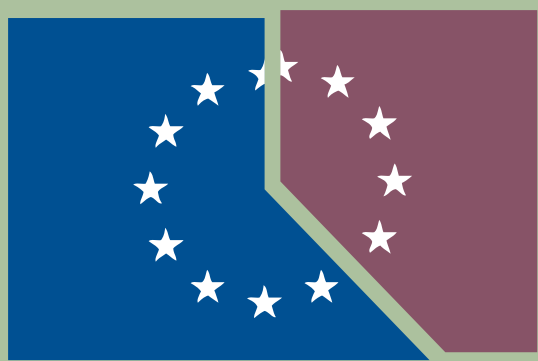
Inheritance tax (IHT)

84% of high net worth individuals who are over 55 do not use their IHT gift allowance (the ability to give away up to £3,000 worth of 'gifts' without them being added to the value of your estate).

Ethical and sustainable investing

Brits are ethical investors on the whole with 47% saying they would prefer a 3% return on investments in renewable energy, compared to 21% who would prefer a higher return on tobacco or arms companies.





Brexit impact on finances

38% of Brits are optimistic about their finances post Brexit, saying they don't think it will affect them financially.

Northerners are the most optimistic, with 43% of those surveyed having a positive outlook on Brexit, whilst Londoners were least optimisitic with only 28% agreeing with them.

Post Brexit, 14% said they are less likely to save for retirement.

Why your financial plans should revolve around

your future

Every major financial decision you make should be based on what's best for your future, and how well prepared you are for retirement, long-term care and inheritance tax.

It's well documented that a worrying majority of working-age people in the UK have vastly inadequate provision in place for their retirement – a situation that can only worsen as we continue to live longer. And the financial implications of care home costs make for startling reading.

Thankfully, with careful planning and prioritising, you can help ensure your long-term needs are met – and look forward with confidence to a more secure and comfortable later life.

Ageing –

the 21st-century threat

David Sinclair
Director, International Longevity Centre – UK

With life expectancy on the up, pension incomes in decline and divorce rates among older people rising, the financial future looks less than rosy for many. Contributor David Sinclair insists individuals, governments and companies must plan better for ageing to avoid a nationwide crisis.

With improvements in lifestyle, diet and healthcare, we are all living longer. In fact, the population over 75 is expected to double in the next 30 years[30]. But our ageing society poses a threat to economic growth, societal prosperity and even our future welfare state. And neither individuals, companies nor governments are preparing adequately for the slow but inevitable change we are witnessing.

The 2013 House of Lords Committee Report by the Public Service and Demographic Change Committee argued that "Government and our society are woefully underprepared" for ageing, and that failure to address the issue could result in "a series of miserable crises". It's a serious concern that we all need to be aware of – and prepare for.

Learning from the past

Economist George Magnus recently highlighted how the financial bust in Japan in the late 80s occurred as its working-age population peaked as a share of the total population. He noted that the economic crises faced by the US and Europe 20 years later happened as the same occurred to their respective population structures.

But it isn't just the macroeconomic environment that's being hit by ageing. Individuals' savings levels remain far too low – despite the success of auto-enrolment pensions. And unless we put more by for old age, future generations of retirees will find themselves poorer than today's pensioners. What's more, our economy continues to lose out on billions of pounds due to the underemployment of older people, despite the rising number of older workers.

What's the solution?

As individuals we need to become more financially savvy. While most of us know what a mortgage is, too few of us know what an annuity is. We need to ensure people are better equipped to build their savings, invest their savings and then spend their savings.

We also need to think early about where we're going to live. Too many of us live in houses which aren't adapted for old age. Too few of us think about moving to housing which is appropriate for us as we age, resulting in people living in homes which are sometimes too big and too cold. Retirement housing works well for many but there is a huge shortage of it.

The importance of planning ahead

Another consideration is the growing divorce rate among older people, with few making any plans for it – but perhaps the biggest issue is end-of-life planning. Death is a certainty for us all, and the need for some care provision a high probability. Yet not many of us plan financially for this eventuality – with most of us denying we will ever need care.

Perhaps we should find a way of getting every 45-year-old to look at the Ready for Ageing Alliance 11-point checklist for successful ageing (see opposite).

The role of government and industry

For our ageing society to be a sustainable one, government and industry – as well as individuals – need to take action.

Policymakers are well aware that the UK's productivity rates need to improve. This would not only increase economic growth and help to ensure younger people have more money to put aside for old age, it should give them bigger returns on their investments too. Public policy should also build on the success of auto-enrolment into pensions.

Government and industry should also consider making more use of the talents of older workers. Many sectors of the economy simply can't recruit the skills they need – could recruiting greater numbers of older, experienced workers be the answer?

And with healthcare failing to keep up with the demands of ageing, and social care in crisis, the government must find ways of funding these services and improving efficiency.

On an individual level, government and industry have a role in equipping us to manage our money and to understand what ageing might be like – and how long we might live – in order to ensure we're all financially comfortable in retirement. Currently, men typically underestimate their life expectancy by five years, women by eight years.

Finally, for us to have a sustainable economic future in an ageing society we must ensure that older people continue to consume. Our research shows that consumption falls below income in retirement. For those sitting on pots of money we must ensure it's invested sustainably, not just sitting in a bank waiting for that rainy day.

Ageing offers huge opportunities and benefits. At the moment, however, we are failing to grasp them.

David is a global specialist, having spent 15 years working in policy and research on ageing and demographic change. He previously held the position of Head of Policy at Help the Aged, where he led a team of eight policy advisers.

Ready for Ageing Alliance
11-point checklist for successful ageing

1. Get fit
2. Save for your old age
3. Pay off your debts
4. If you smoke, stop or cut down
5. Be healthy
6. Plan ahead
7. Keep your friends and make new ones
8. Adapt your home
9. Keep up to date with the kids
10. Talk about ageing
11. See retirement positively.

The changing face of retirement

Baroness Ros Altmann, CBE
Former Minister of State, Department for Work and Pensions

With state pensions becoming less generous, traditional employer pensions falling by the wayside, and fewer young people to fund the pensions of our ageing population, contributor Ros Altmann explores the notion that the once-accepted 'magic age' beyond which we no longer work has become a thing of the past.

What does 'retirement' mean to you? The word conjures up many images, but how many of us have really planned what it will be like – or indeed considered what we want it to be like?

Most of us have a vague notion of what will happen when we retire but this is usually based on what we have seen other people do during our lives. However, retirement is likely to change significantly in the 21st century, and will no longer be something that happens on a set date or at a particular pre-determined age.

In the early 20th century, most people worked until they physically could not. The means-tested state pension was paid from age 70 – beyond average life expectancy, so most would never actually reach pension age or enjoy much retirement.

Since the 1940s, National Insurance and the British welfare state set an official age of 60 for women and 65 for men at which the state pension would start to be paid. Those were considered the traditional ages to stop working.

Shifting the balance

The funding for the state pension system is on a 'pay as you go' basis, so current younger taxpayers fund today's retirees. Fine, if the number of pensioners is relatively small, as was originally the case. But with more older people and fewer younger cohorts, financing state pensions becomes problematic.

The new welfare state started just as the post-war baby boom began. Huge numbers of young people reached working age from the 1970s onwards and employers were eager to replace their older workers with keen youngsters. So the concept of 'early retirement' was introduced as a cheaper, more humane way of rejuvenating the workforce than just laying people off.

Indeed, in manual labour industries, which usually had final salary pension schemes, older workers were offered the chance of receiving good pensions from their 50s for the rest of their lives. This suited people who had worked in heavy industry and fought in the war and were physically less able than the young. As employer pensions seemed to offer a well-funded retirement for life, it became the norm to aspire to retire even before reaching state pension age.

Although this seemed sensible at the time, demographic developments dictated that 'early' retirement was the opposite of what was required. The baby boomers had fewer children than previous generations, so as they grew older, there would be far fewer younger people to pay their pensions.

The impact of an ageing society

People are now living much longer, which is great news, of course, but means they are spending longer in retirement than ever before. They are also staying healthier for longer. Most of us simply won't be 'old' and incapable of work in our 50s and 60s. For many, 50 is just the start of the second half of our adult life. What will we do during those years and what will we live on?

“For many, 50 is just the start of the second half of our adult life.”

The nature of employment has changed too. With improvements in health and safety, as well as a shift to more service and sedentary jobs, the physical strain of work is much less. And with more flexible working available, it is possible for us to keep working part-time and reinvent what retirement itself means.

A whole new phase of life is waiting to be enjoyed, which many are already taking advantage of – seeing retirement as a journey rather than a destination – but more of us could plan and prepare for this phase.

Financial planning is key

Right now, there are more over 60s than under 18s. In the next 30 years, the population aged over 75 in the UK is expected to double. In the next 20 years or so, 1 in 12 people will be over 80 and nearly one in four will be over 65.

So what does all this mean for the future? With fewer taxpayers and more pensioners, how will society support our ageing population? The state pension is being radically overhauled and future state pensions will generally be lower than in the past. Today’s full state pension only pays around £160 a week. To have more than this, you will need money from elsewhere.

Employers will have to provide all their staff with a pension. However, the required contributions are tiny and unless you save far more, this will not give you a decent retirement income. And with generous final salary-type pensions no longer offered to most private sector workers, pensions of the future will generally be reliant on investment returns, which brings new risks of retirement poverty.

There are other sources of income you can plan for. Having your own pension on top of that provided by your employer, or other savings, for example. You could sell your home and move somewhere smaller to release extra funds. You may inherit some money from relatives too. However, a sensible route to better income in later life is to make a careful plan today.

Your future, your responsibility

The simple fact is you cannot rely on the state to support you in your old age – it is up to you to make your own arrangements and plan carefully to ensure you can enjoy your later years in the comfort that you aspire to.

So get some financial advice or guidance, don’t leave it too late, plan your savings, pensions and work-life balance to help you achieve what you want for yourself and your family. It may not be easy, but it will be worth it.

Baroness Ros Altmann, CBE,
Former Minister of State,
Department for Work and Pensions

Leading pensions expert, campaigner and Britain’s former pensions minister, Ros has taken on the causes of everyone from Allied Steel workers to Equitable Life Policy-holders. An economist by training, she is well-known as an independent voice who understands both the customer and provider viewpoints.

Live long and prosper

Marcus Potter
Retirement Planning Specialist, Canaccord Genuity Wealth Management

Given our increasingly ageing population, and just 14% of people prioritising saving for retirement[31], a national pensions crisis seems inevitable. We consider the facts and figures, and provide some top tips to help you look forward to a comfortable retirement.

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> “Pensions are the most tax-efficient wrappers available to investors, with up to 45% income tax reclaimable on contributions.”

As highlighted in Baroness Ros Altmann’s article, the face of retirement is changing rapidly. Today, most of us look forward to a long retirement filled with things we’ve always meant to do more of, such as travelling or spending time with our grandchildren.

Burying our heads in the sand

Despite much being done in the last 10 years to increase people’s awareness of the need to take ownership of their retirement and start planning for it, many of us still believe that the state and our employers will pay our way in old age. However, as Baroness Altmann says, “You cannot rely on the state to support you in old age – it is up to you to make your own arrangements and plan carefully to ensure you can enjoy your later years in the comfort that you aspire to.”

If we are to realise our aspirations and attain our desired quality of life in later years, we simply need bigger pension pots than before. Importantly, we need to start planning for retirement as early as possible.

Adding up to a brighter future

You’ll need to work out how much you’ve already saved and how much more you can afford to set aside. Then assess how much you think you’ll need to maintain your desired lifestyle and how long you realistically might live, and compare the two. It’s an exercise that we at Canaccord Genuity Wealth Management also recommend when discussing retirement planning with our clients.

Part of the answer could come from planning to work for longer. If you factor in some part-time income for a few extra years, you can supplement your savings and pension, helping them go further – and you may even be able to build extra savings too.

These calculations are not straightforward, and of course you’ll need to make assumptions about how much you can expect to earn on your savings and investments. A financial planner may be able to help you with this.

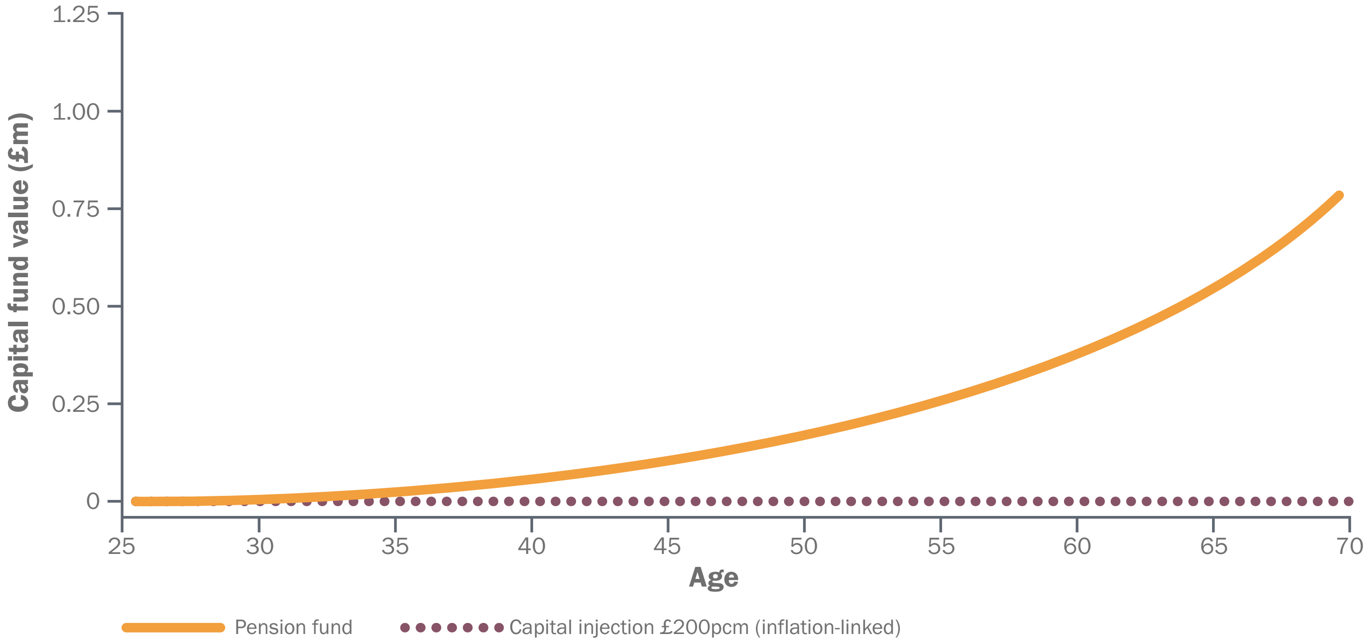
When should I start planning for retirement?

As long as you have some disposable income – immediately. In the UK we are enjoying longer retirements than ever before, and this is primarily due to people living longer (by the end of the 20th century men lived to an average of 76 and women to 81) and retiring earlier (on average 62). This extended retirement period has to be planned for and funded – and we each have to take personal responsibility for it. The earlier you start, the better.

How can I start planning for retirement?

Whether you’re in employment or not, a partner or self-employed, you can contribute into a pension. Employers are legally bound to offer workers access to a workplace pension scheme, while anyone self-employed or unemployed who can’t invest in an occupational plan can pay into a personal pension, such as a SIPP (Self Invested Personal Pension) or a stakeholder policy.

Pension forecast



Source: CGWM internal

Pensions are the most tax-efficient wrappers available to investors, with up to 45% income tax reclaimable on contributions. What's more, many employers see their defined contribution workplace pension schemes as a valued and affordable benefit, so they offer generous contributions to their employees. If you're an employee and not currently a member of your company's pension scheme, ask your HR department for details.

You don't have to be a high earner to enjoy a comfortable retirement, so long as you start investing young. As the graph above shows, a 25-year-old contributing £200 each month (including employer contribution) can generate a healthy personal pension to supplement their state pension. If they were to contribute £200pcm until the age of 68, rising in line with inflation at 3%, and if that pension generated returns of 5.75% per annum, they'd have a fund of £741,337 on which to retire.

Are there any recent changes to pension rules I need to be aware of?

In 2015, legislation was introduced that provides people with greater control over how they spend, save or invest their pensions. These reforms included enabling people to access their pension from 55, removing the requirement to buy an annuity to generate a guaranteed income until death, and providing access to income drawdown schemes that were previously only available to wealthier pensioners.

Income drawdown enables people to remain invested in retirement while offering them the opportunity to take money from their pension as and when they need it. With annuity rates in freefall since the UK's vote to leave the EU, it could be argued that income drawdown has never been so attractive to retirees. For example, as of 5 May 2017, a 65 year old could only expect a yield of £5,108 per annum from an annuity of £100,000*.

Alongside the new freedoms, the 2015 legislation introduced a change in the tax treatment of deceased individuals' pensions. Beneficiaries will now either pay tax at their own income tax level – with the money they receive added to their earnings to calculate this – or, if the person who dies is under 75, there will be no tax to pay. This means that leaving some of your pension to your estate may be a tax-efficient way to plan your legacy.

If you'd like to talk about your future with a Canaccord Genuity Wealth Management specialist in pensions and retirement planning, just call us on **+44 20 7523 4738** or email **wealthmanager@canaccord.com.**

Marcus works closely with the wealth planning team at Canaccord Genuity Wealth Management. He conducts in-depth research to provide bespoke wealth planning and portfolio management for high net worth individuals.

*On a level-rate, no-guarantee basis.

Our five top tips for pension planning:

1. **Start early –** average life expectancy in the UK is getting higher, making retirements longer, so we need more money for later life
2. **Take responsibility for your own financial future –** final salary pension schemes are far less common than they were, so the burden is falling on us and not our employers
3. **Save what you can –** a little regular saving now goes a long way in the future
4. **Regularly check that your plans are still on track –** if your circumstances change you may need to adjust your retirement options
5. **Seek advice when you need it –** financial planning can be complicated, especially further down the line when you may have multiple pension pots or more complex requirements. You can get free pensions advice from the Pensions Advisory Service, or a financial planner can look at your individual situation to ensure all your investments are working in line with your long-term needs.

Why you should care about

care homes

Nero Patel
Wealth Planning Director, Canaccord Genuity Wealth Management

Although the government is aiming to cap the total cost of care fees at £72,000 by 2020, people with assets worth more than £23,250 are expected to pay for themselves.

The facts about care homes are alarming, says Baroness Ros Altmann:

- One in four of us may need to pay someone to look after us in old age, either at home or in a care home
- The state does not cover care costs, and the NHS will not necessarily pay for dementia care or other needs considered part of the ageing process
- Publicly funded social care is means-tested – you'll only get help if you have less than around £23,250 in assets (often including the value of your home)
- A care home can cost over £30,000 a year and care at home over £10,000 rising to £30,000 or more, depending on how much care you need.

There are now 1.5 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[32]. The number of UK centenarians has also risen – by 72% over the last decade – and nearly one in five people will live to see their 100th birthday.

"It would be wise to consider making contingency plans for care" says Baroness Altmann, "Having money earmarked for care could give you greater peace of mind and the means to choose the best option."

Of course, 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.

On average you can expect to pay around £29,250 a year in residential care costs, rising to over £39,300 a year if nursing care is necessary. You should also be aware that 41% of all people receiving care have to fund it entirely themselves.

That's why, if your circumstances change and residential care is required for you or another family member, it's so important to make sure your adviser takes a holistic view of your total wealth. They can set up the right financial plan to see you, or your family member, comfortably through the rest of life.

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

"A care home can cost over £30,000 a year and care at home over £10,000."

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.

Their 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 £1.25m to an estimated £245,000* when she reaches 95.

*£245,000 is Violet's savings plus her annual pension income minus her estimated care home fees.

The care home financial plan

Investment	Portfolio structure	Income
£570,000	Canaccord Genuity Wealth Management investment portfolio	c.£20,000 estimated 3.5% return
£300,000	Inheritance tax portfolio (minimum 2 years' holding)	c.£6,000 estimated 2% return
£150,000	Care fees annuity	£25,000 (guaranteed for life)
£80,000 cash		£10,000 pension
£1.1m capital		**£61,000** estimated annual income

> **“Theoretically, Violet should be able to leave about £873,000, as opposed to £245,000 in her current situation.”**

Canaccord Genuity Wealth Management’s 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.

**£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.

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.

To discuss whether this service would be suitable for you or your family, or to find out more, please get in touch with Canaccord Genuity Wealth Management’s Wealth Planning Director, Nero Patel, by emailing **Nero.Patel@canaccord.com**, or calling **+44 20 7523 4751**.

With over 16 years’ industry experience Nero provides strategic financial planning services to a range of private clients at Canaccord Genuity Wealth Management, in addition to professional introducers, both personally and to their clients. Nero is highly qualified as a Chartered Financial Planner, a Certified Financial Planner licensee and a Fellow of the PFS. He is also qualified to give advice to vulnerable clients.

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 bases of taxation may be subject to change in the future.

Looking at your family's financial future

While it's vital to consider your own financial future, it's equally important to lay foundations so the next generation can look forward to their future with confidence. According to a 2015 survey, 75% of parents with children under 18 recognise that their children will need more financial support in early adulthood than they did themselves. And over a third expect to help with their child's first house deposit[33].

It's never too early to start thinking about your children's education and how best to meet the cost of spiralling school fees. And the more you can do to understand and mitigate against inheritance tax, the better.

As ever, careful and timely planning is key.

Making allowances for IHT

Sagar Morjaria
Wealth Adviser, Canaccord Genuity Wealth Management

The number of families incurring inheritance tax (IHT) liabilities has more than doubled in the last six years[34]. Yet too few of us are planning to reduce the amount of IHT for our loved ones. Here we take a look at how inheritance tax works, check out the new rules and regulations, and explore some of the ways you can help reduce it.

It's a common misconception that IHT affects only the very wealthy. In fact, it applies to a large number of people and it's costing UK residents more each year. In 2016, HMRC collected £5.2 billion from IHT, compared with £2.7 billion in the 2010/11 tax year.

What exactly is IHT?

IHT is a tax payable on anything of value – or 'assets' – which are left behind when you die. These can include:

- Cash and savings in the bank
- Investments
- Your home or other property/land
- Valuables, such as jewellery or art
- Vehicles
- Businesses you own
- Payouts from life insurance policies not held in trust.

When you die your assets become known as your estate and, depending on who you've chosen to leave it to, IHT will be payable – potentially costing your loved ones a significant sum of money.

There are ways to reduce the amount of IHT owed by your estate, so it's important to know how it might affect you and your family. You can then take steps to make sure they don't end up paying more than they need to.

How much will it cost?

The IHT rate is 40% and due on anything above what's known as the nil-rate band – currently set at £325,000. This means if you're single and die during the 2018/19 tax year with an estate worth more than £325,000, 40% IHT would be due on anything above this amount.

Although the nil-rate band could change in the future, it has remained at this level since 2010/11.

If you're married or in a civil partnership, your individual nil-rate bands are combined. So if your partner dies and leaves their estate to you, 40% IHT is only due on assets above £650,000 when you die.

There are exemptions where no IHT is payable. For example, a husband and wife or civil partners can give gifts of any value to each other during their lifetime, so long as they are both domiciled in the UK. There are other allowances for making gifts under certain amounts to other people and to certain organisations, but the rules can be complicated and change often, so it's important to seek professional advice. You can read more about IHT exemptions in our IHT guide.

How is it paid?

Writing a Will is one of the most helpful things you can do to ensure your estate is distributed as you would like. The executor of your Will can then pay the IHT with funds from your estate.

IHT is payable within six months of the date of death, although it's possible to pay it in instalments if your executor finds that it's taking a long time to sell some assets.

The latest rules

In the 2015 Summer Budget, the ex-Chancellor George Osborne announced a new main residence allowance, and this was introduced in April 2017. This is an additional allowance to the nil-rate band described above and applies when the main residence is left by parents to their children or grandchildren.

The individual allowance is £125,000 and it is set to increase to £175,000 by 2020. As with the usual IHT allowance, it is also transferrable to a surviving spouse or civil partner:

- If one partner dies, their IHT allowance could be £325,000 plus £125,000 for their main residence i.e. £450,000, rising to £500,000 by 2020
- On the death of the second partner, the couple's combined allowance could potentially reach up to £1 million of allowances before IHT becomes payable, although the additional £350,000 can only be set against the main residence.

The new main residence allowance is reduced for estates worth over £2 million.

Is there anything I can do to manage IHT?

There are a number of ways in which IHT can be legitimately reduced or fully mitigated. However, you should be careful to make sure you can still maintain your lifestyle.

IHT rules are complicated and no one likes thinking about their own mortality. But the implications of not planning for the future, or making a Will, could be significant for your family. A little financial planning sooner rather than later could go a long way towards leaving them the legacy you want and helping your children and grandchildren live a more comfortable lifestyle.

To find out how we can help you reduce the amount of IHT your family might have to pay, call **+44 20 7523 4998** and ask to speak to a member of the wealth planning team.

Sagar started his career in financial services soon after graduating from the LSE. He is an experienced and highly qualified Wealth Adviser, holding the Chartered Financial Planner qualification along with being a Fellow of the Personal Financial Society.

> **84% of high net worth adults have not used their IHT gift allowance in the past year[35].**

Our five top tips for IHT planning include:

1. **Spend it or give it away –** this is the simplest and easiest option. If you give it away, you have to survive for seven years after the date of the gift, or it will still be included in your estate after all. Remember, it's important not to give everything away.
2. **Give away any excess income –** if you have unspent income each month, it's simply increasing the size of your estate. Instead, distribute it among family, friends or charities – or use it to pay for life cover.
3. **Arrange life cover –** this is another simple way of reducing or mitigating the impact of the IHT bill. The premium and amount of cover will normally be fixed, giving you control of your estate rather than having to make substantial gifts. You can use an annual allowance or unspent income to fund the cost of cover.
4. **Set up trusts –** this is important if you don't want to lose control of your capital. Some trusts will pay a fixed level of income, while others can offer your beneficiaries additional benefits, such as protection against divorce or bankruptcy.
5. **Look into specialist investments –** you can invest in a range of permitted UK companies and achieve IHT exemption after only two years. This is a higher-risk approach than the options listed above, but it offers quick relief, you don't have to give any assets away, and you'll have ongoing access to your capital.

AIM to minimise

IHT

Paul Parker
IHT Portfolio Manager, Canaccord Genuity Wealth Management

With our families' future financial wellbeing always in the back of our minds, we'd all welcome legitimate ways to minimise inheritance tax (IHT) liability. One way to do this is by investing in the Alternative Investment Market.

There are a number of measures you can put in place to safeguard at least some of your estate from IHT. For example, there are advantages to be gained by investing in the Alternative Investment Market (AIM), which is why we at Canaccord Genuity Wealth Management created the IHT Portfolio Service in 2006, now in its 11th successful year.

The IHT Portfolio Service looks after more than £130m of funds on behalf of 450 clients and invests in securities listed on AIM.

Once you've held an investment in certain AIM companies for two years, it no longer counts as part of your estate for IHT purposes. This is because, under current rules, these companies qualify for a tax relief called Business Property Relief (BPR).

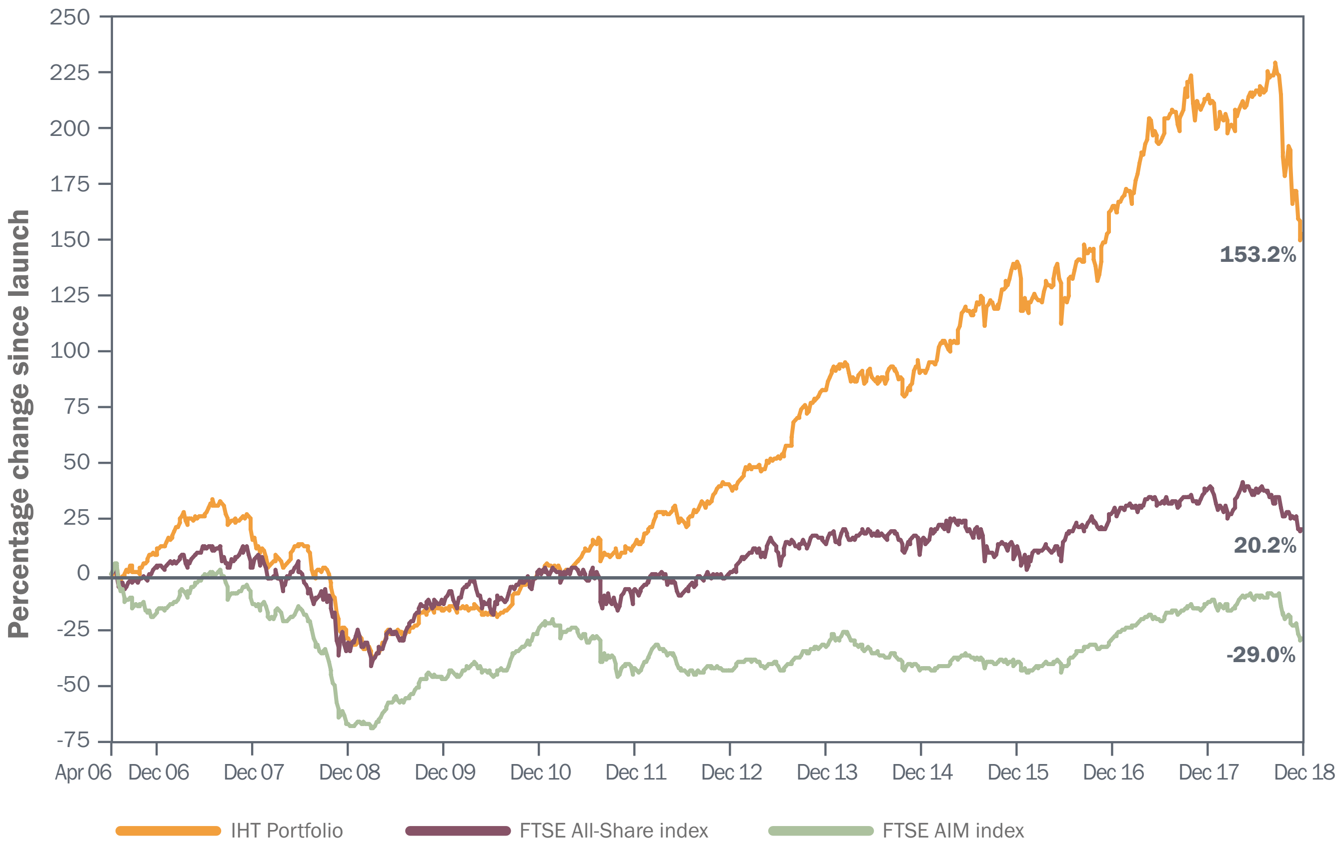
This compares favourably with the usual rule that applies to gifts and simple trust transfers, when you have to survive for seven years before they become IHT exempt.

If you'd like to know more about our IHT Portfolio Service, please contact Paul Parker on **+44 20 7523 4534** or email **wealthmanager@canaccord.com**

Paul specialises in the Alternative Investment Market and has responsibility at Canaccord Genuity Wealth Management for the IHT Portfolio Service. He is highly qualified as a Chartered Wealth Manager and a Fellow of the Chartered Institute for Securities.

Important information: This service should be regarded as high risk as it is exclusively focused on equities. The portfolios are wholly invested in small capitalisation stocks. These companies are therefore more volatile and whilst they can offer great potential, growth is not guaranteed. The current inheritance tax rules and tax treatment of AIM shares may change in the future. We strongly recommend that clients discuss their financial arrangements with their tax adviser before investing, as the value of any tax reliefs available is subject to individual circumstances.

Inheritance Tax Portfolio Service performance since inception



Source: Canaccord Genuity Wealth Management. All data from 12/04/2006 (inception) to 31/12/2018.
Capital return, gross of fees and charges. Past performance is not a reliable indicator of future returns.

Five great reasons to take AIM:

1. **Tax-efficient investing:** As well as IHT benefits, you can also hold AIM shares in an ISA – and there's no stamp duty.
2. **Well established market:** Today there are approximately 1,000 companies trading on AIM, with a combined market capitalisation of around £95 billion. Reflecting the success and maturity of the market, more than 200 companies have moved from the Official List to AIM.
3. **Plenty of investment opportunities:** Depending on your risk appetite, you can invest in companies varying from riskier early-stage start-ups to more established businesses, such as Young's & Co Brewery, which celebrated its 185th anniversary in 2016.
4. **Industry leaders:** A number of AIM companies are leaders in their field, such as Craneware plc, a claims and financial management system for the healthcare sector. Many others have developed franchises that are expected to grow revenue, profits and assets at compound rates exceeding the domestic economy.
5. **Bigger than you think:** There are over 200 AIM companies now capitalised north of £100 million. They include ASOS, which is ranked among the top 200 UK-listed companies by market capitalisation.

Important information: This is not a recommendation to invest in any of the companies mentioned. Names of companies are included for illustrative purposes.

Relief
in renewables

Mike Currie
Partner, Foresight Group

If there's one lesson we can learn from 2016, it's to expect the unexpected: Brexit, Donald Trump, Leicester City winning the Premier League. Apparently bookmakers deemed all three events happening so unlikely that a £10 bet would have returned a massive £30 million[36]. It raises the question: what's next?

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Faced with undoubtedly exciting but volatile times ahead, the UK is having to wrestle with a dilemma. We've got an ageing population looking for capital preservation to enable them to pass on as much wealth as they can to the next generation, versus a stock market likely to reflect the turbulence of a world striving to embrace change.

Step forward a tax break that's been around for 41 years, and is enjoying something of a renaissance. This is thanks in part to its ability to embrace investments that are uncorrelated to the stock market, and invariably underpinned by supporting legislation and long-dated, index-linked cash flows.

Business Property Relief (BPR) is also now officially known simply as 'Business Relief'. It was introduced as part of the 1976 Finance Act, to allow business owners to pass on their businesses to the next generation, without the beneficiaries having potentially to sell those businesses to pay the universally hated inheritance tax. It's infuriating: you work all your life and pay taxes along the way; then in your final hours you meet the Chancellor at the pearly gates, who takes a further 40% for assets above the nil-rate band.

If you invest in a BPR-qualifying unquoted trading company, the good news is that two years after the date of your investment, the full value of that investment (and whatever it may grow to) falls outside your estate. Tax mitigation achieved while backing British businesses. Morally and legally sound. But how do you ensure that the company you've invested in won't lose some or all of your money, particularly in these volatile times?

For many institutional investors, and for a good proportion of the BPR product providers, renewables has proved to be a safe harbour in troubled waters.

Enough solar energy reaches the Earth every 1.5 hours to meet the world's energy consumption for a whole year[37]. Sectors like solar are maturing, benefiting from the enhanced revenues possible under the UK Government's Renewable Obligation (RO) scheme. As well as income derived from selling the generated electricity, solar power plants accredited under the RO scheme receive 20 years of income from the sale of Renewable Obligation Certificates (ROCs), which substantially increases the solar power plants' returns.

Solar power remains the most reliable and predictable of renewable energy sources, as it depends on irradiance levels from the sun. Photovoltaic (PV) cells convert that light into electricity. Although we can't predict with certainty from day to day whether the wind will blow, we can be pretty sure that the sun will rise each morning.

There are various other sectors within the renewables and infrastructure space that attract Business Property Relief. They may not have such a predictable outcome as solar, but all help with the need to rely less on traditional energy sources. These include wind, hydro and anaerobic digestion (AD) as well as smart meters.

And with the December 2015 Paris Climate Conference securing the commitment of 195 countries to adopting the first-ever universal, legally binding global climate deal, the direction of travel is unmistakeable.

Mike Currie joined Foresight Group in 2006 and is Head of Retail Sales in the London office. He's responsible for leading the marketing and sale of Foresight's family of VCTs, EISs and the Foresight IHT Solution. Since his arrival, the Group's AUM have grown from £90m to £2.7bn.

"If you invest in a BPR-qualifying unquoted trading company … two years after the date of your investment, the full value of that investment falls outside your estate."

Important information: These investments should be regarded as high risk as they invest in smaller companies with shares that are more volatile, highly illiquid and can be difficult to sell. They are long-term investments and are only suitable for UK resident taxpayers who can tolerate higher risk. They attract tax reliefs provided the underlying managers keep to certain rules and may be subject to legislative changes in the future.

Looking forward to your children's education

Nicholas Michell
Wealth Adviser, Canaccord Genuity Wealth Management

One way to make certain your children can look forward with confidence is to provide them with the best possible education. Nicholas Michell identifies your key considerations.

Private school fees have risen at an alarming rate in recent years. Since 1990, overall fees have increased by more than 300% while wages have risen by just 76% over the same period[38]. So how do you provide for your children's education?

Key considerations:

1. What are the fees for the school you've chosen?
2. What is the likely rate of inflation? School fees inflation has averaged 4.5% per annum over 10 years, outstripping the Consumer Price Index (CPI), which was 2.3% over the same period.
3. Which funding option is most suitable for you?
4. Can you make the most of any tax efficiencies?

The importance of early funding

The Independent Schools Council Census in 2017 concluded that the average annual fees for private schooling are £12,870 for junior school, £17,829 for senior school and £21,912 for sixth form. But the price of private education can be significantly higher, with many of the most sought-after schools costing as much as three times the average rate per annum. For example, Eton, Winchester and Harrow started at £37,500 for the 2016/17 school year.

It will probably cost a total of more than £500,000 to educate your child privately from the age of four to end of university. However, if you start planning early, it's achievable.

What are the funding options?

Maximise your tax-free saving allowance

If you commit to paying £1,666 into an ISA each month for the next ten years, and assuming an annualised growth rate of 6%, you'd create a fund of £270,000 from which to start funding your child's education. If you continued to fund your ISA at the flat rate of £1,666 for the next 14 years, as well as drawing on the fund to pay the indexed school fees, you would end up with a fund of £342,828 for further education. Clearly this amount won't be worth as much as it is today, but the monthly payments into your ISA will also gradually become cheaper in real terms.

Pre-pay the school fees

If you already have significant savings, they could be the most prudent way of paying fees, as you'll 'lock in' the cost for years to come. For example, if you could lock in this year and pay in advance for the next 24 years it might cost you £223,060, rather than £489,750 if you were paying year by year, starting in 10 years' time.

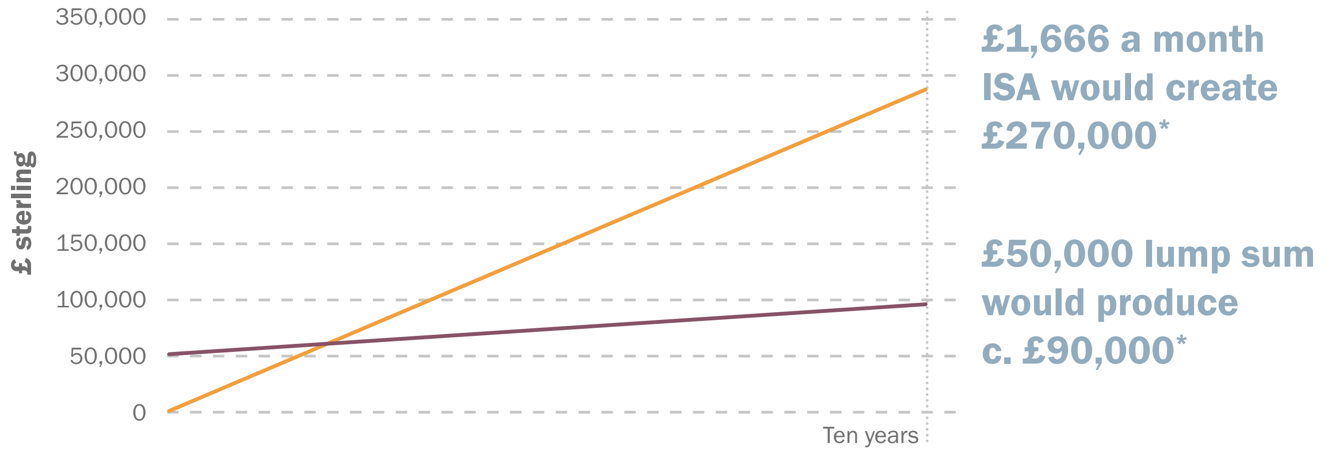
However, your money could be at risk in the unlikely event that the school goes bust. Also, a well-structured investment portfolio may outperform over the medium to long term.

Invest a lump sum for a 5-10 year timeframe

In a designated children's school fees account, for example, or by setting aside a figure within your overall financial plan. Perhaps you could ask a grandparent to help, which might be a useful inheritance tax strategy. To put this in perspective,

> It will probably cost a total of more than £500,000 to educate your child privately from the age of four to end of university.

Saving for school fees



* Assuming an annualised growth of 6%

Source: CGWM internal

if you invested the £223,060 that it would otherwise cost to prepay fees, and assuming the same growth and inflation figures as the ISA funding scenario, you'd end up with £399,465 after 10 years. After a further 14 years of funding indexed school fees out of the pot, you'd end up with approximately £190,000.

Portfolio returns have exceeded those of cash over the last three and five years, but this option does have risks, and returns will vary depending on your personal risk profile.

Pay 'as you go'

You simply pay the school fees, from income, as they arise. The only major risk is the possibility that your earnings might not continue to cover the cost of fees.

Whichever funding option you choose, thought and planning is essential. So an early conversation with a financial planner could prove invaluable. The sooner you do it, potentially the greater choice you'll have in your children's schooling.

To discuss this further, please contact Nicholas Michell on **+44 20 7534 738** or email **wealthmanager@canaccord.com**.

Nicholas joined Canaccord Genuity Wealth Management in September 2016. He has many years' experience as a Financial Planner, offering solutions across a broad spectrum of personal finance.

Nicholas also provides more targeted advice, particularly with regards to retirement planning and tax and estate planning. Nicholas is a member of the Personal Finance Society and The Chartered Insurance Institute.

Life sciences look forward to a healthy future

Peter Dines
Head of Life Sciences and Bio-Sciences, Mercia Fund Management

The life sciences sector offers a broad range of focus areas with the potential to be hugely rewarding to both business builders and investors, particularly as technologies converge to include bio and advanced materials, connectivity and digital innovations across the UK. Here Peter Dines of Mercia Fund Management outlines the questions you should ask when considering an investment.

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Current global life science challenges include Zika virus, antimicrobial resistance, an ageing population and demographics growth, technological advances in surgery and diagnostics, and the growing use of digital technology in the delivery of healthcare. In the light of these challenges, businesses capable of offering ethical, cost-effective solutions are the most likely to become market leaders.

However, before investors start seeing life sciences as a honey pot of opportunity, they must bear in mind that this sector, perhaps more than any other, requires a vast amount of knowledge, experience and, most importantly, patience.

Nevertheless, knowing what to look for, and understanding how to approach businesses within this sector, will help significantly in offsetting risk and building capital in what can be a morally – and potentially financially – rewarding proposition for investors.

At Mercia, we hold a great deal of expertise in the life sciences sector (our investment team for this sector includes PhDs, entrepreneurs and a qualified doctor). Broadly speaking, we ask ourselves the following questions whenever we examine a new business investment opportunity:

1. Does it solve a clinical or scientific problem?

A life sciences business must be able to prove that it can solve a current clinical or scientific problem more efficiently and cost effectively than any other existing solutions in that field. This needs to be demonstrated in both the initial research and development phases, and then further down the line, when the business needs to pass industry regulations.

2. Is it defensible?

From start-up to exit, the intellectual property of any technology developed by a life sciences business must be protected by patents, both domestically and abroad. A company that does not ensure this leaves its work vulnerable to theft, reproduction and, potentially, the opportunity for a competitor to build on and improve its technology.

3. Is it in motion or lost in the lab?

Ideally, by the time any investment comes into the picture, a life sciences business should be in its development and commercialisation phase. As an investor, we'll be asking the business to prove that its minimum viable product is capable of being applied outside a laboratory setting, with all the necessary regulatory and commercialisation plans mapped out.

4. Does their stated target market really exist?

The research may be a unique, ground-breaking piece of work worthy of a science fiction novel, but if the market is theoretical, the technology simply cannot be commercialised.

5. Is the team ready to build a business?

We've had the privilege of working with some of the most brilliant scientific minds in the country, but this hasn't always meant that their work is destined to disrupt their given sector. Knowing the ins and outs of the human genome does not automatically equate to knowing the ins and outs of sales, marketing and finance. An investor needs to complete extensive due diligence on the team's capabilities to ensure a healthy mix of both academic expertise and business builders.

6. Is the commercialisation plan credible?

Is the route to market feasible, or built on a wing and a prayer? We often see a business plan where the sales forecasts total multi-millions in year three, but the overhead structure doesn't change from day one, and ignores the costs of marketing, clinical development, sales, operations, finance – in fact, all the aspects needed to run a successful and profitable business.

If you're considering an investment, you should review projections very closely, ensuring that a business could withstand regulatory approval, market changes and economic upheavals, as well as support the sales forecasts.

Never be swayed by flashy promises and always bear in mind that a successful life sciences business has many challenges to overcome. Getting the product actually working is just one of them.

7. Have they identified and addressed any possible reimbursement challenges?

This sector is unique in that a business looking at medical devices or diagnostics needs to meet all the standards required for reimbursement, whether through a private health company, a national health service or an insurance firm. It is vital to understand this process so you can recognise any potential problems, which could mean the difference between success and failure.

8. Does the business plan identify and address any potential regulatory challenges?

You need the knowledge to spot any hurdles that could crop up during the regulatory process. Likewise, you should be satisfied that the business has also identified those hurdles, and offered strategies on how to mitigate the risks, as well as a couple of plan Bs if necessary.

Always be aware that new medical technology must go through several stages of approval before it reaches the market, which means the company may not reach profitability until several years after your initial investment.

Peter Dines, Mercia's Head of Life Sciences & Bio-Sciences, has over 20 years' experience in the industry, having founded and sold businesses in this sector.

Our conclusions

David Goodfellow
Head of UK Financial Planning, Canaccord Genuity Wealth Management

If each of us had a crystal ball, we could look forward to the future with some degree of certainty. But the fact is, we live in unpredictable times – and we simply can't foretell what lies ahead for ourselves, our families, or indeed the world in which we live.

But some things we can be sure of. The population is getting older. State pensions are getting smaller. Education is getting ever costlier – as is end-of-life care. And inheritance tax is impacting on more and more UK families.

However, with the right planning, the right advice, and an informed long-term view, we can all ensure we're better prepared to look forward with confidence to a more comfortable and prosperous future for ourselves and those we hold dear.

If you'd like to discuss any of the topics raised in this guide, please get in touch with us at Canaccord Genuity Wealth Management on **+44 20 7523 4500** or email **wealthmanagement@canaccord.com**.

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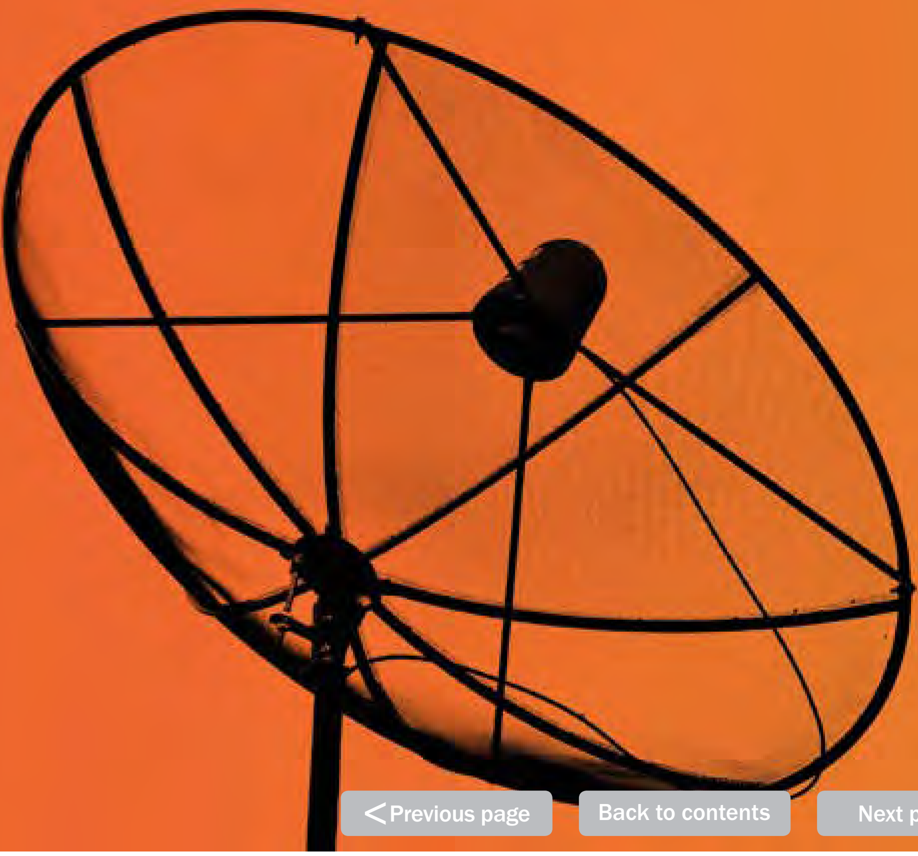

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