



# 360



from *AW Financial Management LLP*

**Dec 2014**

**Welcome** to our Christmas edition of 360. This is our usual slimmed down Christmas edition of our quarterly newsletter which has been designed to accompany our Christmas greetings to you.

## Christmas Greetings & AWFM News

It's amazing isn't it that here we are again at another Christmas, ending the year and about to start 2015. It has been wonderful to continue to meet everyone over the last year, to update on news of plans, holidays and family. Financial planning really is about much more than money, it's about your lives and we are very privileged to be involved with you as you place your ongoing trust in our services to look after you and your family's interests. Thank you for your confidence in us.

As well as continuing with existing client relationships, we have developed relationships with quite a few new clients over the last year. We will aim to continue to provide the highest levels of service and care to all of you even as we continue to grow.

Edward has now bedded in very well to the business and we will continue to help him to develop his skills as he looks to the future, providing even greater support to the Advisers in the firm. Nicola continues to provide invaluable support, especially in organising diaries and review meetings.

Jon and Martin are working really well together in their advisory services. We are looking towards 2015 for further development of the business and are actively looking at the resources required in order to continue to develop and grow in the years ahead. We'll update you on progress in future editions of this newsletter.

## In this issue

P1

- Welcome
- Christmas Greetings & AWFM news
- Family News
- Global Markets and your portfolio

P2

- The year that was ... and what's to come
- Christmas closing times and Church events
- Charitable Donation



## Family News

2014 will go down as the year when Martin officially became the worst golfer in his family, as Edward secured his handicap at 11 and Toby got cut to 12.5. Martin is looking forward to the Summer of 2015 when he will aim to make a bit of an impact on the boys. Toby is now in his GCSE academic year so hopefully he won't be practising his golf too much before the Summer break! Martin of course has only become the worst golfer in the family because he has been devoted to your best interests over the year!

Since Jon and Helen's son David was last mentioned, now approaching his 2nd birthday in April, he has firmly cemented his place in toddler-dome! He takes great pleasure in shouting out "Amen!" loudly after any prayers at Church but isn't quite so sweet and innocent at home!

## Global Markets and your portfolio

Investment returns have been very solid over the last 12 months. The benchmark indices that we refer to regularly in our client reviews, the FTSE WMA Income (Low to Medium risk), Balanced (Medium risk) and Growth (Medium to High risk) have, at the time of writing, produced returns of 9.38%, 9.81% and 9.78% respectively over the last year.

This doesn't necessarily tell the whole story in that only 6 weeks ago, the returns on each of the portfolios would have been in a range of 0% to 3% as a result of investors losing confidence in the global economic recovery. However, since those low points, markets have recovered strongly to produce returns that are more than just respectable. Whilst the sell-off in September and early October looked to be troublesome, it was encouraging to see the way values recovered in slightly shorter time than it took for the values to fall.

It's interesting to track the highs and lows of the FTSE 100 as a measure of Stock market performance, although it is not a pure benchmark by any means. In 2014 the high point was 6,878 in May. The low point in October was 6,195, a swing of more than 10%. The largest gain in a day was in October when the index rose by 1.85%, but this came only a few days after the largest loss in a day of 2.83%.

As ever, wealth management is about the longer term gains and risk management, rather than trying to make a quick buck on short term market movements.

**The virgin will conceive and give birth to a son, and they will call him Immanuel (which means "God with us").**

*Matthew Ch 1 v 23*

## The year that was .... and what's to come

This has been quite a year for keeping up to speed with the raft of changes that have been announced. Here's a summary of some of the main financial product related changes:



### ISAs/NISAs

- Maximum subscription raised to £15,000 per annum, split in any way you choose between Cash and Investment ISAs
- It is now possible to transfer back and forth between Cash and Investment ISAs
- **\*Brand new\*** - the ability to pass ISAs between husband and wife on death, retaining their tax free ISA status

### Pensions

- Flexible Drawdown now available if other pension/fixed income is at least £12,000 p.a. (down from £20,000 p.a.)
- The ability to draw out a small pensions as lump sums if the total values are below £30,000 (up from £18,000)
- Maximum annual pension contribution reduced to £40,000 p.a. (from £50,000 p.a.)
- Proposed significant improvements to the pension and annuities death tax legislation

It is really interesting to see how these changes have affected the advice that we provide for our clients. It is by the regular review meetings that are so intrinsic to our ongoing services that we are able to react to the changes that are imposed. It does seem as though some of the recent changes have been particularly beneficial to most of our clients. It is the pension death tax change that is likely to make the most significant difference to our advice and our planning, and we will continue to monitor this going forward. The ability to transfer ISAs on death to a spouse is also likely to be of real benefit to many.

And looking forward of course we won't have much opportunity to miss the forthcoming General Election on 7th May 2015. Media coverage will no doubt reach fever pitch as the country decides who will govern for the next 5 years. As far as financial planning is concerned, this is an important part of the future landscape and we will expect more electioneering around issues like pensions, tax, the NHS and immigration, which invariably impact on our own pockets and purses.



## Christmas ...

Although Nicola will be over-wintering in much warmer climes, the rest of us will be actively engaged in Church and family Christmas at home. As in past years, if you are in the area and would like to come along to one of our Christmas services, Jon, Martin and Edward (along with Andrea and Helen) would be delighted to see you.

The key Christmas services at Trinity Baptist Church Bexleyheath this year are as follows:

- Sunday 21st December—10.30am—Family Christmas Service led by Godzone (the children's groups which Andrea, Martin's wife heads up)
- Sunday 21st December— 5pm—Carols by Candlelight including a Choir again incorporating both Jon, Martin and Helen (Jon's wife)
- Thursday 25th December—10.00am—Christmas morning service (will last for one hour)

If you are coming, please do a) let us know so that we can look out for you and b) arrive at least 10 minutes before the start of the service to ensure you get a seat. There's plenty of room but the Church does fill up fast!

We will close the office between Christmas and New Year and will return to the office on the 2nd January (even though it's a Friday).

Be blessed this Christmas time. Martin, Jon & the team

## Charitable Donation

Each year at Christmas, we aim to support a Charity with a donation rather than use "Charity" Christmas cards where such a small proportion of the price of the cards goes to charity. This year we have decided to support CRIBS which is a charity both Jon and Martin support and that Martin has been a Trustee of since 2000 (how time flies!). CRIBS has been very active in Primary Schools for over 20 years but it is now aiming to engage much more with Secondary School age children. This is a challenging new venture because of the changes most teenagers go through, but it is a natural progression for CRIBS to be involved in these developing young people and especially helping those who are aiming to stand up for their Christian faith in an increasingly secular society.

We have therefore made a donation of £250 to CRIBS to help them increase their work in Secondary schools particularly. If you are interested, CRIBS can be found at:

[www.cribsonline.org](http://www.cribsonline.org)

### Contact us:

Tel: 0845 60 10 718  
[www.awfm.co.uk](http://www.awfm.co.uk)

Partner:  
[martin@awfm.co.uk](mailto:martin@awfm.co.uk)

Associate Partner:  
[jon@awfm.co.uk](mailto:jon@awfm.co.uk)

Administrators:  
[nicola@awfm.co.uk](mailto:nicola@awfm.co.uk)  
[edward@awfm.co.uk](mailto:edward@awfm.co.uk)

PO Box 87  
Crockenhill  
Kent BR8 9AP