Handelsbanken

Wealth & Asset Management

Wealth and investment advice...
for wherever life takes you

Welcome to Handelsbanken Wealth & Asset Management

As a business, we are committed to financial stability, prudence, long-term relationships, and a strong local presence. Through the Handelsbanken branch network, we are a trusted adviser for our customers who wish to take advantage of Handelsbanken's fully integrated wealth, investment and banking services.

We work with private individuals, businesses, charities, and private offices, helping to build long-term financial solutions. Our services cover a range of customer needs, from investment management and retirement planning, to tax-efficient savings, protection insurance, and intergenerational wealth transfers.

Each one of you is unique, and our aim is to provide a financial solution that's right for you. We genuinely believe in putting you, our customer, first. We prioritise keeping you happy and well-informed; you can choose how (and how much) you interact with us, and how you would like to access our total wealth solutions. We're proud to say that a significant proportion of you choose us to be your trusted adviser through referrals and recommendations.

Many of our meetings start with the same questions, why do I need a financial plan and what will it help me to achieve? In the following pages we've set out to answer these and many other questions including those on investing, planning for retirement, tax, and selling a business.

I hope that having read this you will be keen to find out more and to start a conversation with us. Our contact details are on page 21 along with information on how to meet us at our nationwide wealth and investment seminars.

I look forward to welcoming you as a customer of Handelsbanken Wealth & Asset Management.

Warmest regards
Matt Handley

Chief Executive Officer,
Handelsbanken Wealth & Asset Management

Mapping out your journey

Building a financial plan

A financial plan allows you to create a roadmap that takes into account all of your unique aspirations and what you would like to achieve financially over your lifetime.

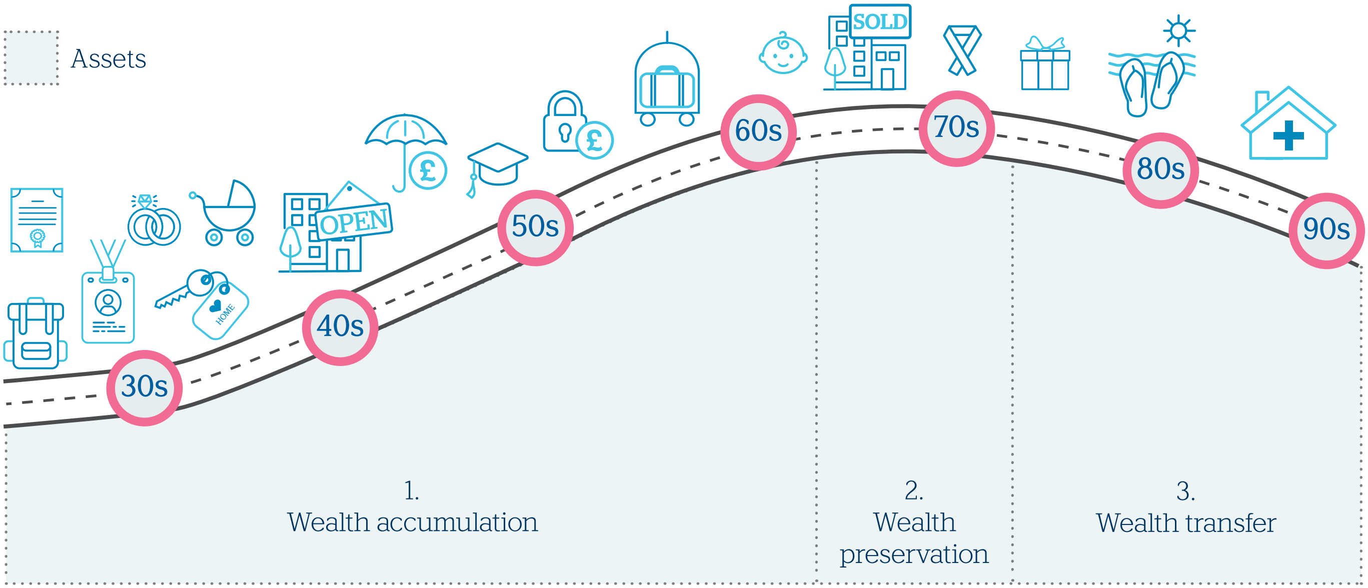
Why do I need a plan?

Having a financial plan can keep you on track to achieve what you want to financially, and encourage you to make changes where necessary. Your roadmap – with key milestones along the way – will support your current and future requirements, and provide you with peace of mind in relation to your finances.

What to expect as a wealth customer

You can choose how you do business with us. We'll create a bespoke and flexible service to match your needs, no matter what your stage of life. With your permission, your wealth adviser will also work with other trusted parties such as your solicitor or accountant, your banking manager, and any other key advisers you choose.

Life's financial journey



Source: Handelsbanken Wealth & Asset Management

What to expect when you meet us

You will be introduced to a wealth adviser who will help you to build your financial plan. We know that there is no ‘one size fits all’ solution for financial planning, therefore, our service is personal to you. At our first meeting, we want to get to know you, to understand what you aspire to in life, your hopes for the future, and also your worries and concerns. Building a strong relationship with you is at the heart of our wealth advice service. Only then will we move on to the financial assessment.

During this meeting we will discuss a number of key topics with you:

- Your assets and capital, where they are held, and by whom.
- If/How you are making smart use of all your allowances, such as capital gains tax allowances, and tax-free savings via ISAs (Individual Savings Accounts).
- Your financial objectives and expected timings (for example, around retirement and passing on assets to the next generation).
- How much money you’ll need for the rest of your life, and how much you can afford to give away (if you choose to do so). This takes into consideration pension plans, lifetime gifting, post death legacy (including inheritance tax planning), and gifting plans.
- Your investments and the expectation you have for the returns they may generate alongside how much risk you’re prepared to take to achieve those returns.
- Planning for the unexpected. This includes how your family or personal situation might alter over time, and if your financial plan allows for any changes to your health or lifestyle requirements. We’ll talk about both individual and business protection policies which may be suitable for you.
- Ensuring that your assets and wishes are well-protected. This will encompass having a will in place, as well as planning for ‘powers of attorney’ which can also protect you in cases of unexpected health needs or serious injury that leave you unable to deal with financial or health-related decisions.

Having established your financial position, your wealth adviser will help you to create a personal financial plan that meets your goals, as well as finding the best ways to protect and grow your wealth.

What to expect from our fees

We’ll always agree your fees with you before we start work, so there are no surprises. We will always explain our process, fee structure and any complex planning so that you have a clear idea of what you are paying for and when. We are culturally very different to many of our peers. Our fee structure is transparent, we are focused on giving advice, not making sales, and our advisers are not financially incentivised through performance-based targets or bonuses.

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What to expect from your adviser

Your dedicated wealth adviser will meet with you at least once every 12 months, and more often than not several times a year. This interaction is usually face-to-face, or can be online if preferred.

Your adviser will help to bring your bespoke financial plan to life, investing your assets according to your wishes and aspirations, and utilising structures such as ISAs and pensions, where appropriate. You will receive regular portfolio valuations that are clear and transparent, and you can access your account online.

Your adviser and their support team will always be available in person, over the phone or by email. They will regularly review your plans to help keep you on track to meet your goals.

What to expect in your financial plan

Our emphasis is on providing solutions and an ongoing service to all our customers. This may include all or a combination of our services in the following graphic.

Please note that tax advice/annual tax returns are not available as a standalone service.

Building a strong relationship with you is at the heart of our wealth advice service.

The following case studies are examples of the real-life situations we advise on regularly and the solutions we provide to help customers to achieve their financial aspirations.

James and Nicola

James and Nicola are a married couple in their 40s. James is a successful self-employed art dealer and Nicola works part-time having recently qualified as a psychologist following a career change. As a result she has taken a reduction in income compared with her former occupation in recruitment but hopes to return to full-time work in three to four years. They have two children aged ten and eight years.

James and Nicola have just bought their first family home taking on a significant mortgage, having previously rented high-end city apartments. During the mortgage process with their Handelsbanken banking manager they were introduced to us for a full review of their personal financial circumstances.

James and Nicola used the majority of their cash savings, as a deposit for their new home. The funds retained on deposit are equal to approximately six months spending needs.

James is an additional rate taxpayer whilst Nicola currently pays tax at the basic rate. James's income can be significant but variable, while Nicola has certainty as to her earnings. James has no life insurance nor any protection in the event he is unable to work due to illness, and contributes to a personal pension on an annual basis. Nicola is a member of a group personal pension established by her employer. She also benefits from company-sponsored life insurance of four times salary, and in the event of ill health would be paid her full salary for up to six months.

James and Nicola have cash savings, the majority of which have been used as a deposit for their new home. The funds retained on deposit are equal to approximately six months spending needs. They have no other investments although James holds works of art within his business valued at approximately £1.5 million. They have no debt other than their residential mortgage.

In addition to the cost of the mortgage and their general living expenses, James and Nicola are also funding school fees although Nicola's parents have expressed a wish to pay for their grandchildren's education.

We highlighted a number of areas where James and Nicola could benefit from advice, with a key priority being the provision of life insurance for James. As a minimum, we advised that cover should be put in place to ensure the family could remain in their home in the event of James's death. Protection may also be required to replace an element of James's income on the basis that Nicola's income would appear insufficient to meet the family's needs at least in the short term. If James were to suffer a long-term illness or indeed a shorter-term but more serious condition, cover should be in place to provide either a continuing income or a lump sum that would reduce or repay the mortgage.

James and Nicola accept that together they enjoy a high level of income and have not been good at saving. They believe they could save more especially for the longer term. We suggested completing a full pension review to provide an analysis of their existing provision together with a forecast of what they should reasonably save in order to provide the level of retirement income they would wish. There is potential for each to make catch-up contributions for the prior three years and to capture tax relief on all of these additional savings.

Nicola mentioned that her parents would like to offer help with school fees. We noted there are particular inheritance tax benefits where grandparents make regular contributions from income, and suggested it might be helpful to also speak with Nicola's parents to discuss the most efficient way in which they might offer this funding.

We suggested completing a full pension review to provide an analysis of their existing provision together with a forecast of what they should reasonably save in order to provide the level of retirement income they would wish.

As part of the overall review James and Nicola were encouraged to review their wills including the appointment of guardians for their children, and to put in place lasting powers of attorney which would allow for their affairs to be dealt with in the event they were unable to do so.

Randeep and Meena

Randeep and Meena are a married couple approaching retirement age. They have two adult children and four grandchildren. Whilst meeting with their Handelsbanken banking manager to pay down their buy-to-let mortgage, they discussed their concerns around what level of income their collective assets could deliver and how long it would fund their retirement. Their banking manager introduced Randeep and Meena to us for a full review of their financial affairs.

Randeep and Meena hold a number of pensions, a buy-to-let property, and some other assets, mostly in savings that they planned to use to fund their retirement. They downsized the family home two years before and now have a more manageable bungalow. Randeep is due to retire in three months from full-time employment, but has the option of some part-time work with a previous employer and is unsure if that will affect his tax position. Meena retired a year ago from her part-time employment as a school administrator. Their current outgoings are around £4,500 each month.

Randeep and Meena would like to support their four grandchildren by paying something towards their school fees. They are keen not to take unnecessary risks as they move into retirement.

The couple told us of their desire to have an annual income of £75,000. They want to go travelling for six months, but also to have sufficient funds for other overseas trips for many years. Additionally they would like to support their four grandchildren by paying something towards their school fees. They are keen not to take unnecessary risks as they move into retirement.

We sat down with Randeep and Meena and agreed some goals around their lifestyle in retirement before drawing up a cash-flow forecast which focused on their long-term retirement plans. This helped to test out different scenarios around Randeep's desire for part-time work alongside their pension and other income. We looked at how the various scenarios affected the amount of income they could receive and also how much each left towards their travel plans and their grandchildren's school fees.

We recommended that Randeep and Meena first set aside sufficient capital to meet spending requirements during the next two years, including their planned trips abroad. Randeep's occupational pension is broadly sufficient to meet their regular monthly outgoings but will not stretch to the cost of holidays and any additional expenditure. A key question is whether Randeep should take the pension tax-free cash sum and a reduced pension. While this would reduce overall taxation, the pension benefits from annual increases and in the longer term the full pension may offer greater inflation protection.

If Randeep were to work part time, the income, when added to Randeep's pension and his share of rental income, may cause him to lose his personal income tax allowance. We recommended steps to mitigate this, such as making pension contributions in respect of the part-time earnings.

Meena has a lower level of pension provision than Randeep, the income from which would be sufficient to utilise most of her personal income tax allowance. We were able to reassign some of their assets to Meena to improve the tax efficiency of their savings as Meena will pay basic rate tax on all of her income.

Randeep and Meena would like to take steps to mitigate inheritance tax but not to the detriment of their standard of living. As the couple's income can be met from their occupational pensions plus savings, we advised them not to draw on their personal pension arrangements unless needed. These funds are outside of their taxable estates for inheritance tax purposes until 5 April 2027. They can nominate one another as beneficiary of the respective plans or if they are certain these funds will not be required then they can nominate their children to receive these. However, following the proposed changes announced in the Autumn 2024 Budget surrounding inheritance tax and pensions we advised Randeep and Meena to reassess their plans with us in the early part of 2027.

We agreed some goals around Randeep and Meena's lifestyle in retirement before drawing up a cash-flow forecast which focused on their long-term retirement plans.

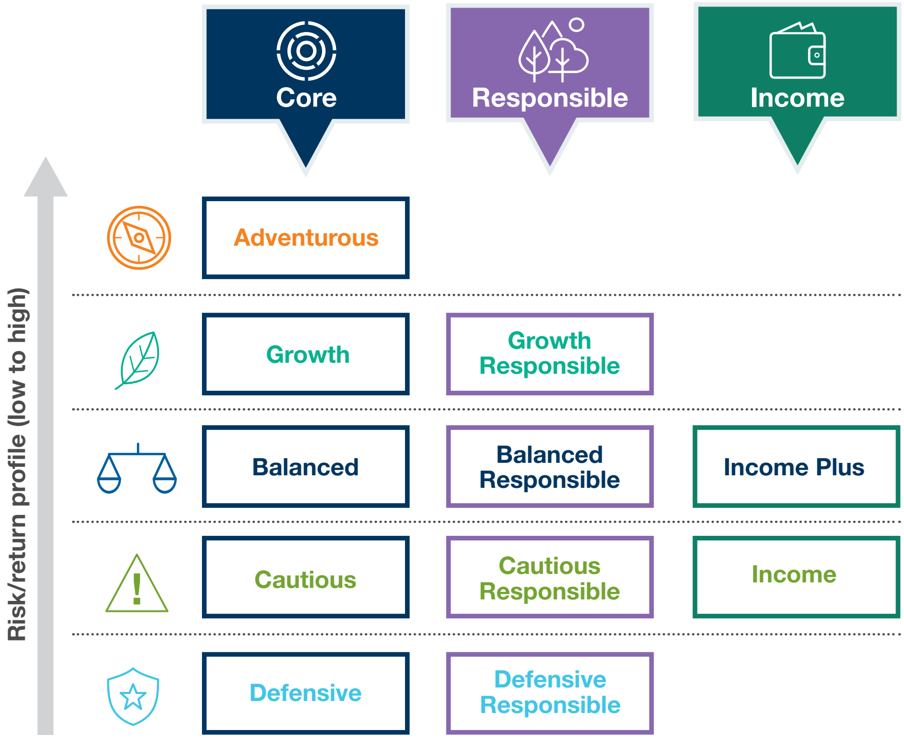
Charting a course through financial markets

Investing for your future

Global multi asset investment solutions

Whether you are investing to fund your income for retirement, to cover education costs, or to help the next generation, we can help you grow the capital that you have already built. Key to this is understanding your ambitions, your attitude to risk, and your time horizon. Based on these factors, your wealth adviser will work with you to find the best investment strategy to meet your future needs, while balancing the level of risk you are willing to take on, and the returns you wish to achieve.

We will invest your money in our range of global multi asset funds, run by our in-house investment experts. Being multi asset means the majority of our funds focus on a blend of asset types (such as shares, bonds and alternative assets) in order to perform in a range of financial market conditions. Your wealth adviser will help you decide which fund (or combination of funds) is best for you, making the most efficient use of your tax allowances and structures such as ISAs and pensions.



Source: Handelsbanken Wealth & Asset Management

Aiming to grow your capital

We are active investors and we take a ‘top-down’ approach to investing. This means we look at the whole picture first – what’s going on in the global economy and the geopolitical arena, and how this will likely influence various asset types. So, for example, we’ll look at factors such as economic growth, central bank policy and government policy. When we invest, our aim is to blend the optimal mix of different investments within each of our funds according to our view on where financial markets are today, and crucially, where we think they will be in the future.

Our aim is simple: to deliver long-term financial returns for our customers, in exchange for taking on an appropriate level of risk. We aim to achieve this through our range of actively managed funds, which are designed to meet different goals and preferences. Ten out of our eleven funds take a ‘multi asset’ approach, which means that they are invested in a blend of financial asset types, from shares and government bonds to ‘alternative’ assets. Our lower risk multi asset funds include a greater proportion of lower risk assets like bonds. Our higher risk multi asset funds include a greater proportion of higher risk assets like shares. Our eleventh and highest risk fund – the Adventurous fund – is designed for our most pro-risk investors and focuses exclusively on stock markets (shares).

Investing for a different future

For some, investing for your future means thinking about more than financial goals and outcomes. Our four responsible multi asset funds pursue investments in companies, sectors and countries which demonstrate a positive influence on environmental or social themes. At the same time, our responsible funds seek to avoid investing in activities that we consider harmful to the environment or society. Our responsible funds are actively managed, and follow the same investment process as our core funds, but their investments are also assessed against our Responsible Investment Policy. The Policy explains more about our approach to responsible investing and is available on our website.

Investing for income

From supporting your retirement to meeting ongoing financial commitments, there are many reasons why you may require a regular income from your investment portfolio.

We offer the choice of a cautious (Income) or balanced (Income Plus) approach, as well as the option to withdraw or reinvest the income received. The funds pay out on a monthly basis, with quarterly ‘top ups’ made to pay out any excess returns.

It is important to note that financial returns are not assured: there is no guarantee that the funds’ performance objectives will be met, or that a positive return will be delivered over any time period. When you invest, your capital is at risk.

Preparing for your dream destination

Planning for retirement

Leaving work behind you can be a powerfully attractive prospect, but a reliable long-term income is essential – especially if you are planning on retiring early.

Depending on what you have in mind, there can be very substantial differences in the funds you will need available at different stages of your retirement. Good financial planning should take account of aspirations, as well as money, because the two are of course intrinsically connected.

The earlier you start your retirement plan, the better. The process doesn't have to be difficult or take a long time. Saving for retirement early on in life can offer a great financial advantage: building up a savings pot and potentially making larger contributions to a pension will mean you benefit from compounding interest (when the interest earned then earns interest of its own) over time. Although retirement may seem a long way off, it's better to save something, however small, rather than simply putting it off completely.

Your wealth adviser will help you to structure your affairs to ensure that you can meet your desired level of income when you stop working. With ever-changing pension legislation and increasing life expectancy, it makes sense to use all the tax-efficient options available to create a flexible retirement plan. All financial assets can contribute to your retirement planning, such as investment funds, ISAs, personal or occupational pension schemes, and property investments.

As part of your financial plan, we'll cover:

- Accumulating savings for retirement
- Investing your retirement fund
- Using your retirement savings to provide an income

With your goals in mind, we can analyse your savings and outgoings – using a process called cash-flow modelling – to find out how long your money will last and whether you're on track, or what you need to do to get there. You and your wealth adviser will be able to test out different scenarios to see the effect on your retirement plan.

Going through these steps will also help to answer other questions too such as:

- Will I have enough money to retire when I want to?
- Am I going to run out of money in later life or can I spend more now?
- Will my family be financially secure if I go into care or die unexpectedly?
- Am I going to leave a large inheritance tax bill?

With your goals in mind, we can analyse your savings and outgoings – using a process called cash-flow modelling – to find out how long your money will last and whether you're on track, or what you need to do to get there.

Continue with regular assessments throughout retirement

After retirement, no longer having a regular income can be a concern. Your wealth adviser will help you put together a plan to ensure you draw down money in the most tax-efficient way possible.

For example, pension savings are generally outside of your estate for inheritance tax purposes, so it may make sense to draw on those last. If other savings income is not sufficient to use up personal tax allowances, it may be beneficial to draw some pension, and to top up with withdrawals from ISAs and other savings. If savings are not going to be sufficient to meet all retirement income needs, you may consider selling your property and downsizing. Your wealth adviser will help you to find the best path to the retirement you want.

Advice and product fees may apply. The value of investments and the income from them can fall as well as rise, and you may not recover the amount of your original investment.

A new phase in your journey

Selling your business

Selling your business can be an all-consuming task, and it can feel like a big weight off your mind when it's finally concluded. But you still need to work out how to use the sale proceeds to meet your financial needs in the next stage of your life.

You will rightly expect the capital from the sale of your business to generate a broadly similar income to the one you previously took from your business. But while you knew how to run your business, you may not have a great deal of experience in making personal investments. Additionally, the tax advantages you enjoyed as a business owner will likely no longer be available; for example, if you had a trade-based, privately-owned business, you will most likely have benefited from business relief. That is a relief from inheritance tax (IHT) which was introduced to avoid family/privately-owned businesses being split up, or sold on the death of the major shareholder. Once your business is sold, what was previously outside of the estate is now inside the estate for IHT purposes, and while IHT (depending on age and family circumstances) may not be the main consideration, it's something to be aware of.

In addition, if your circumstances are appropriate, we may discuss the setting up of a family trust prior to a business sale to make use of inheritance tax reliefs if this meets your financial and estate planning objectives. Once you have sold your business, you then need to take time to determine how hard the sale proceeds have to work to meet your income and capital requirements. It's important to give sufficient time to this task, since views that might exist immediately post sale do often evolve and change. You will likely want to set aside some money to provide a regular income and perhaps some for a holiday home, to travel, or to pursue a hobby. The remaining capital will need to be invested efficiently and protected from inflation. In fact, the more efficient tax planning overall, the greater the potential return on investing that capital.

Money you transfer into a trust can be used to benefit children, grandchildren and future generations.

You may also want to look at making gifts – perhaps helping children onto the property ladder – and thought needs to be given as to how those gifts are made. Are they made through a family trust, possibly as loans, which can provide some protection? Are they made outright, or is there a concern about family relationships and protection of the family wealth? We can help you and your family to decide when and how to start your children's financial education, and to transition family wealth even if some controls remain in place.

Your wealth adviser and our tax specialists will look at putting together a comprehensive plan that deals not only with the financial but also the non-financial aspects of yours and your family's wealth, and the effects a change in circumstances through the sale of a business can have on the entire estate.

How to meet us

If you’re already a Handelsbanken customer, please contact your banking manager who can arrange a meeting with your local wealth adviser.

You can also meet us at one of our UK-wide **Meet the Managers events**. Speak to your banking manager who will arrange an invitation to the next event in your local area.

If you’re not yet a customer you can call our **client support team** on 01892 701803 who will be happy to help you.

Alternatively, drop us an email with your enquiry to: **clientsupport.hwam@handelsbanken.co.uk** and we’ll get back in touch.

You can also browse our website which has more information on our wealth solutions and investment funds, as well as articles and videos on global financial markets, saving & investing, pensions, tax, and much more.

wealthandasset.handelsbanken.co.uk

Follow us on **LinkedIn** too.

Handelsbanken Wealth & Asset Management Limited is authorised and regulated by the Financial Conduct Authority (FCA) in the conduct of investment and protection business, and is a wholly-owned subsidiary of Handelsbanken plc. Tax advice which does not contain any investment element is not regulated by the FCA. Professional advice should be taken before any course of action is pursued.

- Find out more about our services by contacting us on 01892 701803 or visiting our website: wealthandasset.handelsbanken.co.uk
- Read about how our investment services are regulated, and other important information: wealthandasset.handelsbanken.co.uk/important-information
- Learn more about wealth and investment concepts in our Learning Zone: wealthandasset.handelsbanken.co.uk/learning-zone/
- Understand more about the language and terminology used in the financial services industry and our own publications through our Glossary of Terms: wealthandasset.handelsbanken.co.uk/glossary-of-terms/

All commentary and data is valid, to the best of our knowledge, at the time of publication. This document is not intended to be a definitive analysis of financial or other markets and does not constitute any recommendation to buy, sell or otherwise trade in any of the investments mentioned. The value of any investment and income from it is not guaranteed and can fall as well as rise, so your capital is at risk.

We manage our investment strategies in accordance with pre-defined risk targets, which vary from strategy to strategy to suit a range of customer needs. Portfolios may include individual investments in structured products, foreign currencies and funds (including funds not regulated by the FCA) which may individually have a relatively high risk profile. The portfolios may specifically include hedge funds, property funds, private equity funds and other funds which may have limited liquidity. Changes in exchange rates between currencies can cause investments of income to go down or up.

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