



Whateley
WEALTH

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YOUR FINANCE MATTERS

Issue 35 Q2 Spring 2025

Time for a spring clean?
How about 'death
cleaning' your finances?

Positioning portfolios
in a protectionist world

Investment megatrends
for 2025 and beyond

Bridging the generational
wealth gap: securing
financial stability

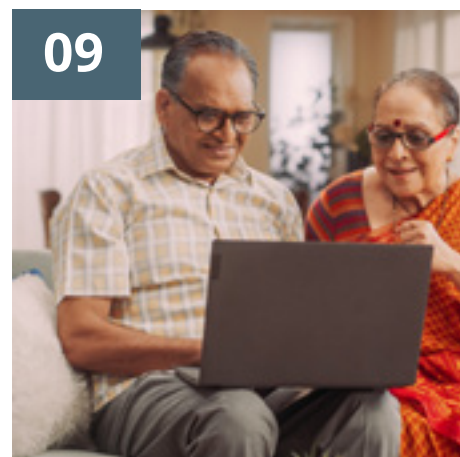


Four in five clients see financial
advice as '*value for money*'

Surging demand for protection
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IHT receipts continue
their ascent

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Time for a spring clean?

How about 'death cleaning' your finances?



Could your finances benefit from a spring clean? You could take your cue from the Swedes. They believe in 'döstädning,' or 'death cleaning.' It sounds pessimistic, but it involves decluttering your belongings to reduce the burden you leave behind to loved ones.

The philosophy gained international prominence through a 2018 book called *The Gentle Art of Swedish Death Cleaning*, by Margareta Magnusson, but many of the methods described to organise your home and belongings can be applied to your finances as well.

Why should you death clean your finances?

First, it can help you feel more in control of your money. Second, it can help you refocus your time (and money) on what matters most to you. And third, taking time to organise your finances now could spare your loved ones from a great deal of emotional and financial stress after you die.

Spring cleaning your finances is about more than just getting organised, it's about simplifying your life, taking control and leaving the best possible legacy for loved ones

Key steps in a financial spring clean

It's a good idea to make a checklist and work your way through. Key steps include:

- **Streamline your finances**
Close accounts you don't use, cancel unused subscriptions or memberships, and explore ways to cut back on wasteful spending
- **Build a document library**
Gather all important documents, including Wills, insurance policies, investment portfolios and property deeds. Consider storing documents securely online. Having an easily-accessible document library will help make sure your loved ones can find critical information quickly when needed
- **Keep beneficiary information up to date**
Review and update beneficiary details on life insurance policies, pensions and expressions of wishes to ensure they reflect your current intentions
- **Revisit your investments**
Are your investments still aligned with your long-term goals? Has your attitude to risk altered? Maybe your circumstances have changed? This information is important. We'll monitor performance and rebalance when necessary; updating us on goals, risk preference and life changes will inform investment recommendations
- **Maximise tax-efficiency**
The new tax year brings new

opportunities, allowances and reliefs to take advantage of, to reduce your tax liability. This includes revisiting your Inheritance Tax (IHT) strategy, which can help reduce the liability on your estate

- **Consider your retirement plan**

Are you saving enough into your pension to provide you with the lifestyle you desire in retirement? Are the underlying investments right for you? If you have multiple pension pots, would consolidating them be relevant for your unique requirements?

Making your plans known to others

Discussing your financial arrangements with trusted family members and keeping them updated on changes you've made, is an important part of the process too. Intergenerational financial planning involves managing wealth and financial strategies across multiple generations of a family, focusing on ensuring financial security, preserving assets and facilitating smooth wealth transfer while considering tax implications, estate planning and family values. They're really valuable conversations to have.

Take control

Spring cleaning your finances is about more than just getting organised, it's about simplifying your life, taking control and leaving the best possible legacy for loved ones. Maybe those Swedes really are on to something. We can help you get organised so you can focus on enjoying life.

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HNWIs face gaps in retirement and succession planning – time to prioritise!

Many high-net-worth individuals (HNWIs) have yet to establish retirement or succession plans, even though they remain confident about the growth of their personal wealth, according to a study¹.

Research shows a third of European HNWIs are yet to make a financial plan for retirement. While those who have started a retirement plan, half said that they do not have a fully formed plan in place. And while 80% of survey respondents plan to pass wealth down to their children, only 34% have a full succession plan in place.

With over three quarters (78%) of HNWIs expecting their personal wealth to rise over the next five years, it's surprising that many HNWIs fail to have plans in place for their retirement and succession. The study found that multigenerational HNWIs who had

inherited wealth were more likely to have at least started planning for retirement than first-generation HNWIs.

Taking a closer look at HNWIs' investment strategies, over half of respondents are focused on growing their wealth through investing in equities and/or real estate to support this long-term objective.

¹BlackRock, 2024

Research shows a third of European HNWIs are yet to make a financial plan for retirement

In the news

Women put children first in succession planning

Research² shows that women prioritise their children in succession planning, while men are more likely to focus on their spouse. Among high-net-worth women, 45% prioritise their children, compared to 33% of men. Meanwhile, 37% of men prioritise their spouse, whereas only 17% of women do, highlighting key differences in wealth transfer preferences and family financial priorities.

Personal finance positivity on the up

New research³ reveals that 60% of UK adults feel positive about their finances this year, up from 52% in 2024. Top financial priorities for 2025 include enjoying life (34%), building emergency savings (30%) and pension saving (11%). Despite economic challenges and high inflation, pension-saving attitudes remain steady. Unexpected expenses remain the biggest financial concern (35%). These findings suggest that while financial confidence is growing, many people are focused on balancing short-term enjoyment with long-term security.

AI financial fraud hits 42%

A recent report⁴ reveals that artificial intelligence (AI) now accounts for 42.5% of financial fraud attempts, with cases rising 80% over the past three years. AI has made fraud easier to carry out, but external factors also contribute to the surge. Meanwhile, banks and financial institutions are leveraging machine learning to detect and prevent fraud, continuously improving their ability to combat evolving threats in an increasingly digital landscape.

²Charles Stanley, 2025, ³Aegon, 2025, ⁴Signicat, 2024

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Positioning portfolios in a protectionist world

US Vice President JD Vance spelled it out in Munich – “*there is a new sheriff in town*” – and that sheriff’s policies are already having far-reaching consequences. While dealing with geopolitical uncertainties is clearly nothing new for long-term investors, Trump’s re-election has once again vividly highlighted the need for a sound investment approach based on careful planning and positioning of assets.

Global growth has stabilised

In its latest assessment of world economic prospects, the World Bank highlighted several positive developments in the global outlook. Specifically, it noted that global growth stabilised at 2.7% in 2024, after a series of negative shocks, and that this rate of expansion is expected to hold steady across 2025 and 2026. It also emphasised that, with appropriate policy interventions, current global challenges could be transformed into opportunities, fostering a more resilient world economy.

Policy uncertainties

The World Bank did, however, warn that heightened uncertainty and adverse trade policy shifts represent key risks to global trade and economic growth prospects. Protectionism is back and could lead to shifts in global economic structures, including changes in trade alliances and manufacturing bases, while the increased costs of imported goods due to tariffs could have inflationary consequences.

A permanent fixture

Another aspect of Trump’s new tariff push is that it seems to represent a long-term policy shift with multiple objectives. It has a national security aspect, for instance, aiming to address immigration and drug-smuggling concerns; it has an economic leverage element designed to deal with trade imbalances, and is also viewed as a potential revenue generator to fund tax cuts. In essence, the trend to protectionism appears set to become the new norm, necessitating a need for strategic investment approaches in a shifting landscape.



Positive developments

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Take control

Experienced investors know the importance of staying calm during periods of market uncertainty and the need to continue basing investment decisions on sound financial planning principles. And, right now, the adoption of appropriate diversification and risk management strategies undoubtedly offer investors the safest route through any volatility in an increasingly protectionist world.

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Closing the investing gap



A recent report⁵ estimates 13 million UK adults are sitting on £430bn of cash savings. The report, titled 'Empowering retail savers to engage with investing' suggests savers are "missing out" on earning better returns over the long term.

The research highlights three reasons why savers are reluctant to invest:

- **Too many options:**

One in five (21%) people with savings don't think they have the knowledge to choose what to invest in, while 24% think investing is too complicated

- **Not confident with comparing investments:**

Nearly three quarters (74%) need help to determine which type of investment is suitable for them, while two-thirds (63%) want assistance in comparing investment products

- **Too worried about risk:**

Almost half (43%) of savers think investing is too risky and could mean they "lose all their money."

What is the long-term cost of saving instead of investing?

Financial software firm Oxford Risk believes choosing saving over investing carries a high cost, with savers missing out on up to 5% a year in lost returns. The firm is also concerned that a growing number of UK adults are choosing to 'sit on the sidelines' by keeping their money in cash.

What can be done to close the investing gap?

The Financial Conduct Authority (FCA) has made addressing cash holdings a strategic priority and Oxford Risk has urged, 'More needs to be done beyond just raising awareness of the issue to drive the vital change in investor behaviour.'

Holding a proportion of your wealth in cash is worthwhile for liquidity, emergencies and short-term needs. However, history has shown that over the long term, investing yields higher returns than holding cash, although not guaranteed. The key is balance: keep enough cash for security but invest the rest to build wealth over time. Diversification to spread the risk is important.

⁵Barclays, 2024

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Four in five clients see financial advice as 'value for money'

People with a financial adviser are more optimistic about their financial future. That's one of the key findings of a recent Investor Confidence Barometer⁶. Four in five people (82%) said they get 'value for money' from their adviser, a 10% increase on 2023's survey. Investors said they also feel more confident knowing their financial adviser is available in difficult times, with 96% of advised clients valuing accessibility as much as portfolio performance.

Advisers are more optimistic about the long-term performance of equities than investors, with this confidence rubbing off on their clients. Over five years, 89% of advisers expect markets to rise, compared to 63% of advised investors and 57% of those without advice. Over ten years, 91% of advisers are predicting



market growth, versus 68% of advised and 57% of non-advised investors. Greater optimism among advised investors suggests financial advice and long-term planning builds confidence in their future wealth prospects.

Ross Easton, Head of Platform Proposition at Scottish Widows, said, "This survey emphasises the difference

that advisers make for their clients, especially when it comes to guiding them through times of market volatility. Our Barometer has consistently found that advised clients are more confident than non-advised investors, setting them up to benefit from market corrections and recoveries when others are more cautious."

⁶Scottish Widows, 2025

Navigating uncertainty together



Over the past five years, we've experienced a global pandemic, geopolitical conflicts, political upheaval and economic uncertainty. Constant media coverage over what feel like daily developments, whether that be on the international stage as Donald Trump's second term impacts or on home shores, where the government's changes to policy and taxation naturally result in feelings of uncertainty. This can lead many to make knee-jerk financial decisions without fully understanding the consequences.

Now, more than ever, it's essential to take a step back and take advice before making any financial moves. Headlines create noise, but your financial plan should be tailored to *your* specific circumstances – not dictated by market noise or speculation. Investing is about the long term – not reacting to daily events.

We work hard to build a well-structured, long-term strategy. Take comfort from the fact that a solid plan can flex as different challenges present. You don't need to navigate this alone – stay disciplined and take advice to ensure your financial future remains on track. We're here to support and guide you.

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With proactive tax planning and disciplined habits, you can build a stronger financial foundation and make informed decisions that align with your long-term goals

Start the new tax year strong

The new tax year is a great opportunity to take charge of your finances and set yourself up for financial peace of mind by knowing you have a plan in place.

By planning ahead and making the most of available allowances, you can optimise your wealth, reduce tax liabilities and work towards long-term financial security. Here are some key steps to consider:

Take advantage of tax-efficient opportunities

With the new tax year allowances in place, now is the time to make smart financial decisions:

- **Maximise your ISA allowance**
Contribute up to £20,000 (the current annual allowance) into an Individual Savings Account (ISA) and benefit from tax-free growth
- **Make the most of your Capital Gains Tax allowance**
Use your annual exemption to minimise tax on investment profits

• Boost your pension contributions

Take advantage of tax relief while also potentially lowering your taxable income

• Plan for Inheritance Tax (IHT) efficiently

Lifetime gifting can help reduce the impact of Inheritance Tax, allowing you to pass on more to loved ones.

Build a solid financial plan for a stronger financial future

Taking time to review and refine your financial plan can help you stay on track for the future. With proactive tax planning and disciplined habits, you can build a stronger financial foundation and make informed decisions that align with your long-term goals. Whether you're looking to grow your savings, invest more efficiently, or plan for retirement, taking action now can make a significant difference. We're here to help you explore your options and ensure you're making the most of the opportunities available. Your future self will thank you!



IHT receipts continue their ascent

HM Revenue and Customs (HMRC) data shows IHT receipts topped £6.3bn in the eight months to December 2024, a £600m increase on the same period the previous year.

This significant 11% year-on-year increase places the 2024/25 fiscal year firmly on course to be the fourth consecutive year of record IHT receipts for the Treasury.

Meanwhile, the Office for Budget Responsibility (OBR) has predicted that IHT receipts will continue their ascent, forecasting total receipts of £9.7bn a year by 2028/29.

HMRC said that higher receipts can be attributed to a combination of factors, including a rise in asset values, an increase in wealth transfers following IHT-liable deaths and frozen IHT tax thresholds.

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Your pension and IHT

Chancellor Rachel Reeves announced plans to include unused pension funds and death benefits within the value of estates for IHT purposes, during the Autumn Budget 2024. Under the proposals, pension administrators will report and pay IHT directly to HMRC.

Death-in-service benefits paid out by employers have traditionally been separate from personal pensions for the purposes of calculating an IHT bill. By including unused pensions and death-in-service benefits in IHT calculations, more estates could face higher taxes.

This announcement came as a surprise, particularly to those who have worked hard to build a pension as a tax-efficient way to pass wealth on to loved ones. Any changes are likely to have the greatest impact on people with established estate plans.

Timeline

A 12-week technical consultation on the proposed changes concluded on 22 January. Once the feedback has been reviewed, government consultation principles outline that responses should be published within 12 weeks. By the third quarter of the year, the government is expected to provide specific implementation guidance on how pensions and death benefits will be treated under the new regime. Any changes won't take effect until 6 April 2027.



Monitoring developments

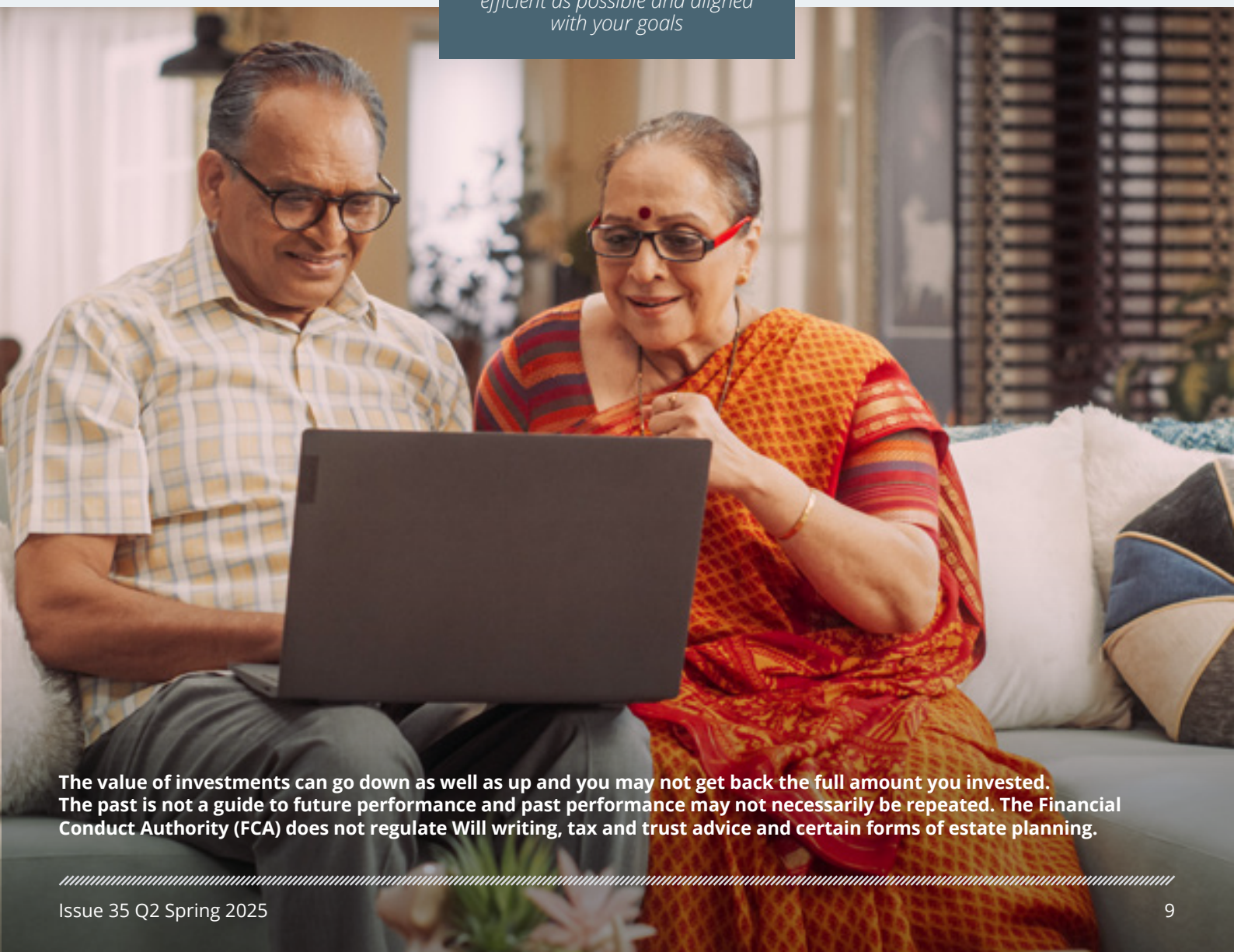
When we have more certainty, we may suggest you consider alternative options that ensure your estate remains as tax efficient as possible and aligned with your goals

As proposals are not finalised, it's wise to consider potential implications but await the final guidance before overhauling plans. This still gives us ample time to make changes before implementation in 2027.

A review of existing pension arrangements would be useful so we can think about how the proposed changes could affect what your beneficiaries would receive.

Time and knowledge

Rest assured we are monitoring developments and will keep you in touch as we know more. When we have more certainty, we may suggest you consider alternative options that ensure your estate remains as tax efficient as possible and aligned with your goals. Together, we'll help you secure your family's future with confidence.



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Investment megatrends for 2025 and beyond

Investing megatrends are powerful, long-term shifts expected to reshape industries, economies and investment markets on a global scale. These aren't just passing trends, they're already changing the way we live and work, influencing how businesses operate and where investors put their money.

Geopolitical conflict

Global tensions have been rising in recent years, with lengthy conflicts in Europe, the Middle East and East Asia destabilising markets. Governments are ramping up defence spending, driving investment in military technology, missile systems and cybersecurity, especially as threats coming from AI emerge. For investors, global uncertainty presents opportunities as nations prioritise security and military innovation.

Artificial intelligence

More than just a trend, AI is driving economic change by automating tasks, reshaping business models and boosting efficiency. Massive investment in data centres, cloud computing and hardware

is fuelling its expansion, with companies supporting AI infrastructure poised for strong growth. AI is also transforming industries by analysing vast data, generating insights and accelerating digital change. While concerns over an 'AI bubble' have surfaced this year, especially after a new Chinese competitor called DeepSeek made headlines, AI seems unstoppable.

Demand for energy

Global energy consumption is surging, driven by economic growth, transport electrification and again, AI. This rising demand is reshaping the energy sector, creating both challenges and investment opportunities. Nuclear energy is making a comeback, with older plants being refurbished and new projects progressing. Meanwhile, offshore oil and gas exploration is reviving, showing that fossil fuels still play a key role. At the same time, renewable energy is thriving, with investments in solar, wind and hydrogen. Energy systems are increasing in sophistication as companies develop smart grids and energy storage solutions.



Passing trends?

These aren't just passing trends, they're already changing the way we live and work, influencing how businesses operate and where investors put their money

Shifting demographics

People are living longer, which means investors can benefit by focusing on sectors set for the rising demand in medical services, treatments and elderly care. Similarly, businesses catering to older consumers, such as those in travel, wellness and lifestyle industries, are poised to capitalise. At the same time, medical innovation is changing how we live and how long we live. Obesity drugs have reduced diabetes risk by 73% and cardiovascular deaths by 20%, while new cancer treatments and AI-driven drugs are pushing boundaries.

While markets fluctuate daily, megatrends are shaping the future, creating exciting opportunities along the way.

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Surging demand for protection insurance – are you covered?

The demand for health insurance, income protection and life insurance is expected to rise significantly in 2025, according to a recent survey⁷. The study, which gathered insights from 250 UK financial advisers, highlights a growing awareness amongst clients of the need for comprehensive protection cover.

Income protection is set to see the most substantial growth, with 51% of advisers predicting increased demand, while 31% expect it to remain steady and only 18% foresee a decline. Similarly, life insurance demand is anticipated to rise, with 44% of advisers forecasting growth, 37% expecting no change and 19% predicting a drop. Private health insurance also



follows this trend, with 40% of advisers anticipating an increase, 32% expecting stability, and 28% forecasting a decline.

A busy year

These figures, as well as our own experience of what clients are asking about, indicate that this year is shaping up to be a busy one for protection insurance, as more people recognise the importance of safeguarding their financial future. With economic uncertainties and evolving healthcare

needs, individuals and families are increasingly looking for ways to secure their income and wellbeing.

If you're considering protection insurance or want to review your existing cover to make sure it meets your current needs, now is the time to explore your options. We're here to help with all your protection needs - get in touch to find the right cover for you and your family.

⁷The Exeter, 2025

In other news

Child Trust Funds still unclaimed

Some 728,000 people who have recently turned 18 have not claimed their Child Trust Fund, figures⁸ show, with the total value of unclaimed money amounting to £1.4bn. Many eligible young people do not know that their account exists, campaigners say. MPs are urging more action from HMRC to inform potential recipients.

Youth still trust 'finfluencers'

Social media remains the most popular place for those under 30 to find information about money, research⁹ shows, with six in 10 young people following one or more financial influencer ('finfluencer') online. Even more strikingly: almost eight in 10 young people say they trust everything finfluencers say. The Financial Conduct Authority (FCA) has launched targeted action against finfluencers who may be touting financial services

products illegally, as increasing numbers of young people are falling victim to scams. Steve Smart, Joint Executive Director of Enforcement and Market Oversight at the FCA, commented, *"Finfluencers are trusted by the people who follow them, often young and potentially vulnerable people attracted to the lifestyle they flaunt. Finfluencers need to check the products they promote to ensure they are not breaking the law and putting their followers' livelihoods and life savings at risk."*

Pension priority for young workers

Workers aged 18 to 34 are contributing almost 10% of their wage to a pension each month, a report¹⁰ suggests. On the other hand, many older workers are now regretting that they will have to live a more frugal lifestyle than hoped, the report reveals. Don't have regrets, prioritise your pension now.

⁸The Share Foundation, 2024, ⁹MRM, 2025, ¹⁰Royal London, 2024

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Bridging the generational wealth gap: securing financial stability

Throughout our lives, we both give and receive support across generations, whether within our families or as part of society. This concept, known as the intergenerational contract, ensures that different generations support each other based on their needs and resources. However, with shifting economic conditions and demographic changes, this balance is increasingly under strain.

In addition, the UK's population is ageing rapidly. By 2040, nearly a quarter of people will be aged 65 or older, compared to just under one in five today¹¹.

Striking disparities

The disparities in wealth accumulation between generations are striking. Over the last two decades, UK household wealth has doubled relative to incomes, but older generations have benefited disproportionately. Between 2010/2011 and 2019/20, median total wealth for those aged 65 to 69 rose by 46% (£112,597), while those in their late 30s saw only a 9% increase (£6,751). Today, younger generations hold just 4% of total UK wealth, down from 7.5% in 2010. Despite this, seven in ten adults receive no financial support from their families.



Concerns about financial security

A recent survey¹² highlights growing concerns about financial security. Almost half (47%) of UK adults worry they won't have enough saved for retirement, rising to 60% among those aged 25 to 49.

With nearly a third (29%) of people fearing they won't have family members to rely on for support, it is crucial to think about how wealth is shared across the generations.

Secure your family's financial future

If you're concerned about intergenerational wealth and how best to support your loved ones, talk to us about strategies for effective wealth transfer and long-term financial planning. By making informed decisions now, you can help create a more secure financial future for the generations to come.

^{11&12} ILC 2025

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It is important to take professional advice before making any decision relating to your personal finances. Information within this newsletter is based on our current understanding of taxation and can be subject to change in future. It does not provide individual tailored investment advice and is for guidance only. Some rules may vary in different parts of the UK; please ask for details. We cannot assume legal liability for any errors or omissions it might contain. Levels and bases of, and reliefs from, taxation are those currently applying or proposed and are subject to change; their value depends on the individual circumstances of the investor.

The value of investments can go down as well as up and you may not get back the full amount you invested. The past is not a guide to future performance and past performance may not necessarily be repeated. Changes in the rates of exchange may have an adverse effect on the value or price of an investment in sterling terms if it is denominated in a foreign currency. Taxation depends on individual circumstances as well as tax law and HMRC practice which can change.

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All details are correct at time of writing – March 2025.