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Advanced savings and investments



WEALTH at work

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About us

WEALTH at work is a leading financial wellbeing, retirement and workplace savings specialist.

Established in 2005, we work with hundreds of organisations across both the private and public sector.

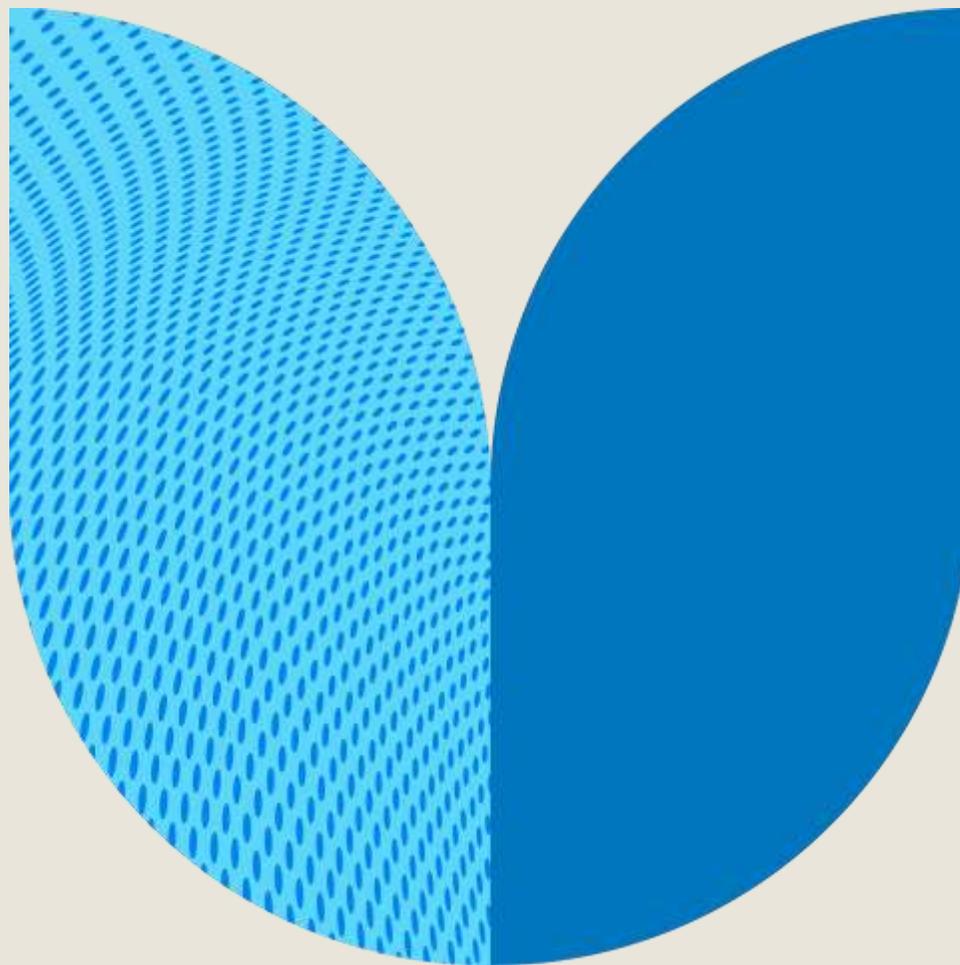
Our financial education services are delivered on a bespoke basis.

What we'll cover today

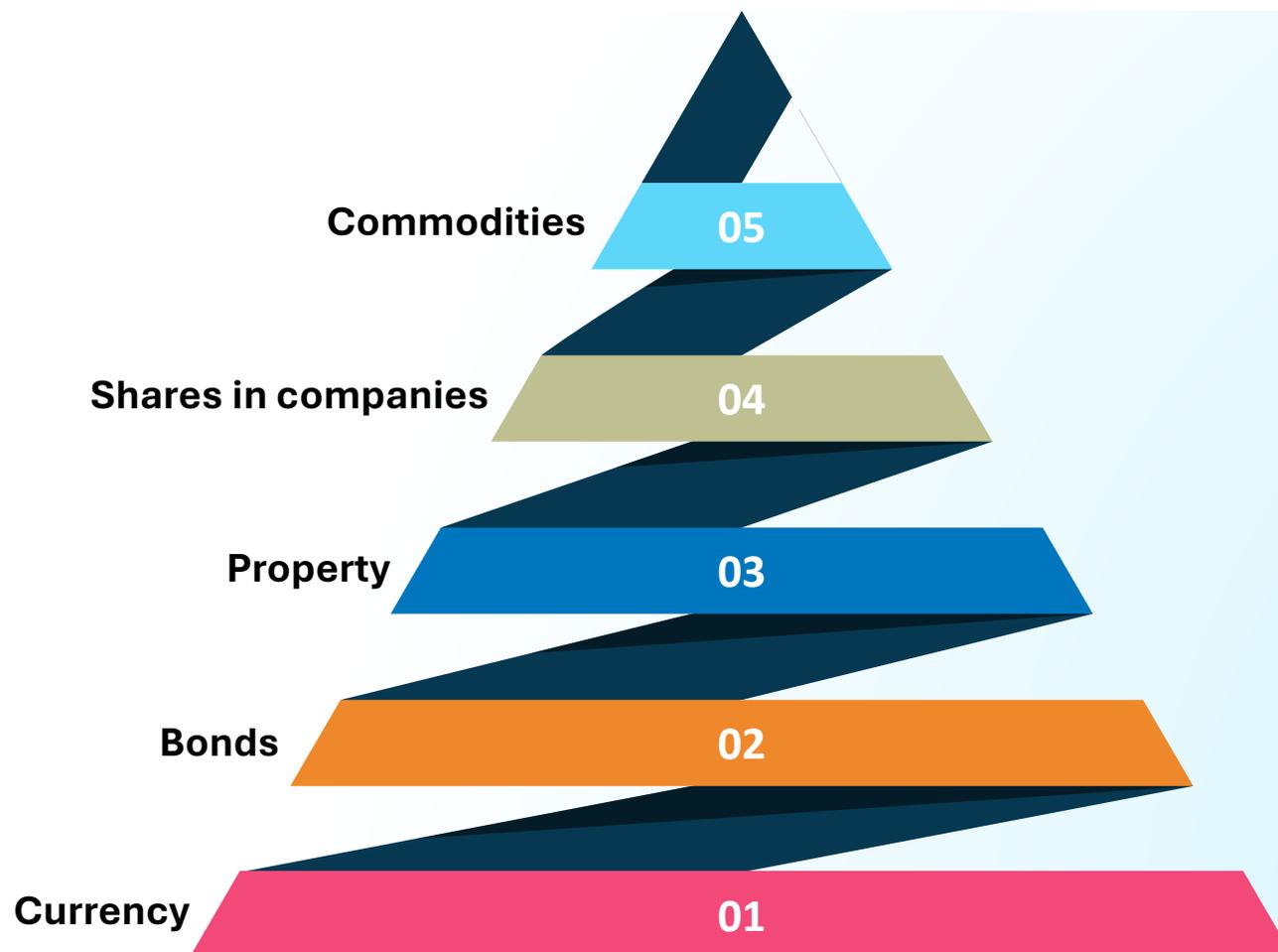
- Investment asset classes
- Investment performance
- Investing in the stock market
- Taxation
- Next steps



Investment asset classes



Types of investments



Cash savings



Physical cash



Cash in the bank



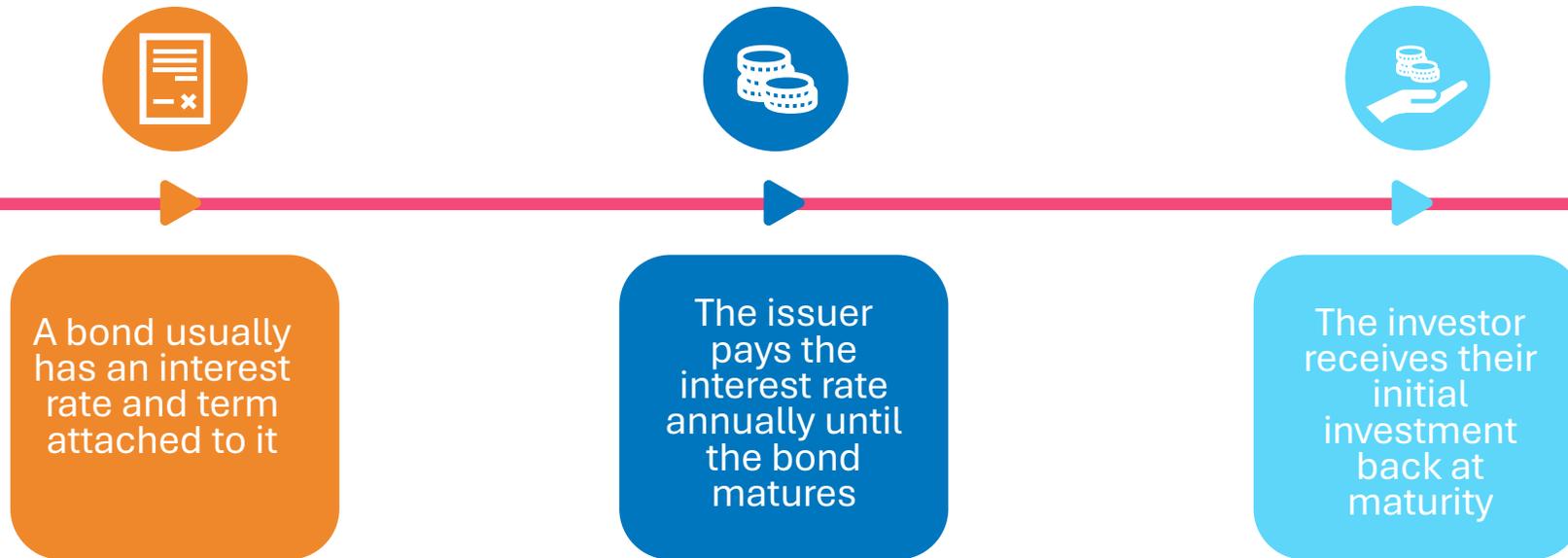
Other currencies



- + Easily accessible
- + Capital is secure
- Low returns on investment
- Inflation
- Currency Exposure

Bonds

Bonds are issued by companies or governments to raise money in return for interest.



Default



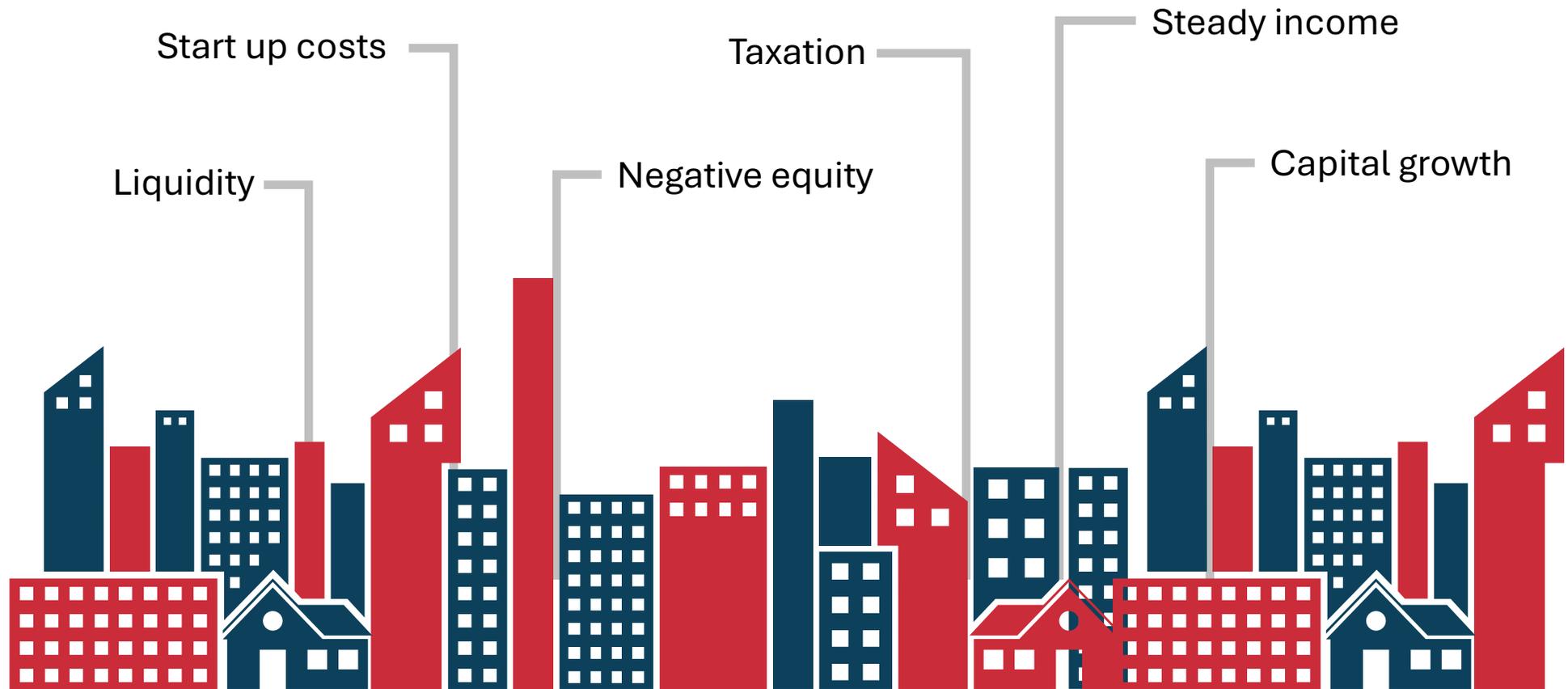
Credit



Inflation

Property

Property is usually looked at as a long term investment.



Shares in companies

Shares are units of ownership in a company and are issued by the company to raise funds.



High potential returns



Easy to purchase



Low minimum investment



Capital at risk



Volatility



Timing



Time to research



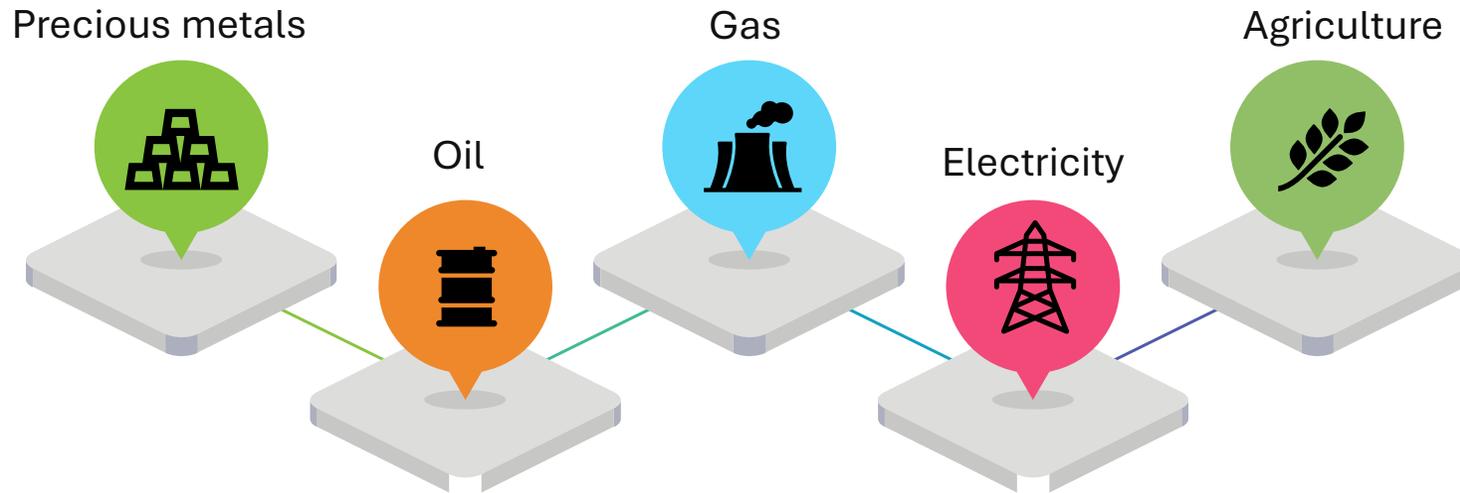
Taxable



Concentration



Commodities



⚠ Inflation

⚠ Weather

⚠ Political unrest

⚠ Global events

⚠ New technologies

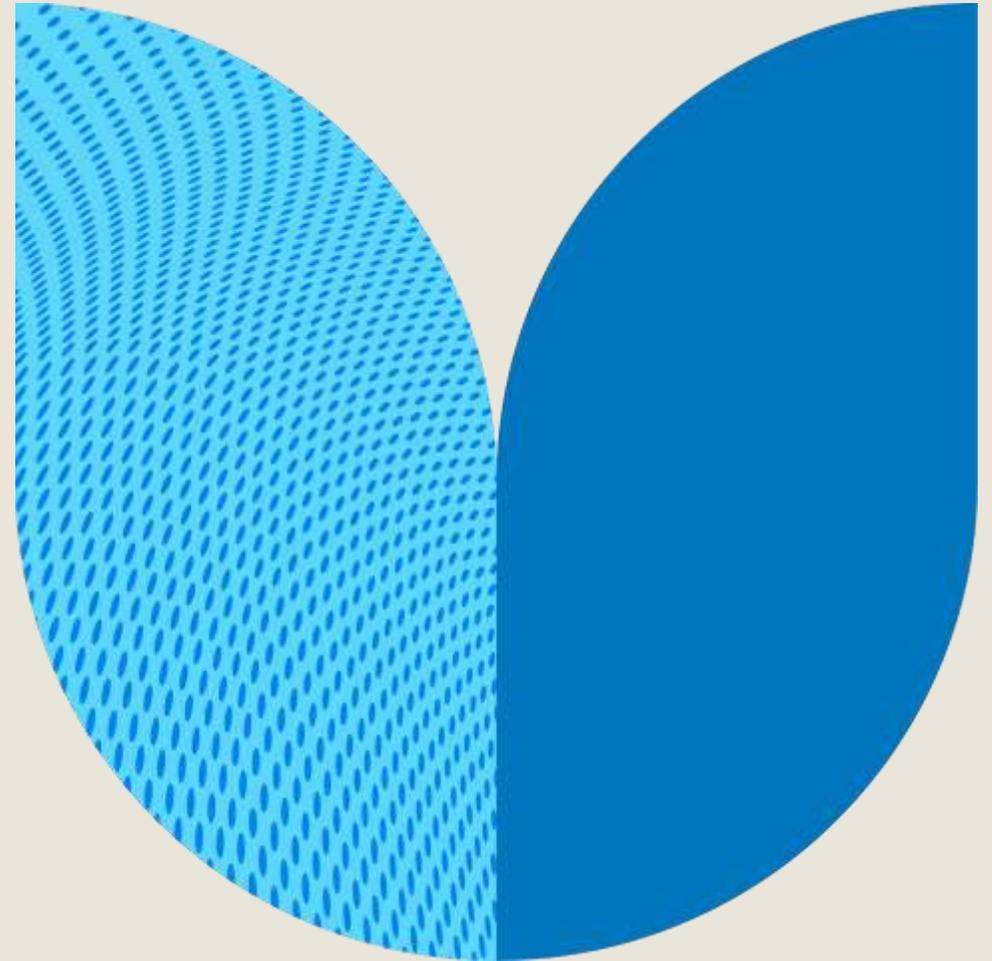
⚠ Concentration

⚠ Volatility

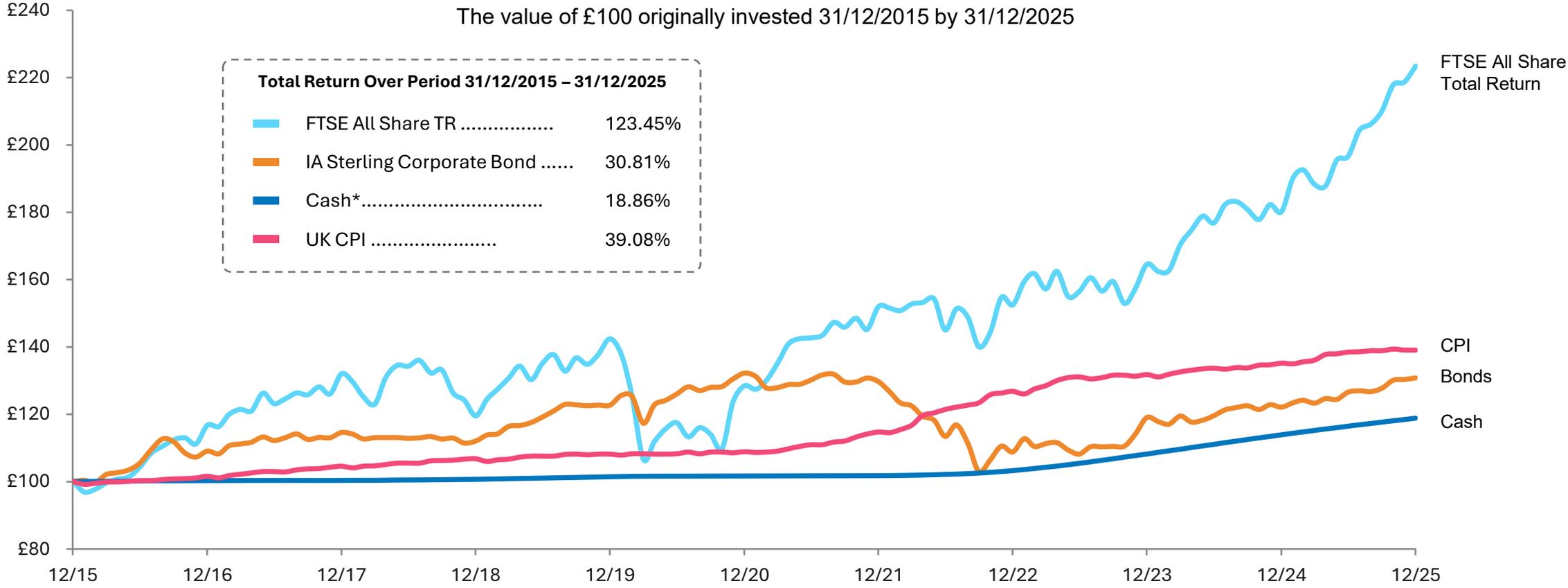
⚠ Timing

⚠ Supply & demand

Investment performance



Risk and returns: the real world

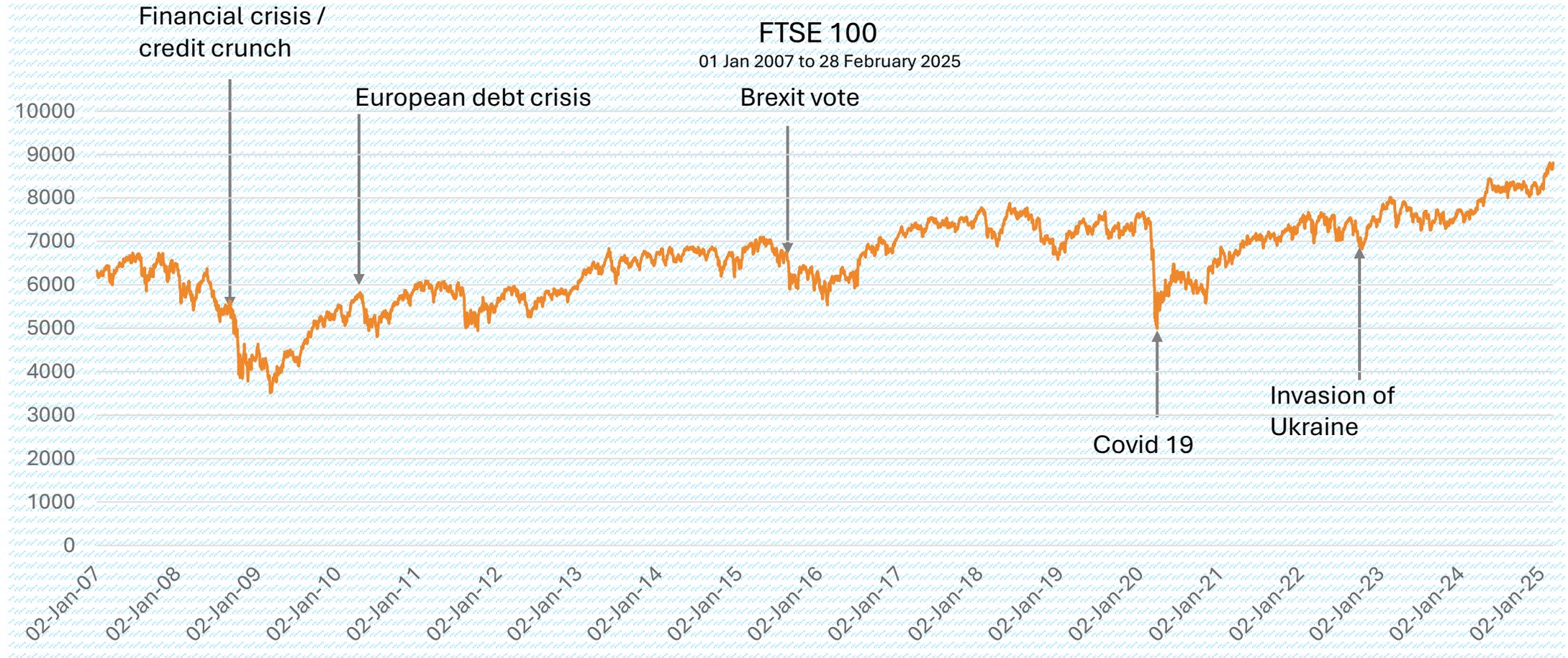


This chart shows past performance which is not a reliable guide to the future

Source: Financial Express & Bloomberg

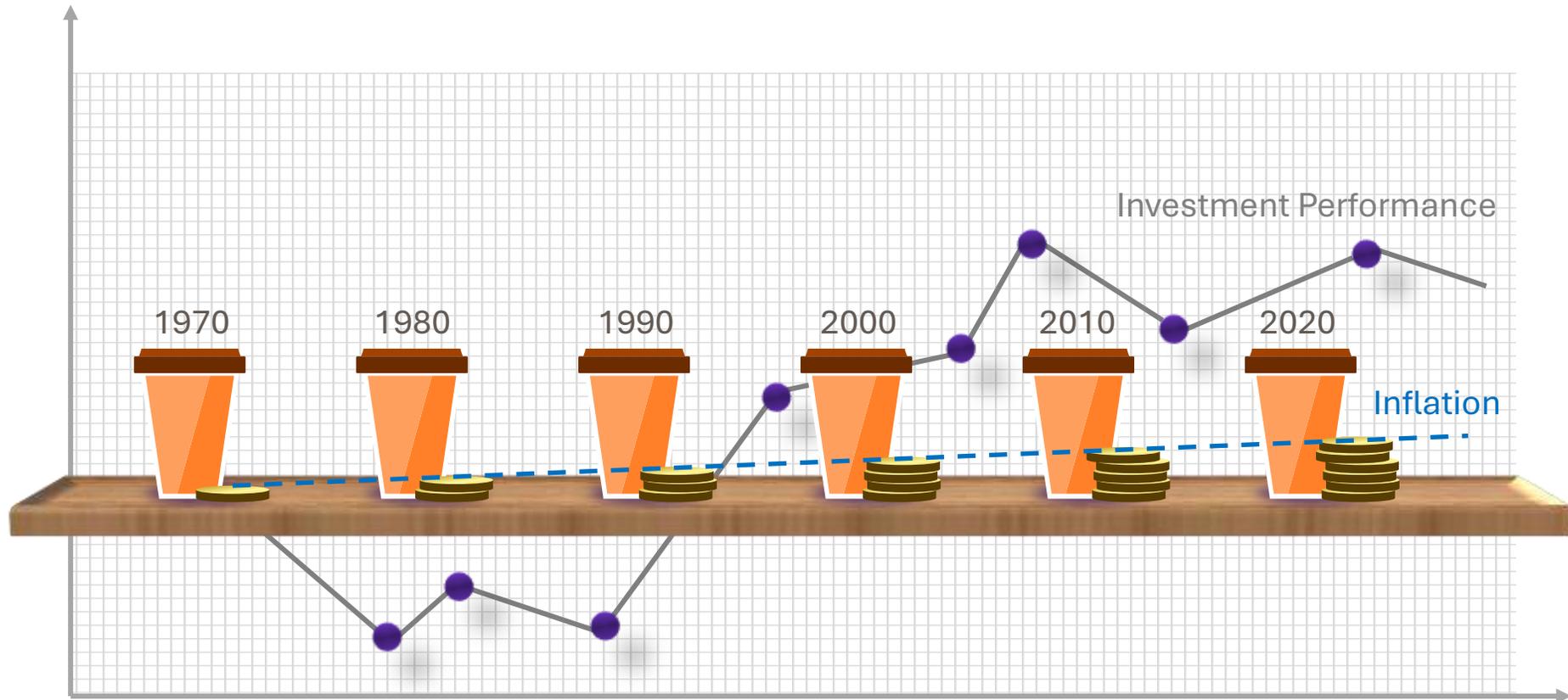
*Cash is calculated using: FE FER Cash Proxy from 31/12/2015 to 31/12/2018 and the UK Bank of England Base rate from 31/12/2018 to 31/12/2025.

Volatile markets



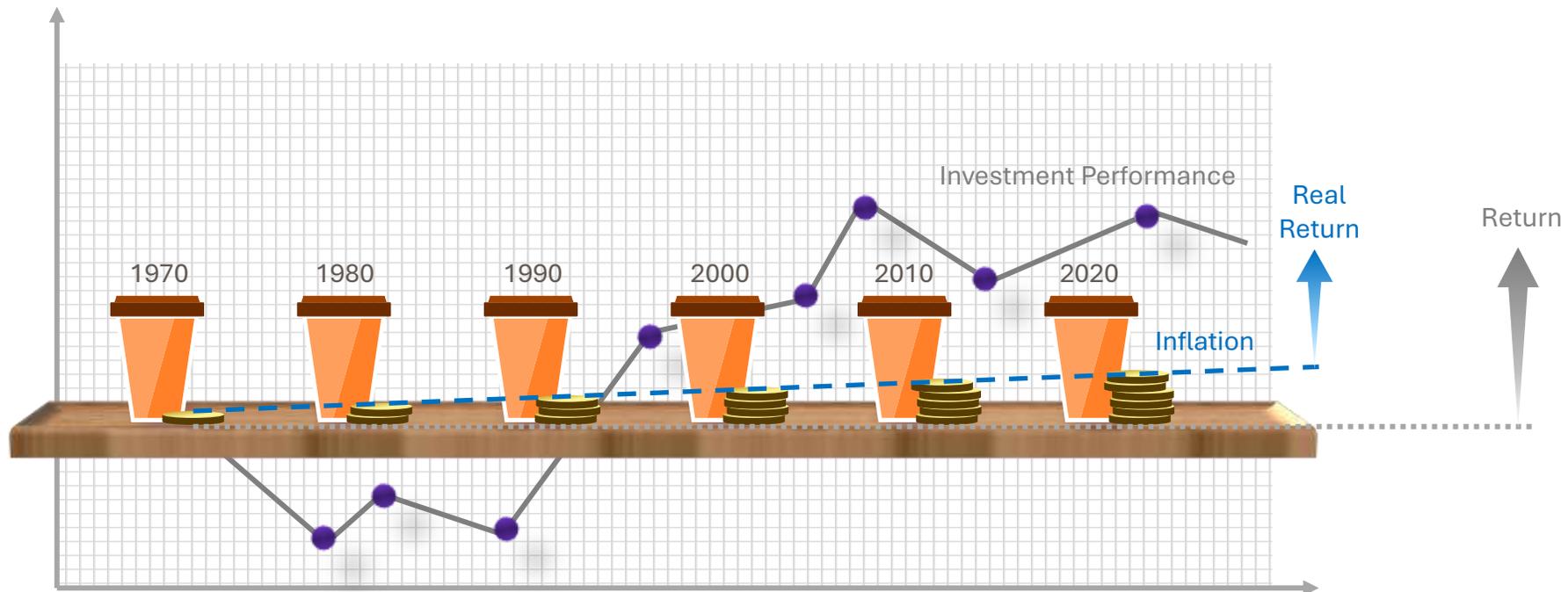
The impact of inflation

Inflation - the reduction in the purchasing power of money over time:

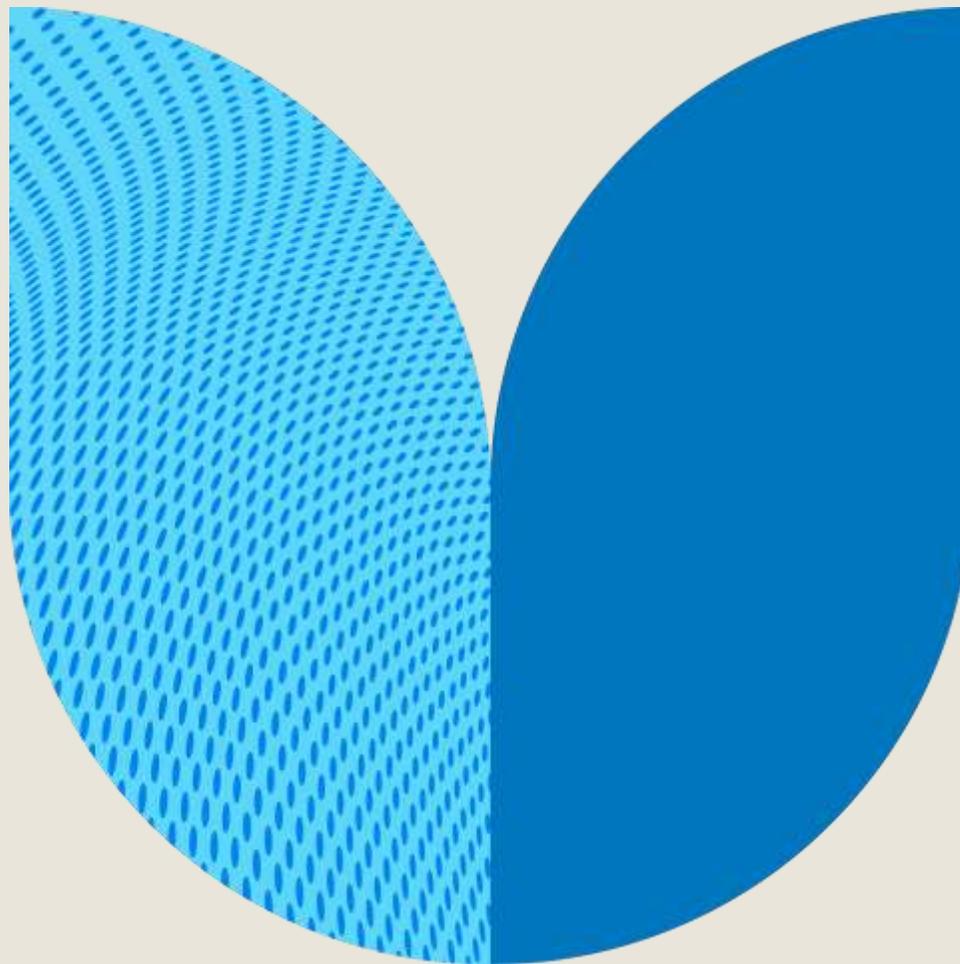


The impact of inflation

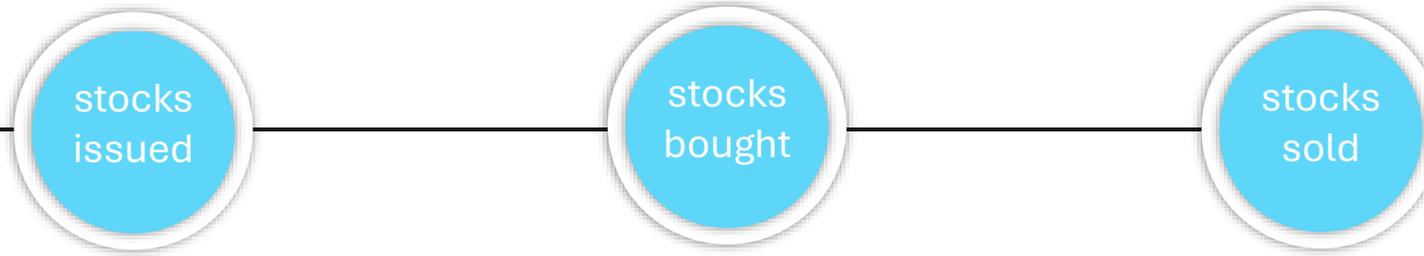
Inflation - the reduction in the purchasing power of money over time:



Investing in the stock market



What is the stock market?



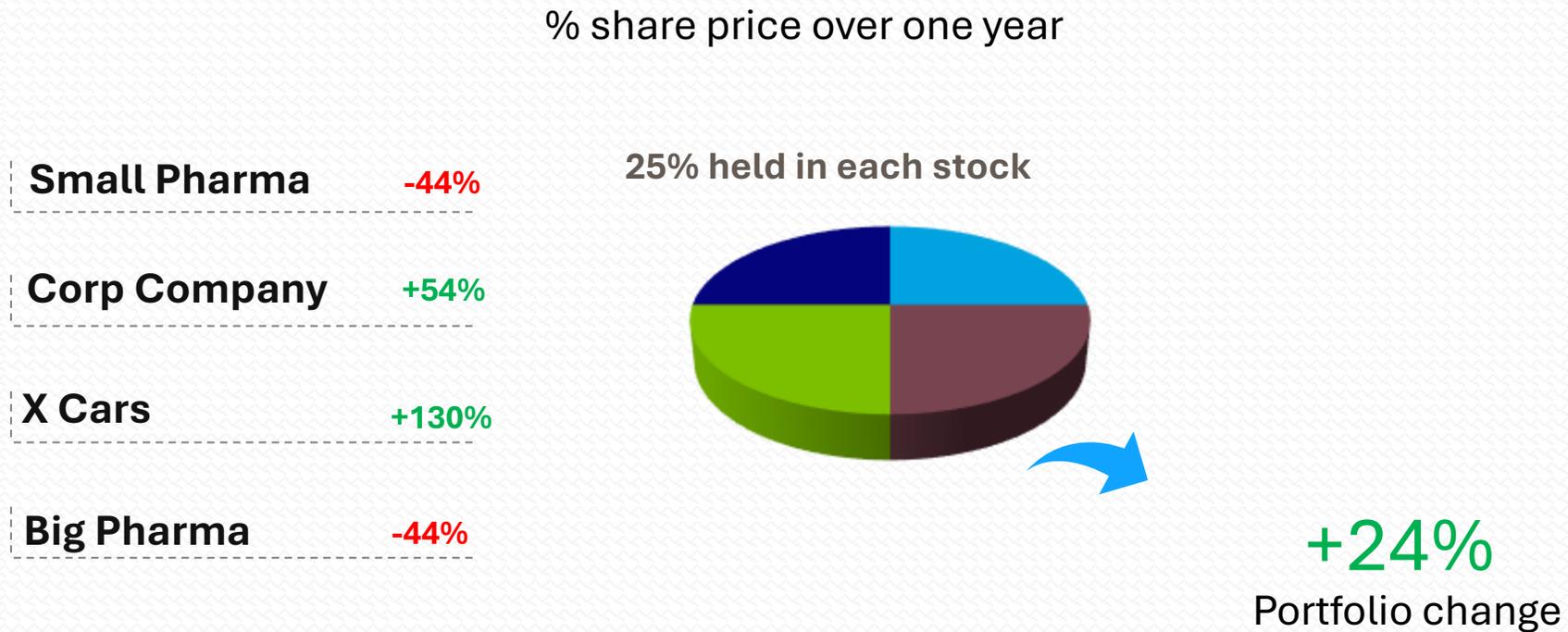
Buying shares

When buying shares yourself, there are a number of different ways you can execute the order.



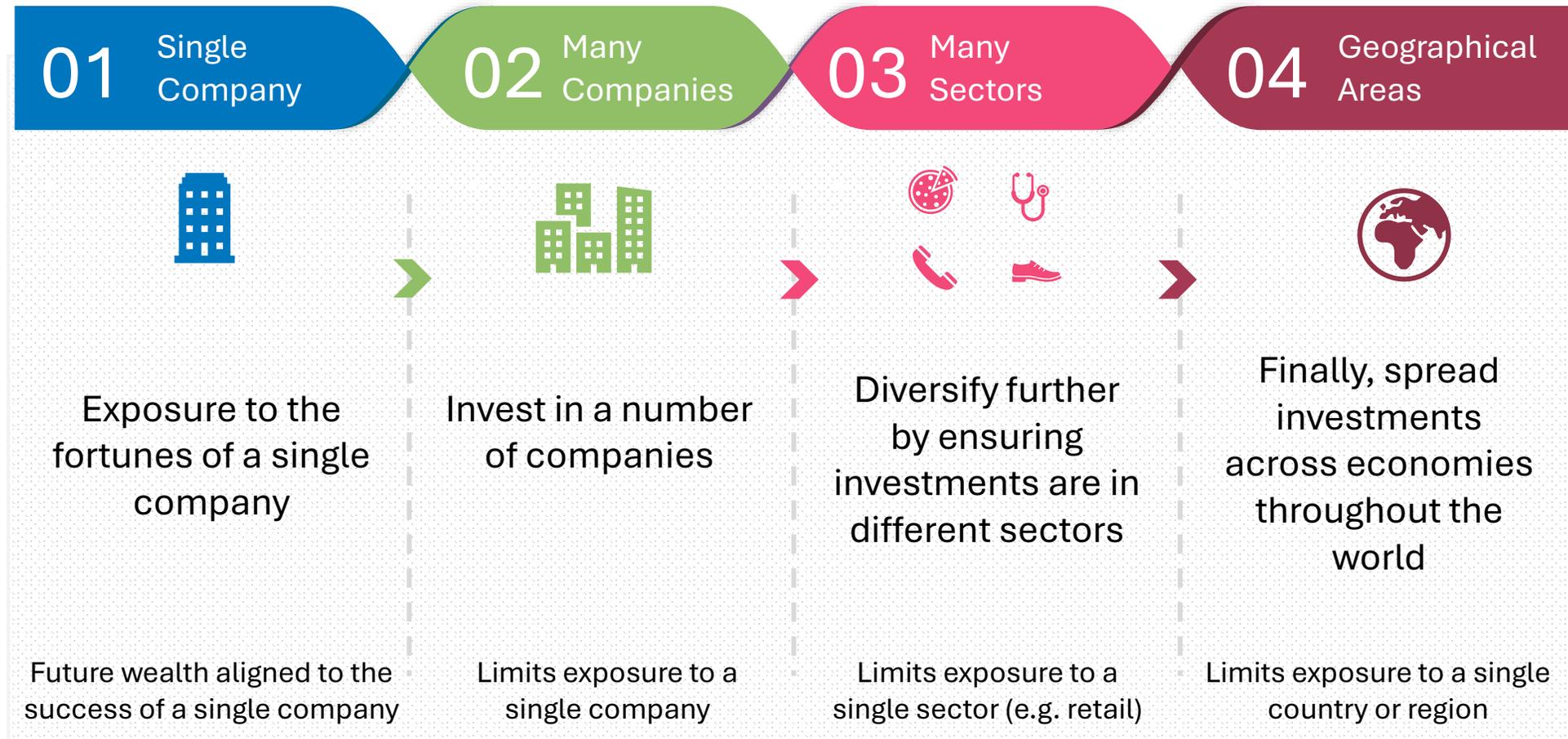
Single share

Holding shares in a single company exposes you to concentration risk.



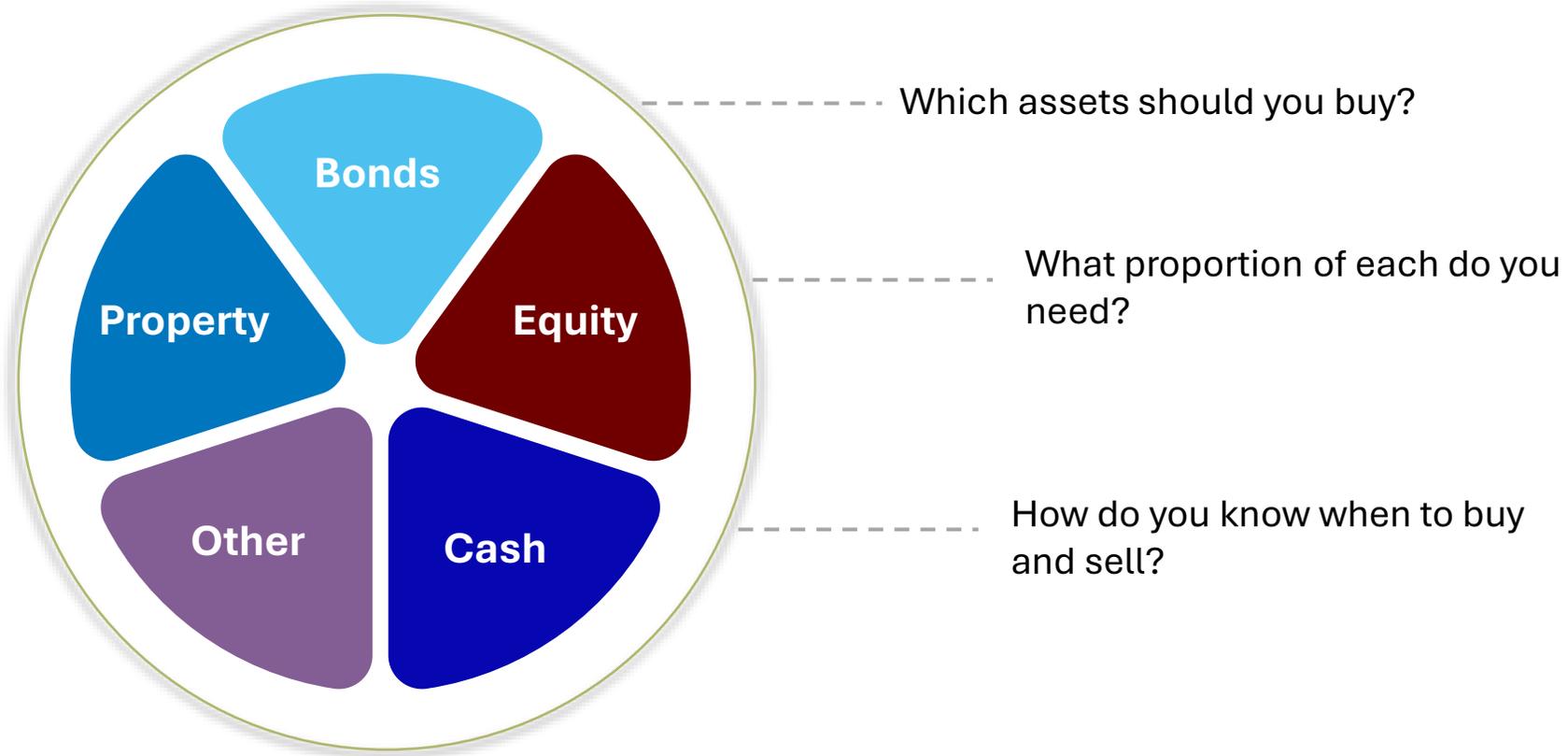
Figures shown for illustrative purposes only. Past performance is not a guide to the future.

Diversification



Diversification

As well as diversifying within equities, you could also look to diversify in the assets you hold.



Passive funds

Passive funds (often called index trackers) aim to track a particular market by selecting shares from a number of companies and grouping them together to create a “basket”.

-  Purchase a share of a basket
-  Could represent an industry, geographical area or a blend
-  Aims to replicate the market regardless of performance
-  Usually have relatively low fees



Passive funds

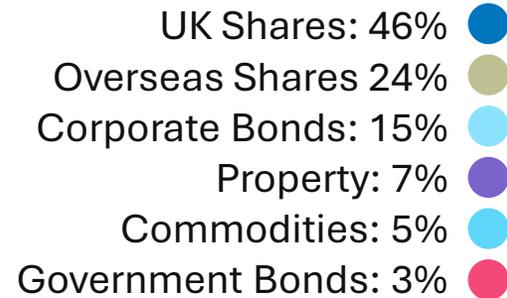
Passive funds (often called index trackers) aim to track a particular market by selecting shares from a number of companies and grouping them together to create a “basket”.

-  Index World
-  FTSE 250 Index
-  Corporate Bond Index
-  Global Technology Index



Actively managed funds

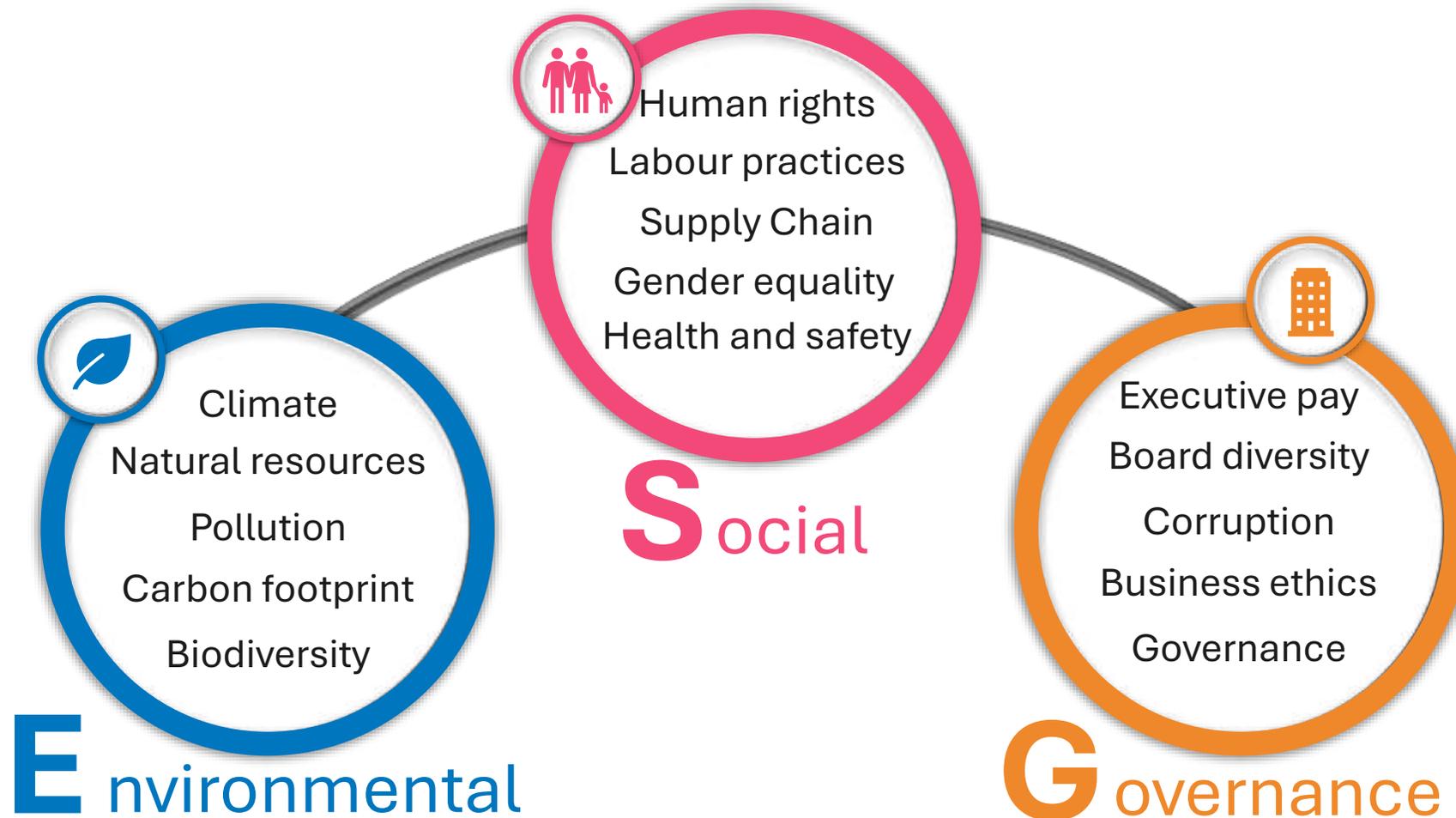
Actively managed funds pool together money from investors and shares are selected by a fund manager.



Investment and allocation shown for illustrative purposes only

- Shares are traded regularly
- Reacts to market conditions
- Can be expensive vs passive funds

Socially responsible investing



Finding ESG investments

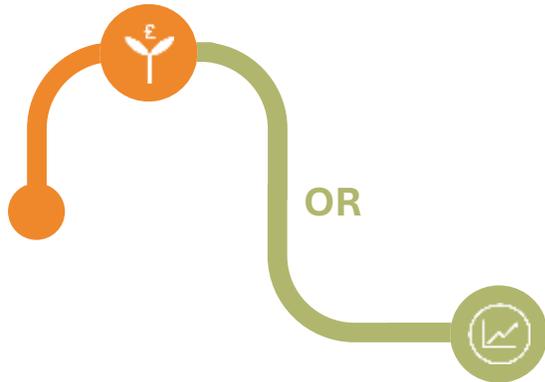


Types of investments

Whichever assets you choose to invest into (e.g. equities, property or bonds) you can either invest directly or via a ‘fund’.

For example, if you were considering an equity investment:

Invest directly into shares in one or more companies



Invest into a fund that tracks an index
(e.g. FTSE 100)

OR

The diagram shows a blue line curving up to a blue circle containing a presentation board icon with a line graph, representing investment into a fund that tracks a number of indices. A blue line then curves down to a blue circle containing an icon of two people at a presentation board, representing investment into a fund where active decisions are made. The word "OR" is written in green between these two options.

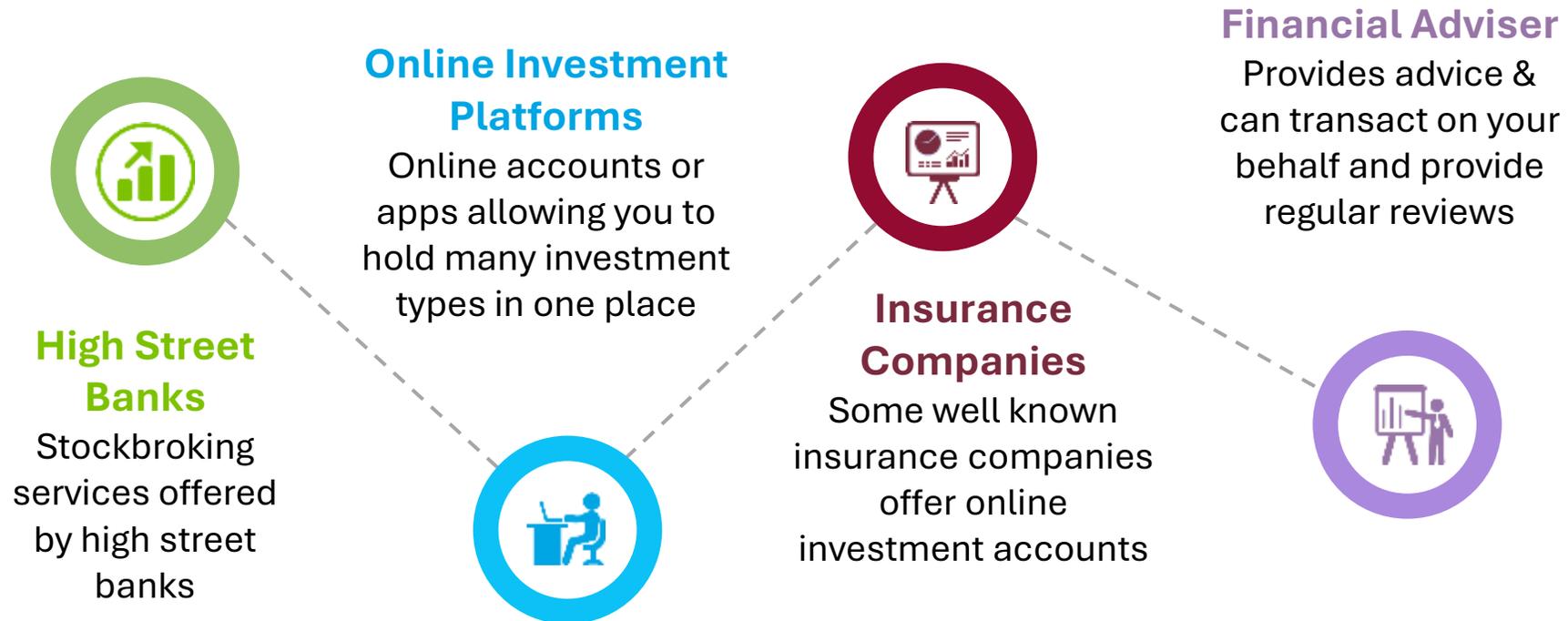
Invest into a fund that tracks a number of indices
(e.g. FTSE 100, S&P 500 and EURO Stoxx 50)

OR

Invest into a fund where active decisions are made on which companies to buy and sell

How can you invest?

There are a number of different places you can go to set up an investment account. These include:



Within each of these services you can often access 'tax wrappers' such as an ISA or SIPP

Decentralised finance (DeFi)

Investment in crypto currency, tokens, non-fungible tokens (NFTs) and assets has become more popular. But it can be one of the most risky form of investments.

Aims



Remove the need for banks and government



Increase security through blockchain



Cheap and fast payments without borders

Issues



Highly volatile*



Targeted by cyber criminals



Lack of regulation



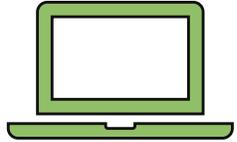
you should only invest what you can afford to lose.

*excluding some fiat backed stable coins

Financial scams – protect yourself



➤ Reject unexpected offers and communications



➤ Check who you're dealing with
Financial services register: <https://register.fca.org.uk/>
or 0800 111 6768



➤ Don't be rushed or feel pressured

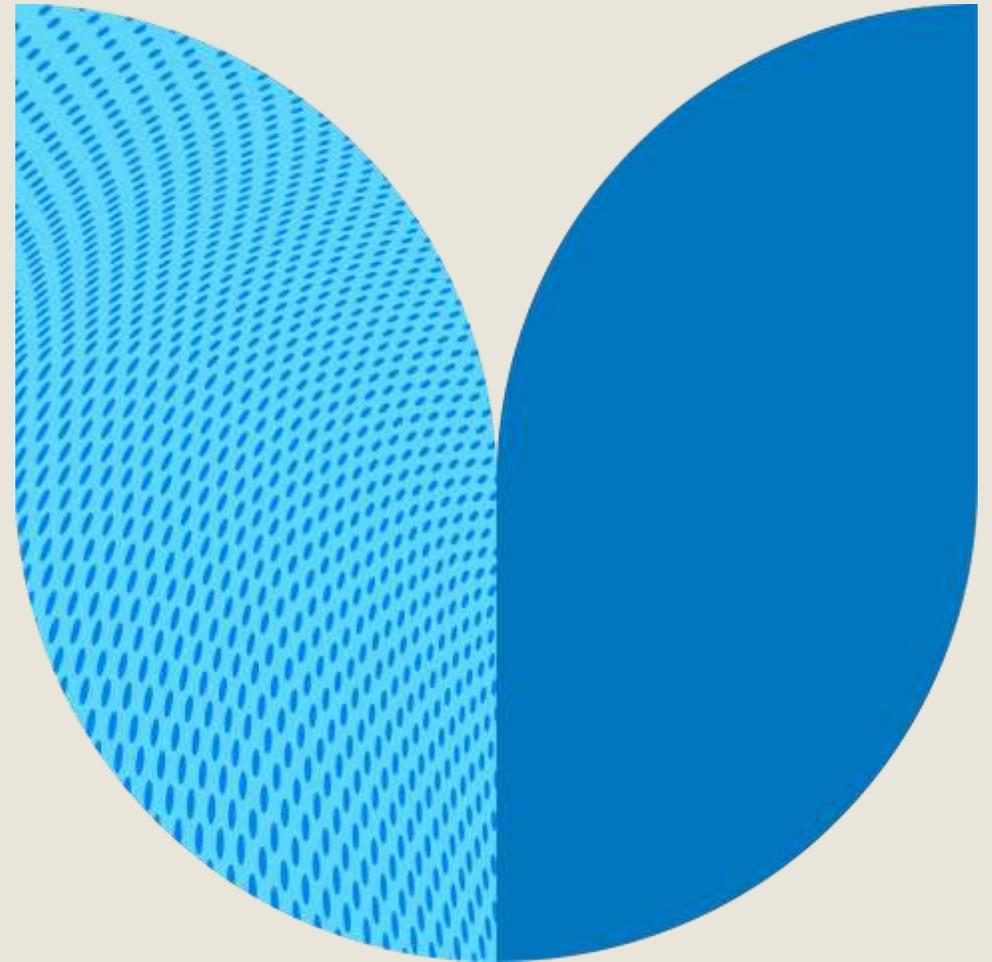


➤ Get impartial information or advice before changing your pension arrangements



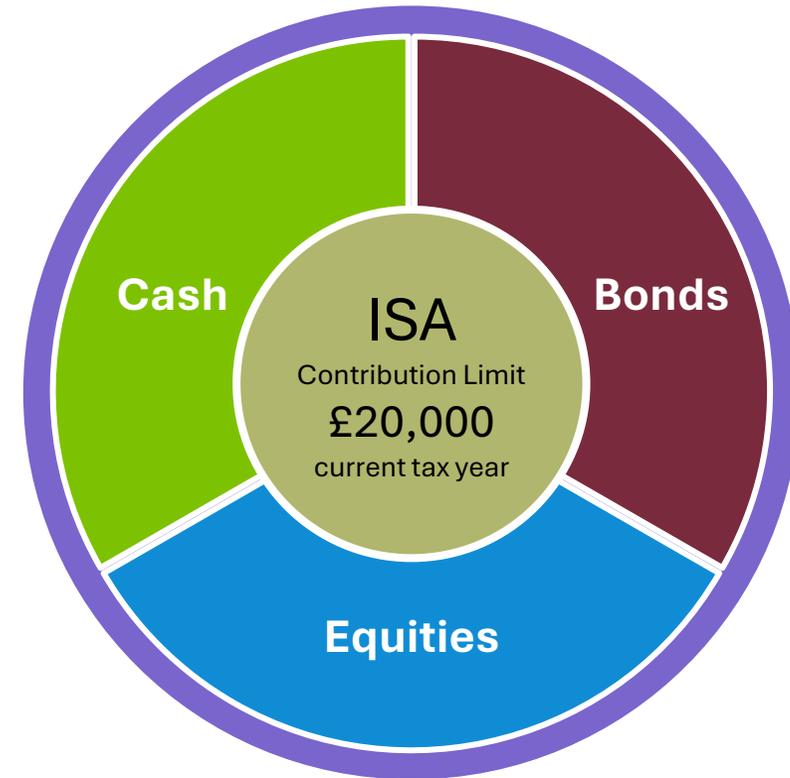
www.fca.org.uk/scamsmart

Personal taxation



Individual savings accounts (ISAs)

- An ISA protects your savings from taxation
- 4 main types of ISA:
 - - Cash ISA
 - - Stocks & Shares ISA
 - - Lifetime ISA
 - - Innovative finance ISA



Cash ISA

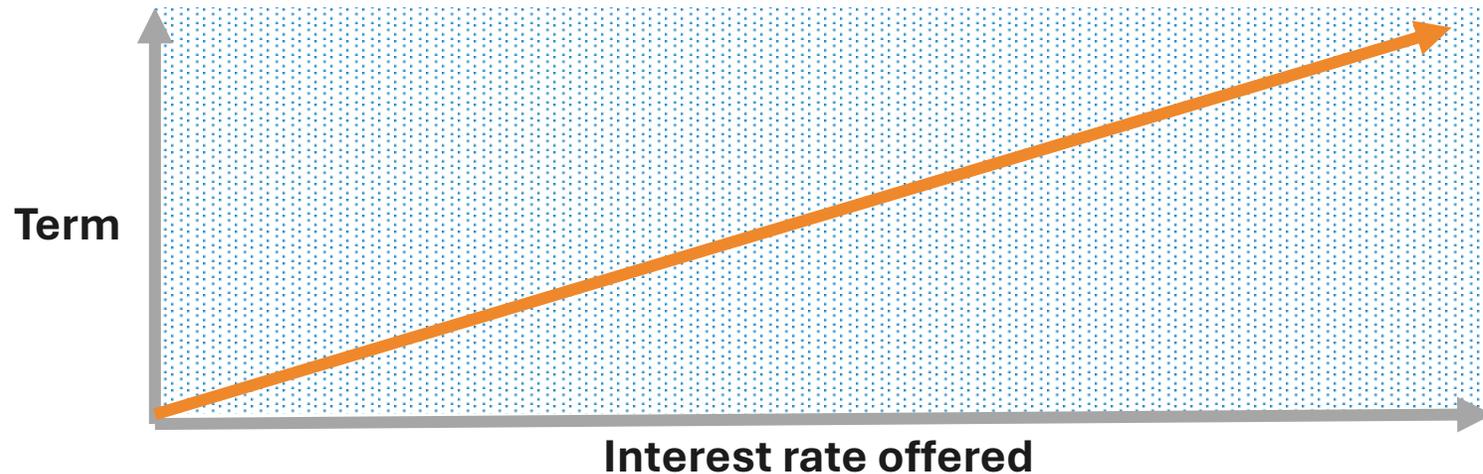
A cash ISA is like a normal savings account, but with the advantage of protecting your savings interest from tax.

Easy access cash ISA

Make one off or regular contributions

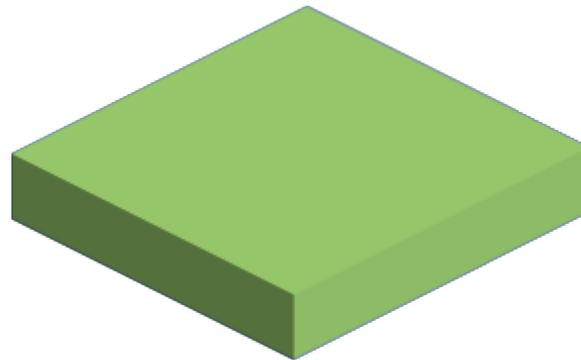
Usually offer a similar rate of interest to other savings accounts on the market

Fixed term cash ISA



Stocks and shares ISA

Hold multiple asset classes in a stocks and shares ISA to protect them from tax on dividends or Capital Gains Tax.



Stocks and shares ISA

Hold multiple asset classes in a stocks and shares ISA to protect them from tax on dividends or Capital Gains Tax.

Investment trusts



Currency

Stocks and shares



Exchange Traded Funds

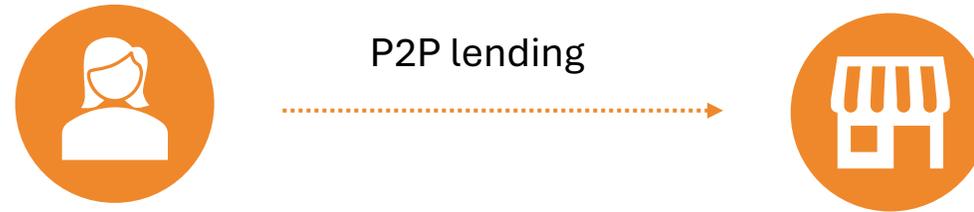
Open Ended
Investment Companies



Bonds



Innovative finance ISA (IFISA)



Interest rates quoted and risk of loss is higher than cash ISAs



Interest rate quoted is a target, rather than guaranteed.



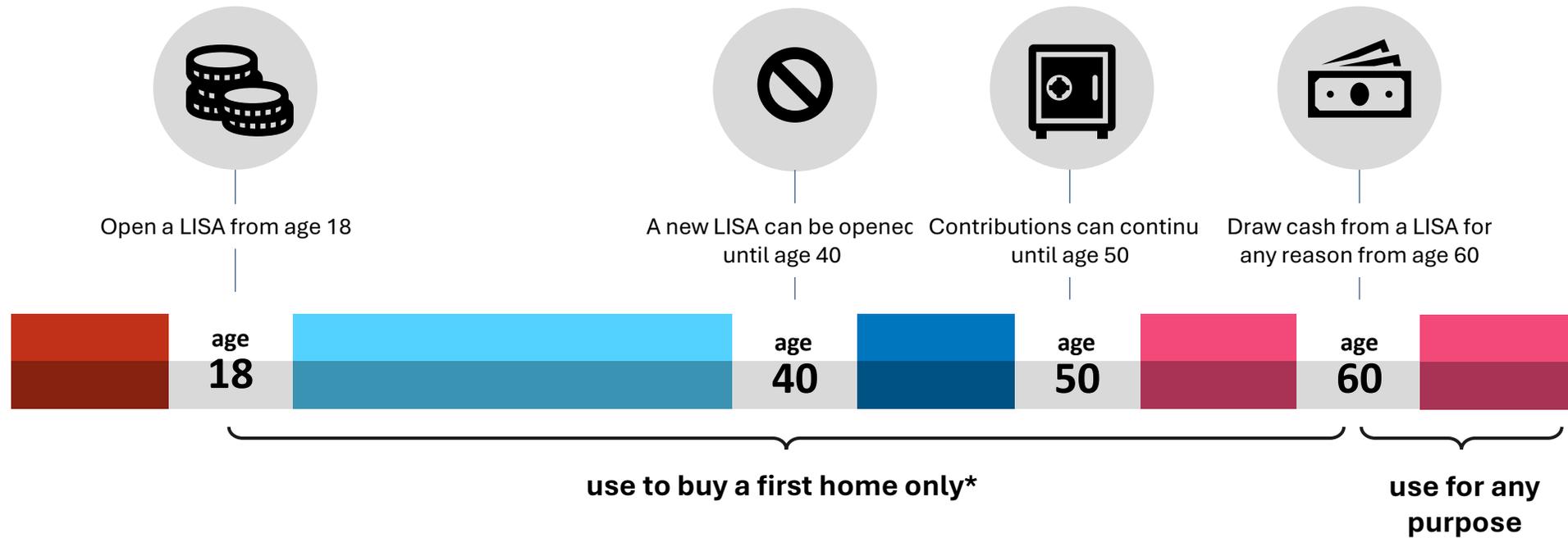
Access is usually restricted



Not covered by the Financial Services Compensation Scheme

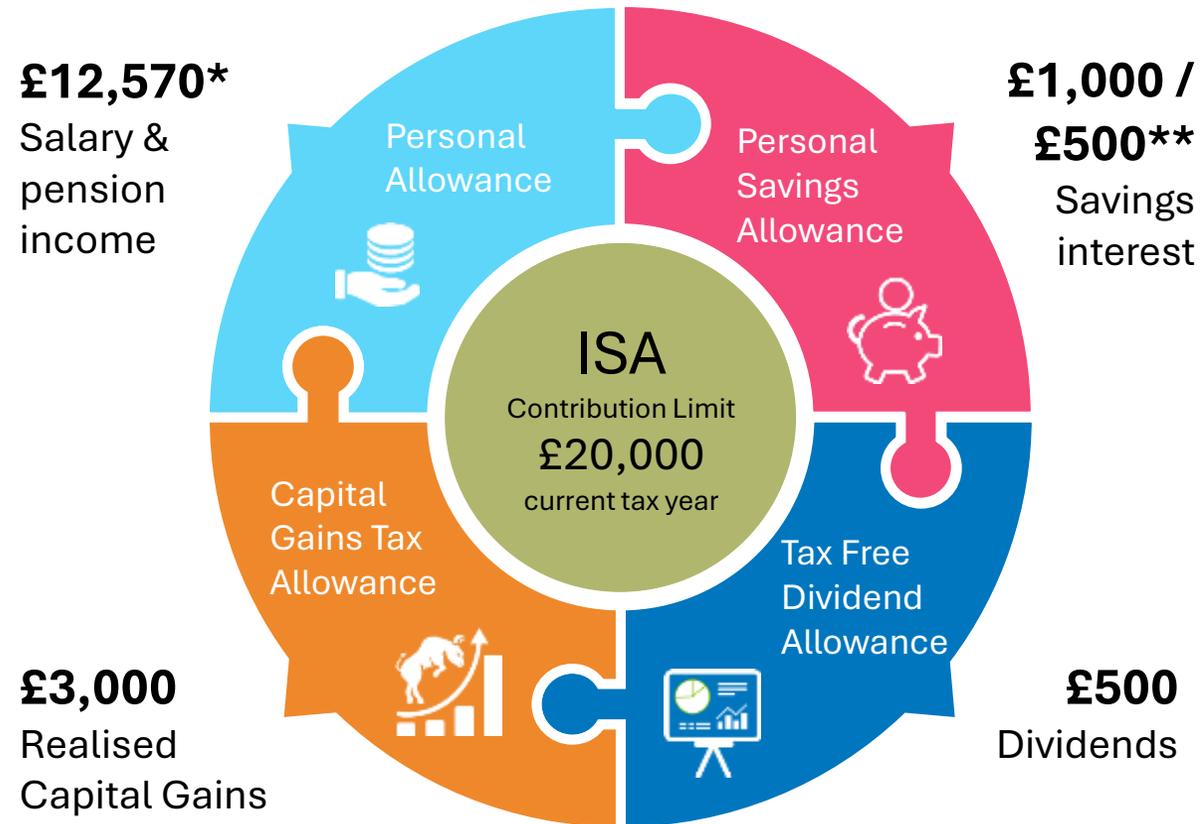
Lifetime ISAs

- Contribute up to £4,000 per annum
- Receive a 25% bonus on all contributions



*Withdrawals for any other reasons incur a 25% penalty charge except in the case of terminal illness.

Tax allowances summary



*Reduced for those with income over £100,000

**£1,000 for basic rate and £500 for higher rate taxpayers. Additional rate taxpayers do not have a Personal Savings Allowance

Junior ISA (JISA)

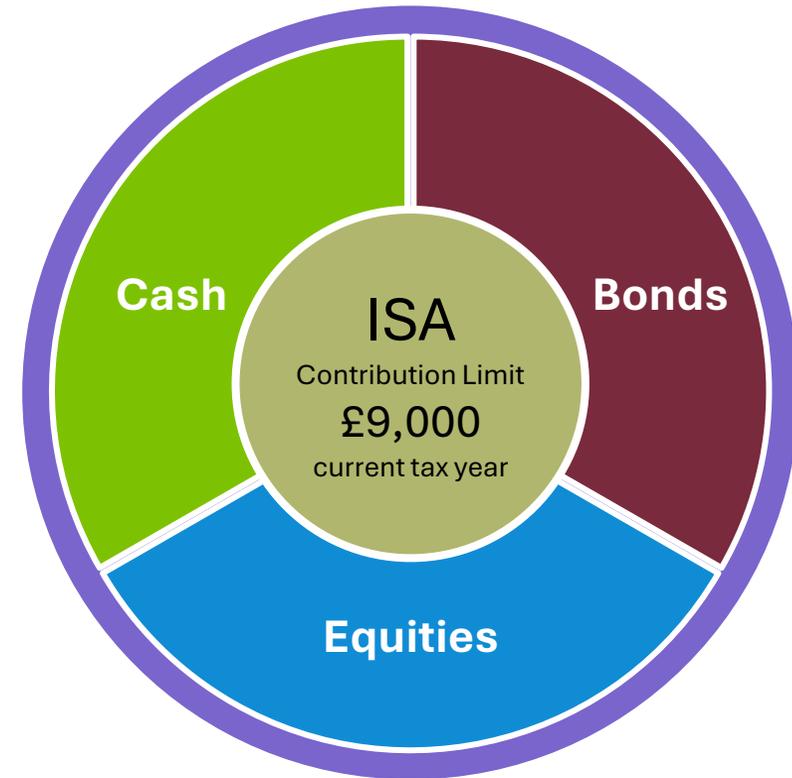
A tax efficient long term savings vehicle for your child

An ISA protects your savings from taxation

Available as cash ISA or stocks and shares ISA

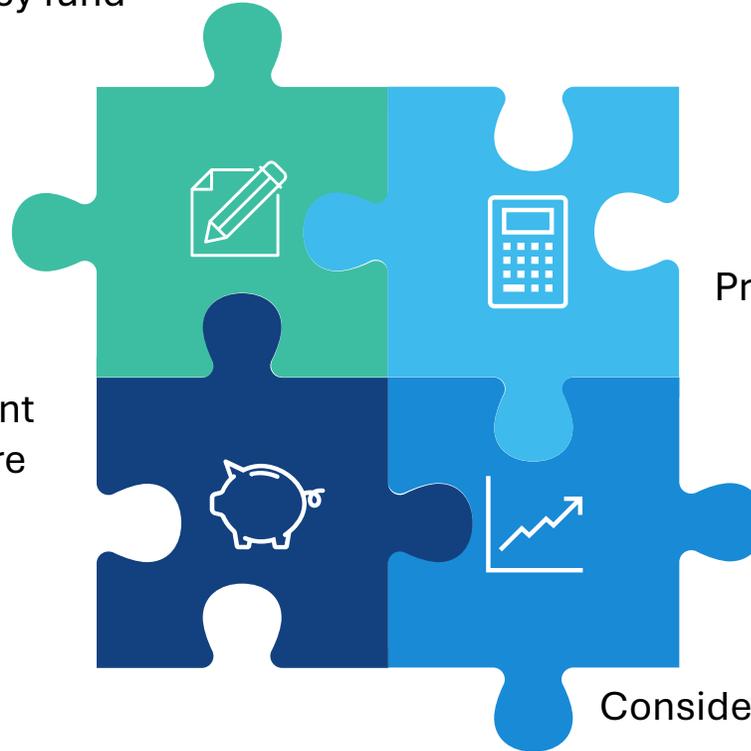
Open from birth - access from age 18

Child Trust Fund accounts can transfer to a JISA



Summary

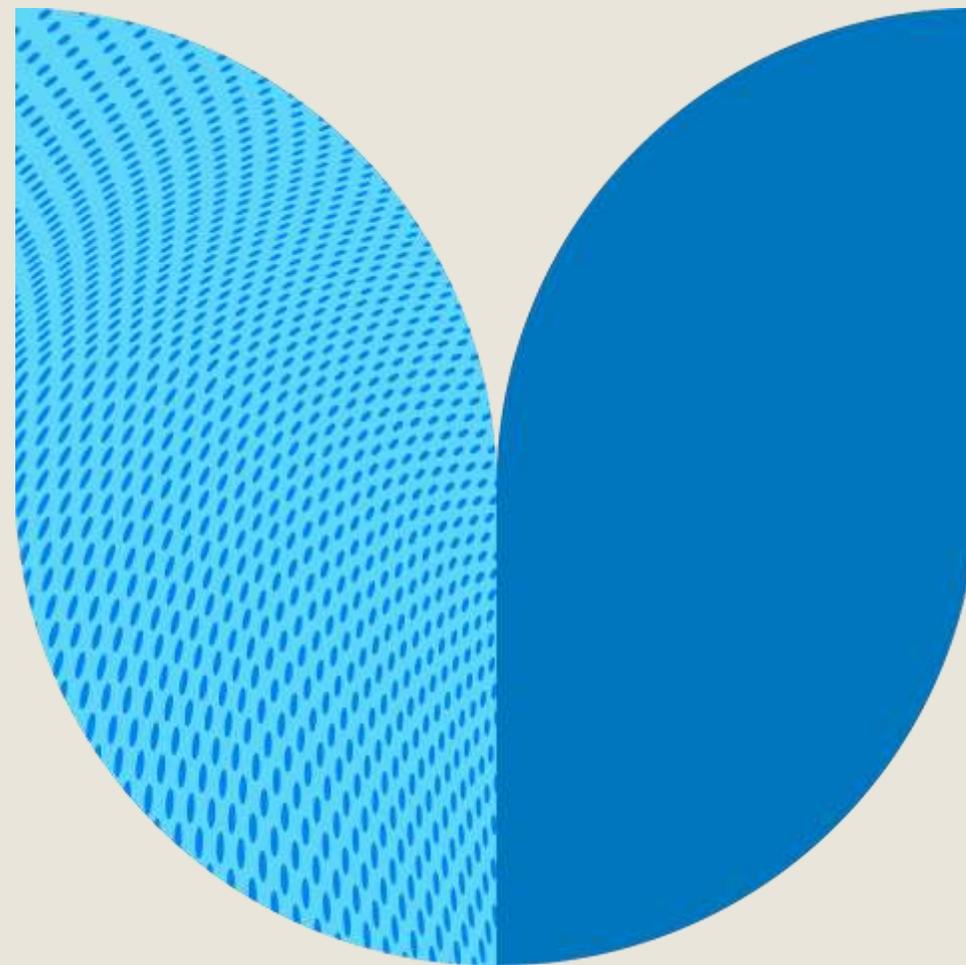
Build an emergency fund



Produce a savings plan

Review where your current savings & investments are being held

Consider your pension contributions



Next steps

Useful contacts

01

Lifeworks

[Login.lifeworks.com](https://login.lifeworks.com)

Username & password: lsegUK | 0800 169 7072

02

Money Helper investment guide

www.moneyhelper.org.uk/en/savings/investing/investing-beginners-guide

03

General tax and National Insurance information

www.hmrc.gov.uk

04

Pension Tracing Service

www.gov.uk/find-pension-contact-details

05

Questions about your LSEG Pension Plan

Email: pensions@lseg.com

Seeking advice

An adviser will assess your circumstances, objectives and risk profile and provide you with a personal recommendation to meet your objectives.

All regulated firms are listed on the Financial Services Register, this provides confirmation that the firm is authorised, the specific services they are authorised to provide and details of the advisers who work for them.

Financial Services Register link:

- <https://register.fca.org.uk>

Contact us

We provide a telephone helpline and a regulated investment advice service through **my wealth** - a trading name of Wealth at Work Limited which is part of the Wealth at Work group.

It helps individuals to understand their personal financial situation especially when selecting their retirement income options.

- Telephone **0800 028 3200**

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