

Saving and investing for the future.

Helping you create confidence in your financial future

Schroders
personalwealth

We're here to help you build a better financial future

Access to your financial information when you want it



Our vision

We want to see a society where everyone recognises the value of a great financial plan.



Our mission

We aim to help more people across the UK build personalised financial plans.



Our purpose

We exist to help you realise your dreams by unlocking the power of financial planning.

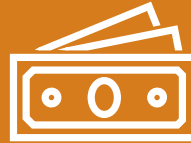
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400 years of heritage

through our parent companies
Schroders, and
Lloyds Banking Group.



£14.2 billion

of funds under management
(as at June 2021).



270+

Advisers located
around the UK.

We believe investing has the potential to
transform your financial future

Saving vs investing



Saving

- Short-term needs
- Planned spending / emergency funds
- Cash savings grow steadily but may be affected if the rate of return is lower than inflation
- Minimal risk

VS



Investing

- Aims to accumulate money for longer-term goals
- The objective is to grow the value, although this can't be guaranteed
- Generally not as easily accessible ("liquid") as cash
- Generally higher risk

The value of investments and the income from them can go down as well as up and cannot be guaranteed. Both deposits and investments are each protected up to a total of £85,000 per firm by the Financial Services Compensation Scheme (FSCS).

The power of compound returns

Start early and let time do the work for you

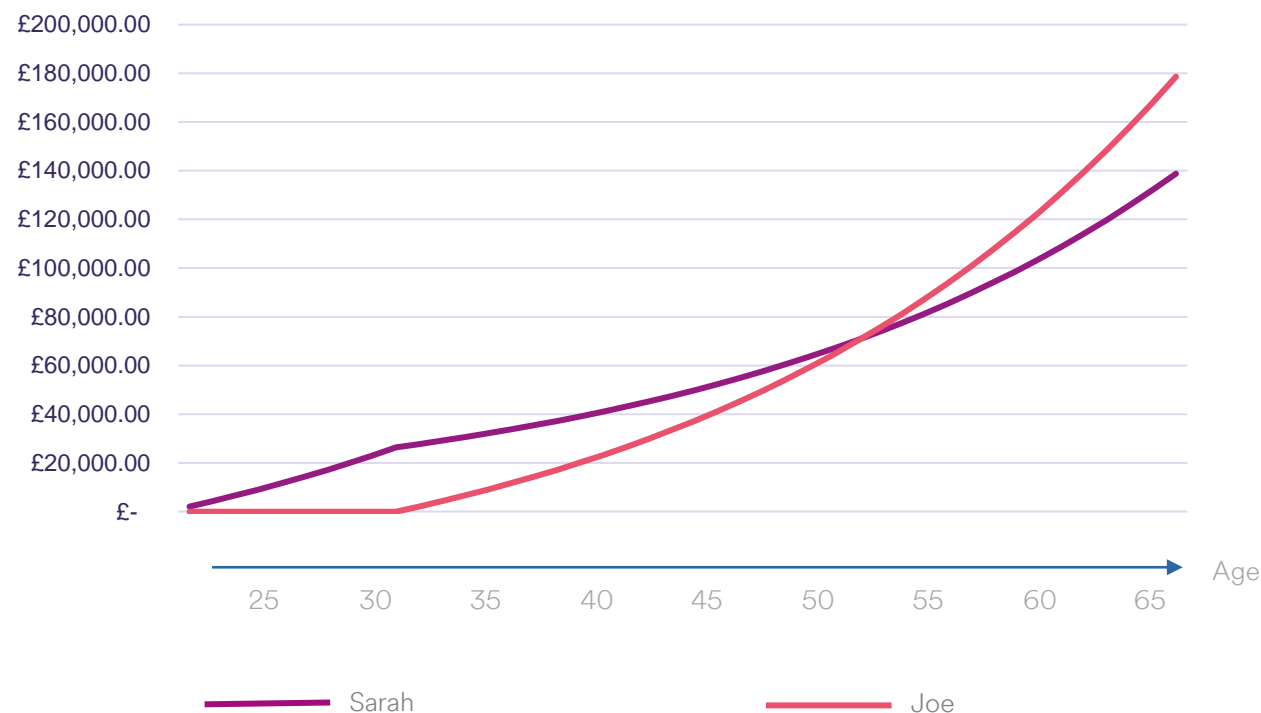
Sarah opens an account at age 22 and **invests £2,000 a year for 10 years** at 5% return and then stops. Her investments continue to grow at 5% per annum.

By the age of 65 it is worth **£138,760** for an investment of **£20,000**.

Joe spends the £2,000 a year on himself for the first 10 years. He starts saving into his account at the age 32 and **invests £2,000 a year for the next 34 years** at 5% return

By the age of 65 it is worth **£178,640** but for an investment of **£68,000**.

The power of compound interest

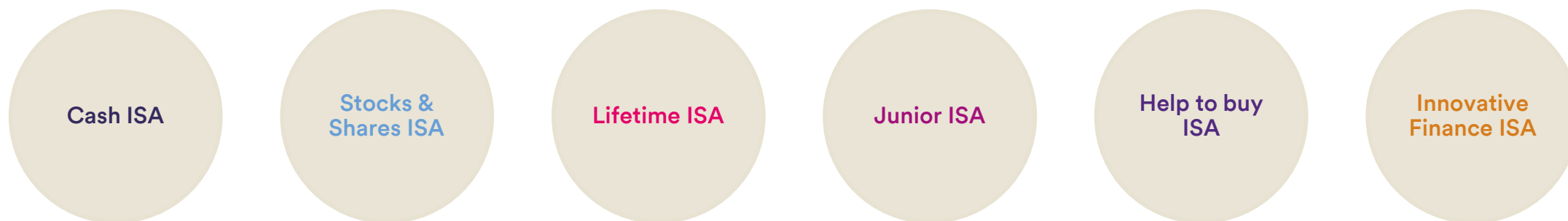


This is provided for illustrative purposes only. Actual results may differ from those shown and cannot be guaranteed. The value of investments and the income from them can fall as well as rise and are not guaranteed. The investor might not get back their initial investment.

Tax-efficient investing

Individual Savings Accounts (ISAs)

- Returns within the account are free of income and capital gains tax
- **Six types** of ISA to choose from:



- You can only open one ISA per type per year
- You can pay into different types of ISA in a single tax year BUT you cannot pay into more than one ISA of the same type in a single tax year
- In the tax year 2021/22 you can put in **up to £20,000** across all of your ISAs
- But only **£9,000** into a Junior ISA and **£4,000** into a Lifetime ISA

The value of investments and the income from them can go down as well as up and cannot be guaranteed.

Tax treatment depends on the individual circumstances of each client and may be subject to change in the future.

*closed to new accounts on 30th November 2019. If you have already opened a Help to Buy ISA prior to this date you will be able to continue saving into your account until November 2029.

The importance of diversification

By using different asset classes, you lower your exposure to risk

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
World Equity	19.9	17.2	-6.6	11.8	21.4	12.1	4.3	30.1	13.9	-2.9	22.7	14.5
UK Equity	29.8	14.2	-2.9	12.3	20.5	0.5	0.06	17.5	13.0	-9.7	18.5	-11.7
Global Property	24.8	24.7	-5.3	22.8	2.3	23.2	5.8	25.3	1.7	1.1	18.3	-10.8
Gold	25.5	29.4	10.1	7.1	-28.1	-1.4	-10.6	8.0	13.5	-1.6	18.3	25.1
Commodities	7.3	21.0	-12.9	-5.5	-11.3	-11.8	-20.3	33.4	-7.2	-5.8	3.5	-5.9
Gilts	-1.2	7.2	15.6	2.7	-3.9	13.9	0.6	10.1	1.8	0.6	7.1	8.8
Cash	1.5	0.7	0.8	0.9	0.5	0.5	0.6	0.5	0.3	0.5	0.8	0.8

Key
 Best
 Second
 Third
 Fourth
 Fifth
 Sixth
 Worst

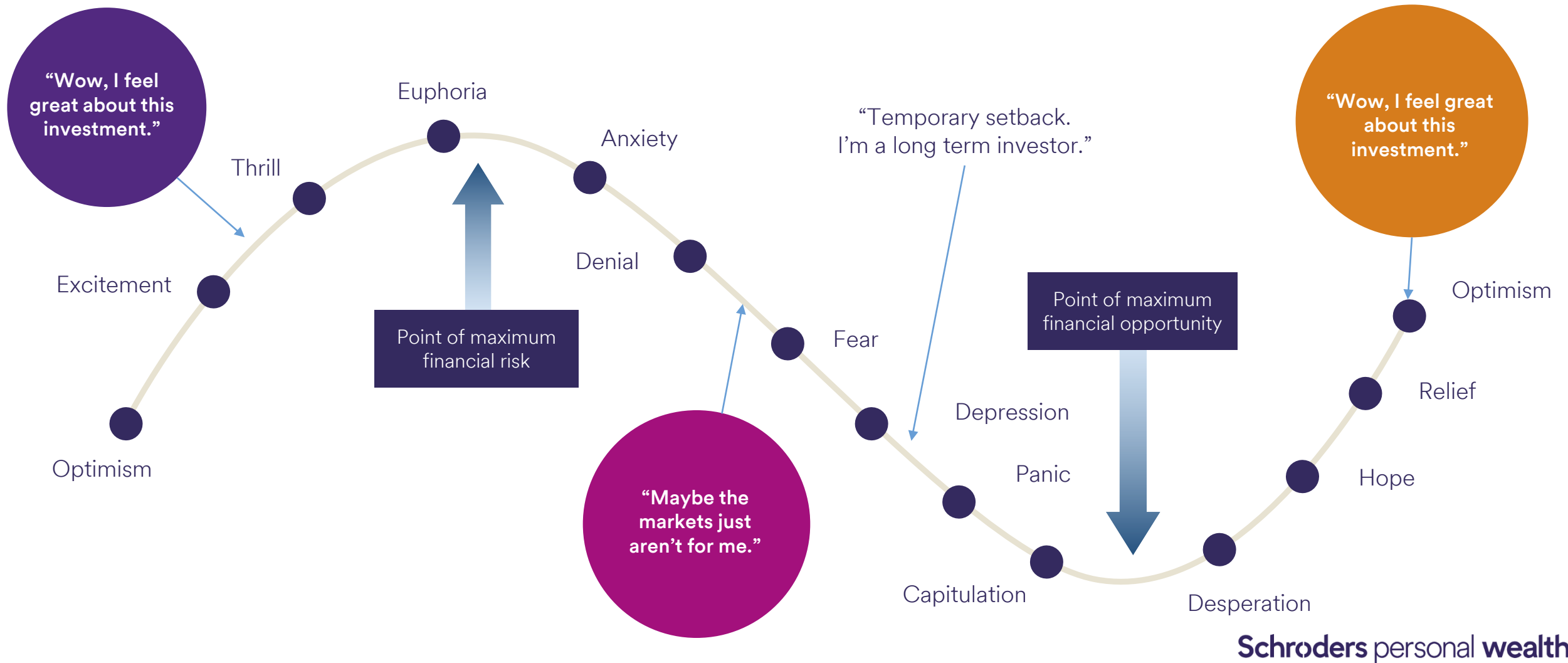
The table shows how different asset classes have performed over a number of years and that no single asset class consistently comes out on top – it also demonstrates how difficult it is to forecast which one will outperform in the future.

Figures refer to the past and past performance is not a reliable indicator of future results. The value of investments and the income from them can fall as well as rise and are not guaranteed. The investor might not get back their initial investment.

Source: Bloomberg, 31 December 2020.

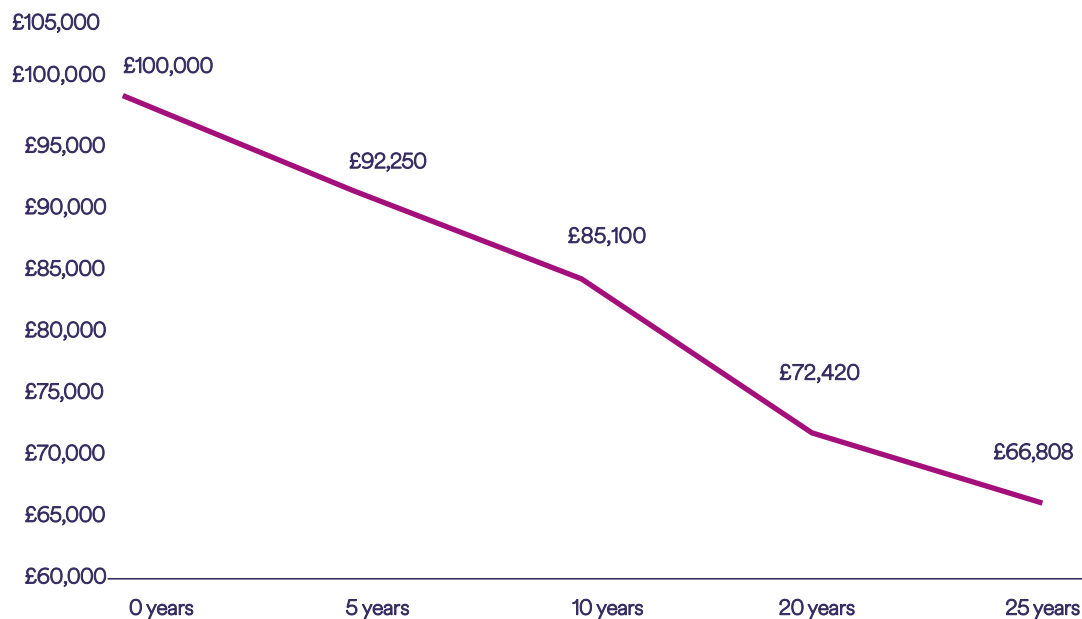
The rollercoaster of emotions

Don't let emotion cloud your judgement



The real cost of security

Inflation can erode the real value of your savings



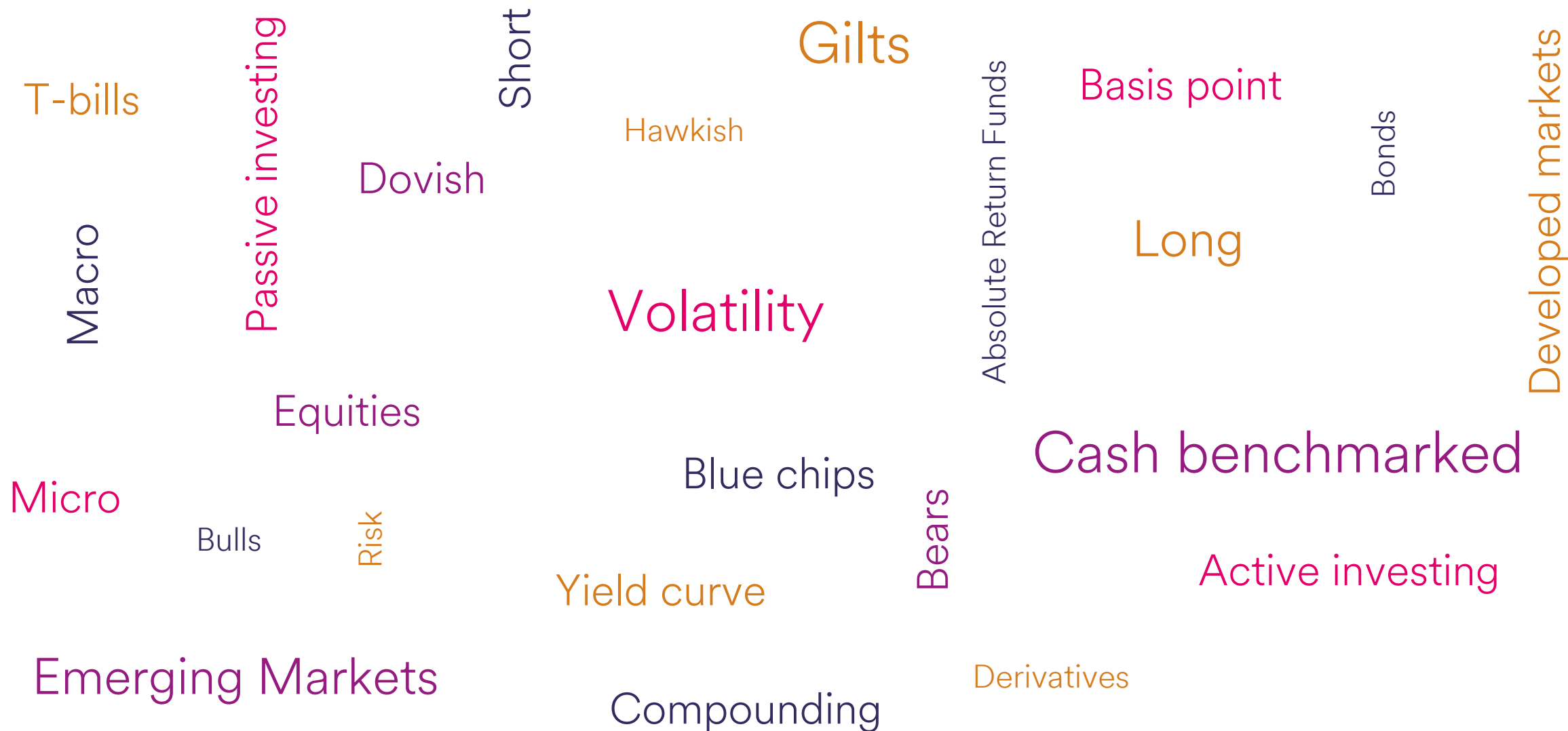
- You deposit **£100,000**
- It earns **0.4% a year** in interest
- Inflation stays at **2.0% a year**
- Your money will **buy 1.6% less** with each passing year.
- Over 25 years it would **lose about one third** of its value.
- **Cash will always retain its absolute value**
- **But what you can buy with it – its relative value – can fall over time.**

Deposits and investments are each protected up to a total of £85,000 per person per firm by the Financial Services Compensation Scheme (FSCS)

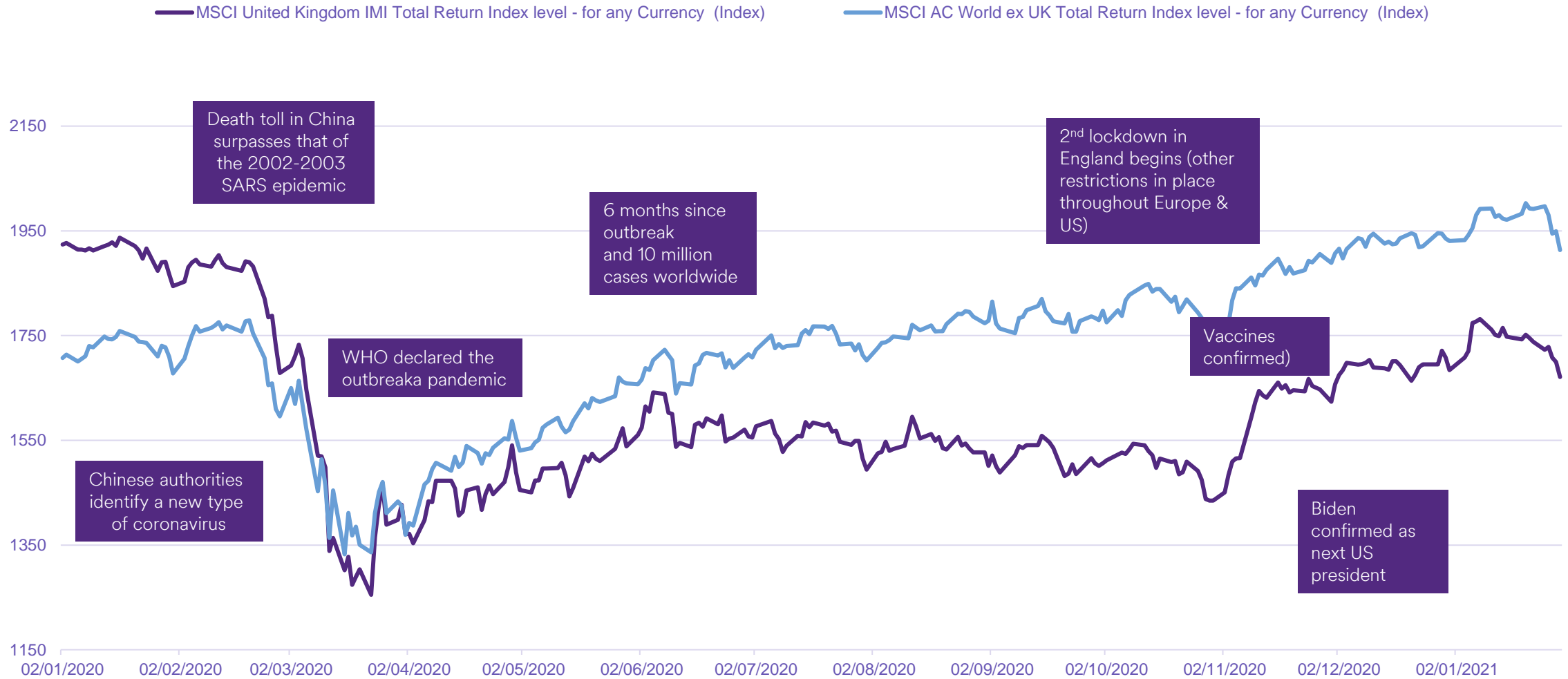
Source: Schroders Personal Wealth, December 2020. Past performance is not a reliable indicator of future results.

Demystifying investments

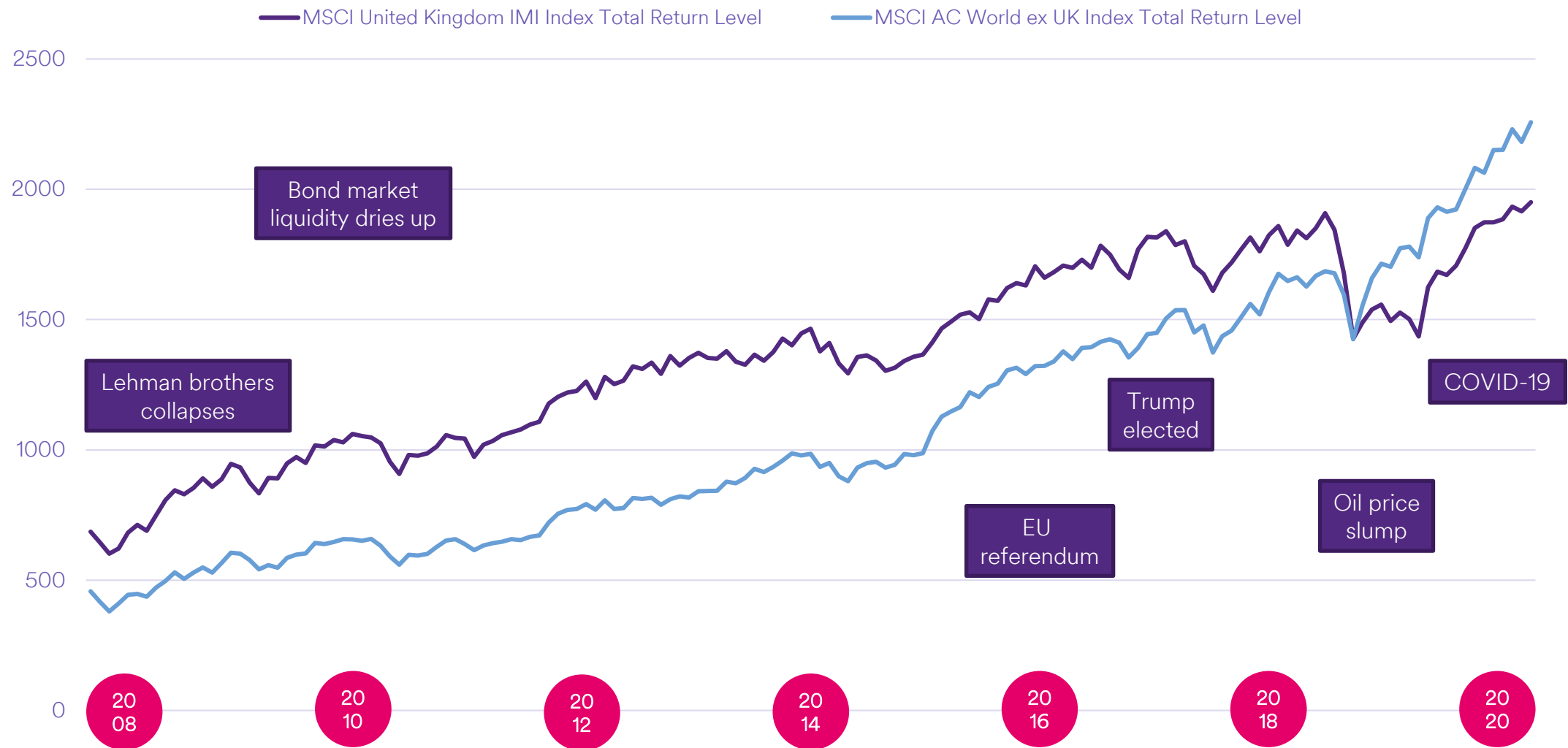
Demystifying investments



Short term view – market reaction



We are long term investors

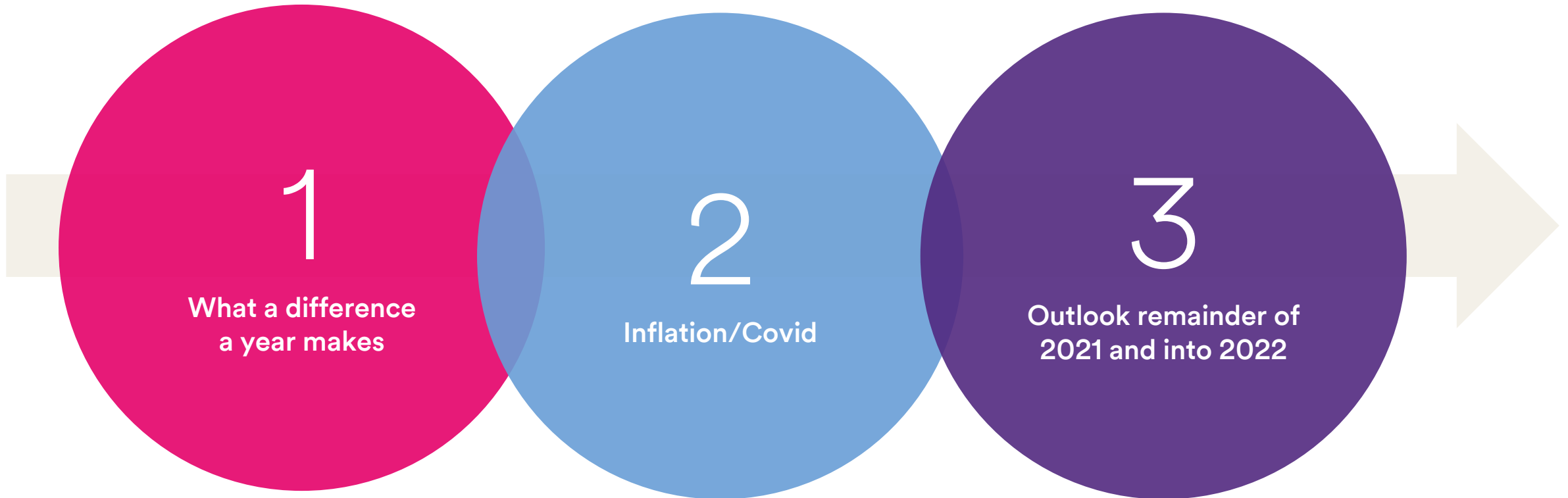


Past performance is not a reliable indicator of future results. Source: Factset, price data.

Looking forward

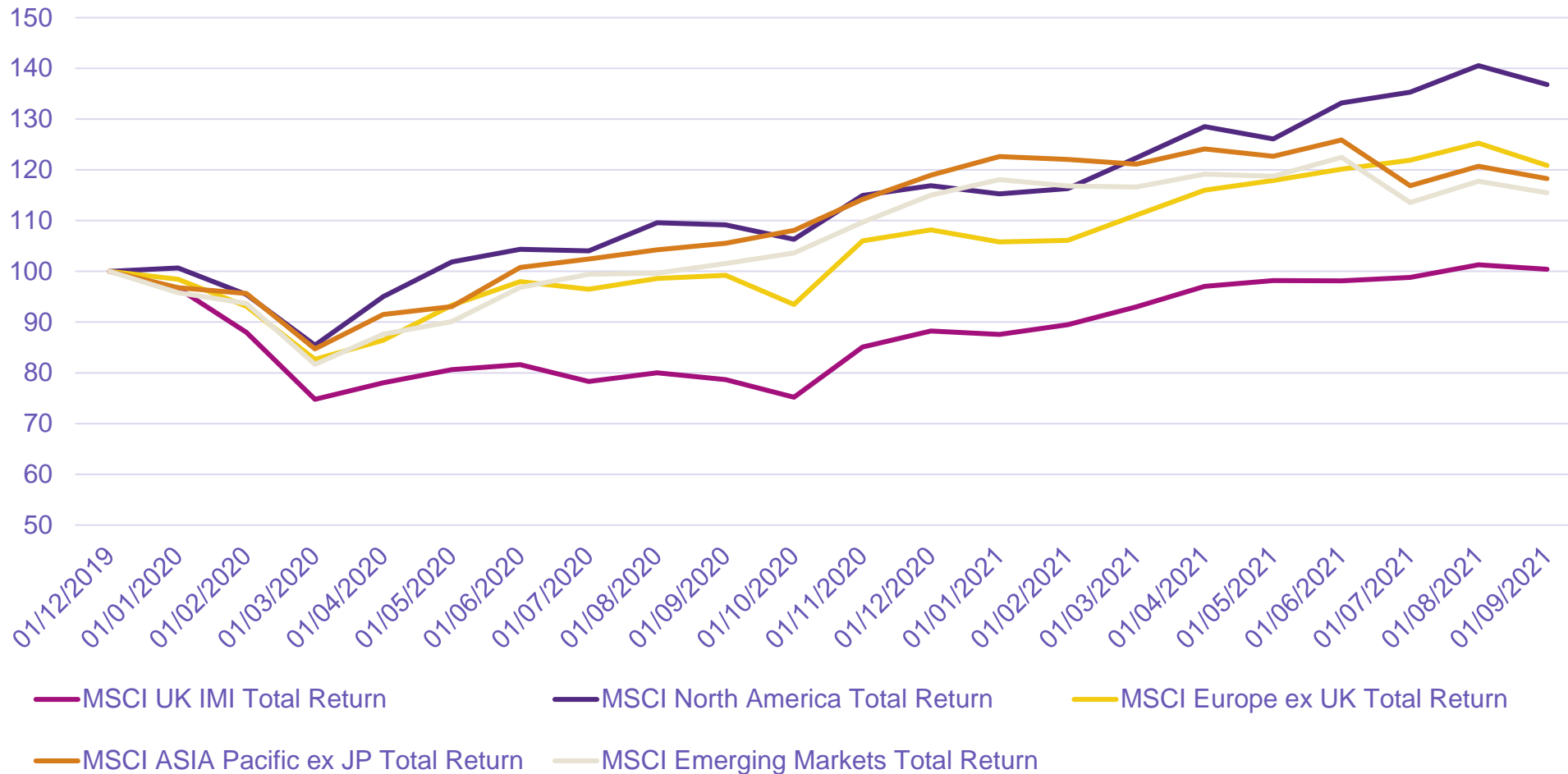
Macro Outlook 2021

Three key questions for investors



Navigating a pandemic

What a difference a year makes

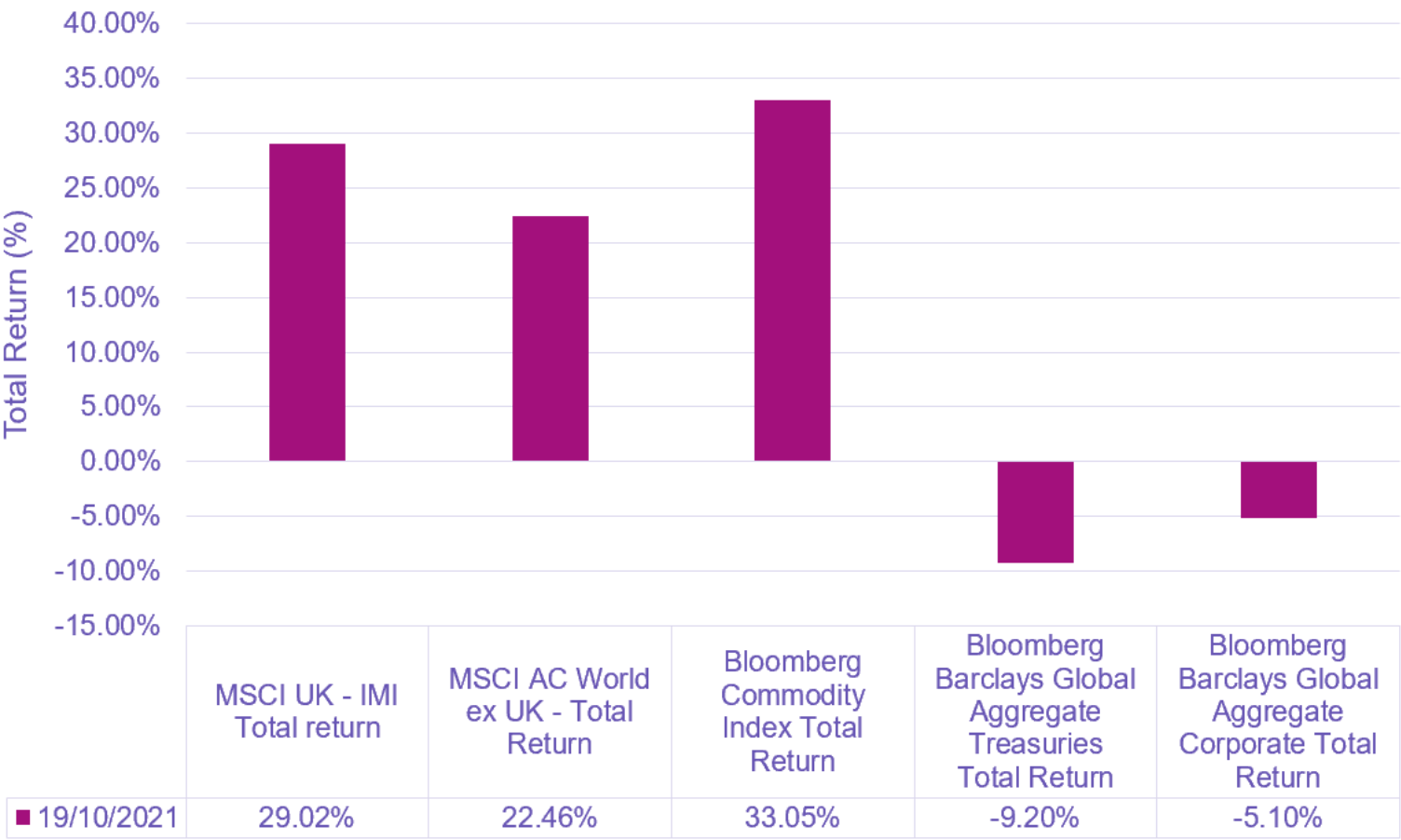


Source: FactSet All local currency total returns.

Data from 3/01/20 to 30/09/2021. Past performance is not a reliable indicator of future results.

Short term asset class returns

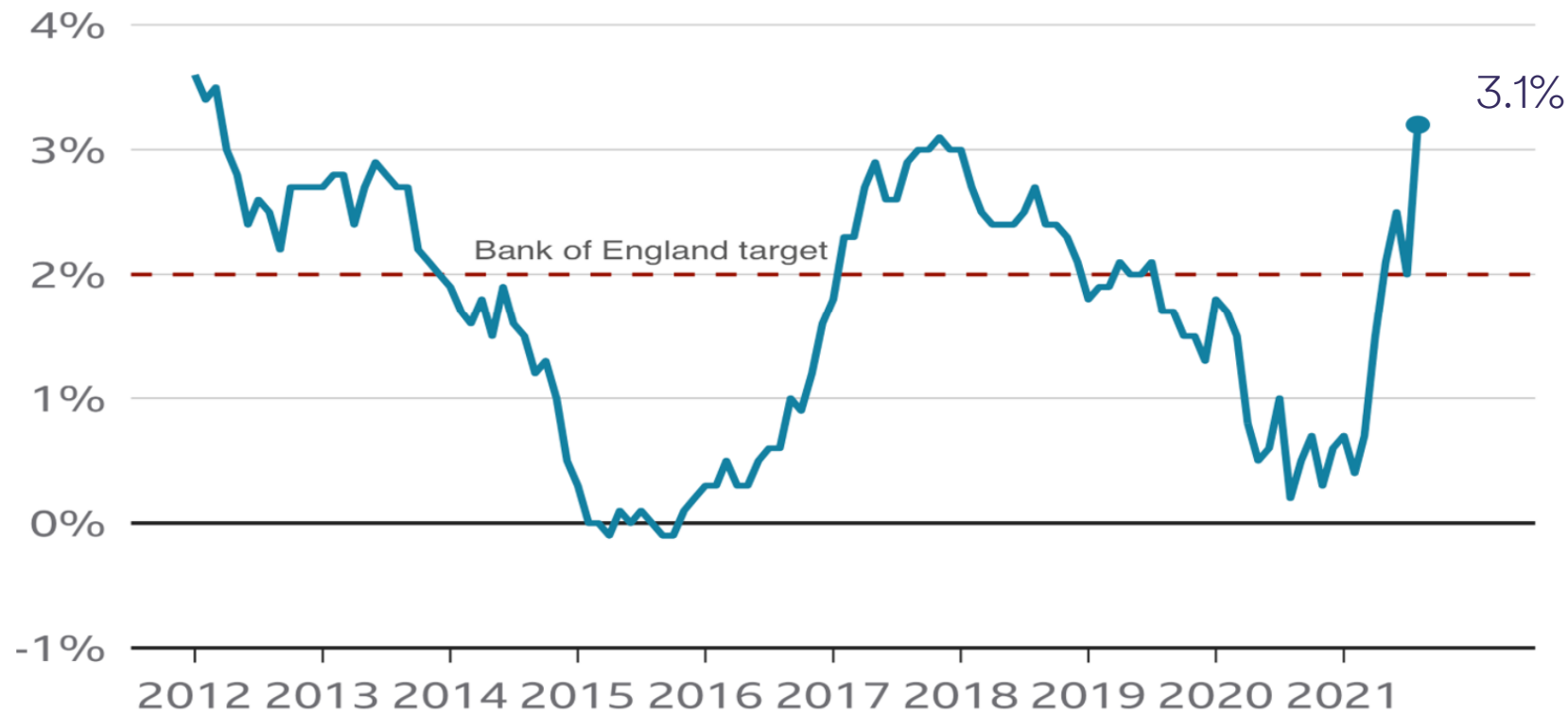
1 year asset class returns until 19/10/2021



Source: FactSet Asset class returns 19/10/20 – 19/10/21
Past performance is not a reliable indicator of future results.

Inflation - UK Consumer Price Index (CPI)

UK Consumer Price Index (CPI) Inflation

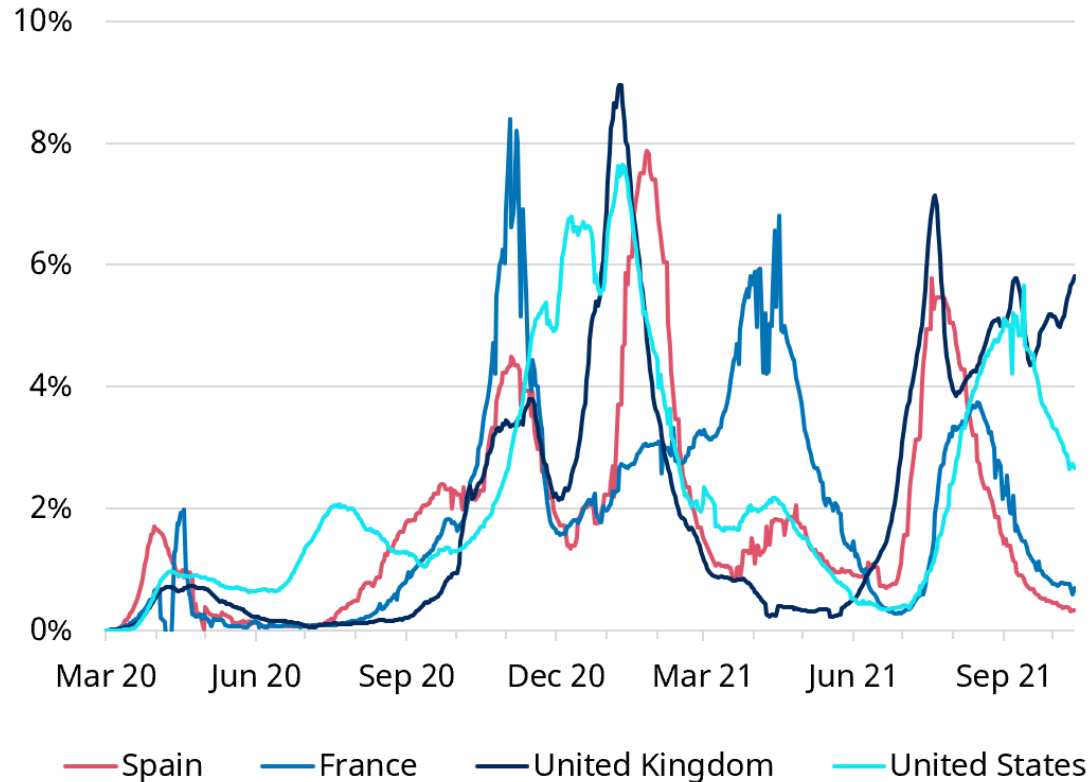


Source: Office for National Statistics 20th October 2021

Delta variant has triggered another spike up in cases

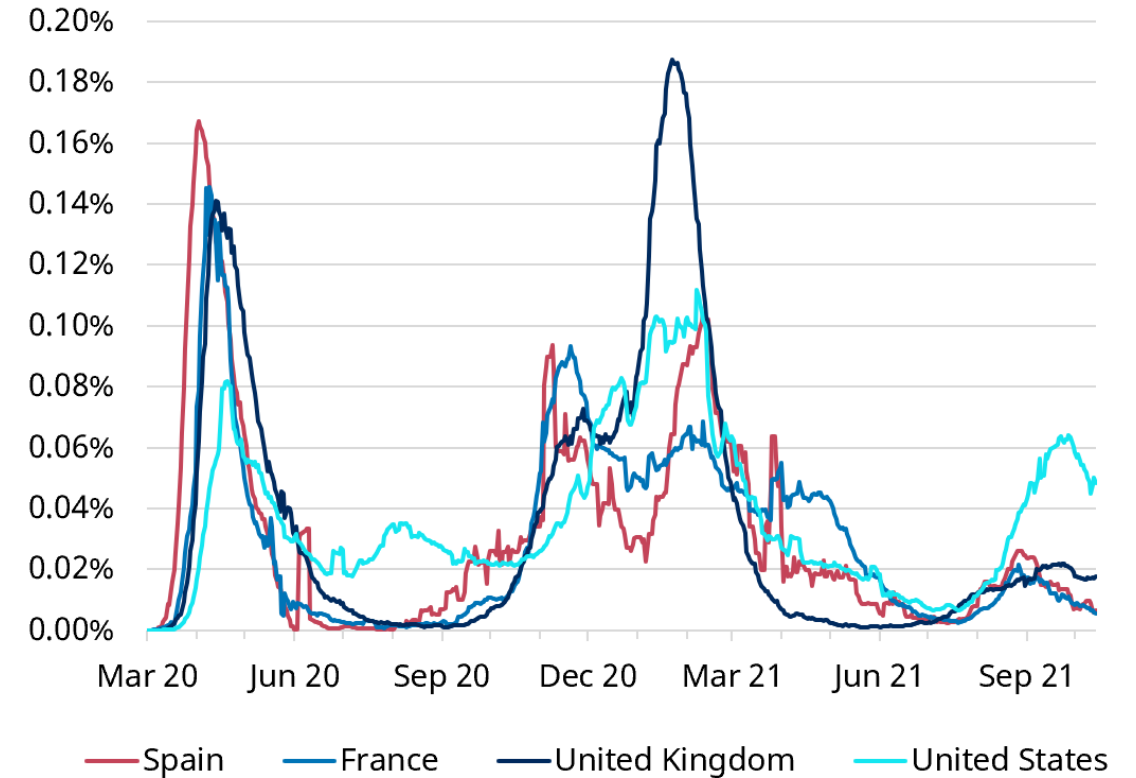
New daily cases (7-day moving average)

(% of population)



New daily fatalities (7-day moving average)

(% of population)



Outlook for 2021 and beyond

Summary of current views

Current Outlook

- Markets have recovered very strongly
- Pace of recovery to moderate
- Covid risk no longer the biggest concern for markets
- Evidence growth continues

Summary of how portfolios are positioned.

- We remain underweight bonds
- We are overweight equities
- We are overweight to commodities

Support available

Life's wealth journey

Helping you answer life's big financial questions

Building wealth

Retiring

Using wealth

How do I protect my family if something happens to me?

Will I have enough for retirement?

Do I need some help?

When can I retire?

What are my choices at retirement? What's right for me?

What help is available to me?

How do I make my money work harder?

How much income do I need?

Can I do this by myself?

Am I doing the right things with my money?

Am I paying too much tax?

How do I cover myself in case I need long-term care in the future?

How do I pass on my wealth tax-efficiently?

What do I do with the money I have?

Will I have enough to last me?

Support available

- Free financial health check

www.spw.com/referral/talk-money-week

- Access to our Wealth Lens

<https://www.spw.com/wealth-lens>

- Access to our webinars

<https://www.spw.com/campaign/webinars>



**Banks and
lenders**

**Mental
health
charities and
Citizen's
Advice**

**Money
Advice and
Pensions
Service**

**Financial
advisers
like SPW**

There are no hidden fees or charges, and you'll only pay if you choose to go ahead with the recommendations in your personalised financial plan.

