

How financial planning
could help bring your
dreams closer

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Schroders
personalwealth



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“Financial wellbeing is the peace of mind that can come from feeling in control of your finances”

Mark Duckworth



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Where would you like life to take you?

Not all of us get to live the life of our dreams. But it's not always because they are out of reach. While some of us never take the time to ask ourselves where we want to be, others know where they're trying to get to but can't see a path that leads them to it.

At the same time, anxiety about our financial security can be a significant contributor to mental ill health. It can erode quality of life, disturb sleep patterns, and generate physical illness.

In September 2020 we published our first Money and Mind report¹, an assessment of the nation's financial wellbeing. Sadly, we found 48% of adults feel stressed or overwhelmed by their financial situation either regularly or occasionally.

I have a vision of a society where we can all aim to achieve the peace of mind that comes from feeling in control of our finances. One where everyone sees the value of having a great financial plan.

How many more of us could live the life we'd choose if we only had a little guidance at the right moment? Yet according to research from the FCA, only 8% of adults in the UK sought financial advice in 2020².

I have therefore made it our mission to help more people across the UK achieve financial wellbeing. We are here to help you unlock the power of a personalised financial plan. One that could help bring you closer to your dream future.

Come and talk to us about what matters to you. We'll help you work out where you want to be and how you might be able to get there. Regular check-ins could also make sure you're on course.

Because your dream could be only a plan away. And it could all start with a simple conversation.



Mark Duckworth

Chief Executive Officer
Schroders Personal Wealth

¹ <https://www.spw.com/campaign/financial-wellbeing-index>

² Evaluation of the impact of the Retail Distribution Review and the Financial Advice Market Review, Financial Conduct Authority, December 2020.

We believe financial planning could transform your future

You might have an idea of what your dream job or career looks like. And to achieve it you'll probably take the time to pass the exams you need, and to apply for the right roles that could ultimately help get you there. You create a plan.

But have you taken the time to think about what your retirement might look like, and how you might fund it? Or how you might fund school or university fees? Do you think about what would happen to those you care about if something happened to you tomorrow? And how you might be able to pass on your wealth in the most tax-efficient way?

You probably spend more time planning your next holiday than thinking about things that might or could happen way into the future.

Money and Mind

The focus on raising awareness of mental health and general wellbeing has been increasingly apparent over the last couple of years. And we believe financial wellbeing is a forgotten strand of mental health. We believe that having a good level of financial wellbeing and feeling confident about your finances underpins all the other elements of wellbeing.

This was borne out in our Money and Mind report where we discovered not only that almost half of us are worried about our current financial situation, but 43% of us wanted to make sure our families are taken care of financially if the worst were to happen. Almost two thirds of us wished we were debt free and 58% of us felt we weren't able to save enough³.

If you'd like to learn more about Money and Mind, you can find a copy of the report by following this link www.money-and-mind.spw.com

The power of a plan


Let's be clear: we do not believe financial wellbeing is about having the most money. We believe it's about having enough money to enjoy the things in life that make you happy.

It's about feeling in control, having financial freedom, and feeling free to prioritise what's important to you.

So just as you plan other areas of your life, we believe a financial plan could give you the power to take control of your financial future.

We could help you build that plan and bring it to life.

³ Money and Mind, Schroders Personal Wealth, September 2020.

A young girl with dark hair is shown in profile, looking upwards towards a dark blue night sky filled with many bright, out-of-focus stars. She has a contemplative expression. She is wearing a white shirt with a dark blue vest over it.

“A dream without
a plan is just a wish”

Katherine Paterson

“The journey of a thousand
miles starts with a single step”

Lao Tzu



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How we could help you achieve financial peace of mind

We could help you towards achieving financial wellbeing in as little as two hours of your time. We'll help you work out where you are now, where you want to be, and how a personalised financial plan might be able to help you get there.

Give us a call: your financial wellbeing could be as close as four steps away.

Step 1: Getting to know you

The first meeting with your Personal Wealth Adviser will take about half an hour. It will be key in helping them understand your dreams for your future, and for you to get to know your adviser. The conversation will focus on your vision of your financial future and your current situation.

Your adviser will then create a visual timeline of what your future could look like and to illustrate the potential effects of any risks you might encounter along the way. You can adjust the numbers to get an idea of how simple changes today could affect your future. This helps the adviser understand your priorities and helps establish the foundations for a long-term relationship based on trust.

If you're interested in taking the relationship further, your adviser will detail all the fees and charges for our services so you are fully aware of what our advice could cost you before you commit.

Step 2: Setting your goals

After the meeting your adviser will build a financial plan that aims to help you attain your long-term financial dreams. There is no commitment on your part during this process, but they might call you to clarify something or ask for further information. And feel free to call the adviser if you remember something you think you should have mentioned at the meeting.

Step 3: Finalising the plan

Depending on the complexity of your needs, your second meeting with your adviser should take about an hour to an hour and a half. Before presenting your plan, your adviser will ask whether anything has changed, and will recap everything you discussed before. If needed, they'll be joined by other experts such as trust or investment specialists. This is where they present their detailed recommendations.

Having explained our fees and charges at the start of the process, your adviser will now explain the fees and charges for the products and services they have recommended. If you are happy, they'll give you the paperwork you need to sign before you can start working together to put your plan into action.

Step 4: Putting your plan into action

When everything has been set up you'll get confirmations of what has been put in place on your behalf, together with details about how your money has been invested. You'll also be given account and log-in details for the Wealth Portal. This is a secure online account where you can view up-to-date details of all your investment products, including performance and valuations.

If you decide to take our ongoing advice service, a one-hour annual check-in will be an opportunity for you to update your adviser on any changes to your life and plans. It is also a chance to review your existing arrangements to make sure they're still relevant, and to check if you're still on course to achieving your aims. And in the meantime we are only a phone call away.

Or you could decide you only want to get in touch with us again if you want further advice.

Your life can change, and so can your dreams and financial needs

What are your aims in life? There are some common goals such as buying a house, affording a private education or university fees for your children, retirement planning and leaving an estate for your loved ones.

You might have other aspirations such as planning for a significant trip, or buying a vacation home or a boat. Or it could be saving towards setting up your own business, or retiring early.



Personal finance goals

Cost of debt can be a huge burden on both your savings and your mental wellbeing. A financial plan could help you reduce your reliance on loans and credit cards by helping you save or invest to create additional funding when you think you'll need it.

Things you might want to ask yourself:

- How do I create a budget and manage my debts?
- How do I live debt free?
- How do I save for a deposit?
- Can I afford a mortgage on top of student and other debts?
- How do I pay for my children to have a private education?
- Should I save now for my children's university fees?



Personal protection goals

Are you prepared for the unexpected? Your untimely death could put your family's financial wellbeing at risk.

But have you considered how you would manage if you lost your job or suffered a serious illness?

Things you might want to ask yourself:

- What if something happened to me tomorrow?
- What insurance cover do I need?
- Do I need life insurance?
- Do I need income protection?
- How much rainy day money should I set aside?
- How do I fund long-term care?

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Goals based financial planning is about choosing and prioritising your goals and then creating a strategy that aims to help you achieve them. It is a structure that helps you define how much money you might want to spend and when you think you might want to spend it.

We believe that working with your Personal Wealth Adviser could help you create a financial plan that helps bring your dreams closer to reality while addressing the things that keep you awake at night.



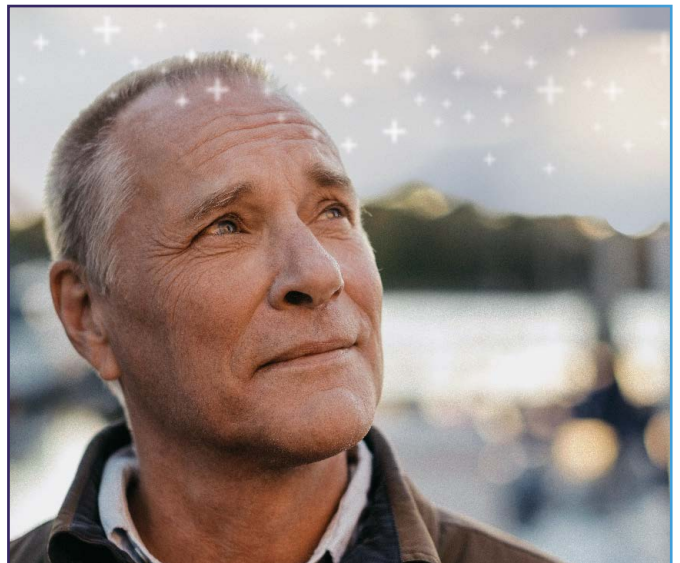
Retirement planning goals

What does your dream retirement look like? And when would you want to retire? Do you want to retire at all?

What if you could afford to work part-time earlier than that?

Things you might want to ask yourself:

- When should I start saving for retirement?
- How much will I need in retirement?
- Have I saved enough to retire?
- Should I consolidate my pensions?
- How do I generate retirement income in a tax-efficient way?
- How do I sell my business?
- Is equity release right for me?



Estate planning goals

None of us know what destiny has in store for us.

If anything did happen to you, how would you like your wealth to be looked after and managed?

Things you might want to ask yourself:

- Should I write a will?
- Do I need a power of attorney?
- How can I help the family financially?
- How do I pass on my wealth tax efficiently?
- Should I think about establishing trusts for my children and grandchildren?

How we could help you maintain your financial peace of mind

Life is ever-changing. Even if your dreams and hopes never change, your needs are likely to evolve as you journey along life's path. And you can't assume your life will be an unwavering arrow, always heading in the same direction. Whatever your current dreams for your future, sometimes fate presents us with exciting opportunities. Sometimes with worrying challenges.

To make sure you're still on track to achieving your dreams – or help you adjust for your new situation – our ongoing advice service is designed to support you throughout that journey.

We can be there in the good times and the bad, offering the right advice at the right time. And if your dreams or goals change, we can be there to help you adjust your financial plan.

Through developing a long-term personal relationship, your adviser could offer the right insights to support your financial wellbeing and your financial peace of mind.

But if you only want to contact us when you face a crisis then that's OK, too. We're only a phone call away.

The chart opposite shows the main services we offer. We like to think of them under four main headings:

- Protecting my loved ones,
- Investing for the future,
- Planning and managing my retirement,
- Passing on my wealth.

But if you need help in other areas – such as banking, lending or bespoke investments – we can introduce you to our partners from within Lloyds Banking Group, and Cazenove.

Our advisers are salaried employees and earn no commissions from their recommended services, products or solutions. Instead they are assessed on the quality of the advice given. Not the quantity of products sold.

This means they're only interested in suggesting the best strategies for your personal goals, and which offer clear and obvious benefits to you.

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We could help you with specific advice now and into the future



SPW does not provide cash management, lending, will writing, estate planning or power of attorney services although your Personal Wealth Adviser can introduce you to specialists in these areas. Nor does it provide managed trust services directly, although we can advise on placing funds in trust as a planning solution. If you require a managed trust, we can introduce you to Lloyds Bank Private Banking Professional Trustee Service.

Wills, Trusts and Estate planning are not regulated by the FCA

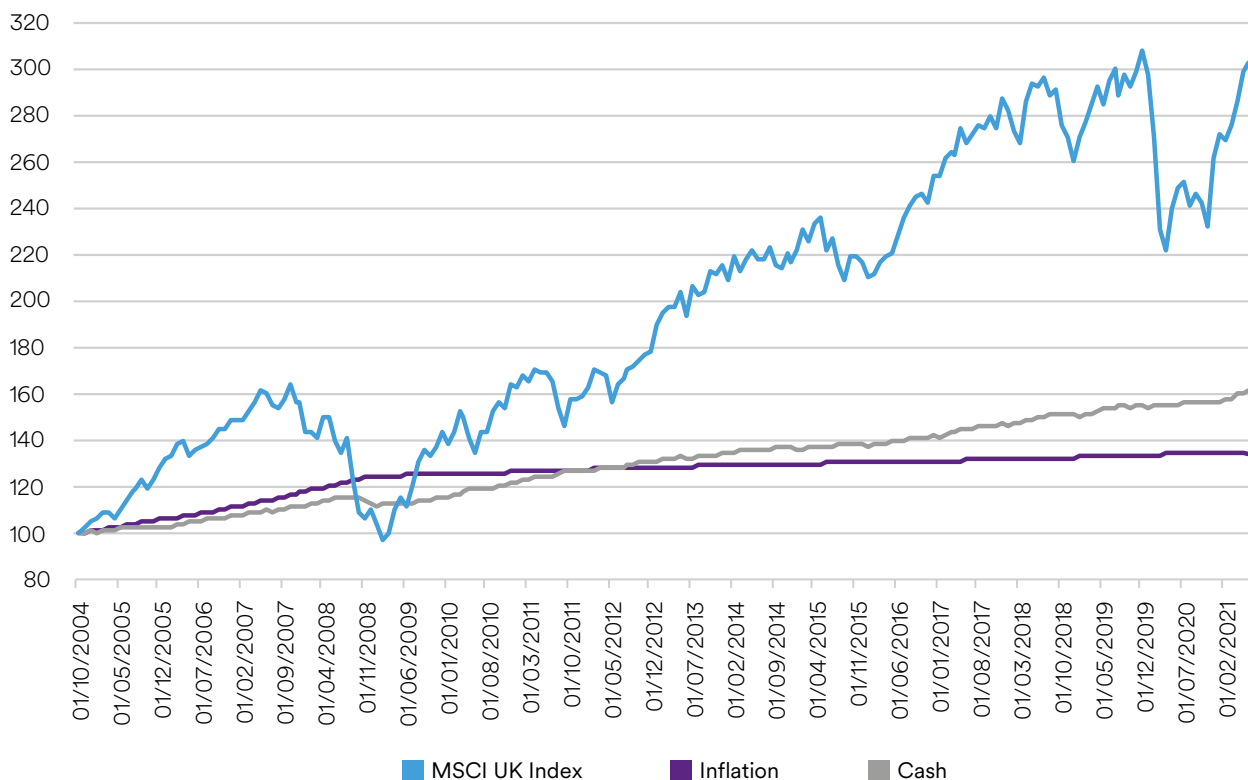
We believe investing has the potential to transform your financial future

Are you saving for a rainy day? If you are, then well done because you're thinking about your future financial wellbeing. But saving alone may not be enough. Since the financial crisis of 2008, historically low interest rates on savings accounts means the real value of your savings – what they can buy in the real world – is being eaten away by inflation. This makes it possible for you to save money and lose money at the same time.

We believe that over the longer term, investing has the potential to get you where you want to be faster. However, this is not guaranteed as all investments carry a degree of risk.

This is illustrated in the chart below which shows the performance of cash deposits (represented by the 3 Month London Interbank Offer Rate or LIBOR), inflation (represented by the Retail Price Index) and the UK equity stock market (represented by the MSCI Investible Markets Indexes UK Index).

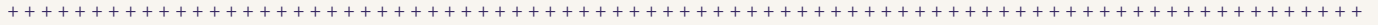
Total return of the MSCI UK index, cash and inflation



Source: Factset, Schroders Personal Wealth, as at 20th July 2021. Cash returns are represented by 3-month sterling LIBOR. Inflation is represented by the Retail Price Index All Items Not Seasonally Adjusted.

Past performance is not a reliable guide to future returns. The value of investments and the income from them can fall as well as rise and the investor might not get back their initial investment.

Cash deposits are protected by the Financial Services Compensation Scheme to a value of £85,000 per person per bank, building society or credit union.



But this belief is based on five principles:



Understanding risk and reward

We believe any return you expect to receive from your investment should match the degree of risk you take to potentially achieve it. So we work with you to find the right strategy.



Focussing on the longer term

We believe leaving your wealth invested over longer time periods has the greater potential to maintain and grow its value for the amount of risk you are happy to take.



Holding a broad spread of investments

Just as we're advised not to put all our eggs in one basket, it's very unlikely a single investment type (shares, for example) will give you the best performance every time. We believe in spreading your money across different types of investment, and across different regions, countries, and industries.



Using specialist expertise

Your investments deserve the best, but no single fund manager can deliver the best outcome every time. A multi-manager approach seeks out a range of leading fund managers. Those which we believe have specialist knowledge and compelling expertise in their respective fields.



Maximising short-term opportunities

Although our focus is on long-term potential returns, we still watch what's happening to your money on a day-to-day basis. We'll use our expertise to take advantage of short-term opportunities with the aim of generating additional returns, or to protect its value if we see potential risks on the horizon.

What cost would you put on financial peace of mind?

We're committed to being transparent with you about how much you will pay for our products and services. Our fees are clear, with no hidden costs. We will also be clear with you about the fees and charges of third party providers (such as trust services).

Importantly, we do not take a commission from our protection providers for the policies we sell. This can represent up to 30% of your monthly premiums and we pass this saving back to you.

There are three main elements to the fees we charge you:

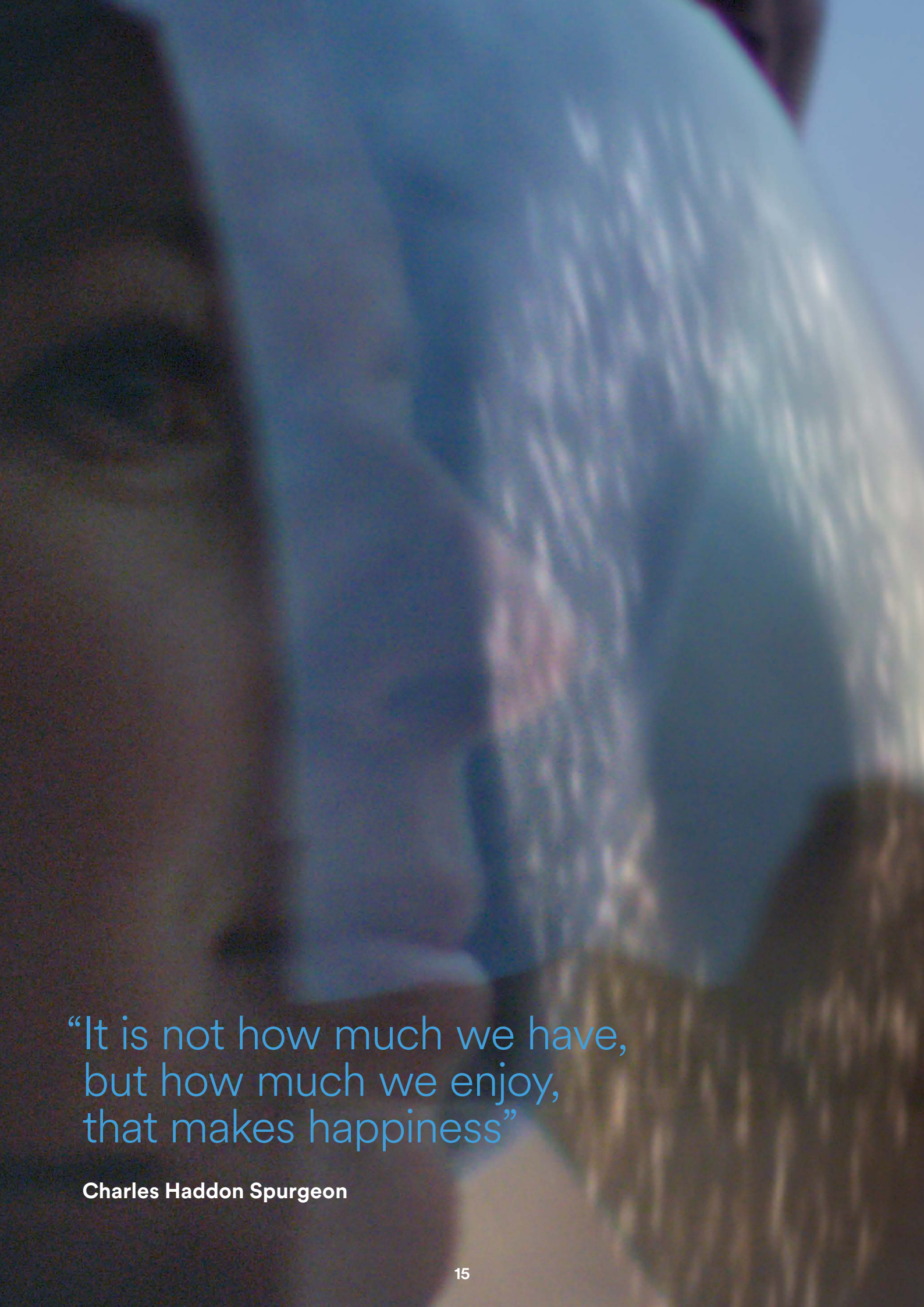
- the one-off advice fee for creating your plan and setting it up
- the ongoing advice fee if you elect to have annual reviews and access to our support teams
- the discretionary management fee for managing your investments on a day-to-day basis

Fees and charges may apply for other products or services.

As an illustration, let's assume you decide to invest £100,000 in our flagship investment service, the Personal Discretionary Portfolio Service (or PDPS). Your fees will comprise:

One-off advice fee	Ongoing advice fee	Average investment fee		
£1,750 one-off	£54.17 per month	£91.67 per month		
Up to £570,000	Up to £1m	This is made up from the following charges:		
1.75%	0.65%	£29.17 per month	£16.67 per month	£45.83 per month
Amounts over £570,000	Between £1m to £2m	Discretionary fund management fee: 0.35%	Platform charge fee: 0.2%	Fund managers' fees: 0.55%
0%	Between £2m to £5m	The fee paid to us for actively managing the investments.	To cover administrative costs including online reporting.	The ongoing charges of the funds selected for an investment in our balanced model portfolio. This is the portfolio most clients select, but the exact fee paid depends on the risk profile.
Covers our advisory services for designing and helping implement financial plans suited to meeting individual needs.	Amounts over £5m			
	0.35%			
	0.15%			
	This is the fee for receiving regular advice from us and is dependent on the amount invested with us.			

This is provided as an example only. There may be different or additional fees depending on the solutions and services you select. Your Personal Wealth Adviser will confirm all charges with you before you commit yourself to any course or strategy.



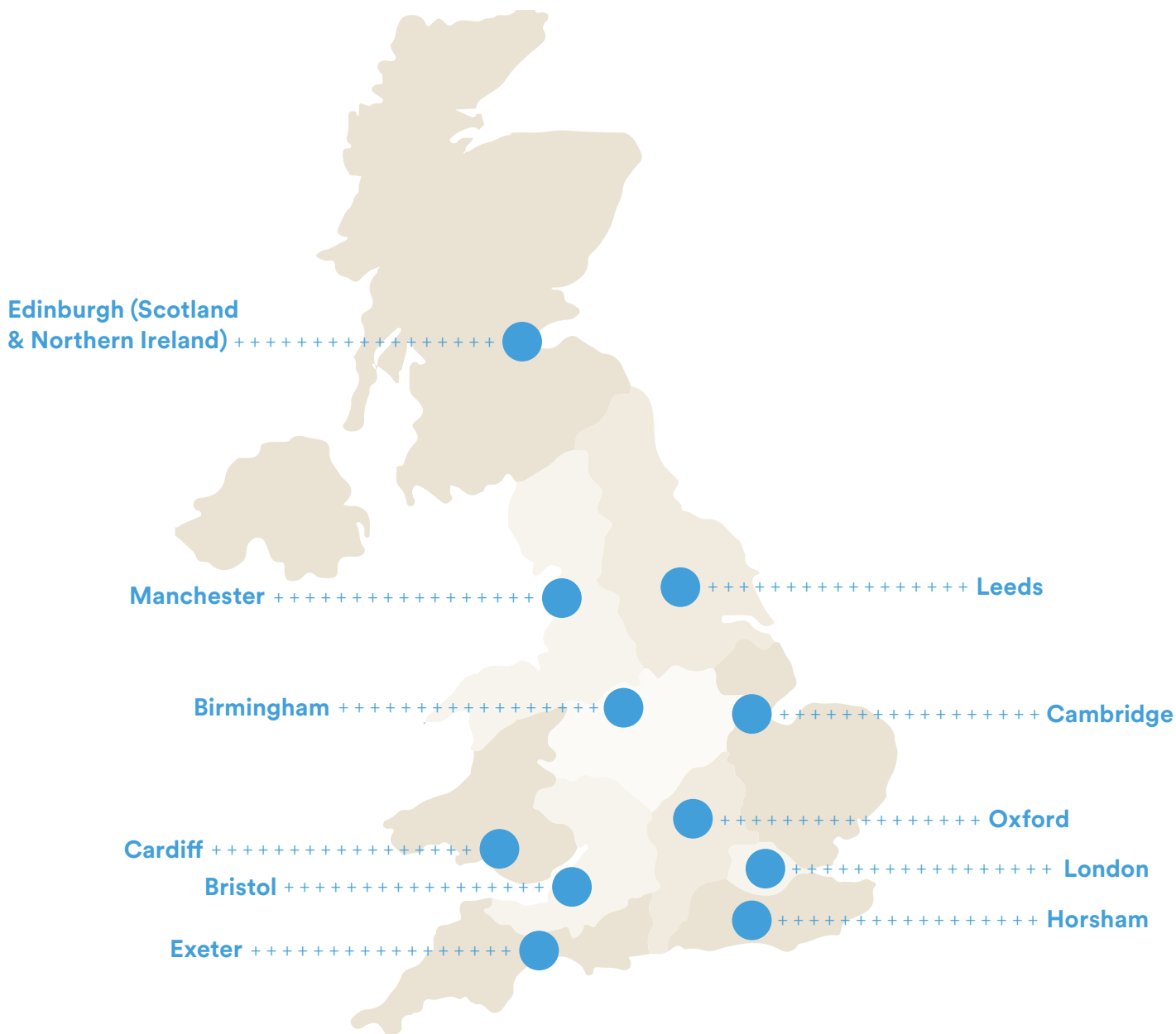
“It is not how much we have,
but how much we enjoy,
that makes happiness”

Charles Haddon Spurgeon

Providing support that's close to you

Our advisers are located across the UK and to provide a more timely and personal service we have moved to be more local to our clients. Your local support team can help you set up your online Wealth Platform account, provide product information, or answer your general queries.

Your local team is available Monday to Friday, from 9am until 5pm. Outside of these hours you will be forwarded to our Central Support Team which will be on hand Monday to Friday from 8am to 6pm, and from 9am to 1pm on Saturdays.



As well as our 11 regional offices, we can meet you at 750 Lloyds Bank, Bank of Scotland and Halifax branches. Or at your home or office if that is more convenient. We also offer telephone and video consultations.

Why Schroders Personal Wealth

400 years of heritage with Lloyds Banking Group and Schroders plc

Over **£13bn** in assets under our management as at 31 August 2020

Over **300** financial advisers located around the UK

11 regional offices providing you with local support

750 Lloyds Bank, Bank of Scotland and Halifax branches
where we can meet you if you prefer

You can view your financial plan and your investments
24/7 via the secure online Wealth Portal.

Our advisers are salaried and earn **0%** commission on
the products or services they recommend.



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Please contact your
Personal Wealth Adviser if
you'd like this information in
an alternative format such as
Braille, large print or audio.

Calls may be monitored or recorded to meet
regulatory requirements, to check we have
carried out your instructions correctly and to help
improve our quality of service. Not all telephone
services are available 24 hours a day, 7 days a
week. Please speak to your Adviser for more
information. Call costs may vary depending on
your service provider.

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