Stan Gaskin Ltd

Strengthening our position, to help strengthen yours

Quarter 4
2011

The last few months have seen many interesting developments in the financial circles of Ipswich, East Anglia and the World at large! Whilst we have been working as hard as usual to help clients navigate through increasingly choppy financial and economic conditions, we have also been going through an exciting period of change for the development and growth of our own company.

As many clients will be aware, Stan Gaskin Ltd was acquired by Norwich based company SG Wealth Management (SGWM) in September. SGWM is a similarly-sized company to our own, which shares the same core values as us, putting the clients' best interests at the heart of everything they do and providing the best possible level of service and advice they can.

We are confident that the merger is the right thing for both of the firms, our clients and our staff. Indeed both companies offer different ranges of services to their clients and therefore the merger is very complementary as it will mean clients of both firms will be able to benefit from a greater variety of options and arrangements to assist them with their financial planning. In today's every changing world, both companies will now have more "tools in the bag" to help deliver the best service and solutions to you.

Of course, the acquisition will mean that we have greater resources across the two companies which will help both companies to thrive, develop and continue to improve our service propositions for the benefit of our clients in the future.

Business as usual

Despite the change in ownership, we are keen to assure our clients that it is very much "Business as Usual". Stan Gaskin Ltd is continuing to be run as a separate entity to SGWM and our staff, office, contact details and name(!) are all remaining the same and indeed the high quality of service that clients receive will continue to be provided. Please deal with your usual points of contacts in the usual manner going forward.

We do appreciate that when any change of this type is announced it can possibly be unsettling for both staff and clients alike. Whilst all the staff at Stan Gaskin Ltd have now met their new colleagues several times and are now working closely with them, we are conscious that clients have not had this opportunity. The directors of SGWM Neil Shillito and Stephen Girling would be very happy meet and get to know our clients and introduce themselves. If you would like to take them up on their offer, please let your usual advisor know and they will make the necessary arrangements.

Katie Bloomfield joins the team

Another exciting development for the company in September was when Katie Bloomfield joined us to further strengthen our advisory team.

Katie is an experienced private client advisor and member of the Personal Finance Society who has already achieved her full Diploma in financial planning. Katie will primarily be working with private clients and business owners, however she also has good experience in working with companies on employee benefit solutions.

Commenting on her appointment Katie said: "I was very pleased to join a local firm with such a good reputation as Stan Gaskin Ltd. In the short time I have been here so far I have been very impressed with the quality and depth of service and advice given to clients here and I look forward to meeting many clients myself and carrying on that tradition".

Katie will be introduced to both new and existing clients of the course of coming months and years and I am sure you will join with us in giving her a warm welcome.

Our advisory team now comprises four fully qualified (to diploma level or above) advisers. As well as Katie, the other members of the advisory are:

- Henry Gaskin – responsible for overall client services and advising individuals, business owners and companies on their ongoing financial affairs.
- Andy Stowers – Corporate and Employee Benefits manager working primarily with our corporate clients and their staff, as well as some individual clients.
- Susan Steel - Hugely experienced advisor who works mainly with individual clients on pension, investment and tax planning matters.

Stan himself is also continuing to work in the business in a consultative capacity, seeing clients and helping to advise on general business strategy and decisions. Therefore our advisory and experienced administration team in Ipswich, along with the expertise of our colleagues in Norwich leaves our business in an extremely strong position to help you plan for your own future prosperity in the years ahead.

So, much news from Stan Gaskin Ltd about ourselves in this newsletter. Please see over for our views and opinions on recent market events. Also look out for our next newsletter as it serves as a timely reminder for any last minute planning before the end of the tax year.

What's going on?

Market Commentary – End Quarter 3, 2011

As alluded to in previous commentaries, worries with regards to the level of European and other sovereign debt strengthened in the quarter, resulting in some heavy falls in global stock markets in August and September.

	3 Months	1 Year
FTSE 100 TR	-12.93	-4.41
FTSE 250 Mid TR	-17.02	-4.19
FTSE All Small (X It) TR	-14.62	-3.59
FTSE All-Share TR	-13.50	-4.36
FTSE Europe ex UK TR GBP	-24.27	-13.61
FTSE World TR GBP	-14.72	-4.01
FTSE A British Govt All Stocks TR	8.25	7.76
IPD UK All Property Monthly TR	1.87	8.73
LIBOR GBP 1 Month	0.13	0.49
UK Nationwide House Price Index	-0.20	-0.27
UK Retail Price Index	1.15	5.59

Source: Lipper Hindsight, bid-bid, net income reinvested, to 30/09/2011

The rising spectre of a Greek debt default, and the possibility of other larger economies such as Italy and Spain going down the same route, led to fear of the impact this would have on banks and other investors. The prospect of a credit crunch mark 2 and the ceasing up of the banking system appears to have finally possibly kick-started Europe's leaders into showing signs that they are willing to try and take some decisive action.

Much will depend upon the politicians' and central banks' responses in the weeks and months ahead in trying to steer a manageable course forward. Faced with the strong headwinds of weak labour markets and stagnant economic growth, their task is not an enviable one.

Continental European bourses suffered the heaviest falls over the quarter, with the FTSE Europe ex UK index falling by almost 22% in GBP terms during the 3 months to the end of September. The FTSE 100 in the UK also saw significant falls, albeit "only" showing a fall of around 13%. These falls have eroded all of the gains of the previous 12 months (and more) and proved a further setback to investors still getting over the heavy falls of 2008/9.

However, the picture is not totally gloomy. Worries in equity markets can cause strength in other asset classes, and gilts, bonds and the US dollar have all benefited as investors have sought save haven options. Exposure to these assets will have helped portfolios to ride out the recent storm somewhat, and indeed our preference towards flexible investment solutions have in the main helped clients in these difficult times.

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Periods of severe volatility do create opportunities for long-term investors and indeed many companies and countries remain in positions of decent strength. Whilst they have not been unaffected by the short-term economic worries of late, their true value may become apparent in the months and years ahead, and their current prices may represent reasonable value for the discerning investor.

Increases to tax free ISA savings

One welcome benefit to the relatively high rate of inflation that we have at the moment is that indexed-linked allowances and benefits are increasing at a reasonable rate. The September RPI figure is typically used to determine the level of many areas for the following, including many final salary pension incomes.

Similarly, the ISA allowance is indexed-linked and uses the same September RPI figure (5.6% as shown in the table left). HM Treasury have therefore confirmed that the ISA allowance will be rising from the current £10,680 by £600 to £11,280 from 6th April 2012. As in the past, up to half of new the allowance (£5,640) can be saved in cash as a maximum, or investors can choose to use investment ISAs (up to the full allowance) if they wish.

The government is also introducing the Junior ISA from 1st November. This is a tax-efficient savings vehicle for children and is a replacement for the Child Trust Fund, which is no longer available to new investors (although existing children with CTFs will continue to use their CTFs as opposed to having a Junior ISA). The Junior ISA operates on a very similar basis to an adult ISA, although with a lower investment limit of £3,600 per annum.

Both cash and investment Junior ISAs will be available with a child being able to hold both types of Junior ISA in any one tax year However, parents and grandparents should be aware that when a child reaches 18, the Junior ISAs will automatically become adult ISAs and be under full control of the child at that point.

Many clients of ours feel a little uneasy with this and prefer to use (for example) discretionary trust arrangements where the parents can still retain control over when and how the investment is distributed to the child. These types of arrangements can potentially be just as tax efficient as Junior ISAs if planned well and therefore we recommend that you take advice before taking any action in this area.

If you have any questions or wish to discuss ISAs, or indeed any other matter, please do not hesitate to contact us on 01473 255948.