CAMMUNICATION

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New Professional Body for Later Life Advice

The Society of Later Life Advisers (SOLLA) has recently been launched with the primary objective of providing and promoting comprehensive financial advice for older people and their families.

SOLLA is a not for profit organisation which aims to assist consumers to find qualified and trusted financial advisers who are skilled and experienced in dealing with older clients. Membership is only available to those individuals who have achieved the Later Life Adviser Accreditation – a new bench-mark which has been developed in conjunction with the Financial Services Skills Council.

Tish Hanifan joint chairman of SOLLA commented, "The Society of Later Life Advisers has been formed to assist the public in finding knowledgeable and trustworthy advisers who can help them with the increasingly complex area of later life financial planning."

The Society has been launched with Lord Lipsey as Patron, a man who has a long association both with issues relating to older people and with consumer affairs. Lord Lipsey accepted the appointment by saying, "As older people realise that the state cannot cater for their every need in retirement, they increasingly need independent financial advice. SOLLA is a wonderful initiative to make sure this is met by advisers of the highest professional and ethical standards."

SOLLA Society of LATER LIFE ADVISERS

Care Asset Management Chief Executive, Robert Elliot added, "Now more than ever, the consumer has a need for high quality advice from individuals and organisations. When it comes to financial planning, the requirements of older people are particularly sensitive and they demand the greatest care. We believe the launch of SOLLA is a major and significant step towards the raising of standards and professionalism and we are delighted to announce that we are one of the corporate founder members of the new society."

Chris Jackson

Our Managing Director, Bill Calderbank is a member of the SOLLA advisory board and also the Later Life Accreditation panel, where we are helping to shape and develop these benchmarks of quality.

As part of our ongoing commitment to this initiative, we have this month seen a further two of our regional managers achieve the Later Life Adviser Accreditation and become members of The Society of Later Life Advisers.

Alan Cook from Wrexham and Chris Jackson from Cheshire have been working towards the award for the last year. "We are delighted to have been successful," explains Alan.

"It is a major step in demonstrating to clients our specialism and how we can add value, quality and peace of mind to their circumstances," added Chris.

Alan Cook

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CARE ASSET MANAGEMENT'S SERVICES INCLUDE:

Retirement Management

Long Term Care Funding

Succession Planning

Tax Mitigation

Wealth Management

Care Asset Management are independent advisers authorised and regulated by the Financial Services Authority.

A New World Order

Dear Investor

The last 18 months have been traumatic for all of us who hold investments. Almost regardless of where we have placed our funds we have seen capital and income decline in the face of one of the most unprecedented periods in financial history. Although markets have become rather more stable of late, many of us are still left wondering and worrying about what the future has to offer.

As an organisation, we are acutely aware of the needs and requirements of our clients and we are concerned that the actions taken by Government to deal with the financial crisis, may restrict and impede the future prospects for growth from traditional investment areas such as the UK.

Of course it is possible that equity and general investment markets will rebound and that "normal service" will be resumed although I feel the policies currently being employed by the US and UK governments may actually prolong the recession. To date the impact of countless billions of dollars used to bail out, prop up and stimulate is far from clear and consequently we may be facing a period in which traditional markets at best move sideways or at worse decline further. It would not surprise me to see equity markets in the US, UK and Europe fall back again before we start to see a long term recovery.

The simple truth is that no one knows how things will develop, but from our point of view, we want our clients to be able to benefit from whatever happens.

Over the course of the crisis, we have been issuing a monthly bulletin to our discretionary wealth management clients, offering our thoughts and views on the unfolding crisis and I would like to take this opportunity to share those with all of our clients.

Although there is nothing we can do about losses which have been incurred, what we can do is try to make sure we help our clients to move forward, regardless of their views on the prospects for investment markets. To this end we have developed and launched two new investment funds which are designed to take advantage of the current situation we face.

The Defensive Profile is not correlated to traditional investment markets but is designed to deliver consistent annual returns of 5% to 7%. We have sourced and researched a range of investments that are not influenced by the movement in equity markets and this is an ideal alternative to those individuals who are fearful about further declines or who think that a significant recovery in values may be some time away.

Whatever the shorter term picture, the global recession will end and the crisis in our banking system will eventually be resolved. We firmly believe that this will present opportunities to acquire investments at once in a lifetime prices.

However, the best opportunities may not be in the developed markets which have previously led the world both economically and politically. The recent crisis will in our view hasten the shift of power to the emerging markets many of which do not have a housing crash, toxic debts or failed banks. Indeed the International Monetary Fund has predicted that China will become the world's largest economy by 2020. This is a view I share although I think it may well happen sooner.

We have therefore created a second option, the New World Profile which will seek to take advantage of this changing economic position and which is ideally suited to those who have a longer term investment outlook and a willingness to accept a higher degree of risk.

These investment alternatives are not available alongside all existing investment structures and consequently access may only be available by cancelling current arrangements. As a result, issues of cost and tax will need to be taken into consideration and we will be happy to review clients who wish to explore these options - simply indicate your interest on the enclosed response sheet.

These remain very difficult and challenging times but we hope that our efforts to offer practical options and solutions are of interest and will provide an alternative to help clients recover.

Kind regards

R A Elliot

Robert Elliot
Chief Executive

Statutory Inheritance to Increase

Earlier this year, the financial entitlement for someone whose spouse or civil partner has died without leaving a Will has been doubled, with the potential to now reach £450,000.

This entitlement to significantly increased financial support is a key part of Government plans to make things a little easier following the death of a spouse. The move comes in parallel with the new Coroners and Justice Bill which takes forward the Government's commitment to providing more and better support to the bereaved.

Justice Minister Bridget Prentice said, "The death of a loved one is an extremely distressing time and sees people at their most vulnerable. I want to see real improvement in the support and services offered to the recently bereaved. The legislation, currently going through Parliament will set out a new 'Charter for the Bereaved' and will result in the biggest shake-up of the system in 100 years."

Offshore Review

There has been some concern about the Chancellor's announcement that the Government will undertake an independent review of British offshore financial centres. Mr Darling was clearly annoyed at demands from offshore centres in the British Isles for assistance from the Treasury following the collapse of the Icelandic banks. Quite reasonably, he rejected such claims since it seems unfair to expect protection in times of difficulty while not contributing to the Treasury's coffers.

The review will look at the immediate and long-term challenges facing British offshore financial centres in the current economic climate. It is being viewed as an opportunity for The Crown Dependencies to demonstrate their strong track record in the regulation of their financial services industries.

On face value, this announcement may cause some offshore investors to favour other jurisdictions such as Luxembourg. As a founder member EU state it could be argued that its status is more independent but there is increasing pressure on all jurisdictions around the world, to become more open and more cooperative in the way they work with other countries and divulge information about investors.

The UK Government has made clear that they will respect the financial autonomy of the British offshore centres and in particular their ability to set their own rates of taxation.

The real question however, is not what rate of tax these territories levy but how much information they can be persuaded to disclose about their clients, to other countries who would like to apply their own tax charge.

Budget Briefing

This year's delayed Budget speech was a relatively uneventful affair apart from the fact that the Chancellor is forecasting that we will have a national deficit equal to 79% of our gross domestic product by the year 2013 and that we will have to borrow a record £225 billion this year.

The increase in ISA allowance to £10,200 for those over 50 was welcomed as was the increase in capital disregard for Pension Credit. However, the increase in the tax charge for trusts and the limits on pension contribution tax relief were disappointing.

In overall terms, the Budget has made finances and tax more complicated with many analysts warning that higher net worth individuals will require a greater degree of advice as a result of the changes.

Changes to State Pension Age for Women

The State Pension age for women born after 5 April 1950 will increase gradually to 65 from 2010 to bring it in line with the State Pension age for men.

From April this year, the DWP will be writing to approximately 1.9m women to explain the changes.

The age element of eligibility to certain benefits, such as Pension Credit and Winter Fuel Payments will also increase in line with the State Pension age.

Treating Customers Fairly

Care Asset Management is delighted to be able to report that we have met in full the requirements of the Financial Services Authority with regard to the deadlines for the Treating Customers Fairly initiative.

Development Director Stuart Cartwright comments, "This process is the cornerstone of the new regulatory environment and having had a detailed inspection from the FSA we are very pleased with their response to our efforts over the last 18 months."

Dear Sirs

Thanks for your email.

I have reviewed the documents submitted by Care Asset Management on 4 November 2008.

We have reviewed the content and we are now satisfied that these are structured in such a way to evidence you are treating your customers fairly.

Thank you for providing examples of the new suitability letters and adhering to all the time frames set out in our feedback letter.

Regards

Amarit Maumi
Financial Services Authority

STAFF PROFILE
Lisa Smyth

Lisa joined Care Asset Management in July 2007 as part of our para-planning team.

Although she had no previous experience in the financial services sector, she quickly developed her skills and her duties extended to include responsibility for the management of impaired annuity quotations and the drafting of client reports.

Having become an integral part of our back office team, Lisa became pregnant last year and following a trouble free pregnancy, her daughter Isabel was born in October 2008.

Lisa has recently returned to work following maternity leave and is still learning to balance the demands of work with those of being a new mum. "Isabel attends a nursery close to the office," she explains. "They allow parents to log into the 'nursery cam' so we can keep an eye on how the children are doing – but it's perhaps just as well that such visits are restricted."

Lisa is also resuming her studies for the Chartered Insurance Institute CF8 examination – but of course only when baby Isabel lets her.

Care Corner

A review of some of the issues affecting long term care funding

Spring is traditionally the time of year when care costs increase along with pension and state benefits. At a time when interest rates have declined by 75% and equity investments have sustained heavy losses, any increase in cost will create added difficulty.

There is some evidence that the level of fee inflation may be restricted in some areas as the rate of care home closures is accelerating due to the recession. Age Concern has said "care homes are suffering, not only because of the recession, but also because of chronic under funding. They need an immediate injection of one to two billion pounds just to stay afloat".

However in some quarters, the reduction in bed provision is allowing care providers to raise fees by a higher rate as the simple law of supply and demand dictates. "We have found fee rises of 8% to be quite commonplace in many parts of the country," explains Care Asset Management Development Director Stuart Cartwright. "This is a trend which we anticipate will continue for the foreseeable future, particularly in homes offering above average services and in areas where bed places are restricted."

The Department of Health has suggested that demand for residential care has decreased in recent years as more people are supported to remain independent in their own homes. This policy of more care at home has been a cornerstone of Government policy over recent years but was thrown into some doubt following the BBC's recent Panorama exposé into the quality of home care. This comes just as the Care Quality Commission (CQC)

has taken over the responsibility to regulate both social and healthcare.

"Whatever the care setting, funding remains at the heart of the debate," explains Stuart Cartwright. "The simple fact is that we do not have the financial resources to meet demand and consequently those who are required to meet their own care costs must ensure they have explored all the options to best meet their situation both now and in the future. In the light of recent events in the financial world, this may well require a review and change of strategy as a result of the changing situation," he concludes.

Care Asset Management are the country's leading independent specialists on long term care funding and are the appointed advisers to the National Care Association, English Community Care Association and CareAware amongst others.

How Safe is Your Adviser?

In these troubled financial times when we are all wondering if our banks are safe, it is perfectly reasonable to ask the same question of anyone we entrust with our hard earned cash – including our financial advisers.

The first safeguard is through a firm's regulatory status. Care Asset Management is authorised and regulated by the Financial Services Authority under membership 155097 and offers whole of the market advice on investments, pensions, and annuities. In addition, the company holds regulatory authorisation to provide a discretionary investment management service. Details of the company, its advisers and any fines, breaches or other issues are available from the FSA or from www.fsa.gov.uk

In terms of financial security, Care Asset Management is required to demonstrate a minimum level of capital adequacy as part of its ongoing regulatory approval. By virtue of our discretionary management authorisation, this is at the highest level and is reported on a quarterly basis to the Financial Services Authority after independent audit.

In addition to the client protection afforded by the FSA, any errors in terms of the advice it provides can be referred to the Financial Ombudsman Service who has the power to make financial awards. The company also holds Professional Indemnity Insurance with Chubb UK policy No 70432088B providing cover of £700,000 for any single claim in the event of any such award.

For further security and protection, Care Asset Management has elected not to handle client monies and so no investments, withdrawals, deposits or premiums ever pass through the company's accounts. If all else fails and the company goes into liquidation with any loss to a client, they would then have recourse to the Financial Services Compensation Scheme.

Taken collectively, we consider these provisions give clients significant security and peace of mind.

For help, advice or assistance on any issue raised in our newsletter, simply complete the response sheet provided or call us on 08707 447061

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