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YOUR FINANCE **MATTERS**

Issue 38 Q1 Winter 2026

Future ready:
Tune into Budget
changes now

Entrepreneurs
defy uncertainty
with optimism
and adaptability

Retirement ready
in 2026?



Kick off 2026 on top of
your tax numbers

Make life insurance a New
Year priority

Breaking the retirement
mould – flexi is the future

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Investing in 2026: *Opportunity ahead in a changing world?*

After a year of uncertainty, with many macroeconomic and geopolitical tensions affecting the landscape, investors may well be looking toward 2026 with cautious optimism. Despite the shocks of 'Liberation Day' trade announcements and the resulting sell-off, markets rebounded strongly last year to reach highs amidst persistent inflation, trade trauma and an AI-fuelled rally.

In an era where headlines can move markets within minutes – what's the lesson for investors? Staying nimble, pragmatic and avoiding knee-jerk reactions remains key. So, what's coming for investors in the year ahead? As 2026 gets underway, some themes are taking shape.

Balancing risks and rewards

The coming year, as ever, promises a mix of challenges and opportunities. Inflation in some key advanced economies remains above target, leaving monetary policy finely balanced. Persistent inflation could weigh on consumer sectors, demanding selective positioning, lower borrowing costs could support equities and despite notions of an AI bubble, continued investment in data centres and innovation may

sustain growth opportunities; time will tell. Markets may well be expecting rate cuts in 2026, but central banks may act more conservatively.

Global growth and strategic positioning

According to the International Monetary Fund's (IMF's) latest outlook, the global economy is projected to grow by 3.1% this year, down from 3.2% in 2025. IMF notes that while growth remains positive, it is fragile, reflecting ongoing risks from tariffs, trade tensions and geopolitical uncertainties, while other drivers including technological investment, fiscal support and favourable financial conditions are offsetting potential upsets. IMF highlights that with an uneven recovery likely, some regions and sectors may outperform, while others remain more vulnerable.

A smarter way to invest

Diversification will therefore remain a guiding principle for 2026 – balancing exposure to sectors, regions and asset classes, in line with your risk tolerance, objectives and timescale. Identifying sectors benefitting from long-term trends, mitigating risks, optimising asset allocation and adapting strategies to market dynamics – that's on our agenda in 2026.

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Looking ahead: A new year, a clear plan

We'd like to take a moment to thank you for your continued trust throughout the last year. It's been a year marked by ongoing change and resilience – and your commitment to thoughtful financial planning has been central to navigating it successfully.

Looking ahead, we're here to help you plan, protect and grow your wealth with clarity and purpose. Whether that means reviewing your investment strategy, optimising your tax position, revisiting pension arrangements, or preparing for key milestones, we'll work with you to ensure your plans remain aligned with your goals and circumstances as they flex.

As you set your priorities for the year ahead, now is the perfect time to take stock and start 2026 with a clear plan and peace of mind. We look forward to continuing to support you and your family in achieving the financial future to which you aspire.

*Wishing you a
happy, healthy and
prosperous New Year*



In the news

Wealth milestones trigger significant giving

A study from Barclays Private Bank and Wealth Management¹ found that for high-net-worth individuals (HNWIs), reaching certain wealth milestones often triggers charitable giving. Based on responses from 500 HNWIs, 77% began making significant charitable donations after surpassing £2m in personal wealth, while 51% started giving before reaching £1m. With a third of respondents expecting inheritances of £1m or more, philanthropic activity is likely to accelerate in the years ahead.

Head of Philanthropy at Barclays Private Bank and Wealth Management, Juliet Agnew, commented on the findings, *"The view of philanthropy amongst HNW individuals in the UK is shifting to become an integral part of wealth planning. As the research shows, once individuals reach key milestones in their wealth journey, they increasingly want their money to carry meaning as well as value."*

IHT receipts continue their upward climb

Inheritance Tax (IHT) receipts show no signs of slowing, with the latest HM Revenue & Customs² data revealing continued year-on-year growth. Between April and September 2025, IHT receipts totalled £4.4bn, around £100m more than during the same period in 2024, representing a 2.3% increase. If the current pace continues, total receipts for the 2025/26 tax year could reach approximately £8.8bn, setting yet another record. Looking ahead, the Office for Budget Responsibility (OBR) forecasts that IHT revenues could potentially rise to £14bn by the end of the decade.

¹Barclays, 2025, ²HMRC, 2025

Future ready: Tune into Budget changes now



Now the dust has settled on the Budget, and everyone has had a chance to process the key announcements – you can step back and think about what it all means for you and your finances.

A series of tax and spending measures were unveiled, estimated to raise an extra £26bn a year in taxes by 2029/30. While immediate changes were limited, as Helen Miller, Director of the Institute for Fiscal Studies (IFS) said, *"the Chancellor is relying heavily on tax rises towards the back end of the parliament. More borrowing for the next few years, then a sharp adjustment."*

Significant changes

Some of the changes on the horizon, worth tuning into now, include:

- Income Tax thresholds will remain unchanged until at least 2031, meaning more earners will be in higher tax bands, and National Insurance contributions (secondary threshold) are also frozen to 2031
- Properties in England valued at £2m or more in 2026 will face a new High Value Council Tax Surcharge (HVCTS) of £2,500, with an annual levy of £7,500 owed for homes worth £5m plus, from April 2028
- From April 2029, only the first £2,000 of pension salary sacrifice will be exempt from National Insurance, affecting the tax

efficiency of many salary sacrifice arrangements

- A new mileage-based road tax for electric (3p per mile) and plug-in hybrid (1.5p per mile) vehicles will be introduced from 2028
- The annual Cash ISA allowance will be cut to £12,000 for those under 65 from April 2027, with the remaining £8,000 only permitted to be invested in Stocks and Shares ISAs
- Tax on savings and property income will rise by 2 percentage points from April 2027
- Extended the freeze on Inheritance Tax thresholds (IHT) thresholds from 2030 to April 2031.

More imminent

From April 2026, the Dividend Tax rate will increase by 2 percentage points. The basic Dividend Tax rate will rise from 8.75% to 10.75%, while the higher rate will increase from 33.75% to 35.75%. Following repeated cuts to the tax-free annual Dividend Allowance, which now stands at just £500, people who hold investments outside of a Stocks and Shares ISA or SIPP, or who own their own business and pay themselves in dividends, are expected to pay more tax.

With the government pressing ahead with changes to the Inheritance Tax rules regarding unused pensions, which take effect from April 2027, there's plenty to think about. We're here to help you navigate the changes.

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Planning with purpose in 2026

As we welcome 2026, it's the perfect time for a financial reset. A new year brings renewed focus and the chance to take stock – where are you on your financial journey, and how confident do you feel about the year ahead? A clear plan can help you face the months to come with purpose and peace of mind.

What really drives financial decisions

A recent study³ has revealed that personal values are the strongest motivators for UK adults when it comes to financial planning. The top three drivers are providing for family (44%), financial independence (43%) and security (31%).

Among 25 to 34-year-olds, these motivators are even more pronounced, with 58% citing family security and 53% financial independence, making them one of the most financially goal-oriented generations.

Understanding what truly motivates you can bring clarity to your decisions, ensuring your finances align with what matters most in your life.

Hello 2026: A fresh financial start

Mental wellbeing plays a vital role in financial confidence. Research¹ shows many people are feeling the pressure, particularly 18 to 24-year-olds and 45 to 54-year-olds, who report the lowest levels of mental wellbeing. A clear, values-based financial plan can help reduce uncertainty and build reassurance.

Whatever your goals – protecting your family, building independence, or securing your future – 2026 offers a chance to focus, plan and move forward with confidence. We're here to help you define your financial purpose and make your goals a reality in 2026 and beyond.

³Aviva, 2025

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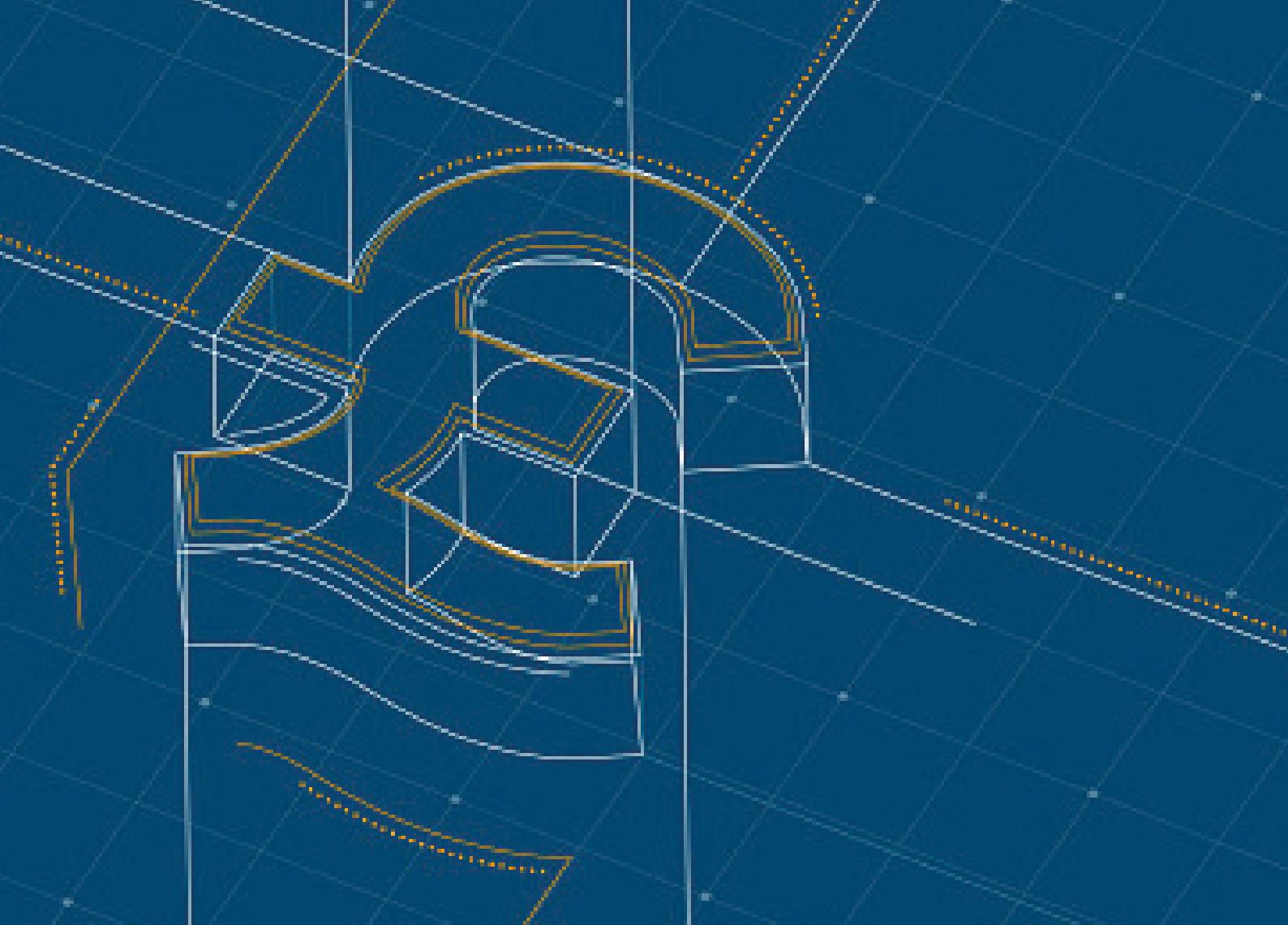


Finding your financial *Ikigai*

The Japanese concept of *Ikigai* – meaning purpose or 'reason for being' – can also apply to money. *Finding your financial *Ikigai** means identifying the balance between what you value, what you need and what gives you a sense of purpose.

When your financial goals reflect your deeper motivations, planning feels less like a task and more like a path toward fulfilment and wellbeing.

A clear plan can help you face the months to come with purpose and peace of mind



Kick off 2026 on top of your tax numbers

As the end of the 2025/26 tax year approaches, it's the ideal time to ensure you're making the most of tax-efficient opportunities before the new financial year begins on 6 April 2026. Here's a reminder of three of the main tax planning opportunities:

Your Individual Savings Account (ISA)
The ISA allowance is **£20,000** for the 2025/26 tax year. You can put all the £20,000 into a Cash ISA (until the allowance is cut in 2027), or invest the whole amount into a Stocks and Shares ISA. You can also mix and match as long as the combined amount doesn't exceed your annual ISA allowance. Junior ISAs work in the same way but the maximum annual investment is **£9,000** per child.

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Your pension

You can contribute as much as you like into your pension, but there is a limit on the amount of tax relief you will receive each year. The Annual Allowance is currently **£60,000**. An individual can't use the full £60,000 Annual Allowance where 'relevant UK earnings' are less than £60,000, although your employer still could. You may be able to carry forward unused allowances from the past three years, provided you were a pension scheme member during those years. For every £2 of adjusted income (total taxable income including all pension contributions) over £260,000, an individual's Annual Allowance is reduced by £1 until the minimum Annual Allowance of £10,000 is reached.

Make the most of tax-efficient opportunities

Gifting for IHT purposes

You can make gifts worth up to **£3,000** in each tax year. These gifts will be exempt from IHT on your death, even if you die within seven years. You can carry forward any unused part of the £3,000 exemption to the following year but if you don't use it in that year, the exemption will expire. Certain gifts don't use up this annual exemption, however, there is still no IHT due on them e.g. wedding gifts of up to **£5,000** for a child, **£2,500** for a grandchild (or great grandchild) and **£1,000** to anyone else. Individual gifts worth up to **£250** per recipient per tax year are also IHT free. Under current HMRC rules, gifts outside the above categories normally cease to count for IHT purposes upon the donor's survival for seven years, with reductions in the event of death after at least three years.

And don't forget about Capital Gains Tax (CGT) and your Divided Allowance! Time for an end of tax year review?

Make life insurance a New Year priority

As 2026 kicks into full swing, sorting out your life insurance policy may be less glamorous than other New Year's resolutions you've made, but getting the right cover for your needs can bring peace of mind to you and your loved ones – and might help reduce your Inheritance Tax (IHT) liabilities too.

Inheritance questions

With the IHT threshold frozen in place for more than a decade, some families seeking to reduce the size of their taxable estates have been turning to life insurance, research⁴ suggests.

After the government made more assets subject to IHT, including business property and agricultural property, both assets traditionally passed on as inheritance, the appeal of life insurance has come into sharper relief for many. Faced with a growing list of taxable assets, people are thinking harder about how to minimise their tax bill.

Getting the right cover for your needs can bring peace of mind to you and your loved ones

Protection and a lower tax bill

Life insurance provides support for your loved ones when you are no longer around, ensuring they have full financial resilience. Moreover, life insurance is tax efficient, as payouts are free from Income Tax and Capital Gains Tax, and when held within specific types of trusts, they can also be exempt from IHT. Time for a life insurance review?

⁴TWM Solicitors, 2025



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Retirement ready in 2026?

The start of a new year is an ideal time to assess how ready you are for retirement, and recent research into the UK's Baby Boomer generation (born 1946–1964) offers a timely reminder of the value of planning ahead.

The study⁵ found that only 40–50% of Baby Boomers are on track to maintain their current lifestyle or achieve a moderate standard of living in retirement. However, it also revealed a clear divide between those who receive financial advice and those who don't.

Advised Baby Boomers are significantly more retirement-ready, with 83% on track to reach the Pensions and Lifetime Savings Association's 'comfortable' living standard (around £50,900 a year pre-tax budget for an individual, rising to £67,500 for a couple), compared with just 68% of their non-advised peers.

Middle-income earners were found to be particularly vulnerable to falling short, while wealthier Boomers who sought professional advice were best positioned to meet their future spending needs.

Adding to concerns about inadequate retirement planning among those nearing the end of their working lives, a separate study⁶ found that only 6% of Gen X (born 1965–1983) have a written retirement plan, while 13% have one that isn't documented. The vast majority admit to having only a vague plan or none at all.

Whatever your level of wealth, the findings underline a simple truth: expert advice can help bridge the gap between retirement hopes and financial reality. In an ever-changing economic landscape, regular reviews and tailored guidance remain key to ensuring lasting financial confidence.

⁵Vanguard, 2025, ⁶Just, 2025



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Small pension boost can make a big difference

Everyone knows that a healthy pension pot is crucial for a comfortable retirement. For some workers, however, saving for retirement can seem like a low priority compared to making mortgage payments, saving for a house deposit or keeping up with monthly bills.

Small gains

New research⁷ shows how even a small uptick in pension contributions can go a long way to improving your quality of life in retirement. Modest increases in pension savings, combined with the power of compound investment growth, can soon add up.

For example, the research highlights – if a 22-year-old with a salary of



£25,000 were to pay the minimum auto-enrolment contributions (5% employee, 3% employer) throughout their career, they could build an inflation-adjusted pension pot of around £210,000 by the time they turn 68. In this scenario, if monthly contributions were increased from 5% to 7%, come retirement age, they would have a pot of £262,000, a boost of over £50,000.

A gift to your future self

More than three in 10 UK adults are already increasing their workplace pension contributions beyond the minimum level. Meanwhile, one in ten have made a one-off lump sum payment. Whether monthly or ad hoc, boosting your pension savings is worthwhile – your future self will thank you.

⁷Standard Life, 2025

In other news

Would your family be financially resilient without you?

Only one in five people in the UK feel very confident their family would be financially secure if the unexpected were to occur, according to new research⁸ that warns of a lack of financial resilience. Some 35% believe their family could '*manage for a while*,' the research revealed, but almost a quarter weren't confident at all that their loved ones would cope. Women (49%) were less certain their family would be secure than men (67%), while employees at large companies were more confident than their peers at small businesses. The least confident age cohort were those between 45 and 54, of whom one in three said their family would not manage financially.

⁸The Exeter, 2025

Older workers 'not prepared' for retirement

What steps do you need to take before starting your retirement? Does it still feel like an uphill battle to get everything ready? If so, you're not alone: only four in 10 working people aged 60-69 feel ready for retirement, a new survey⁹ has found. Of the more than three million workers in that age bracket, more than a third say they do not feel prepared. Currently, one in three people aged 65 to 69 are yet to retire, of whom 31% still feel unprepared, the survey found. Preparing for life after work brings many challenges and can feel like a series of difficult decisions. Choosing when to retire and managing the transition to your new lifestyle are both significant choices.

⁹Just Group, 2025

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Breaking the retirement mould – flexi is the future

More than four in 10 Brits expect to pursue multiple careers if life expectancies continue to rise, research¹⁰ shows. As the traditional work trajectory dies out, what will the financial impacts be and how should you prepare?

Multiple careers

Amid longer lives and more opportunities to retrain, workers are abandoning the idea of spending a whole career with one company – or even within one industry. A quarter of respondents expect to switch industries, according to the research, while a fifth plan to try a new profession. More than one in 10 will return to education to support a career shift, the survey revealed. Remarkably, young employees aged 18 to 25 have already worked for an average of six employers, the research found, the same number as those aged 65 to 74.

Thinking ahead

By planning proactively and making informed decisions about savings, pensions and investments, you can build the freedom to live well at every stage, whatever direction your working life takes.

Reinforcing the takeover of flexibility, some 26% of respondents have taken some form of extended leave, while 65% think we must dispense with the idea that learning, working and retiring is a linear path.

Sound financial guidance throughout the journey

As working lives become more fluid and career paths less predictable, seeking financial advice throughout your journey can make all the difference. We can help you adapt your financial strategy to each new phase – whether you're retraining, taking time out or pursuing a passion project – ensuring you stay on track to meet your goals. By planning proactively and making informed decisions about savings, pensions and investments, you can build the freedom to live well at every stage, whatever direction your working life takes. Flexibility may define the future of work, but sound financial guidance remains the key to making it sustainable.

¹⁰Canada Life, 2025

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The gradual retirement trend – making the right choices

New research¹¹ highlights a growing preference among UK workers for a gradual transition into retirement, rather than a 'hard stop' where work ends entirely.

Fewer than a quarter (24%) of workers expect to stop working altogether when they reach retirement age. The majority plan to either change the way they work (43%), continue in their current role (15%), or move into a new position (9%).

Finding balance – financially and personally

Gradual retirement can take many forms. Some people choose to reduce their working hours over time, while others shift into consultancy roles, mentoring or part-time work, sometimes in a new field. This approach can offer financial stability, maintain purpose and social connection, and support overall wellbeing as routines and priorities evolve.

Confidence to make the right choices

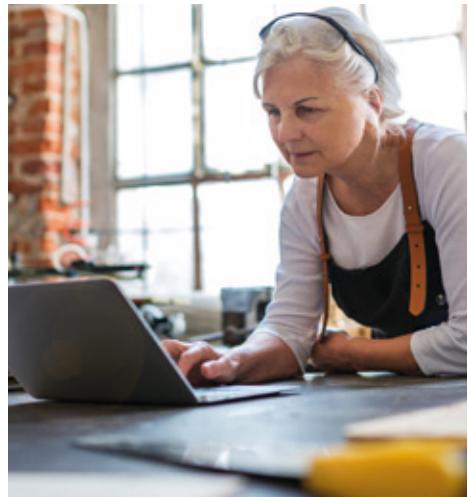
The research also highlights some challenges. Many nearing retirement are concerned that uncertainty around pension rules and tax treatment could undermine their plans. This lack of confidence can lead to rushed financial decisions, such as taking a tax-free cash lump sum or drawing income earlier than necessary, choices that could later be regretted.

Aegon's Pensions Director, Steven Cameron, says a "significant cultural shift" in how people approach later-life work and retirement is occurring. He stresses the importance of a stable pension system that gives people the confidence to plan for the long term.

Plan, don't rush

Today's retirees have more flexibility than ever before, but with choice comes complexity. Taking time to plan carefully, and seeking professional guidance, can help ensure decisions align with your long-term goals and lifestyle. Whatever approach you take to retirement, we're here to help you make confident, informed choices.

¹¹Aegon, 2025



Gradual retirement can take many forms

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Entrepreneurs defy uncertainty with optimism and adaptability

Almost 3,000 entrepreneurs across 15 markets took part in HSBC's Global Entrepreneurial Wealth Report 2025¹², providing a fascinating snapshot of how some of the world's most successful wealth creators are feeling in an unpredictable economic landscape. Despite last year being shaped by policy shifts, market volatility and trade disruption, one message stands out: optimism remains remarkably high.

Willem Sels, Global Chief Investment Officer at HSBC Private Banking, explains, "Entrepreneurs are very aware of the elevated volatility in financial markets, geopolitical tensions and uncertainty about future trade patterns. Yet they remain optimistic – and that's because of their entrepreneurial spirit. Whatever way the global economy or trade patterns change, they are ready to adapt and take advantage of new opportunities."

Entrepreneurs have always been the engine of economic progress



Key findings from the report include:

- 94% of entrepreneurs say they are positive about their business prospects
- Among UK respondents, 71% forecast a significant improvement in personal wealth over the next year – well above the global average (~50%)
- The UK remains attractive due to its robust legal / regulatory framework, language and world-class education system
- Spending priorities: entrepreneurs cited luxury goods (53%), property (53%), cars (58%), health and wellness (50%) as top personal wealth uses
- Even in markets with political or economic uncertainty (including the UK), entrepreneurs maintain strong optimism – underlining resilience even when broader sentiment is muted.

Why it matters

Entrepreneurs have always been the engine of economic progress, and their confidence levels often provide an early signal of wider business sentiment. Gauging their outlook matters because entrepreneurial optimism tends to translate into investment, innovation and job creation across the broader economy.

This report highlights that entrepreneurs are not only adapting to change but embracing it. Their appetite to harness long-term trends, from AI to global wealth flows, underpins continued growth and resilience. Understanding how entrepreneurs think and where they see potential, provides valuable insight into where the next phase of global economic momentum may come from.

¹²HSBC, 2025

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Changes in the rates of exchange may have an adverse effect on the value or price of an investment in sterling terms if it is denominated in a foreign currency. Taxation depends on individual circumstances as well as tax law and HMRC practice which can change.

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