

YOUR MONEY

Almary Green Investments

LOVEWELL BLAKE

And so to
'bed and ISA'John Mee, director Lovewell
Blake Financial Planning

WITH taxes likely to rise, you'd do well to make use of your annual ISA allowance.

But what if you don't have any new money to invest – how can you save tax on your existing investments?

It's easy using a 'bed and ISA'.

You could open your ISA with an existing investment and choose to hold the same investment, or reinvest in something else.

You'll save tax now and in the future.

Under current tax rules, you cannot transfer investments straight into an ISA. You must sell them, use the proceeds to fund your ISA, then buy them back within the ISA.

If you realise a gain, you can make up to £10,100 this tax year without paying any Capital Gains Tax (CGT).

If you realise a loss, once declared, the current tax rules allow you to carry forward any losses indefinitely and offset them against any future gains, effectively increasing your future CGT allowance.

If you hold a poorly performing investment, why not use the loss to your advantage, carry it forward and re-invest in something with greater potential in your ISA?

Once your investments are held in your ISA any future gains will be protected from tax and there will be no further tax on any income you receive.

More people are holding investments inside fund supermarkets – a form of 'one stop shop' where it is cheaper to buy and sell shares, unit trusts and other financial products.

If you hold your investments in this way, it is quite easy to 'bed and ISA'.

If you hold investments directly with a fund manager, you will need to re-register your holdings with a fund supermarket first.

Remember, the annual ISA limit has been raised from £7,200 to £10,200 for people over 50, and everyone will benefit from the higher allowance from April 6.

Making investments work hard is a balancing act

Independent financial adviser JIM BARR, of Almary Green Investments, answers questions on attitudes to risk

With so many ways in which to invest money, how do independent financial advisers judge what's best for clients?

All clients are very different in terms of wealth, aspirations, careers, financial needs and lifestyles – and an experienced IFA will suggest potential investments only after a full appraisal.

Many of the people I advise have been clients for a number of years, so any recommendations I make are part of a long-term knowledge of their financial affairs. One important factor when it comes to investing money, of course, is how they feel about risk.

Aren't most people looking for a 'safe haven' for their money?

Very low interest rates have meant that investors are no longer so keen to leave their money languishing in under-performing savings accounts. They want their capital to work harder for them but often lack the financial know-how when it comes to investing in a range of more complex equities, bonds and investment funds.

In such cases, a managed portfolio service is one solution. Almary Green, for example, has recently partnered with discretionary fund manager Principal Investment Management and the Skandia Investment Solutions platform to offer such a service to our clients.

Six model portfolios each contain different combinations of UK and overseas investments and cover a range of graded risk profiles – from "cautious" to "adventurous".

By asking detailed questions, we carry out a risk-graded assessment which covers what the client feels and requires, and puts it in the context of the reality of the investment world.

We will assess not just how much money the client wishes to make but, equally importantly, their attitude to losing money.

So what factors would you need to consider?

We take into account what assets the client has available, what they want to achieve and in what timescale, ensuring those goals and aspirations are



MANAGING RISK: Independent financial advisers assess clients' approach to making – and losing – money.

achievable in the time frames, identifying how much the client is willing to take risks, and then selecting the portfolio best suited to them.

The portfolio keeps all their investments conveniently in one place and gives clients the benefit of a professional investment manager – a service which might not have been available to them previously because of minimum investment restrictions.

How do clients follow the performance of their investments?

Fund manager Principal will actively manage the portfolios, investing in high-quality diversified funds and creating the client portfolio on the Skandia Investment Solutions platform.

Portfolios are rebalanced on a

quarterly basis and, if the market changes, they can be remodelled at the touch of a button.

Clients will receive quarterly factsheet updates alongside regular reviews and progress reports from Almary Green.

Independent Financial Adviser Jim Barr is based at the Ipswich office of Almary Green Investments.

He looks after the financial requirements of a mix of individual and corporate clients on a wide range of protection, pension and investment needs. To contact Jim Barr, call Almary Green on 01473 257973 or 01603 706740 or visit www.almarygreen.com.



Contact us for a free initial consultation

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