

# MINDCHANGERS

One of the goal setting/achievement ideas I'd like to share with you is the 'Mind Changer cards'.

These involve creating 20 – 30 goals on individual postcards but observing two basic rules whilst creating each one: write the goal as if it has already happened and use positive words to describe how you felt in the achievement of that goal. By reading the cards, once a day, you will find that the sub-conscious part of your brain will engage fully of those objectives and – in turn – this will alter aptitude, commitment levels and actions, which will be performed almost without thinking. This is in direct contrast to the way we normally create goals, which are merely stated as 'wishes' – and this is where the 'little voice on your shoulder' gets involved and creates interference. See the example attached.

## MINDCHANGERS

You need 20-30 cards, each with a goal (short, medium, long term – big or small) written in past tense and describing how you felt about achieving it. You need to read – not learn – the statements each day, every day without fail, at the same time.

If you wish cut out pictures of things you want and put them in a scrapbook. You can look at your IMAGE DIARY periodically.

See attached example

# THE CARDS TECHNIQUE

FINANCIAL ADVICE ON RADIO IS SUCH AN AMAZING SUCCESS I AM SERIOUSLY CONSIDERING ADDING GENIUS MODE TO AN ASPECT OF BEING IN SHOWBUSINESS....

I HAVE RAPIDLY SHOT TO THE NUMBER ONE SPEAKER IN THE LIA. THE ATTENTION I GET IS EMBARRASSING .....

IT'S ME.  
...I'VE BEEN LOOKING FOR THE SECRET OF SUCCESS FOR YEARS. BUT IT'S SIMPLY ME!!

REALISATION  
I THOUGHT THE CLK 20 WAS SOMETHING.  
NOW THE ASTON MARTIN – A STUNNING CAR THAT IS A PLEASURE TO DRIVE.

NOW I HAVE A SYSTEMATIC BUSINESS THAT RUNS SO WELL, I NEED ONLY SPEND TWO HALF DAYS IN THE BUSINESS NOW AND THE REST OF THE TIME ON MY LIFE.

THE PROBLEM IS MONEY. WE HAVE SO MUCH OF IT NOW THAT IT'S GETTING BORING .....

NOW I REALISE THE IMPORTANCE OF BEING A WINNER. MY "NEEDING TO WIN" THINKING IS TAKING ME TO THE HEIGHTS THAT MOST PEOPLE ONLY DREAM ABOUT.....

PEOPLE STILL THINK IT'S A JOKE WHEN I INVITE THEM TO MY DIRECTOR'S BOX AT OLD TRAFFORD.

I FEEL SUCH A FOOL. HAD I DONE MY MINDCHANGERS EVERY DAY YEARS AGO, I'D NOW HAVE EVERYTHING I'VE EVER WANTED.

IT IS ABSOLUTELY AMAZING HOW THE BUSINESS HAS GROWN. WITH ALL THE SPIN-OFF INTRODUCED BUSINESS TO SOME MAJOR COMPANIES IN THE CITY. LIFE IS SO EXCITING.



# THE DYNAMIC PHONE PATH

Getting the first meeting with your prospect should actually be easy because they will hopefully have come from a strong personal recommendation from a friend or introducer.

## THE KEY TO THE DOOR

However, you still may have to make the odd 'cold call'; whether it's through a first-time contact with a personal introduction or because you wish to build bridges with a new source of business.

May I say that before you use something like this, it's much easier to sit with your friend or introducer, hand them your mobile phone and get them to make the initial call while you are there in person. Just ask them to introduce your name – no more – and then pass the phone back to you. This relates to another astonishing paradigm. Most financial advisers think this idea is not workable because few advisers deal with personal introductions this way. Why they insist on taking a name and phone number as a personal introduction and then go back to their office and – in a less advantageous position – make the call which will be relatively cold! Madness or what?

Every call, regardless of who it's to or who is involved, has a set of dynamics. I can tell a poorly conceived sales call a mile off. The person speaks in a formal, somewhat unnatural way, in almost a staccato voice and keeps using my surname more than they should. They ask impertinent questions and can come across as patronising or arrogant.

The Dynamic Phone Path helps to eliminate all of this by linking a suggested set of dynamics to an outbound call. How it all works is simple. Place your finger on the line at point 1 and work through to point 6.

# THE DYNAMIC PHONE PATH

## THE APOLOGY (STEP 1)

To start with an apology needs to be completely genuine. The majority of people attempting to sell to me on the phone completely overlook this critical factor by brushing it over with a surly, 'Sorry to trouble you'. Simply by the tone of their voice, I know they're not sorry one little bit! This immediately puts me on my guard.

So how about this:

*Hello, is that Michael? Michael Turner?*  
(Yes)

*Hello... I'm so very sorry to be ringing you out of the blue like this...  
Is now a good time to speak to you? (Yes / Who is this?)*

*My name is Sandro Forte from the Forte Financial Group and I was speaking  
with our mutual friend Mary – Mary West – yesterday...  
(Ok)*

Okay, so let's look at what we have here. Notice how you use the prospect's first name first followed by his or her full name. This is a way of subconsciously asking their permission to be on first name terms. Equally, when I say who I am, I use the same technique. I cannot stress enough how important it is to practise this on friends and family and only when they say it sounds truly genuine can you then be sure you've got your delivery right.

Where a person indicates that particular moment is not a good time to speak, agree a time when it is. If they want to know what it's about, mention the person who gave you their details and some important information they may want to know about. However, the person you are calling cannot have it both ways... they cannot expect to know what the call is about and then be too busy to speak to you! Refrain from falling in this trap!





# THE DYNAMIC PHONE PATH

Someone once said to me that using the words, 'I am so very sorry for ringing you out of the blue' is a lie. I completely disagree. Why should it be a lie? You are calling the person out of the blue unless of course they were waiting for you to call? It's important to apologise before introducing yourself by name and company – not after. The apology cushions the introduction and makes it 65% more likely they will continue to want to communicate with you after they know who you are.

So far so good.

## NOW FOR STEP 2, THE PROMISE

I've recently taken on Mary West as a client and your name came up in conversation a couple of times, hence **the promise** to call to offer you my help, given I make it a professional business practice to work with the friends and families of my clients before anyone else.

The thing about the word 'promise' is that its inclusion reflects upon the user. It says something about you. Maybe that you like to keep your word and take trust and integrity seriously. People warm to people like that. Once more, the statement is based on fact, not fiction. I will have used the word when the prospect's details were given to me. I would have replied to say, via an e-mail to the introducer, *'Thank you for your kind introduction ... I do promise to get in touch with Michael as soon as possible.'*

I'd also like to add that it's important to humanise the conversation, not formalise it. Talk to the person as you would to an old friend, not as if you are speaking to a complete stranger. This, naturally, will make you sound less like the stereotypical salesperson.

# THE DYNAMIC PHONE PATH

## SO TO 'THE MESSAGE', STEP 3 - YOUR CORE REASON FOR THE CALL

The difficulty most advisers face is knowing what to say in order to get the prospect to 'first base' and an agreement to an initial exploratory meeting. Say too much and they make excuses, say too little and they get suspicious and cynical. So, the best way I believe is to have a powerful statement which serves as your 'hook' to capture their attention and hopefully open their mind at the same time. *'I am a profit improvement specialist helping business owners create powerful financial strategies to increase their bottom lines. The help I give is much more than financial planning and I offer an initial assessment without charge. Would this be of value?'*

A message for non-business prospects could be:

*'I am currently helping individuals to improve their personal wealth in ways which realise more disposable income. Would more funds for you to spend or retain as you choose be useful?'*

It's useful to note the phrase - 'That's exactly why I am calling' when faced with any objection.

Example:

*'I've got no time to meet you at the moment ...'*

*'That's exactly why I'm calling! Most of my clients have much more quality time now their finances support them properly... would having more time be of value?'*

## STEP 4

Step 4 takes us to the 'Hotel or Office' question, if you immediately go on to it. After dealing with any objection, it works especially well.

*'Do you know the Marriot Hotel in the city?' or 'Do you know the Axis Office building?'*



# THE DYNAMIC PHONE PATH

In asking this question, you are moving the person to discussing meeting up by using the question as 'a spine' in your approach.

(Yes I do...)

*'May I suggest we meet there next week so that I may have the opportunity of introducing myself and sharing some beneficial ideas – as I have already done with your friend Mary? What time of the day suits you best?'*

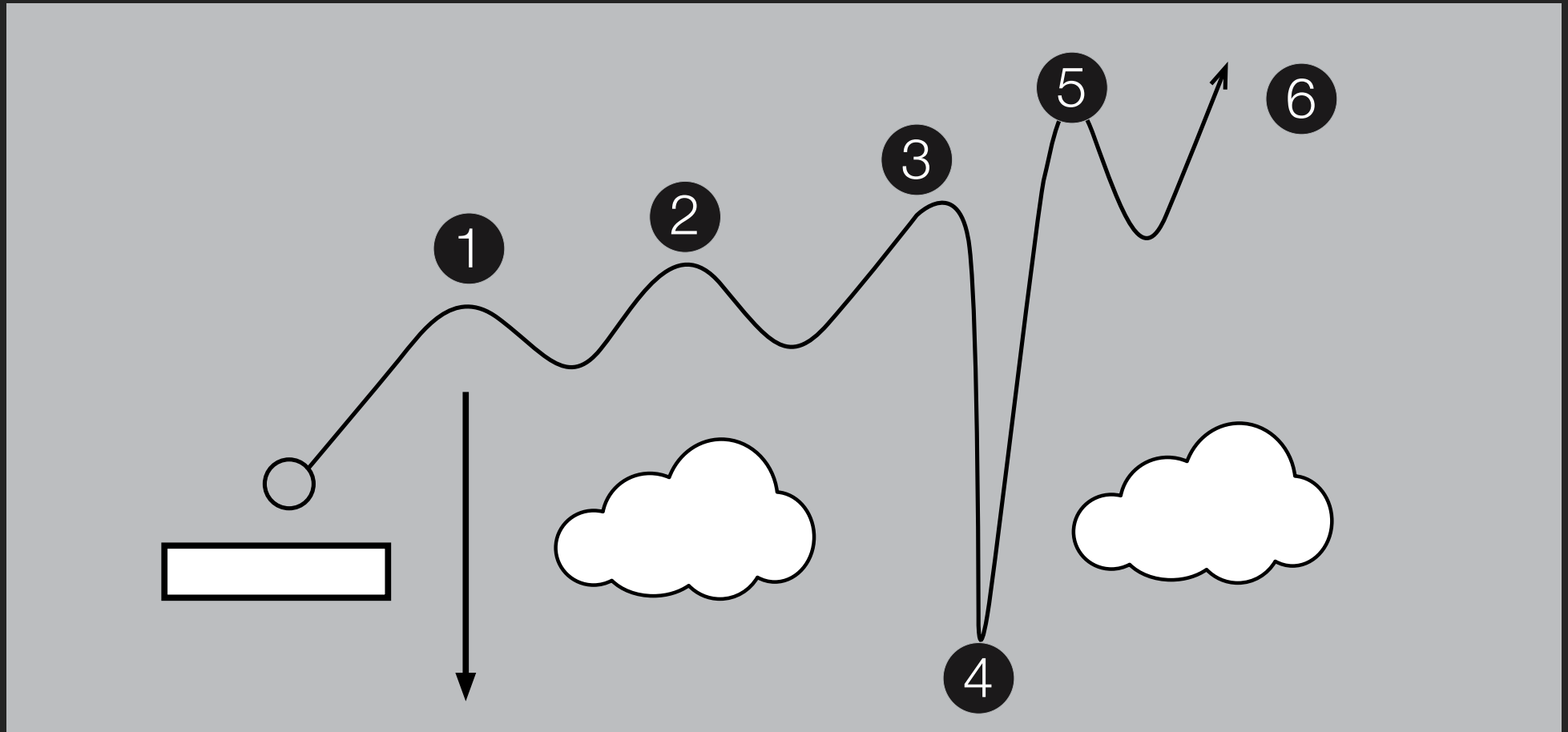
Sometimes you'll hit a brick wall. They are simply not interested for whatever reason. So use step 4X.

*'Just before I go..... May I ask you a quick question?'*

Normally people say yes to this – if only to get rid of you! You must pay a lot of money out on bills...? If it were possible to reduce these bills permanently, would that be of value?'

When using the Phone Path, do also call existing clients, friends and contacts purely for social reasons. Always tell them how well things are going for you and how many clients you are helping. These calls break up the calls to new prospects (because you can guarantee you will not be rejected!) which keeps you positive and mentally flexible and invariably you'll pick up new business from speaking to the people you know so well.

# THE NEW DYNAMIC PHONE PATH





# 100E/OF VALUE

**100 = Welcome completely**

STANDARD: “I’m so pleased you’ve mentioned that...”

“That’s a really good point...”

EMERGENCY: “Thank you for being so honest”

**E = Empathy**

“If I were in your shoes I’d probably  
be thinking the same thing”

**Of Value = (Left/Right Brain)**

“If I could (*Benefit*) would that be of value?”



# 100E OF VALUE INSTRUCTIONS

There is an objection handling idea called 100 E of value – and it's guaranteed to work every time IF learnt, practised and implemented!

Used by many customer service centres around the world, this is a simple but very effective objection handling technique, guaranteed to work if you learn it, practise it and use it!

100
E
of value

When confronted with an objection, our natural instinct is to argue or justify the opposite view. When we take such a position with a client we simply make matters worse; their 'defences' go up and we then stand little chance of succeeding.

The 100 stands for '100% welcome'. By accepting the objection in an open way we immediately start to disarm the client's negative thought. Use words like 'I'm so glad you mentioned that' or, if the objection is of a more personal nature, 'Thank you for being so honest'.

E stands for empathy. Having got the client wondering what we are going to say next, we then need to make them feel we understand the issue and actually feel the same way. So 'If I were you, I would be thinking exactly the same thing...' Next, finish the technique with a question but end with the words 'of value' – and always start the question with 'And', not 'But' because the latter is a confrontational and negative word.

# 100E OF VALUE INSTRUCTIONS

In the three examples below you will see how, by asking a logical question, it is impossible for the client to say 'No'. If we end with the words 'of value to you' it becomes a question about the client personally, which means it has an emotional, rather than logical, basis and so might result in a 'No'.

So, as the attached list shows you five objections set out in a simple but effective way. For any other objections simply think of different 'of value' responses – and then learn, use and keep practising. You will never have a problem with objections again!

## 100 E OF VALUE

Mehdi's top five objections

### 1. 'I HAVE NO MONEY'

I'm so glad you mentioned that... If I were you I'd be thinking exactly the same thing – And (not but) if I could show you how I work with my clients to actually save them money in other areas, is that something that would be of value? As this is a logical end to the question, it forces the person to say 'yes'. (Ending with the words 'of value to you' is emotional – and therefore it is possible that you will get a 'No')

### 2. 'I WANT TO THINK ABOUT IT...'

I'm so glad you mentioned that... If I were you I'd be thinking the same thing... And if I was able to show how my new clients benefit from free cover whilst they think about it - is that something that would be of value?

### 3. 'I WANT TO COMPARE PREMIUMS WITH ANOTHER COMPANY'

I'm so glad you mentioned that... If I were like you I'd be thinking exactly the same thing... And if I could show how I provide an analysis service for my clients whilst they enjoy some free cover is that something that would be of value?



# 100E OF VALUE INSTRUCTIONS

4. 'I HAVE HEARD THAT YOUR ABC INSURANCE COMPANY IS NOT VE RY GOOD'  
Thank you for being honest '... If I were you I would want to be sure I was dealing with a reputable and strong company... And if I could show you how ABC Insurance Company actually offers greater value through an X% greater claims payment record is that something of value?
5. 'I DON'T BELIEVE I NEED INSURANCE'  
I'm so glad you mentioned that... If I were you I would probably wonder why, as a single person with no dependents, I would need insurance... And if I could show you how all my single clients benefit from an X% discount on the cover they have is that something that would be of value?

TIP: Change the words to suit you but think about each objection you might face; apply the same process; learn it and put it into practice.



# YELLOW BOX DIARY SYSTEM

Have you ever played bingo/lotto? If you have you'll know that the game relies on filling boxes on a card and the winner is the first person to cover all their numbers with a marker pen or counters. The Yellow Box Diary System works in the same way: it's like a game of bingo/lotto and your job is to fill the ten yellow boxes that you have already placed, at the times you want them, in your diary.

Looking at the Yellow Box Diary System example, you will see that it starts off as a diary which is no different to anyone else's; it's empty! But there are a number of key factors which make it completely different from the system you have been using until now:

Firstly, you start the week by deciding when you want to have your client meetings and colour ten yellow boxes in your diary accordingly. I'll come back to the 11th (red) box in a moment. There is a strong psychology in play here because not only does your client and colleagues see lots of yellow boxes in your diary (and therefore believe you to be busy) there is a strong compulsion to fill the boxes with client meetings. It is certainly more motivational than starting the week with no boxes: try it and notice the difference!

Secondly, when it comes to the telephone call with a prospect you are now seeking to negotiate based on the template we have created for ourselves. In other words if a prospect can only meet at, say, 4pm on a Monday and we have designated 1pm to 2pm as one of our yellow boxes for that day then our job is to try and pull the client closer to the time we have selected rather than simply take instructions to meet at a time of their choosing. The ten yellow boxes will consist of a combination of first and second meetings but not service meetings as these do not directly produce revenue.

Thirdly, you may, if you wish, add other coloured boxes which represent social, family and miscellaneous time but the most important part is the yellow boxes.



# YELLOW BOX DIARY SYSTEM

And now for the red box:

Only when you have successfully filled all ten yellow boxes may you fill the red box with another prospect. Everything you generate from that 11th (red) box meeting is yours to spend exactly as you wish as a reward to yourself for fulfilling your objectives for the week.

The Yellow Box Diary System is a stunningly simple but very effective way of maintaining discipline and motivation levels.

# YELLOW BOX DIARY SYSTEM

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
		Yellow		Yellow
		Yellow	Yellow	
Yellow	Yellow			
	Yellow		Yellow	Yellow
Yellow	Red			



*Sandro*  
**FORTE**



F O R T E F I N A N C I A L

## MEETING REPORT

Strictly Private & Confidential

Address

Address

Address

Address

Dear #####

It was a pleasure meeting you both on ##### following the kind introduction by ####. Thank you for sharing this information (this, of course, remains confidential) which allows us to put together our outline report as promised.

This document is a summary of our discussions. For ease of reference we have divided it into four sections; Background Information, Financial Objectives, Outline Observations and Action Points/Next Steps.

Nothing contained within this 'report' should be regarded as a formal recommendation; this will follow once we have agreed - or adjusted - the key points contained within this correspondence.

As indicated to you, we do not charge a fee for any initial and follow up meetings, the production of this report nor the subsequent recommendation. As a consequence there is no obligation to accept our advice or to work with us although, having now met you, the opportunity to implement a strategic and tax efficient financial plan for you is something to which I would be fully committed.

### **Background Information**

Personal/General information gathered via CFR

In respect of your current asset position this could be summarised as:

### **Financial Objectives**

Our view has always been that what our clients want is just as important as what they need. From our discussion the following objections became clear:

- 
- 
- 

Your overall financial goals could be summarised as follows:

- To find a specialist advisory firm with whom you can build a long-term relationship with, one that you can trust and one to assess your best options around financial planning, including regular face-to-face reviews.
- Aim to build a solid financial foundation in order to best achieve the things you aspire to do in the future.
- Personal Objectives



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- Personal Objectives
- Personal Objectives
- Personal Objectives

### Outline Observations

#### Emergency Funds

The most basic of all investment protocols is to ensure you retain cash on deposit; this is just to cover short term emergencies or unplanned capital expenditure. We would normally recommend between 3 and 6 months expenditure but 'emergency funds' are a very subjective matter and so the figure should be whatever makes you feel most comfortable.

The three biggest issues with holding too much cash are:

1. Capital loss in 'real terms' due to the rate of return on these deposits together with inflation
2. These funds form part of your estate for inheritance tax calculations
3. Default protection is limited to £85,000.00 per person per financial institution.

#### Income Tax

You each have a Personal (Income Tax) allowance of £12,500 which means that anything earned up to this threshold is received tax free. Thereafter the next £37,500 is taxed at 20%; income between £50,001 and £150,000 is taxed at 40% and all income in excess of this figure is taxable at 45%.

However, it is important to be aware that once income exceeds £100,000 the personal allowance (£12,500) is reduced by £1 or every £2 of income above this threshold. What this means in practice is that for anyone enjoying income in excess of £125,000, the Personal Allowance is completely lost. And because 20% tax is then payable on income that was previously non-taxable the 'marginal rate' of tax on the £25,000 (between £100,000 and £125,000) is 60%!

Personal contributions to a pension arrangement have the effect of lifting the various tax bands, so a £10,000 gross contribution raises the £50,000 higher rate threshold to £60,000, thus ensuring more income was taxed at 20% rather than 40%. That's how basic rate tax relief is claimed in practice, with the other 20% being claimed by a higher rate tax payer through their self-assessment return.

Another way to mitigate some of the income tax liability is to invest into an Enterprise Investment Scheme (EIS).



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## MEETING REPORT

Although classified as 'higher risk' investments, EIS allows an individual(s) to invest in, typically, a portfolio of AIM listed companies which, subject to a fulfilling criteria, provide three tax benefits:

- 30% income tax 'credit' against tax payable either in the current year, the last tax year - or both! For example if you were to invest £100,000 into EIS then you would immediately receive a £30,000 reduction in any income tax payable this tax year - or in the previous year, which creates a tax refund.. The minimum trading period for the shares within the portfolio, in order to retain the tax relief, is 3 years so the investment must be held for at least that period to retain the relief.
- Any capital gains realised from the disposal of assets such as property or shares can be deferred for as long as the EIS is held. For example, a gain of £100,000 is realised. If this sum were placed into EIS then the tax on the gain is deferred for as long as you hold the EIS or until death, when it is expunged.
- Since the EIS qualifies for Business Property Relief (BPR) the investment would also fall outside of your estate after just 2 years and thus you would save a further 40% on the value of your investment. See Inheritance Tax Mitigation.

Whilst EIS would not fit your attitude to risk profile they can be used entirely appropriately if exposure to them is limited (is they represent a small part of a portfolio, balanced by other, more secure, investments).

A basic rate tax payer and a higher Rate tax payer have a Savings Allowance of £1,000 and £500 per annum respectively. This means that interest can be earned on, for example, bank deposits/savings 'income tax free'. It is important to know this because many people 'blindly' invest in cash ISAs at inferior rates than is possible through fixed rate deposits but there's no tax payable on either until the amount of interest payable exceeds the Personal Savings Allowance. In other words, at a 1% gross interest rate cash ISA savings would have to exceed £100,000 in order for the ISA wrapper to be justified. Of course, this is different for stocks and shares ISA since the underlying investment structure (and therefore expected return) is different.

Personalise to current income tax position

### **Capital Gains Tax (CGT)**

You each have a CGT allowance of £12,000 (£2019/20) which means that gains from the sale of property, shares and other qualifying assets would be taxed at 0% on the first £12,000. Thereafter the tax rate is 10% (basic rate tax payers) or 20% (higher rate tax payers) with an 8% surcharge added to the tax rate where the asset is a property.

Although, inevitably, you will be disposing of certain qualifying assets over the coming years it is unlikely you will utilise your CGT allowances each and every year. Therefore establishing a Unit Trust or a Discretionary Managed Portfolio could allow you to 'strip out' gains of up to £12,000 per annum each with no income tax and no capital gains tax, thus giving you £24,000 of entirely tax free income between you. This strategy is made even more effective if those gains were placed into an AIM ISA. Unlike 'standard' ISAs, AIM ISAs also qualify for Business Property Relief and are therefore outside of your estate for IHT purposes, whilst still offering all the usual income and capital gains tax free benefits.





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There are numerous other ways to reduce/mitigate CGT which include, but are certainly not limited to:

- Make use of/off-set losses on certain assets, where applicable.
- Unlimited transfers between spouses are entirely exempt from CGT.
- 'Bed and Spouse' arrangement allows an individual to sell shares so assets can be retained without triggering a CGT liability
- Holdover Relief allows capital gains to be realised but passed on to the purchaser or recipient of a gift, rather than paid by the seller/settlor.

Personalise to current CGT position.

### **Inheritance Tax (IHT)**

The one entirely voluntary tax. In the 2019/20 year the 'Nil Rate Band' threshold (under which no tax is payable) is £325,000 per person. Since assets pass from one spouse to another entirely free of tax this means that a combined £650,000 allowance would be deducted from the estate of the second of you to die unless, upon first death, a 'Deed of Variation' was used to re-distribute assets upon first death.

Several years ago a new additional allowance was introduced – and we refer to this as the Residence Nil Rate Band (RNRB). By 2021 this amounts to an additional £175,000 per person which ordinarily will mean the first £1m of your estate is exempt from IHT. However, a bit like the loss of the personal allowance for income tax calculation purposes the RNRB is also tapered – and since the realisable value of your estate exceeds £2m the current RNRB would not apply.

However in planning to mitigate the clear liability it should be remembered that inheritance tax is payable on worldwide assets less anything held in pensions and Business Property Relief qualifying assets.

One option would be to simply do nothing, calculate the current inheritance tax liability and insure the risk. This would effectively mean taking out a Whole of Life insurance policy, written in trust for your children, this ensuring a tax free lump sum is released upon second of your deaths for your beneficiaries to meet the inheritance tax liability. We would need to be sure there was enough surplus income to meet the ongoing premiums.

Another option would be to simply start making outright gifts of your various assets to your beneficiaries. Gifts to an 'absolute' or 'bare' trust would mean that legal ownership would pass across immediately and you would have no entitlement to those assets in the future. The main advantage of this kind of strategy is that once you survive seven years from the date of the gift the asset value disappears from your estate for IHT purposes.



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And even if you were to die within the seven year period the liability is tapered as follows:

Years between gift and death	Tax paid
less than 3	40%
3 to 4	32%
4 to 5	24%
5 to 6	16%
6 to 7	8%
7 or more	0%

Of course some people feel distinctly uncomfortable handing gifts, on an outright basis, to certain beneficiaries. So they prefer to retain a discretion. Discretionary trusts also benefit from the same 'seven year rule' but there is no tapering - as there is with a Potentially Exempt Transfer (PET).

Further any gifts made in excess of the Nil Rate Band (i.e. £325,000) will be subject to a 20% chargeable lifetime transfer tax which is effectively a pre-payment of 50% of the inheritance tax which would otherwise be chargeable. In respect of the smaller, more immediate, wins - and on the subject of gifting - each of you has a £3,000 annual gifting allowance, smaller gifts of £250 to individuals - and unlimited further gifts as long as these are made from surplus income; in other words they do not affect your standard of living. Since you currently have unused annual gifting allowances from the 2018/19 tax year you could dispose of £12,000 now with these amounts being immediately outside your estate for IHT purposes.

Personalise to current IHT position

### Pensions

Pensions no longer need to be taken as a tax-free lump sum with a compulsory purchase annuity; most individuals would use a the more flexible Drawdown arrangement so they can maintain complete control over the amount of income and capital withdrawn.

Under the new UK tax legislation any uncrystallised (benefits not taken) pension funds are free of Inheritance Tax are therefore probably the last funds you would look to access.

However, it is important to ensure that nomination forms are completed and ideally the pension is held under a Spousal By-Pass Trust; A Spousal By-Pass Trust (Asset Preservation Trust) is designed to preserve the value of your benefits for future generations by ensuring it does not form part of the beneficiaries estate, without restricting access to income and capital.



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It can also offer the following benefits:

- The IHT savings can be enhanced by providing your spouse/partner with an income or capital in the form of a loan. This creates a debt on their estate and therefore further reduces their own estate for IHT purposes.
- It is very flexible and, by carefully selecting your trustees, you can ensure benefits reach your intended beneficiary(ies) in the way you intended. For example, if you are married but have children from a previous marriage, you can ask your trustees to provide your survivor with an income payable for the duration of their life, with the remaining capital being left to your children.
- As the assets are not directly owned by your beneficiaries, should any form of long term care provision be required, the Local Authority will be unable to attribute the value of the trust fund as their asset when conducting a 'means test'. This could preserve the estate for your eventual beneficiary(ies), although it may be possible for the trustees to 'top up' to the value of any benefits provided by the Local Authority.
- It can prevent your spouse/partner from passing the money onto others who you might not necessarily have chosen to benefit. For example, without the Asset Preservation Trust, if they remarry, your own children may be excluded from benefiting from these funds.
- Monies left in trust in this way would be protected from any claim made against your beneficiaries by creditors. This may be useful if they have given a personal guarantee, perhaps in business or to support a sibling.

We believe this is a fantastic future estate planning strategy and adds value to our offering on the whole.

Something to watch out for when considering pension planning is the Lifetime Allowance. This limits the amount of pension benefits which can be taken either tax free (in respect of the Pension Contribution Lump Sum - Tax Free Cash) or income at one's marginal rate of tax. This cap was set at £1m plus CPI in the last tax year so currently stands at £1,055,000. If this 'cap' is breached then a 55% tax charge becomes payable on any excess taken as a lump sum and a further 25% Income Tax is payable on any regular amounts withdrawn, in the form of income.

An annual allowance of £40,000 Gross applies, which is a limit to the total amount of contributions that can be paid to defined contribution pension schemes and the total amount of benefits that you can build up in defined benefit pension scheme each year, for tax relief purposes.

### **Tapered Annual Allowance**

Tapered Annual Allowance applies in a tax year if the members' earnings including dividends, interest on savings and pension contributions (known as their 'adjusted income') exceed £150,000 in that tax year and reduces their Annual Allowance for that year on a sliding scale. For every £2 of adjusted income over £150,000 the Annual



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Allowance will be reduced by £1 down to a minimum of £10,000 gross, which will apply to anyone who has an adjusted income of £210,000 or more. This is important to note because if you are paying yourselves more than £150,000pa you are losing your ability to maximum fund your pension.

The Tapered Annual Allowance does not apply if a members' 'threshold income' for the same tax year is £110,000 or less even if they have adjusted income of £150,000 or more. Threshold income is broadly similar to adjusted income except that pension contributions that entitle the Member to Relief at Source and employer contributions resulting from a Salary Sacrifice (or similar arrangement) made before 9th July 2015 are excluded.

Personalise to current pension position

### **Individual Savings Account (ISA)**

#### **Entrepreneurs Relief**

Entrepreneur's Relief reduces the amount of Capital Gains Tax payable when you dispose of (sell) shares in all or part of your business. It results in a tax rate of 10% on the value of the disposal. There is no limit to the number of times you can claim, subject to a maximum claim limit of £10m during your lifetime.

The person disposing of the shares must also be an officer or employee of the company and all the employment conditions must have been met for at least the two years leading up to the disposal. They must also own:

- At least 5% of the ordinary share capital of the company
- 5% of the votes
- 5% of the company's distributable profits
- 5% of the net assets on winding up

There is a qualifying period to claim Entrepreneurs Relief, which means the disposal needs to have happened within two years of the end of the tax year the company is sold.

#### **Wills and Lasting Powers of Attorney**

You have an up to date Will and this should remain so as your circumstances change in the future. Having this in place is the foundation of any financial planning strategy. To support this, Lasting Powers of Attorney (LPA) (health and welfare and property and finance) are strongly recommended because, should you lose mental capacity, the only way to make any kind of decision on behalf of that individual is via an application to the Court Of Protection – a process which can take many, many months. An LPA simply transfers authority to the attorney (someone you trusted implicitly!) so that vital decisions can be made without delay should the worst happen.

Protection



FORTE FINANCIAL

## MEETING REPORT

### Investment Strategies for consideration

#### (a) Discounted Gift Trust (DGT)

This is an investment arrangement whereby all capital invested in the arrangement falls out of your estate after seven years and all the growth is free of inheritance tax from day one. Income (usually up to 5% of the original capital) is paid tax free and this is often used to supplement one's income or to pay the premiums for a Whole of Life plan. The most obvious disadvantage of Discounted Gift Trusts is once the income level has been set it cannot be changed and the Settlers have no access to the original capital.

#### (b) Loan Plan Trust (LPT)

This, for many people, is a more flexible arrangement than the Discounted Gift Trust because the Settlers can retain control of the capital and do not need to stipulate fixed income. The LPT ensures that any growth within the fund is outside the estate from day one but the Trust itself is established on the basis that the Settlers make a loan to the Trustees (which would be yourselves and the children) on the precondition that some or all of the money may be recalled at any time. Over the course of 20 years, income of up to 5% can be taken so that, at the end of that period, all the original capital has left the estate, assuming it has been spent. In considering your current ages this would take you to your early/mid 80's by which time we would have created a very tax efficient structure and put you in a position where you would have more than enough capital and income to live off from those other assets.

### Fees and Charges

I also promised to cover the matter of fees and charges. To confirm what I said during our discussions. Forte Financial does not charge a fee for any initial meeting, any initial advice nor our subsequent report (like this one) and also does not charge for any future or further meetings until the point where an individual/s choose/s to work with us. This may involve establishing an insurance arrangement, a pension, investment, mortgage or other financial 'product' at which point Forte Financial will be paid by the product provider, not by you. We will discuss this in more detail when we know what we are looking to establish - and we will do so in a transparent way.

In addition to this the other way we are 'paid' is through personal Introductions; our business has grown through personal introductions for the last 30 years - and so any recommendations you make to other people you think may benefit from the advice and service we provide would be much appreciated.

### Service

As explained, Forte Financial has built its reputation on a very high level of pro-active service. We remain a boutique firm but with very substantial assets under management. We continue to look after the same clients we took on in 1989 whilst also representing some of the UK's wealthiest and well known individuals. But, importantly, we remain a general and holistic practice where long term client relationships are key. We have a Guaranteed Service Charter and remain very proud of the fact we have yet to receive a client complaint. We are open, transparent and always seek to manage expectations; we do not pretend to be anything we are not but we do add considerable value to the relationships with our clients.





F O R T E F I N A N C I A L

## MEETING REPORT

### **Action points/Next steps**

I appreciate this is a lot to absorb but I have made this report as comprehensive as I can do with the information provided during our meeting. I hope it gives you a greater understanding of what is possible financially.

To gather a greater understanding of your current position, please can you provide me with the following outstanding information:

Ultimately this report is to facilitate further discussion and in that respect I'd be happy to meet with you again once you have had a chance to digest the content and discuss it together. I shall therefore await your further advices.

Personal conclusion

Warm regards

Sandro Forte  
Managing Partner

# **FORTE FINANCIAL SERVICE CHARTER**

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# THE FORTE FINANCIAL SERVICE PROPOSITION

Each of our clients are unique and for that reason we offer a service proposition which reflects the current and future needs of each one.

Our unwavering commitment is to put clients at the heart of everything we do; it is core to our culture and enables us to work collaboratively to ensure we run a genuinely holistic, client-focused business.

We believe, in providing excellent service that expectations should not just be met but exceeded. In addition to the regulatory requirements of ongoing service being clearly disclosed, agreed, delivered and evidenced we provide a structured and bespoke service proposition which has led the way in the financial services and wealth management profession for more than three decades.

## Design

Every one of our clients helps to create a specific service programme, specific to their own needs and objectives. This will be reviewed at least annually and adjusted as necessary.

## Disclose

We provide each client with a copy of our agreement so they can be sure they will receive the service they request.

## Deliver

Our commitment to a world class level of client service is clearly documented in the '*Forté Financial Service Charter*' and every member of our team commits to honour the promises we make to each of our clients. As a Chartered Financial Planning firm we will strive to act, at all times, within our abilities and authorisation and will take all reasonable steps to offer professional judgement, objective advice and always act in the best interests of our clients.

## Demonstrate

As part of our proposition we continually monitor the service being provided to each client so that any changes can be made to properly reflect individual needs at any given time. The delivery of a positive client experience is integral to the sustainability of service and the success of our business. In meeting our stated objectives we build better relationships, build trust, exceed expectations and ultimately help our clients achieve better financial outcomes.

## Chartered Financial Status

We are extremely proud to be a Chartered Financial Planning firm. To achieve such recognition a firm must achieve and maintain the highest standards of competency and ethical standards, as well as demonstrating professional judgement, objective advice and ongoing service. A copy of the Chartered Financial Planning code is available upon request.



# TREATING CLIENTS FAIRLY

## MISSION STATEMENT

Our objective is to meet the unique needs of each client by offering an efficient and professional service, kept up-to-date by ongoing review. The outcome we are trying to achieve at all times:

1. The fair treatment of clients is central to our culture.
2. We provide our clients with clear information and keep them informed before, during and after any advice is provided.
3. We only give our clients advice which is suitable and takes account of their circumstances and future objectives.

## OUR COMMITMENT

Forte Financial LLP's commitment to all its clients and partners is to provide:

- Most suitable advice
- The highest possible standards of client service
- Client confidentiality
- Delivery of quality: All in all, a continuous advice process in which our clients can totally trust



The Partner Practice is an Appointed Representative of and represents only St. James's Place Wealth Management plc (which is authorised and regulated by the Financial Conduct Authority) for the purpose of advising solely on the Group's wealth management products and services, more details of which are set out on the Group's website [www.sjp.co.uk/products](http://www.sjp.co.uk/products). The title 'Partner Practice' is the marketing term used to describe St. James's Place representatives. Forte Financial LLP is a Limited Liability Partnership registered in England & Wales No. OC377808. Registered Office: 3 Berkeley Mews, London, W1H 7AT. The members of the LLP are Alessandro Forte and Mark Brock.



# CLIENT SUPPORT SERVICES

Each client will agree a set of service standards and support services based upon their needs. These will typically include:

- Monthly/quarterly/half-yearly or annual valuations via email
- Half yearly/yearly wealth accounts
- Quarterly Investor magazine
- Invitations to client events
- Weekly E-Briefing Service
- Access to website and topical news articles
- Online account access and valuations
- Annual report from the investment committee
- Introductions to other professional services as appropriate
- Tax health check
- My documents service
- Guaranteed advice\*
- Full review of assets, liabilities, financial goals and objectives (usually every five years)

\*St. James's Place guarantees the suitability of the advice given by members of the St. James's Place Partnership when recommending any of the wealth management products and services available from companies in the Group, more details of which are set out on the Group's website at [www.sjp.co.uk/products](http://www.sjp.co.uk/products).





# SERVICE STANDARDS

- Telephone calls will normally be answered within five rings
- An answer service will take messages when all phone lines are busy. All messages are checked immediately and returned the same day
- All post is opened and dealt with on the day of receipt
- Written reports or replies to correspondence will be produced within the agreed period unless other arrangements have been made
- All updates, as necessary will be communicated in a timely fashion
- As a Chartered firm, all advisers are knowledgeable and qualified to a high level
- The service we provide our clients is chosen by them; it is entirely bespoke
- We are not perfect. We will therefore acknowledge and rectify any mistakes without delay or advise upon the anticipated timescale where this is not within our control
- We always strive to be punctual for meetings
- We will always notify a client of any reason why we are not able to complete an agreed task.
- Without exception, we will be polite, respectful and helpful
- We will always maintain client confidentiality
- We will promptly act upon any reasonable instructions from a client
- We will continually strive for excellence



# SERVICES AVAILABLE

## **Business:**

- Wealth Management
- Keyperson Cover
- Shareholder Protection
- Income Protection
- Income Protection
- Executive, Group and Auto-Enrolment retirement planning
- Business succession planning
- Corporate investment planning
- Life assurance/critical illness cover

## **Personal Financial Planning:**

- Preserving and building capital
- Life Assurance
- Income Protection
- School Fees Planning
- Mortgages and Mortgage Protection – your home may be repossessed if you do not keep up repayments on your mortgage
- Private Medical Insurance
- Personal Pensions / Drawdown / SIPP / SSASs
- Pre and Post Retirement Planning
- Funding for later life and long-term care
- Inheritance Tax Planning
- Investment Planning advice – ISAs, Bonds, Unit Trusts, access to Discretionary Fund Management through Rowan Dartington, the discretionary fund management and stockbroking arm of St. James's Place
- Tax Mitigation
- Income Tax
- Capital Gains Tax
- Inheritance Tax

The value of an investment with St. James's Place or Rowan Dartington may fall as well as rise. You may get back less than you invested.

The levels and bases of taxation and reliefs from taxation, can change at any time. The value of any tax relief generally depends on individual circumstances.

