



ISA Allowances

Mini & Maxi ISA allowances, the new ISA rules

In order to simplify the ISA Structure, the distinction between Mini & Maxi ISA's has disappeared. Nowadays there's only a distinction between a Cash ISA and a Stocks & Shares ISA.

ISA Allowances & Limits

The limit for a Cash ISA is still £3,600 for most people and the limit for a Stocks & Shares ISA is £7,200. The overall combined ISA allowance is £7,200.

From October 2009, ISA limits were increased for any eligible ISA investors aged 50 or over at any point in the current tax year to £10,200, £5,100 of which can be saved in cash. From 6 April 2010 all eligible ISA investors can benefit from the new ISA limits.

Current ISA Allowances (2009/2010)

If aged under 50 at 5/4/10 (otherwise the limits shown below for 2010/11 apply to you now)

Cash ISA Allowance	£3,600
Stocks & Shares ISA Allowance	£7,200
Overall ISA Allowance	£7,200

New ISA Allowances (2010/2011)

Cash ISA Allowance	£5,100
Stocks & Shares ISA Allowance	£10,200
Overall ISA Allowance	£10,200

Why is Financial Planning Important?

We are aiming to offer this fee based service from May 2010.

Financial planning is not the same as financial advice. It is not a recommendation to purchase a particular product, but an evolving action plan, regularly reviewed to ensure that your goals are met.

The process involves gathering relevant financial information, setting life goals, examining your current financial status and coming up with a strategy or plan on how you can meet your goals, given your current and projected situation.

In practice this strategy will utilise available tax allowances, target liquid assets into appropriate vehicles, ensure your investments are structured correctly and managed professionally. Having created a plan you will be able to understand how each decision you make affects other areas of your finances and you can consider the short and long-term effects on your goals. You can also adapt more easily to life changes and feel more secure that your goals are on track.



Financial planning is not the same as financial advice.

However, the true objective of financial planning is to ensure that this strategy is not neglected and its value is not diminished. Only through regular reviews can you ensure that you remain on track to meet your goals and maximise new ideas and opportunities. If you would like to arrange a convenient time to discuss financial planning in more depth, please do not hesitate to contact us.

Wills and the basics - don't forget where there's a will there's usually a relative

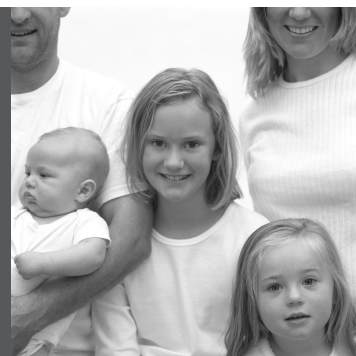
What will happen to your assets after you die? Will those who you care about, and have worked so hard for, be properly supported? These are not the sort of questions most of us like to dwell on. Indeed, statistics point to the fact that over 70% of adults die without a will, of the 30% who have wills 52% are out of date!!!! However, approaching the subject with some help from us and some timely planning can ensure things turn out exactly as you would want.

We work closely with several solicitors and specialist Will Writing companies who have experience in handling the drawing-up of all types of will, from the straightforward to the more unusual and complex, as well as associated trusts. Costs can be modest with the whole process being straightforward and easy to navigate. Part of their

management-care service, assists clients by keeping their wills under regular review.

Should you feel that your will might benefit from a review, or indeed, you require a will to be drawn-up, please contact us.

Will those who you care about, and have worked so hard for, be properly supported?



Low Bonuses may be eroding your Pension Fund

The purpose of your pension is to increase in value over the years until you retire, therefore providing you with as large a retirement income as possible. However, many people have their pension funds invested in With Profits funds, which may be closed or not currently paying bonuses.

If your policy is one of those affected by this problem, the real value of your fund may be effectively decreasing through the impact of charges and inflation. Because of this threat, it is important we review your pension plans to establish whether this situation applies to you. We are in the process of contacting all our clients who we have on record as having a With Profit fund. If, however, you are aware of an old pension about which we don't have the information and you feel there could be a benefit in it being reviewed, please don't hesitate to call. Remaining in these funds could reduce the total funds available at retirement and in turn affect the tax-free lump sum and income payable from your pension.

Considering the above and given market volatility, particularly over the past couple of years, you may have concerns about your personal pension provision when you need to take your retirement income.

The Metlife Retirement Portfolio may be of interest and give you greater peace of mind, since this product offers some certainty over retirement income in the form of guarantees.

- A secure capital option guarantee ensures that you always get back the amount initially invested at your selected retirement date.
- A deferred secure income option allows you to guarantee a minimum future income on retirement and watch it rise by at least 3% each year during the deferred period.
- An immediate secure income option allows you to guarantee your income from the start and benefit from market growth at selected intervals.

As well as having the facility to secure your original investment, you will also have the possibility for the funds to grow by using risk rated portfolios with the potential to lock in investment gains, thereby increasing the secure income or the capital guaranteed at your selected retirement date.

The Perennial - To Contract-in or Contract-out of the State Second Pension (S2P) - *How to Decide?*

Q: What factors should I take into account in my decision?

A: You should consider your attitude to investment risk and whether it is more important to you to maximise your pension or to have the flexibility of taking early retirement and tax-free cash.

Q: What are the main differences in Contracting-in and Contracting-out?

A: The table below sets-out the key differences:

If you contract back in:	If you remain Contracted-out:
You will only be able to receive your State Second Pension benefits when you reach State Pension age, which is currently 65 for men and 60 for women. Legislation has already been passed to increase State Pension age for both men and women (details available).	Benefits from your contracted out Personal Pension can begin at any time you choose after you have reached age 55 (or from age 50 for those who reach this age, and take their benefits, before 6 April 2010).
You will be eligible for State Second Pension benefits in respect of the National Insurance contributions you made for the 2009/2010 tax year and any subsequent years that you are contracted into the State Second Pension. However, the value of the Pension you'll receive will depend upon the benefits available at your State Pension age.	You can normally take up to 25% of the fund value of your Personal Pension as a tax-free lump sum when you take your benefits.
You are only able to contract back in for the current tax year onwards. Payments into your Personal Pension Plan while you were contracted out will remain in your Personal Pension Plan.	However, taking a tax-free lump sum will reduce the amount of pension you will get.
Pension Plan We suppose the big question you must ask yourself is:- Who should I trust, The Government, which could change the goalposts, as they have done in the past, or the markets, which can fall as well as rise? If you would like to discuss the options please call us.	The value of your pension fund will depend upon investment performance and could be more or less than the contributions you have made to your Personal Pension Plan. The level of pension you are paid may be more or less than you could have received if you had remained contracted into S2P (State Second Pension).

Could the freeze on mortgage lending be starting to thaw?

It is beginning to look that way, as a number of lenders have cut their rates over the last few weeks.

In fact, not only are Banks and Building Societies cutting their rates, it is becoming easier to secure a competitive rate with a smaller deposit.

We currently have access to some exclusive 90% mortgage schemes (please be aware that once funds are fully allocated schemes will be removed) which represent real viable options at this level of borrowing, meaning that only a 10% deposit is required.

- 2 & 3 year deals available
- Competitive fees
- First time buyers
- Home movers

However, whilst some lenders are reducing their rates, a number, mainly Building Societies, are actually increasing their variable rates! - Why? - Well Building Societies face a growing cash crisis - In 2009 savers withdrew £7.6 billion more from Building Society accounts, than they deposited. This is the largest amount since records began in 1955, prompting mutuals, which rely on savings to fund mortgages, to increase their Standard Variable Rates (SVR).

It may, therefore, be the time to remortgage - Research by Moneysupermarket, the comparison firm, found 85% of SVR's are now more expensive than the cheapest 2 year fixed-rate mortgage deals.

We currently charge a £180.00 administration fee for mortgages.

Your home may be repossessed if you do not keep up repayments on your mortgage.

Fixed Rate or Tracker?

One question we are asked a lot at the moment is 'which is better a Fixed rate or a Tracker?' likewise we have many clients currently sitting on their lender's Standard Variable Rate and unsure whether to remain there or look to take a fixed rate.

A fixed rate loan will enable you to budget each month, as you will know for a set period exactly how much money will be coming out of your account, regardless of what happens to Interest Rates.



As ever, the mortgage type that best suits your needs is the one you feel the most comfortable with.

The value in a fixed rate may be greater with a longer term fixed rate, as rates are more likely to increase in years 2 and 3 and beyond. Any rises may not be massive, perhaps 0.5% each time. A fixed rate will of course give you peace of mind against these rises.

A Tracker or Variable rate etc. may look attractive now, but if rates start to move, this will of course increase the rate and amount you pay each month, as they are linked to the Bank of England Base Rate. So whilst looking good value at present, it could mean that your payments would rise with any rate increase and could prove expensive longer term.

Lenders reserve the right to increase their Standard Variable Rate at anytime. In fact the Skipton have recently done this.

As ever, the mortgage type that best suits your needs is the one you feel the most comfortable with. We have all the schemes available and it is very easy for us to review all options, cost implications and comparisons with you and identify your best mortgage strategy.

Boiler Scrappage Scheme

The Government announced in its Pre-Budget report that they would be offering vouchers that take £400 off the cost of replacing an old Boiler with a new more efficient one.

Take up of this initiative has been mixed, with 44% of vouchers claimed, meaning that there are 70,000 still available.

The scheme is designed to help households cut their energy bills, reduce CO2 emissions and support thousands of jobs.

People who own their own homes or landlords who rent homes are eligible, but social landlords, housing associations and boiler installers are not.

It is estimated that there are around 3.5 million homes in England with the least efficient types of boiler.

To qualify, households need to have a working G-rated boiler. It is likely to be G-rated if it is more than 15 years old and gas fired.

A permanent pilot light is also a good indicator as to whether it is G-rated and if the boiler is oil fired and more than 25 years old, it is also likely to qualify.



It is estimated that there are around 3.5 million homes in England with the least efficient types of boiler.

Householders aged 60 and under can only apply if the boiler is the main boiler used to heat the home and is in working order. For those aged over 60, the device does not have to work.

For more information contact the Energy Saving Trust on 0800 512 012 or

www.energysavingtrust.org.uk

Investment Insight - Population Growth - Issues and Opportunities

An interesting article by Sam Liddle - Miton Asset Management

With newspapers full of comments from pundits giving their views for financial markets in 2010, all were concerned with short-term issues such as the implications of a hung Parliament at this year's general election in the UK or the ending of Quantitative Easing.

But one television programme, David Attenborough's "How Many People Can Live on Planet Earth" reminded me of the need to lift my head from short-term issues to re-focus on some of the more important, longer-term influences on global financial markets.

Attenborough was born in 1926, at which point there were 2 billion people on earth. There are now nearly 7 billion. In planetary terms this has happened in the blink of an eye. It is estimated that the world's population will rise to more than 9.5 billion by 2050 and it will require 2 earths to sustain it.

The global population began its fast growth about 300 years ago and the rate has continued to accelerate ever since. By year 2000 there was a net gain of 3 new people every second. Showing no signs of levelling out anytime soon, it's valid to consider what the annual rate of population growth might be based on growth in the first half of the 21st century of 2.5 billion. The answer is that we can expect 54 million more people to occupy the planet each year.

The earth is a "closed system" meaning that we have to recycle or store all of the wastes we produce and we only have one planet's worth of land and water to provide resources for agriculture, energy and other needs. How well we manage resource use and pollution, depends on the number of people on the planet, the average amount of resources available (per person) and the average amount of pollution produced. In terms of pollution, the health of the planet is related to how much resource each person uses. The total impact we have on the planet, therefore, is roughly the total number of people times the average standard of living - referred to as the "ecological footprint".

At today's rates of pollution and consumption, it is already estimated that the current population of the world is unsustainable and this can only be exacerbated by another 2.5 billion people over the next 50 years, all quite justifiably hoping to improve their standard of living.

Today, about a third of the world's population suffers from water shortages and poor-quality drinking water. It's one of the biggest factors that could hold both India and China back, in their quests to become the world's next economic superpowers.

There's a limited supply of drinkable water in the world and a lot of the trouble is that it's not found in the same places as the people who need it. Population growth and the increasing wealth of people in developing countries means demand for water and more water-intensive food, such as meat is only going to grow. This is compounded by the fact that the supply of drinkable water is limited and a lot of it is in countries other than those that have the greatest need of it. So water is one of the most compelling supply and demand investment stories for the long-term and has been a core theme in both DF Miton Global Growth and CF Miton Global Income for a number of years.

Over the next 5 years, China will spend US \$125 billion on its water infrastructure. This opens up China to foreign investments and the funds in which we have investments look for companies set to benefit from Chinese water demand such as Hendrx Corporation, a water technology company that provides water generation, filtration, ionisation and purification. Also WaterBank of America, which makes bottled water and hygienic ready to freeze ice cubes known as ICEROCKS. These products offer an alternative to unsafe water supplies and complement Beijing's efforts to upgrade the country's water resources.

Other companies likely to benefit from China's water industry are large European firms like Veolia Environment that have already penetrated the water sector in China and water-solution companies domiciled in China, Singapore, Japan and Korea.

China's problems with water supply cannot be overstated, less than 15% of China's 1.3 billion people access safe drinking water from a tap and research from Aqua Terra Asset Management shows that 2 thirds of China's 600 largest cities don't have enough water. Half of these cities have severely polluted groundwater while a quarter suffers critical water shortages. China's north eastern provinces have it the worst, where half of China's population has to live on only 14% of China's water resources.

Continued overleaf

Investment Insight - Population Growth - Issues and Opportunities *continued*

Water shortages are not limited to China - in 2010 planned water deliveries to irrigation districts and cities in California will be cut to just 5% of their contracted allotments. The State has a water shortage due to drought and environmental restrictions. The State Water Resources Dept. typically ends up supplying more water than first projected for an upcoming year, but this 5% initial allocation is the smallest since the agency began delivering water in 1967.

University of California say that drastic cutbacks in water supplies have caused some 23,000 farm workers to lose their jobs and left 300,000 acres of cropland in California uncultivated. Water rates have been raised and rationing imposed.

Bearing in mind the enormous environmental costs associated with growing demands in water as an essential resource, the development of innovative solutions leading to more efficient use of water is not only important for human survival but financially attractive as well.

Over the last 10 years the rapid expansion of emerging economies has made the whole world aware that we're getting down to the margins of fundamental needs like food, energy, land and water. Oil prices spiked in 2008, as demand seemed certain to soak up supply for the foreseeable future and this hiked the prices of everything from food to building materials. At the same time, China sought to secure its future resource supply, snapping up hard assets wherever it could around the globe.

So population growth and the increasing wealth of more populated countries is behind the boom in demand for all natural resources which is an investment theme from which the CF Miton Global Growth Portfolio in particular has benefitted but it also has an impact in other areas.

Healthcare is a sector likely to see expansion influenced by population growth and an ageing population. Again, this is a sector in which we invest our Global Growth and Global Income Portfolios.

A fast growing and ageing global population has a practical, as well as financial impact on healthcare provision. The growing need to design sustainable healthcare facilities and better planning of healthcare buildings to cater for future, as well as current demands are key drivers of investment returns in the healthcare sector.

Globalisation has brought dramatic change in many major industries and healthcare is no exception. Educated consumers, a greater number of highly trained doctors, the expanding middle class in developing countries and public health bodies that are struggling to meet the needs and expectations of patients, are some of the forces behind the demand for globalisation in healthcare.

Also infrastructure development has lagged the rate of urbanisation in emerging countries, leading to poor living conditions, including overcrowding, poor sanitation and air quality and high accident and fatality levels.

Improving living conditions requires improvements in the provision of healthcare, which in turn requires significant investment. The spend on healthcare varies enormously from country to country, but it is apparent that the current total level of funding is far too low to provide the required quality of healthcare.

Much of the responsibility for funding healthcare provision is being passed to the private sector and to individuals and although this is creating a two-tier system, with a base level public system and a broader, higher quality service for those who can pay, it is this shift from government funding to private, that provides the investment opportunity.

Although population growth is the root of many of the world's problems, it is also the root of many investment opportunities. More people need more food, more water, more energy, more infrastructure and more (and better) healthcare and education all of which need more funding and provide opportunities for investors. This seems a somewhat cynical or exploitative note on which to end, so I'd rather finish with a comment on the social issues.

Population control should have been the central topic of the Copenhagen summit in December, but it's a no-go area for environmentalists. One reason is because, when we in the West speak of population control, we're really referring to people in developing countries, not us. We would like them to have fewer children, but that's a taboo subject, so we ignore the truth and absorb ourselves in the side effects of over-population; the destruction of rainforests, urban sprawl, slums, water pollution or immigrants fleeing their parched homelands. - Food for thought indeed!

We Appreciate All Your Help!

Nearly all our new clients are referred to us from our existing ones, for which we are always extremely grateful. If you come across anyone who you feel may benefit from some independent advice, please do not hesitate to recommend our services.

When dealing with referrals we can assure you of the three following points:

1. Absolute confidentiality - we will never discuss your finances with anyone
2. Professionalism - we will never behave in a way that would cause you to regret the recommendation
3. To keep you informed - only if your referral becomes a client

If they proceed and we write business with them, we will send you a £25 Marks and Spencer's voucher as a huge thank you.

We hope you find this a useful and informative read. With our constant strive for excellence in customer service we always appreciate to hear your feedback, whether good or bad.

Aaron Tawny Mortgages Ltd is Authorised and Regulated by the Financial Services Authority
The Financial Services Authority does not regulate: Deposit Accountants, Will Writing & Finance



To detach please cut along dotted line

If you would like more information on any of the following areas, please tick the relevant section, fill in your details and send this back to us at:

Aaron Tawny Mortgages Ltd. 6 Market Place, Kettering, Northants, NN16 0AL

- | | | |
|---|---|------------------------------------|
| <input type="checkbox"/> ISA allowances | <input type="checkbox"/> Financial Planning | <input type="checkbox"/> Mortgages |
| <input type="checkbox"/> Wills | <input type="checkbox"/> RBS Autopilot Plan | <input type="checkbox"/> Pensions |

Name: Address:

Telephone: Email:

Your financial needs: How we can help

All of our advisers are trained to offer unbiased, jargon-free advice on any of these areas:

- Pensions
- Inheritance Planning
- Pre & Post Retirement Planning
- Equity Release/Home Reversion Schemes
- Life Assurance/Income Protection
- Investments
- Mortgages/Re-Mortgages/Buy to Lets
- Commercial Mortgages
- Business Protection
- Financial Planning

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