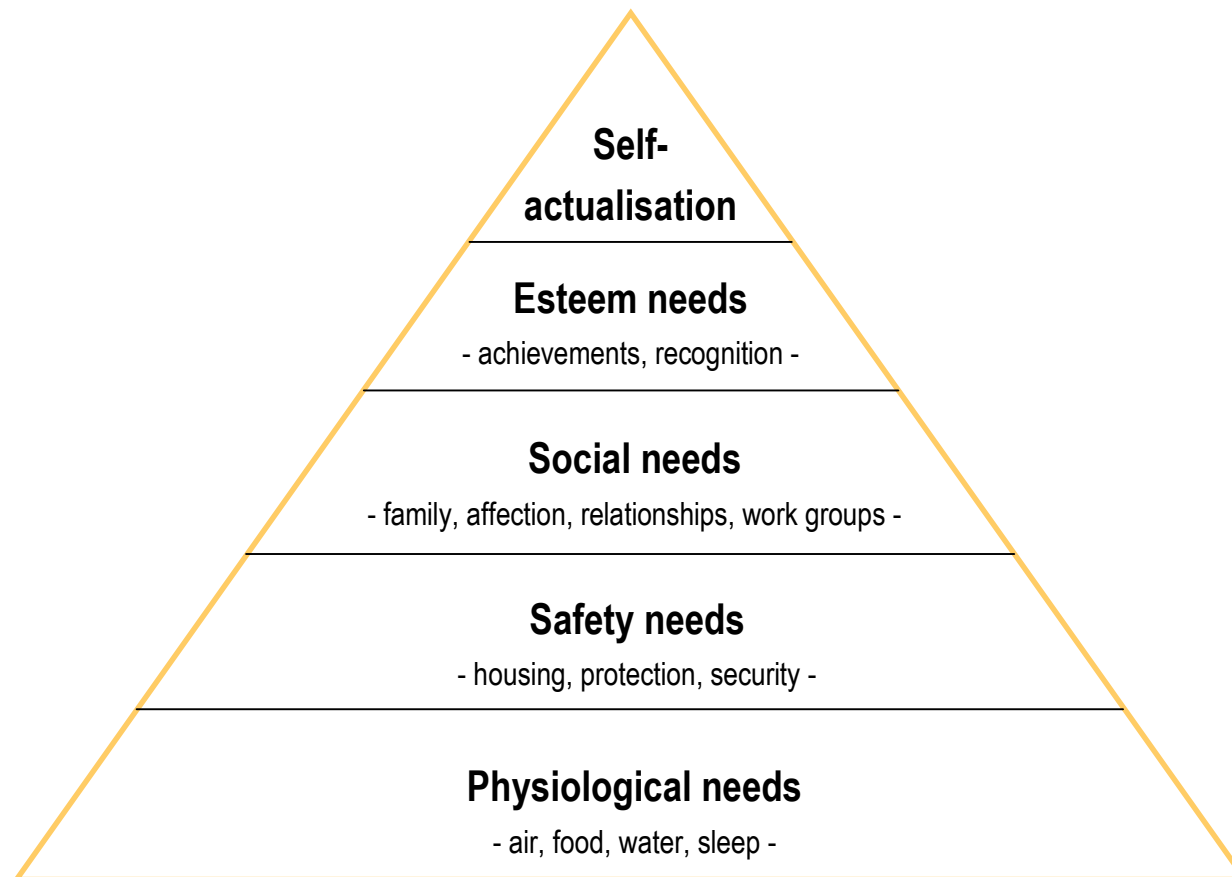

Financial planning - an introduction

Introduction

- Financial security provides confidence and freedom
- Good preparation maximises the opportunity
 - Step by step process
- Priorities reflect motivations
 - Fulfilling your basic needs
 - Protecting your position
 - Protecting your future
 - Achieving your dreams
- Translate into your personalised plan

Maslow's hierarchy of needs

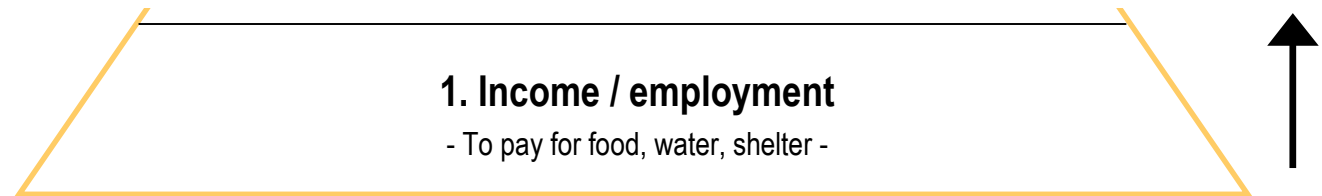


The theory:

We are motivated by needs which have evolved over tens of thousands of years. These must each be satisfied in turn - only when the basic needs are satisfied can we move on to the next level.

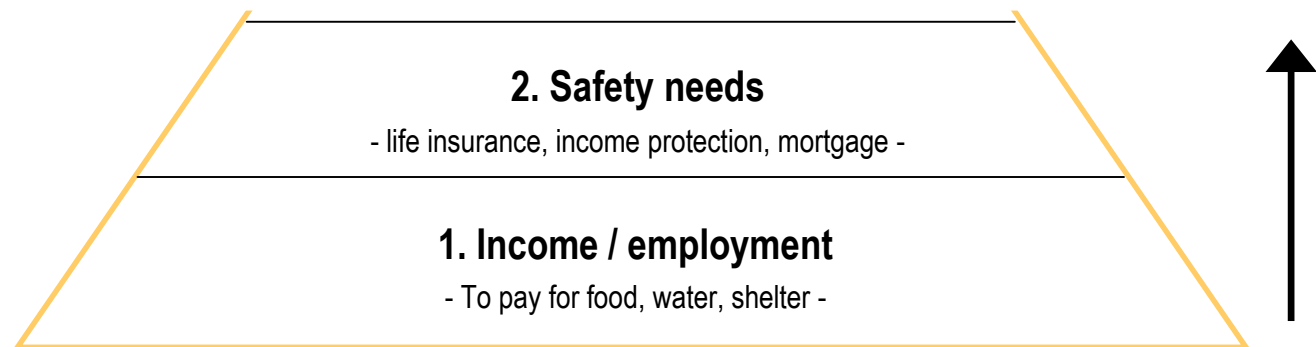
Financial needs – basic needs

- First priority – income
- To pay for the basic requirements
 - Food, shelter, water, clothes, etc
- Cannot move on to higher needs until this basic requirement is satisfied



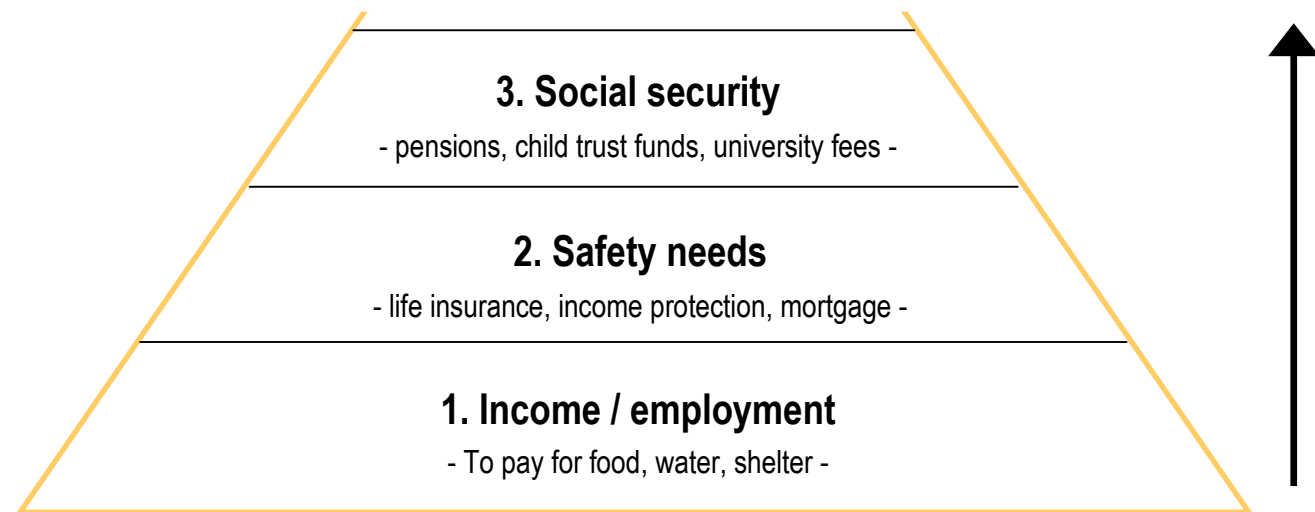
Financial needs – secure your position

- Short term needs – deposit account savings
- Safety needs – protect that income against the unforeseen
 - Income protection to cover inability to work
 - Life insurance to protect dependents
- A mortgage to buy your own ‘shelter’



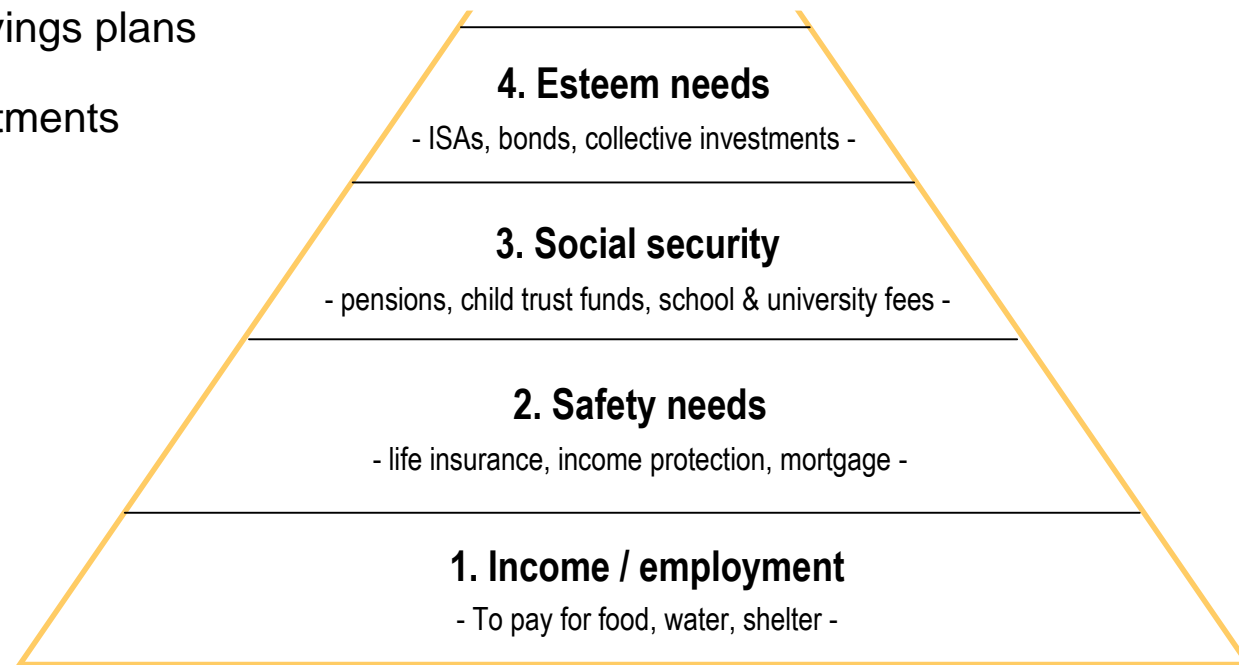
Financial needs – secure your future

- Invest to cover known requirements
 - Pensions for retirement income
 - Child trust funds for dependents
 - Consider university costs



Financial needs – treat yourself

- Invest for the luxuries
 - Holidays, cars, early retirement
- Tax efficient savings plans
- Collective investments



Financial needs - achieve your dreams

- Increase your wealth
 - Invest to maximise return
 - Consider satellite investments
- Protect your wealth for dependents
 - Trusts, IHT planning

