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ARTHUR BEVERLY FINANCIAL MANAGEMENT

I n d e p e n d e n t F i n a n c i a l A d v i s e r s

The *A.B.F.M* Lifetime Plan

An Introduction to the Key Concepts

This Paper has been prepared

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“An Aid To Self Organisation And Financial Planning”

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The ABFM Lifetime Plan is a step-by-step process to help business owners and other successful individuals:

- Become and remain financially well organised
- Determine their lifetime goals
- Create a personal lifetime cash flow plan so that they can
 - Achieve those goals
 - Be more confident they will never run out of money, even in the face of certain foreseeable obstacles or catastrophes
 - Control their tax liabilities and altogether have a more certain and secure future.

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The *ABFM* Lifetime Plan

Producing The ABFM Lifetime Plan is a detailed and in-depth exercise. Most of the work, however, is done by my team and myself at our offices.

Although there are ten steps, only three steps require a meeting with you. These meeting steps are Steps 1, 2 and 8 respectively.



Step 1

Complete the ABFM Lifetime Plan Starter Kit

The first step in the ABFM Lifetime Plan is to complete the ABFM Lifetime Plan Starter Kit. This consists of 14 mind-stretching questions that will help you clarify whether or not the ABFM Lifetime Plan is right for you.

There is no fee for completing Step 1 of the ABFM Lifetime Plan. It is entirely at our cost and without obligation.



Step 2

Attend the ABFM Lifetime Plan Workshop

The next step is a no obligation individual ABFM Lifetime Plan Workshop with me. This will help you clarify exactly where you are now, so that we can begin working together to get from where you are now to where you want to be.

We will build the first draft of your ABFM Lifetime Plan

This will help you to:

have a clear and detailed summary of your financial arrangements

become more financially well organised

define your family's version of 'the good life' and begin working on achieving it

enjoy the benefits of your desired lifestyle without worrying about whether you have sufficient financial resources to continue enjoying it

work towards achieving and maintaining financial independence

never have to worry about running out of money

ensure adequate provision is made for the financial effect of the death or disablement of yourself or spouse

never have to worry about finances during such a distressing period

plan to minimise your tax liabilities

only paying tax that is legally required and absolutely necessary

produce an analysis of your expenditure assumptions, balancing your cash inflows & desired cash outflows

enjoy the lifestyle you desire today without worrying whether this might compromise the lifestyle you wish to enjoy in the future

estimate future cash flow on realistic assumptions

reach your financial goals at the time you plan

develop an investment strategy for your capital and surplus income in accordance with risk/reward, flexibility and accessibility standards with which you are comfortable

enjoy the benefits of future investment growth without sacrificing the enjoyment of your present lifestyle

become aware of the tax issues that are likely to arise on the death of yourself and your spouse

choose who you wish to benefit, and not inadvertently make Revenue & Customs the greatest beneficiary of your estate

decide how best to structure your charitable giving

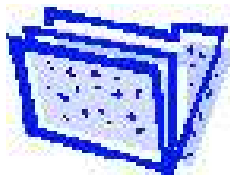
know your gifts are being used in the way you wish

The first draft of your ABFM Lifetime Plan will start to give you a feeling for where you are going and some of the actions you may need to take to achieve the goals that are important to you. At the end of our meeting you will review this draft of your ABFM Lifetime Plan and decide whether or not you wish to retain me, together with my team, to help you through the ABFM Lifetime Plan.

If you decide you do not wish to proceed to Step 3 you will not be required to pay for the steps I have helped you take so far. I will delete your ABFM Lifetime Plan so that you can be reassured we are not retaining any of your personal and confidential information.

If you like your ABFM Lifetime Plan and want to take advantage of the benefits of the ABFM Lifetime Plan, I will invite you to join a ABFM Lifetime Plan programme.

I will then give you a full list of all the documents we will need to begin preparing your full Plan, some of which are listed below.



Step 3

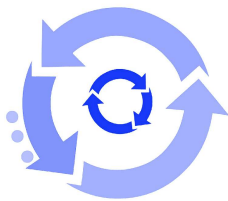
Collect The Documentation

Your dedicated Client Account Manager will collect from you any documents that are available from you. We recognise these are important, confidential and valuable documents so we never rely on the post to complete this step. Your Client Account Manager will photocopy the documents at our office and then personally return them to you. Any documents that are not available from you but which may be available from external agencies, such as insurance companies, can be obtained by us with your assistance by signing a Letter of Authority permitting the release of the relevant information.

These documents will include

- Your will
- Your spouse's will
- The latest valuations you have for your investment assets such as

- o ISAs
- o OEICS and Unit Trusts
- o Venture Capital Trusts
- o Shares
- o Bonds
- o Government Securities
- o Investment Properties
- Details of any relevant trust arrangement
- The most recent statement you have for each of your pension policies
- Policy Documents including
 - o Life Assurance
 - o Critical Illness Assurance
 - o Permanent Health Assurance
 - o Private Medical Insurance



Step 4

Fine Tune The First Draft of Your ABFM Lifetime Plan

I will review the first draft of your ABFM Lifetime Plan with my team, enter the information from the documentation you have provided, and tidy it up where necessary.

One of my team may occasionally need to telephone or e-mail you to clarify some details during this step, although we will try to keep this to a minimum.



Step 5

Confirm the Background Information

We will confirm with you the background information and assumptions used in your ABFM Lifetime Plan. You can change any of the assumptions, or change or add any information you wish.



Step 6

Build Your ABFM Lifetime Plan

With your permission, and where it appears necessary, we will contact the companies who provided you the documentation you have supplied and obtain up to date valuations for you.

We will build your ABFM Lifetime Plan from both this information and any changes or additions you have made.



Step 7

Add The Steps to Your ABFM Lifetime Plan

I will work out what steps you may need to take in order to achieve your goals.



Step 8

Review Your ABFM Lifetime Plan

Now that we have completed your current ABFM Lifetime Plan, and it reflects all the information you have supplied and we have gathered, I will meet with you again to review it with you.

We will look in detail at:

- where you are now;
- where you want to be, and;
- the actions you need to take in order to reach your goals.



Step 9

Implement the Strategies

Before our next review meeting the strategies we have agreed should be implemented. We have various tools which can be used to help with this (see ABFM Lifetime Toolbox). Each ABFM Lifetime Tool has its own cost structure, outlined in the ABFM Lifetime Toolbox.



Step 10

Regular Reviews

We will meet at regular intervals to review your ABFM Lifetime Plan and to help you keep on track. Clients usually find an 18 month review meeting is sufficient for this purpose.

The *ABFM* Lifetime Plan Programmes

We offer three ABFM Lifetime Plan Programmes, each of which is designed to keep your ABFM Lifetime Plan fully reviewed and up to date, and to keep you on track to achieve your goals.

The Basic *ABFM* Lifetime Plan

The Basic ABFM Lifetime Plan is for those clients who want regular meetings to help them review their plans and achieve their goals. The Service will comprise

- Regular review meetings normally every 18 months
- Unlimited telephone & email access
- Recommending suitable professionals as other needs arise
- The portfolio construction service using a scientific risk profiling methodology to design a suitable asset allocation
- Written portfolio valuations on request
- The priority response service providing phone calls and emails returned within 48 hours (except during holiday periods)
- The pensions service including the pensions performance review programme

The Standard

ABFM **Lifetime Plan**

The Standard ABFM Lifetime Plan is for those clients who need more frequent regular meetings to help them achieve their goals. The Service will comprise

- Regular review meetings normally every 12 months
- Unlimited telephone & email access
- Recommending suitable professionals as other needs arise
- The portfolio construction service using a scientific risk profiling methodology to design a suitable asset allocation
- The portfolio management service providing online access to portfolio valuations, portfolio monitoring and re-weighting of asset allocation to benchmark.
- Written portfolio valuations on request
- The priority response service providing phone calls and emails returned within 24 hours (except during holiday periods)
- The inheritance tax & estate planning service in conjunction with your legal and other trust advisers
- The pensions service including the pensions performance review programme

The Master *ABFM* Lifetime Plan

The Master ABFM Lifetime Plan is for those clients who need or want more regular meetings and more support from myself and my team to help them achieve their goals. The Service will comprise

- Regular review meetings
- Unlimited telephone & email access
- Unlimited face to face access to your adviser between review dates
- The professionals service providing strategic updates to your accountant & any other professional advisers
- Recommending suitable professionals as other needs arise
- The portfolio construction service using a scientific risk profiling methodology to design a suitable asset allocation
- The portfolio management service providing online access to portfolio valuations, portfolio monitoring and re-weighting of asset allocation to benchmark.
- Written portfolio valuations on request
- The priority response service providing phone calls and emails returned within 24 hours (except during holiday periods)
- The remove the hassle service taking the complexity and hassle out of administering your financial life.
- The second opinion service being available to consider new ideas from whatever source they may originate
- The inheritance tax & estate planning service in conjunction with your legal and other trust advisers
- The taxation planning service in conjunction with your accountant and other taxation advisers
- The pensions service including the pensions performance review programme

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The *ABFM* Lifetime Plan Toolbox

We have listed below some of the most popular ABFM Lifetime Plan Tools.

Catastrophe Planning Tool

Catastrophe Planning is an important step in the ABFM Lifetime Plan process. This step allows you to foresee possible events which could prevent you achieving your goals and take preventative actions to counter the effects of those events.

The Catastrophe Planning Tool may involve the use of life insurance, critical illness insurance or permanent health insurance.

Insurance products would typically generate commission which we would use to offset any fee which would normally be payable. The Catastrophe Planning Tool will therefore usually carry no additional fee.

Asset Shelter Tool

Assets which are not sheltered are vulnerable to unfair attack. This vulnerability increases as the value of your assets increases. Such attacks may come from Revenue & Customs – for example through changes in legislation giving them an even greater share of the capital and/or income. Or they may come from potential creditors – who may have deliberately “manufactured” a liability in order to gain access to your wealth.

We have created the Asset Shelter Tool to help you protect your assets from such unfair and unwarranted attacks. This tool is completely bespoke, and will be designed specifically to suit your particular circumstances.

The fee for the Asset Shelter Tool will depend on the bespoke structure, and will be advised to you at the time the Tool is recommended. Depending on the size and nature of the assets we may be able to offset some or all of this fee through commission.

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Performance Review Tools

Implementing the right investment strategy is normally a vital step in the ABFM Lifetime Plan process. The ABFM Lifetime Plan Tools we may use to help you achieve this are the Pension Performance Review or the Investment Performance Review...

We charge an initial 3% of the asset value to implement the Tool, including helping you set up the most appropriate tax strategy for this. There is then a charge of 1/12% per month to provide ongoing investment advice, including giving you a quarterly performance report with recommendations for any switching or rebalancing required.

Other Fees

If your affairs are more complex than normal I reserve the right to discuss a higher level of fees and retainers for your Programme. This will always be discussed and agreed in advance.

Total ABFM Lifetime Plan members are not subject to any of these additional or higher fees.

Moving Between The ABFM Lifetime Plan Programmes

You may move between Programmes, up or down, as appropriate without incurring an additional joining fee.

Withdrawing from the ABFM Lifetime Plan

You may withdraw from the ABFM Lifetime Plan at any time simply by writing to advise us that you no longer require the service, and by cancelling your Standing Order with your bank.

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Background

Arthur Beverly has been a successful financial adviser since 1986, prior to which he was a Chartered Quantity Surveyor.

In 1995 he became an Independent Financial Adviser, having previously been involved in direct sales of financial products. Since then he has concentrated principally on advising Controlling Shareholders, Company Directors and Senior Executives, as well as other wealthy and successful individuals.

Arthur has been an active member of the Personal Finance Society (PFS), formerly the Life Insurance Association (LIA), for the last 18 years, serving at both local and national level.

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