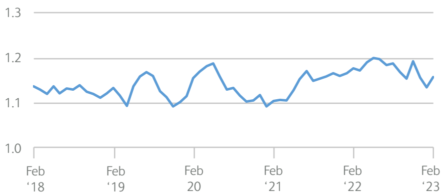
Metritá
WEALTH MANAGEMENT

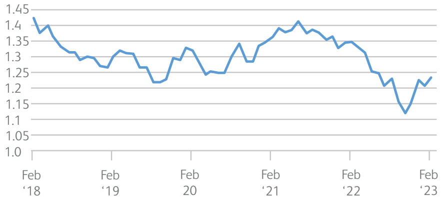
financial Newsletter

Edition 41 – 2023

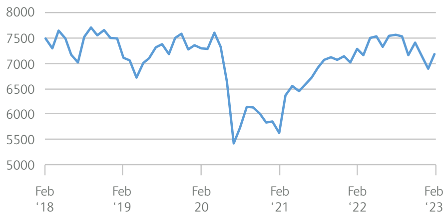
What is the British Pound worth vs. the Euro?



What is the British Pound worth vs. the US Dollar?



FTSE 100 Chart



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Bank of England Base Rate

The Bank of England Base Rate is currently 4% – February 2023

Inflation

Inflation at 8.8% – January 2023

Cost of Living Latest Insights

Inflation continues to ease, but food price rises remain at record highs

- The price of consumer goods and services bought in the UK rose by 9.2% in the year to December 2022, as annual inflation eased for the second consecutive month.
- This is according to the Consumer Prices Index including owner occupiers' housing costs (CPIH), which has been falling from a 40-year high of 9.6% in the year to October 2022.
- The annual inflation rate has generally been rising since February 2021, but the recent easing has been driven by lower price rises in transport, particularly motor fuel.
- The price of motor fuel rose 11.5% in the year to December 2022, down from a high of 43.7% in the year to July 2022.
- Inflationary pressures in recent months have largely been driven by higher food and energy prices.
- Prices of food and non-alcoholic beverages in the UK rose by 16.9% in the year to December 2022. This rate has risen for the last 17 consecutive months, from negative 0.6% in July 2021.
- Electricity prices in the UK rose by 65.4% and gas prices by 128.9% in the year to December2022, remaining the same rate as the previous month.
- The cost of passenger travel has risen sharply, partly offsetting the reductions in motor fuel inflation.
- The annual inflation rate for passenger transport by road rose by 11.3% in the year to December 2022 (largely because of coach fares) and 44.1% for passenger transport by air The inflation rate for passenger transport by air is the largest recorded rate for this class since at least January 1989, when our constructed series begins.

Employment

- September to November 2022 estimates show an increase in the unemployment rate compared with the previous three-month period (June to August 2022) and a decrease in the economic inactivity rate, while the employment rate remained largely unchanged.
- The UK unemployment rate was estimated at 3.7%, 0.2 percentage points higher than the previous three-month period and 0.3 percentage points below pre-coronavirus levels.
- The number of vacancies in October to December 2022 was 1,161,000, a decrease of 75,000 from July to September 2022. Despite six consecutive quarterly falls, the number of vacancies remains at historically high levels. The fall in the number of vacancies reflects uncertainty across industries, as survey respondents continue to cite economic pressures as a factor in holding back on recruitment.
- The number of pay-rolled employees continued to rise in all regions; comparing December 2022 with the same period of the previous year, increases in pay-rolled employees ranged from 3.6 percentage points in London to 1.8 percentage points in the North West.
- For the three months ending November 2022, the highest employment rate estimate in the UK was in the South West (79.3%) and the lowest was in Northern Ireland (71.3%); Scotland (76.1%) saw a record high employment rate.
- There were 467,000 working days lost because of labour disputes in November 2022, which is the highest since November 2011.

2

Income Options At Retirement Explained

Whether you plan to retire fully, to cut back your hours gradually or to carry on working for longer, you can now tailor when and how you use your pensions to fit with your particular retirement journey.

It's a misconception that all pensions will automatically pay you an income when you reach retirement age. Any final salary / defined benefit pension schemes that you might have will start to pay you an income (guaranteed for life) in line with the rules and dates set by the scheme. But with any personal or defined contribution workplace pensions you have, you'll have to make some conscious decisions about how to convert your pension savings into a retirement income.

Some options may include the following:

- Buy a guaranteed income for life (an annuity)
- Take a flexible retirement income (drawdown)
- Take a tax-free lump sum (or series of lump sums) and leave the rest invested in a fund for future use (drawdown)
- Take your whole pot(s) as cash
- Mix your options with a combination of any of the above.

*If you take a lump sum from your pension, up to 25% will be tax free, further lump sums will be taxable.

What is an annuity?

An annuity is a type of insurance product that, in exchange for some or all of your pension savings, guarantees to pay you an income for the rest of your life

The benefits of an annuity

- You don't have to worry about your income stopping or monitoring the performance of your investments.
- You can be secure in the knowledge that your income will be paid throughout your life regardless of how long you live.
- There are a range of options you can include to provide benefits on your death or to protect your income against inflation.
- If you're in poor health, or lead a lifestyle that could shorten your life expectancy, you could receive a higher income.

The risks associated with an annuity

- Once you've bought a lifetime annuity, it's an irreversible decision. You can't cash it in later or transfer it to another company.
- You can't vary the income you receive if your circumstances change.
- You can choose to inflation proof your income, but if you don't, the money you receive on a regular basis is likely to buy less in the future.

What happens when you die

When you die your payments will stop, but when you purchase the annuity, you can add options to protect your loved ones. The main options you can add are:

- Value protection. This provides a lump sum to a beneficiary or your estate when you die. This amount depends on the percentage you protect, whether you've combined with a dependant's pension and how much income has been paid when you die.
- Guarantee period. This means that income payments could continue to be paid for a specific time period.
- Dependant's Income. Part or all of your income payments can continue to be paid after your death to your spouse, partner or other dependant.

What is income drawdown?

An alternative to buying a guaranteed income for life is to consider 'drawdown'. This means your pension pot remains invested in funds of your choice and you can withdraw however much you want, whenever you want it. This has obvious attractions, but there are also risks.

The benefits of drawdown

- You can take a cash lump sum – up to 25% of which is tax free – without having to take any income.
- The rest of your pension pot can remain invested until you're ready to draw an income.
- There are no limits on how much income you can take.
- At any time, you can transfer the money in your pension pot to provide a guaranteed income for life.
- On your death, any money left in your fund can be paid to your family or your estate.

The risks of drawdown

- Your money is invested in funds that could include equities and other investments that can fall in value.
- If investment performance is poor, it may reduce the amount of income you can take.
- If you take too much income you could run out of money.
- The performance of your investment and the amount of income you take should be reviewed and managed on a regular basis.

If you die before the age of 75, the money remaining in your fund will be paid tax-free either as a lump sum or, if the plan allows it, in the form of an income to your beneficiaries / estate.

If you would like to find out more about your income options at retirement, please speak to your professional 2plan financial adviser who will be more than happy to help.

Author: Just

VCTs – The Ins and Outs

Venture Capital Trusts (VCTs) have become a valuable part of many clients' portfolios. Where investors use their full ISA allowance and are restricted in making pension contributions, and are comfortable with the associated risks, VCTs can offer a complementary way to invest for the future tax-efficiently. But what exactly are VCTs, and how do they work?

A VCT is a publicly listed investment company that is run by an investment manager. VCTs were introduced by the government in 1995, and they aim to generate returns for investors by investing in early-stage, high-growth businesses to help them flourish. It's important to note that investing in small, early-stage companies is high-risk. The value of a VCT investment, and any income from it, can fall as well as rise and investors may not get back the full amount they invest.

Because of the additional risks, investors can claim attractive tax reliefs, acting as an incentive to invest in these early-stage businesses. Under the current rules, a VCT investor can claim up to 30% upfront income tax relief on their investment, with a maximum annual allowance of £200,000 per tax year. Importantly, capital gains and dividends are also tax free. You should remember, however, that if you were to sell your shares within five years, you would be required to pay back the upfront income tax relief claimed. In addition, tax treatment depends on individual circumstances and tax rules could change in the future. Tax reliefs depend on the VCT maintaining its qualifying status.

One of the benefits of investing in an established VCT is investors have immediate access to an existing portfolio of companies.

VCTs fall into the following categories:

Generalist VCTs
Around 75% of all VCTs belong to this category. Generalist VCTs invest in companies spread across a range of different sectors, though some will have a specific strategy, for example towards technology enabled businesses or investing across sustainability themes.

AIM VCTs
VCT-qualifying shares listed on AIM have a daily market price and must meet certain regulatory requirements to continue to be listed.

Specialist VCTs
Specialist VCTs have much more focused investment objectives. They invest in specific industry sectors, from biotechnology to energy infrastructure.

> Octopus is a group of entrepreneurs and investors united by a common goal: backing the people, ideas and industries that aim to change the world. Our family of businesses are active in areas including energy, financial coaching and investments and wealth management.

Octopus Investments is the UK's largest provider of VCTs. You might have heard of many of the companies Octopus has backed including the unicorns (companies valued at $1bn or more) such as Zoopla, ManyPets and Depop. With the general tax burden increasing, a growing number of investors are interested in diversifying their investment portfolio by investing in businesses that are looking to innovate and disrupt their respective industries.

How VCTs can enable tax-efficient investment?

The freezing of lifetime pension allowances has led to many investors looking at VCTs as an additional tax efficient investment opportunity.

This allowance is currently frozen at £1,073,100 until 2026, meaning that the lifetime allowance promises to remain a material constraint on tax-efficient pension saving for many people in the medium term.

For business owners, reduced dividend allowances mean that entrepreneurs who choose to pay themselves through dividends will face higher tax bills if they want to take the same amount out of a business. Investing in a VCT could be a way to offset this, therefore helping investors extract money from a business in a tax-efficient manner.

Similarly, for some landlords, a VCT investment may be a way to offset some of the tax they pay on their rental income. This has become even more important considering changes to mortgage interest tax relief over the last few years.

It's important to note, the share price of smaller companies can go up and down more sharply than those of companies listed on the London Stock Exchange's main market. Also, VCTs are unlikely to be suitable for investors who may require access to their investment, as they can be difficult to sell.

VCTs and Enterprise Investment Schemes (EIS)

While VCTs and EIS both allow an investor to claim upfront income tax relief for investing in smaller companies, they are very different investments.

A key difference between these tax-efficient investments is their structure. While VCTs are listed investment companies which then pools money into a portfolio of early-stage businesses in a fund-like structure, an EIS investment involves direct ownership of shares in the underlying business.

This means a portfolio of EIS investments is often more highly concentrated in a smaller number of companies than a VCT, so performance will be more sensitive to the success and/or failure of these investments than if the portfolio of investments was greater in number.

Author: Octopus Investments Limited

Final thoughts

VCTs represent an interesting way to diversify a portfolio, accessing investment opportunities in up-and-coming British businesses with exciting and transformational potential. Of course, not every smaller company investment will be a success story and it's important to be fully aware of the risks, as this type of investment will not be suitable for everyone.

Personal opinions may change and should not be seen as advice or recommendation. We do not offer investment or tax advice and investors should read the product brochure before deciding to invest. This can be found at octopusinvestments.com

Don't invest unless you're prepared to lose all the money you invest. This is a high-risk investment. You may not be able to access your money easily and are unlikely to be protected if something goes wrong.

Putting Life Insurance In Trust

Writing life insurance in trust is one of the best ways to protect your family's future in the event of your death. Your life insurance policy is a significant asset, and by putting life insurance in trust you can manage the way your beneficiaries receive their inheritance. Here, we take you through the benefits of life insurance trusts, how the process works, who's involved and the other considerations.

What is a trust?

Trusts are a straightforward legal arrangement that let you leave assets to friends, relatives or whoever you pick to be your beneficiaries. A trust is managed by one or more trustees – family members, friends, or a legal professional – until the trust pays out to your beneficiaries, which can either happen upon your death, or on a specified date such as when a child turns 18.

Your life insurance policy can be put into a trust, which is often referred to as 'writing life insurance in trust'. One of the main benefits of this approach is that the value of your policy is generally not considered part of your estate.

How does putting life insurance in trust work?

You will need to decide which type of trust is right for you. Your options are:

- Discretionary Trusts – your trustees have a high level of discretion about which beneficiaries to pay when you're no longer around, using your letter of wishes as a guide. Your letter of wishes outlines your intentions as to how trustees should administer the trust.

- A Flexible Trust - is a trust where there are two types of beneficiaries. The first type of beneficiary is the default beneficiary. These beneficiaries are entitled to any income from the trust as it arises. In practice, if the life policy is the only asset in the trust there will not be any income. The second type of beneficiary is the discretionary beneficiary.

  These discretionary beneficiaries only receive capital or income from the trust if the trustees make appointments to them during the trust period. If no appointments are made by the end of the trust period, the default beneficiaries will receive all the benefits.

- Survivor's Discretionary Trust – this form of joint life insurance in trust pays out to the surviving policy owner; for example, if you die before your partner, they would be entitled to inherit your policy before your beneficiaries. If both policy owners die within 30 days of one another, your beneficiaries can benefit on the same basis as a Discretionary Trust.

- Absolute Trust – in this scenario, the beneficiaries are named individuals who cannot be changed in the future. This includes any children born later and a spouse following a divorce. The advantage of an Absolute Trust is that the pay-outs can be made quickly without long legal delays, and as with other trusts, the Inheritance Tax is likely to be nil or negligible.

Once your trust is set up, your trustees legally own the policy and must keep the trust deed safe – they can ask a solicitor to store the documents or find a safe place in their home. Your trustees will ultimately make a claim to your insurer when you pass away, so they will need the trust deed close to hand.

It's worth remembering that as the settlor, you maintain responsibility for making sure your life insurance premiums are paid. It may be beneficial to hire a legal adviser to ensure the legal wording of your trust agreement is precise.

Who can be a beneficiary?

You can choose any person, or people, to be your beneficiaries - this will entitle them to receive a pay out in the event a valid claim is made. Contrary to what some people may assume, there are no rules that restrict who your life insurance beneficiary can be. For example, you could choose the following:

- A spouse or civil partner
- A child
- A relative
- A friend
- A charity

While you won't be able to change your beneficiaries if you have an Absolute Trust, if you take out a Discretionary Trust, your trustees will have the freedom to decide who your beneficiaries are, and how much they're entitled to receive from a pay-out.

Is there an extra cost?

There is no added cost to putting life insurance in trust with Legal & General. You can put your personal life insurance policy in trust when you take it out, or at any time after that – you simply need to own the policy. You should note that if you transfer your life insurance policy to another individual, this may have implications for your trust so it's best to contact us directly or seek legal advice.

Author: Legal and General

The benefits of writing life insurance in trust?

There are many reasons why putting life insurance in trust is a popular option. Here are some of the ways you can benefit from a life insurance trust.

- Control over your assets – If you don't have a trust, your money might be used to pay off outstanding debts. Putting life insurance in trust gives you greater discretion, as you can decide who to appoint as your beneficiaries and trustees. Setting up a trust is especially important if you're not married or in a civil partnership, as otherwise, your assets may not transfer to the intended recipient.
- Faster access to your money – If you were to die without a trust, your would-be beneficiarieswould need to obtain probate, which can cause delays. With a trust in place, your loved ones could receive the inheritance within a couple of weeks of the death certificate being issued.
- Protect your beneficiaries from Inheritance Tax – Writing life insurance in trust means the money paid out from your policy should not be considered part of your estate. There are exceptions; for example, you may be liable for an Inheritance Tax charge on the value of the property on each ten-year anniversary. Currently, the standard Inheritance Tax rate is 40%, which is charged on the part of your estate above the £325,000 threshold.

Seven Things You Didn't Know A Financial Adviser Could Do For You

Financial advisers used to have bowler hats, carry a briefcase, and sometimes wear a carnation (think Mr Banks in Mary Poppins). But a lot's changed since then.

We no longer use a mangle to dry our clothes, send messages via fax machine, or rent videos from shops. Likewise, financial advisers no longer just want to sell you some insurance – they are focused on delivering the best outcomes for you and your family. So, what DO they actually do and why should you consider speaking to one.

Here are seven things you might not know a financial adviser could do for you:

1. Personal advice

A financial adviser will find a solution that's right for you, rather than just hand you an off-the-shelf, one-size-fits all product. They'll ask you questions about you, your job, family and lifestyle to get a full picture of who you are and what you really need – whether you're a first-time buyer, a business owner, starting a family, or preparing for retirement.

2. Knowledge

A financial Adviser has the knowledge to find the right product for you. Because of this, they could have access to products that are more suitable for you than those available online.

3. Extra benefits

Not all protection plans are just about a cash pay-out. Some also include extra benefits. These could include things like support from a qualified nurse, or bereavement counselling that you can access without making a claim. Plans like these are commonly only available through a financial adviser, so it can be useful to speak to one to find out more.

4. Peace of mind

A financial adviser will find out what policies you already have, even if you're not sure where the paperwork is. They'll look at what financial support your employer provides and confirm what you're entitled to from the state. They'll tell you where the gaps in your finances lie so you only buy what you need to. And they can advise you on things like trusts which can help make sure any money that's paid out from your plan goes to the people you'd intended, without delay. Talking to a financial adviser will give you the peace of mind that all your needs have been considered.

5. The buck stops with them

With something as important as your finances, you don't want to worry that you've got it wrong. A financial adviser, on the other hand, is a specialist in this area. They'll keep up to date with the latest products and changes in the market and take responsibility for making the best choice on your behalf.

6. Practical help

If you ever need to claim on any of your protection plans, your adviser will help you with this. Whether that's making the initial claim or following up with any paperwork for you. It's an adviser's job to support you throughout your partnership with them – and that includes the aspects that can often be more difficult for you during an emotionally challenging time.

7. Proactive support

A financial adviser can provide ongoing support to make sure the cover you have is still right for you. For example, you might need to adjust your cover if you move house, have children or change jobs. Rather than leaving you to manage this yourself, your adviser can make the relevant changes so your plans are always valid and up to date.

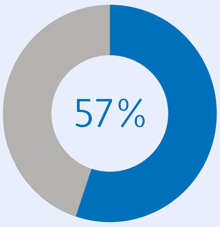
Author: Royal London

Writing A Will

Ensuring Your Wishes Are Fulfilled Should The Worst Happen

Inheritance can often be a highly emotive topic for a family to discuss, and writing a will is a task that many people put off as a result.

Our research* shows that more than half of UK adults with financial concern for others (57%) do not have a will in place. This suggests a worrying number of people are simply hoping for the best and ignoring what is a vitally important subject, despite the fact they will be leaving their family finances open to challenge when they pass away.



Of those that do have a will, the majority (53%) have not updated it within the last five years, with a further 14% never having updated it at all. Worryingly, 16% of over 55s have never updated their wishes.

Our research also showed that when gifting money to loved ones, three quarters (73%) of people said it was important that the right people in the family receive the money, and just over half said ensuring the recipients save on tax was also important. Despite this, the research found that 45% of people said they have never or will not speak about pension death benefit nomination, lasting power of attorney or a trust with their family.

Meanwhile, one in four of those with financial concern for others (25%) said they would be willing to contest someone else's will if they felt the estate hadn't been divided fairly, which reiterates the importance of having a well-established inheritance plan and clear communication with your family.

Everyone will have desires for what happens to their money and possessions when they pass away, so it is vital that you discuss, record, and regularly update these to ensure your wishes are carried out should the worst happen. In choosing not to do so, you would be leaving your wishes undetermined and your estate up for challenge. This would only delay the grieving process for your family members and pile on added stress during what will already be a very difficult time.

Conversations about money and inheritance between family members should be actively encouraged, and while it may be a sensitive subject to discuss, it is vital that you make your wishes clear as failing to talk to your family members will add a layer of risk on to your inheritance.

What's more, not only will having these discussions and writing a will allow for your wishes to be fulfilled when the time comes, but it will also help your loved ones to better prepare for their own financial futures and have a more realistic view of what will be passed on to them.

While a will is a fantastic way of recording your wishes, you must not forget things such as pension death benefit nominations and lasting power of attorney – both of which are crucial elements in ensuring your affairs are managed in the way you would want them to be following loss of any capabilities or in the event of your death.

Where possible, you should seek professional financial advice on inheritance planning, as well as support in writing your will to ensure your wishes are fulfilled and your loved ones are supported.

* *All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2176 adults. Fieldwork was undertaken between 9th - 15th November 2022. The survey was carried out online. The figures have been weighted and are representative of all UK adults (aged 18+).*

Author: Quilter

Five Myths About Investing For Children

Youth may be wasted on the young, or so they say, but one thing you don't want them to waste is the unique opportunity to make their money grow.

With so much time on their side, whether you're investing for your own child or grandchild, a niece, nephew or godchild, setting them on the path to financial security as early as possible is arguably one of the best gifts you can give them.

Whether you want to top up their Junior ISA or set them up for a comfortable retirement, knowing what you can and cannot do makes the journey easier. Here I sift out the fairy tales and give you the facts about investing for children.

Myths

1. Children don't pay tax

Contrary to popular belief, children are liable for tax, although few are fortunate enough to earn enough on their savings and investments to actually pay any.

Just like an adult, they only start to pay tax once they earn above their personal allowance, which is currently £12,570 – it remains at that level for the next tax year too.

The rules are tougher though if the interest is earned on money from a parent. If your child earns more than £100 in interest in any tax year from money you have given them, then you will find that you are personally liable for tax on the interest earned if it's above your personal allowance.

The good news for grandparents, aunts, uncles, godparents and anyone else who gives money to a child, is that the same tax liability does not apply.

2. If they already have a Child Trust Fund, they can't have a Junior ISA

If your child was born between 1 September 2002 and 2 January 2011, they may still have a Child Trust Fund (CTF). Although no new CTFs are being issued, you, family and friends can still pay into the account until your child reaches 18. And like with a Junior ISA (JISA), you can still contribute up to £9,000 a year.

While it's true that your child cannot have both a CTF and a JISA, you can transfer the money from a CTF into a JISA. The benefit of doing this is that some JISA providers pay a higher interest rate than is available on CTFs and you can easily switch between JISA providers if you want to.

3. Children can't have a pension

Actually, they can. You can start saving into a Junior SIPP as soon as your child or grandchild is born. Each child can have a total of £3,600 a year, or £300 a month, saved into a pension. Just as with your pension, the government automatically tops up payments by 20%, so for your child to have the maximum £3,600 a year, total contributions only need to come to £2,880.

Of course, it's pretty much inevitable that tax rules and reliefs will change between now and your child's retirement, and you have to factor in inflation, which will erode the spending power of any money built up in the pension, but you cannot doubt that this is the ultimate way to make sure your child has the makings of a secure financial future.

4. If you give your grandchildren money, you'll pay tax

While parents who save or invest money on their children's behalf can face a tax bill if their child's savings or investments earn more than £100 in any tax year, the same does not apply to you when you're a grandparent.

5. Your child can't get their hands on the money

With a JISA, the child can take control of their account when they turn 16, but they cannot withdraw the money until they are 18. If they still have a CTF at the age of 18, the account will automatically go to them and they can either withdraw it or transfer it to an adult ISA.

To encourage children to become interested in their financial future, it can help to make a point of talking about their savings and investments with them as early as possible. Getting them involved and showing them how it's growing nicely over the years is a good way to instil a savings habit in them that will, hopefully, pay off.

If you would like any further information on investing for children – including more on Junior ISAs and Junior SIPPs – your 2plan adviser will be able to discuss all the options which are appropriate for your circumstances.

Important Information

Investors should note that the views expressed may no longer be current and may have already been acted upon.

Tax treatment depends on individual circumstances and all tax rules may change in the future. The value of investments can go down as well as up, so you may get back less than you invest.

Withdrawals from a pension product will not be possible until you reach age 55 (57 from 2028). This information is not a personal recommendation for any particular investment.

If you are unsure about the suitability of an investment you should speak to your financial adviser.

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Author: Fidelity Adviser Solutions

Market Update February 2023

Renewed Hopes For The New Year

Further falls in the rate of inflation and China's decision to relax its Covid restrictions lifted the market's mood at the start of the year, although there's ongoing uncertainty about the economic outlook.

There was an optimistic market mood coming into 2023, buoyed by expectations that many central banks may be able to slow the pace of interest rate rises now that inflation has probably peaked. Notably, the US consumer price index fell to 6.5%, as a decline in energy prices eased the cost of living. This figure marked the lowest reading in over a year and is the sixth consecutive monthly decline.

Other economic data was mixed. Unemployment remains low and US companies continued to create new jobs. Corporate earnings data showed that the economy grew at an annualised rate of 2.9% between October and December, which is faster than economists forecast. However, retail sales were weaker, which heightened concerns about a possible US recession.

Markets in Europe and the UK followed the US in their optimism early in the month, with the hopes that the inflation shock from higher energy prices is easing. This was reflected in a drop in the annual rate of inflation in the UK, France and Germany in December.

Another factor adding to the market's optimism over the month was China's relaxation of its Covid-19 restrictions. Strict lockdowns caused manufacturing activity to fall substantially last year. China's economy grew by just 3% in 2022, which is the weakest expansion since 1976 apart from 2020.

Government bonds rebound

Global bond markets posted a powerful rebound at the start of the year. They appear to be recovering from last year's rout, restoring their traditional role as a haven against economic downturn. The recovery has been spurred by a growing conviction that inflation has peaked on both sides of the Atlantic, with the gains driven by a big rally in long-term government debt. Inflation peaking means the market expects interest rates to stabilise in 2023 and possibly even fall. These expectations of interest rates drive bond prices up.

Although the UK's economy grew by 0.1% in November 2022, boosted by consumers spending more during the World Cup Finals, it was a slower rate of growth than the previous month. The Bank of England maintained its view that the UK is probably set for a recession – defined by two consecutive quarters of contraction. The IMF also forecast a UK recession, adding that it would be the worst-performing major economy this year in terms of growth.

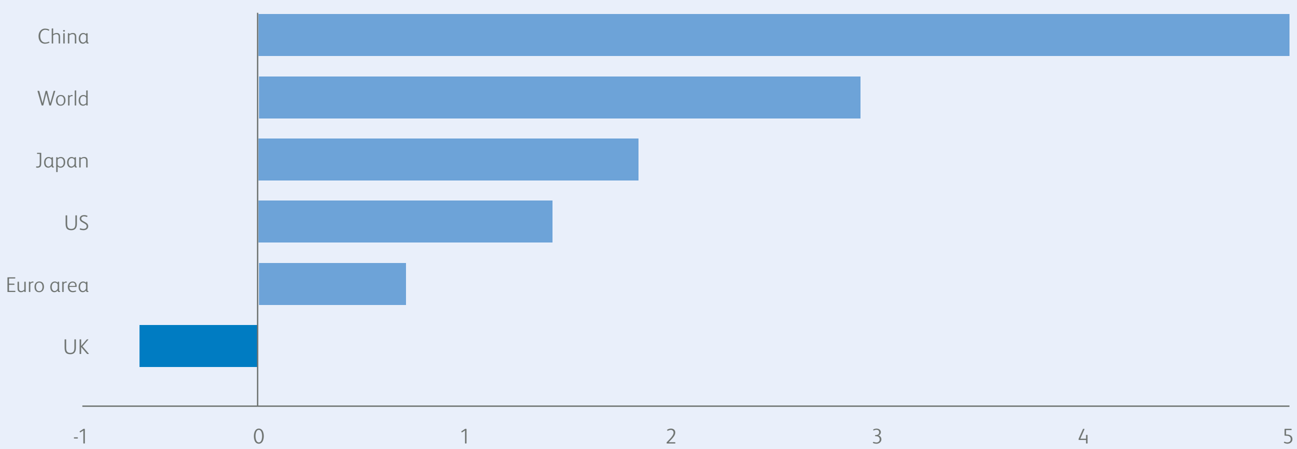
Global leaders and business executives gathered for the annual World Economic Forum in Davos, Switzerland. They ended the week-long event sounding a more optimistic outlook for the global economy than feared. The fight against inflation and climate change were two dominant themes, including President Biden's controversial pledge in green investment.

The International Monetary Fund (IMF) signalled that it expects some improvement in the global economy in the second half of the year and into 2024. This view is somewhat underlined by recent positive economic data from Europe and the US.

Author: OMNIS INVESTMENTS

Figure 1: IMF forecasts for GDP growth in 2023 (%)

The UK is the only major economy expected to contract this year



Source: IMF
Approved By OMNIS INVESTMENTS

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If you would like to discuss any of these topics in more detail, please feel free to contact me to make an appointment. If you have friends, family members or colleagues who you think would be interested in these topics, please pass this newsletter to them.

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