EQUINOX

NEWS, INSIGHTS AND EXPERT FEATURES

PAGE 04 - 07

Riding the waves

PAGE 22 - 23

DOGE - savings, cuts and reform?

PAGE 32 - 33

It's good to talk

EQUINOX | SPRING 2025

Welcome

Welcome to the Spring 2025 edition of Equinox!

As we navigate the ever-changing financial planning landscape, we encounter both new challenges and opportunities. The recent Autumn Budget has brought significant changes to pensions and inheritance tax, impacting many of our clients' financial strategies. Despite these shifts, we remain committed to helping you adapt and thrive.

Our masterclass programme continues to be a remarkable success, with over 625 attendees benefiting from our diverse range of topics. This year, we are excited to introduce two brand-new masterclasses, *Volatility: Friend or Foe?* and *Relishing or Resisting Retirement*, providing you with valuable insights and practical steps to manage market fluctuations and plan your retirement with confidence. All our masterclasses are free to attend, do not involve a test, and participation in discussion is entirely optional. Our latest topics and dates can be found at equilibrium.co.uk/events so come along and feel free to invite a friend.

In this edition, we delve into various themes, including the impact of the Autumn Budget on pensions, the opportunities presented by investment bonds and the importance of staying safe on social media. We also explore the transformative power of the Wim Hof Method and innovative approaches to estate planning amidst Budget shifts.

As always, please feel free to contact me directly with any comments or questions at colin.lawson@equilibrium.co.uk.

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FOUNDER

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Contents

Articles

Riding the waves

What does the Autumn Budget mean for your retirement?

The Autumn Budget announced significant changes to pensions and inheritance tax (IHT) to increase government revenue. Starting April 2027, unused pension funds and death benefits will be subject to IHT. Steve Hitchiner from the Society of Pension Professionals acknowledged that pensions were not intended for estate planning, while the opposition argued it might deter retirement savings. This certainly complicates matters for retirees aiming to pass on their wealth as tax efficiently as possible. Here, Head of Delivery, Sam Patterson, explores the impact of these changes and how, by planning ahead, your financial plan can be adapted to ride the waves of change.

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Meet Mr and Mrs Smith

Mr and Mrs Smith, aged 78 and 76 respectively, have been living the retirement they always dreamed of. After decades of hard work, they finally had the freedom to travel, enjoy their hobbies, and, most importantly, spend time with their growing family. Their days are filled with seeing their grandchildren, long lunches with old friends, safe in the knowledge they are supported financially due to their past hard work and current financial plan. Life, as they see it, is to be savoured.

Their careful planning had always included a clear financial strategy: live comfortably while preserving their pensions and home as a lasting legacy for their daughter, Ellie, and her children. The pension freedoms introduced in 2015 reassured them that their savings could be passed down without heavy tax burdens, offering their family a financial boost they themselves never had. It was a comforting thought - knowing that their hard-earned money wouldn’t just support their retirement, but would also create new opportunities for the next generation.

Their estate planning was relatively simple:

1. £2m non-pension assets and £800,000 pension assets, meaning a total of £2.8m in assets.

2. Non-pension assets are deemed taxable for inheritance tax purposes, while pension assets are considered outside of their estate.

3. The first £1m of Mr and Mrs Smith’s taxable estate would be passed to the next generations free of inheritance tax.

4. The remaining £1m would be subject to inheritance tax of 40%, meaning a total tax liability of £400,000.

5. This would mean their daughter Ellie would receive a legacy of £2.4m.

That sense of security was shaken in October 2024. The headlines were alarming: from April 2027, pensions will be included in the estate for inheritance tax purposes. Mr and Mrs Smith, like many others, felt a disquieting sense of uncertainty. Their well-laid plans, built on assumptions that had seemed rock solid for nearly a decade, were now in doubt. Though they knew they were financially stable, the feeling of having the rules changed mid-game left them uneasy.

Where are we now?

We are still awaiting crucial clarity from the Government regarding pensions. A recent technical consultation, titled ‘Inheritance Tax on Pensions: Liability, Reporting and Payment’, closed on 22 January, with summary findings to be released this summer. The proposals outlined in this consultation suggest that the vast majority of pension funds paid out after death will now be included in the deceased member’s estate for inheritance tax purposes - unless the benefits are paid to a surviving spouse, civil partner, or charity.

This change means that Mr and Mrs Smith’s plan to use a pension as a tax-efficient legacy benefit **once they pass away** is no longer possible. The impact of these changes can be broken down into what we’re calling the ‘Pension Triple Dock’.

Now let’s look at how this change will impact Mr and Mrs Smith, considering they have £2m in non-pension assets and £800,000 in pension assets:

1. £2.8m total estate (assets of £2m plus £800,000 pension) – £650,000 (two nil rate bands of £325,000) = £2.15m (net estate after nil rate bands).

2. As their estate exceeds £2m (including pensions), they will lose their Residential Nil Rate Band (RNRB) - an allowance of £175,000 per person (£350,000 per couple). **This is the first step of the triple dock** caused by pensions being moved into the estate for inheritance tax purposes.

3. The net estate of £2.15m x 40% inheritance tax = £860,000 inheritance tax due.

4. The combined pensions of £800,000 represents 29% of their taxable estate and their non-pension assets represent the remaining 71%.

5. The inheritance tax liability of £860,000 would be appropriately apportioned across pension and non-pension assets. This means £249,400 (£860,000 x 29%) would be payable from the pension and £610,600 (£860,000 x 71%) would be payable from non-pension assets. **This is the second step of the triple dock**.

6. This results in the pension being worth £550,600 and non-pension assets being worth £1,389,400.

7. Ellie, who earns a salary of £80k p.a. and is a higher-rate taxpayer, withdraws the remaining pension, which will be subject to income tax of £245,513 (£18,056 higher-rate income tax + £227,457 additional-rate income tax), which is the **final step of the triple dock**.

8. After tax, Ellie will receive pension assets of £305,087 in her pocket.

9. The total net amount Ellie will receive from both pension and non-pension assets amounts to £1,694,487 (£1,389,400 + £305,087) - considerably less than £2.4million!

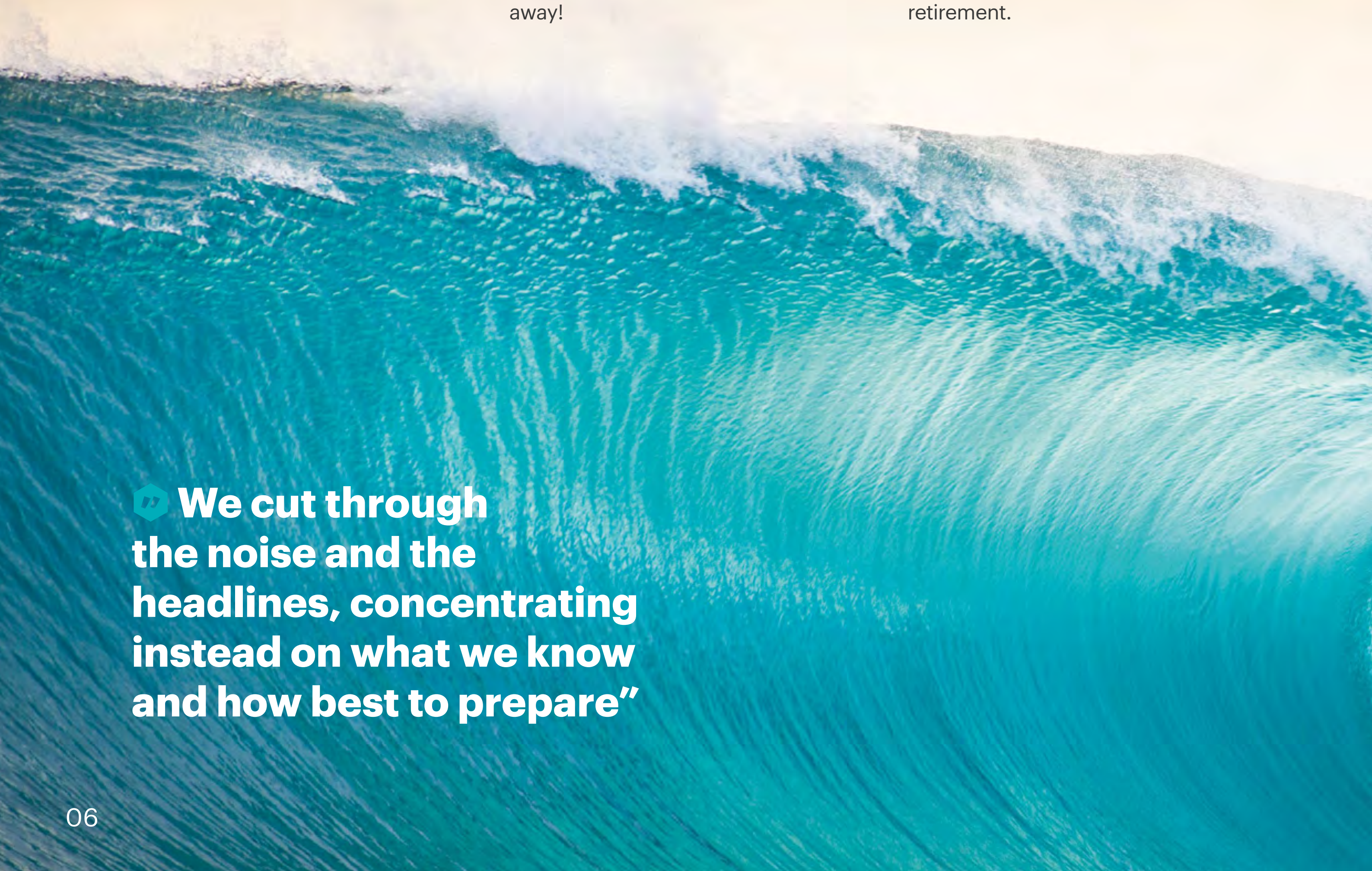
No wonder Mr and Mrs Smith, like many others in a similar situation, are feeling a sense of frustration.

What can we do?

The above is an illustration of what will happen post-April 2027 when the proposed changes in pension legislation would come into effect. This may seem doom and gloom, and by no means will I attempt to show the changes in pension legislation as a positive for individuals such as Mr and Mrs Smith. But there is an opportunity if we reassess the way we have treated pensions for the last decade. It can still be a tax-efficient benefit for the next generation, the only change is passing on assets before you pass away!

Let me explain:

- Mr and Mrs Smith each have a pension of £400,000. Currently, they are drawing £15,000 each from their respective pensions, which, in addition to State Pensions, meets their expenditure each year.
- Mr and Mrs Smith could commence an additional income of £12,500 from each of their pensions, with the intention of gifting this to their daughter Ellie (who is a higher-rate taxpayer). This additional income will be taxed at 20% (£2,500 income tax per person), meaning a net payment of £10,000 to Ellie.
- Income from pensions is also immediately outside of the estate if it's gifted away on a regular and habitual basis, meaning collectively, Mr and Mrs Smith will move £25,000 from their estate for inheritance tax purposes each year, saving £10,000 in inheritance tax liability.
- Ellie wants to purchase a larger home in the future. Saving for this home is therefore taking priority for her, rather than saving for her retirement.



"We cut through the noise and the headlines, concentrating instead on what we know and how best to prepare"

One thing is for certain - change is coming, and preparation will be key"

- Due to the £20,000 gift from her parents (after income tax), Ellie is able to immediately contribute this into her own personal pension. This £20,000 contribution receives automatic tax relief at the basic rate of 20%, making a total contribution of £25,000. As Ellie is a higher-rate taxpayer, she is also able to claim back an additional 20% tax relief of £5,000 through notifying HMRC.

- By making the pension contribution, Ellie is also eligible for Child Benefit (as her relevant income will be £55,000), and current Child Benefit rates are £25.60 per week for the first child and £16.95 per week for each additional child (tax year 2024/25).

- The Smith family as a collective unit will be £17,213 better off each year (see **Table one**).

Table one: Overall impact for the Smith family

Benefit	Amount per year (£)
Income tax on pension income	-5,000
Inheritance tax saving	10,000
Pension tax relief (in Ellie's pension)	5,000
Pension tax relief (reclaimed by Ellie)	5,000
Reclaimed Child Benefit	2,213 (based on two children)
Overall annual benefit	**+17,213**

Source: Equilibrium Financial Planning

But what if things change again?

As mentioned, the proposed pension changes are scheduled to take effect from April 2027, but the financial planning profession is already pushing back. In January 2025, the CEOs of major pension providers, including AJ Bell, Quilter, Hargreaves Lansdown, and Interactive Investor, sent a joint letter to the Chancellor. Their message was clear: "There are better ways to achieve the stated policy aims". The letter highlighted the complexities of the proposed system, warning of increased administrative burdens, additional costs, and potential delays in the already difficult process of probate.

At this stage, no one can predict whether the Chancellor will reconsider or soften these changes before they come into effect.

However, with implementation nearly two years away and growing resistance from financial experts, there is already speculation that adjustments may be made.

For now, the uncertainty lingers, and retirees like Mr and Mrs Smith are left wondering how best to adapt. They remain hopeful that their legacy plans can stay intact, but they know they must stay informed. As the landscape shifts, seeking professional advice will be crucial to securing their family's future. One thing is for certain - change is coming, and preparation will be key.

This is where Equilibrium comes in as your trusted financial planner. We cut through the noise and the headlines, concentrating instead on what we know and how best to prepare. For now, the message is clear, change is coming to pensions in April 2027 but what exactly that entails remains to be seen.

This article is intended as an informative piece and should not be construed as advice.

This case study reflects our understanding of the legal position as of March 2025. Tax law is complex, and HMRC may have different interpretations. Future legislative changes could also impact tax mitigation measures. legal position as of March 2025.

Find out more

If you have any further questions, please don't hesitate to get in touch with us on **0161 486 2250** or reach out to your usual Equilibrium contact.

Investment bonds - a new world of opportunity

With recent changes in tax regulations, Senior Best Practice Associate, Andrew Houghton, explains why investment bonds are emerging as a compelling alternative.

"Investment bonds are life assurance-based contracts with a difference."

In recent times, Individual Savings Accounts (ISAs) and general investment accounts have been the go-to wrappers for clients with significant sums to invest.

The logic was clear to see – tax-free income and growth within the ISA wrapper and the chance to use capital gains tax (CGT) annual exemptions of up to £12,300 per annum. Not to mention attractive CGT rates of just 10% or 20% depending on income tax status.

Now, however, annual exempt amounts have been slashed to £3,000 and tax rates aligned with residential property at 18% and 24% respectively. All of which serves to make a slightly out-of-fashion alternative solution suddenly appear far more attractive...investment bonds.

What are investment bonds?

Investment bonds are life assurance-based investment contracts with a difference. They are subject to income tax, rather than capital gains tax. However, they are not subject to tax in the hands of the investor, until what is known as a 'chargeable event' occurs.

Contracts can be either onshore or offshore. An onshore bond is issued by a UK life assurance company. It follows a special tax regime where basic rate income tax is considered paid within the fund. Investors only pay additional tax on encashment if the taxable gain pushes their income into a higher tax band. Within the wrapper, interest, gains, and rental income are taxed at 20%, but UK dividends are not subject to further tax.

Offshore bonds are potentially even more tax efficient. Based in offshore jurisdictions like the Isle of Man, they suffer no UK tax on interest, dividends, or growth in the underlying assets, although overseas dividends may be subject to non-reclaimable withholding tax. Instead, the entire UK tax liability is calculated when the chargeable event occurs.

What happens when a chargeable event occurs?

Whilst there are numerous chargeable events, the most common is the encashment (known as 'surrender') of the bond. The total gain on the investment is calculated by taking the current value of the policy, adding any previous tax-deferred withdrawals (see below for more details) and deducting the amount originally invested.

" Offshore bonds are potentially even more tax efficient."

However, that gain can then be 'top-sliced', which means it is divided by the number of years since the bond was opened. The tax liability is calculated with reference to the top-sliced gain. It is then multiplied back by the number of years the bond has been open to establish total tax payable.

Example:

A gain of £50,000 on an onshore bond which had been in force for 10 years would contain a top-sliced gain of £5,000.

So, if the investor had an existing income of £40,000, they would remain within the basic rate band after adding the top-sliced gain. There would therefore be no further tax to pay.

If, however, the investor had an existing income of £60,000, making them a higher rate taxpayer, then an additional tax of £1,000 would be due on the top-sliced gain. If we then multiply this by the number of years the bond was in force, the total tax due would be £10,000.

What other advantages do they offer?

Both onshore and offshore bonds allow the use of the savings starting rate band of £5,000 against the top-sliced gain. Holders can also use the personal savings allowance of £1,000 for a basic rate taxpayer and £500 for a higher rate taxpayer against it, which increases the opportunity for efficient tax planning.

Other benefits include the facility to take tax-deferred withdrawals of up to 5% of the original investment per annum on a cumulative basis. These payments only become potentially taxable when a chargeable event occurs. This can be very tax efficient if the bond is encashed at a time when the holder pays a lower rate of income tax, or potentially at a time when they have become a non-UK resident. It should be noted that in the latter scenario, the gain may be subject to overseas taxes. In addition, there are anti-avoidance measures which may apply if the non-residence is only temporary.

The bond can also be assigned to another party, such as a family member, by way of gift prior to encashment. In this case the income tax liability will be assessed against the assignee. This can therefore offer further planning opportunities should the assignee pay a lower rate of tax than the original holder.

Another advantage of investment bonds is that they can be topped up. When a top-up has been paid, the entire gain can still be top-sliced back to the date of inception. Investors can therefore make a relatively low initial investment, add to it at a later date and benefit from full top-slicing relief on any gain made.

Every set of circumstances is obviously different. However, with the recent changes and potential planning opportunities, investment bonds may start to look like an increasingly attractive option once more.

This article is intended as an information piece and should not be construed as advice.

BY SAM PATTERSON

Taking AIM

Head of Delivery, Sam Patterson, discusses a notable opportunity to reduce inheritance tax which may have been missed by many.

The headlines following the 2024 October Budget were dominated by news that from April 2027, pensions will be included within an individual's estate for inheritance tax purposes. We are still awaiting the final details on how this will work in practice. While this news may make pensions slightly less attractive for intergenerational planning, they remain a crucial component of most clients' financial strategies (see related article: Riding the waves).

The same principle applies to the attention-grabbing tax changes applying to shares listed on the Alternative Investment Market, commonly referred to as AIM shares, specifically the 50% reduction in inheritance tax relief. AIM shares went from being fully exempt from inheritance tax (if held for at least two years on death), to now being taxed at 20% once the changes come into effect in April 2026.

However, like pensions, we still believe that AIM shares can play a role as part of a client's financial plan. Let me explain and I'll start by outlining what the AIM market will look like post-April 2026:

- **There is no upper limit on the amount that can be invested.**
- **Investments can benefit from a reduced inheritance tax rate of 20% if held for two years and upon death.**
- **The investment supports smaller UK companies with high growth potential.**
- **Investors retain access to their funds should circumstances change.**
- **These investments can be held within tax-efficient products such as ISAs.**

"We still believe AIM shares can play a role as part of an overarching financial plan for clients"

"The AIM market offers a chance to invest in smaller UK companies that are often innovative and ready to grow"

If you compare the existing tax benefits of AIM shares to those after April 2026, on the surface, they may seem less compelling. However, it's crucial to look beyond the tax changes and focus on the bigger picture. AIM shares still offer a unique combination of growth potential, flexibility, and tax efficiency. Yet some don't share this view.

In psychology, this phenomenon is referred to as 'anchoring'. People often interpret new information through the lens of what they already know. Because the AIM market was previously fully outside an estate after two years, the new 20% inheritance tax rate can feel like a step backward. But let's shift that perspective.

The reality is that, even with the changes introduced in the Budget, the AIM market remains an effective tool for inheritance tax mitigation given the benefits of:

Significant tax savings:
While the full exemption may no longer apply, a reduced rate of 20% still represents a substantial saving compared to the inheritance tax rate of 40%. For example, a £200,000 ISA invested in non-AIM assets would result in an £80,000 inheritance tax liability if over the tax threshold. Should this amount instead be invested in qualifying AIM shares, the liability would halve to £40,000.

Accessibility and flexibility:
Unlike most other inheritance tax planning strategies, AIM investments allow investors to retain access to their funds. This flexibility is crucial for individuals who wish to retain control over their assets.

Alignment with investment goals:
The AIM market offers a chance to invest in smaller UK companies that are often innovative and ready to grow. While these shares can be volatile and high-risk, they present an exciting opportunity for those who want to support the UK economy and potentially enjoy higher returns.

Tax efficiency via ISAs:
AIM shares can still be held within ISAs, combining income tax and capital gains tax advantages with the inheritance tax benefits.

Despite recent changes that may have deterred some investors from the AIM market, it continues to be a powerful and flexible option for those looking to manage their inheritance tax liabilities whilst also supporting the growth of UK businesses.

As with any investment decision, seeking professional advice is important to ensure this strategy aligns with your overall financial goals. However, the AIM market is a worthy consideration in 2025 and beyond.

This article is intended as an information piece and does not constitute investment advice.

*Interested in how this could fit into your plans? Call us on **0161 486 2250** or reach out to your usual Equilibrium contact. New to Equilibrium? Call us on **0161 383 3335**.*

Finding shelter amidst Budget shifts

Business Development Manager at Triple Point, Lucy Dolan, believes Business Relief may be a welcome addition to your estate planning.

The first Budget delivered by new Chancellor, Rachel Reeves, raised some questions about Inheritance Tax (IHT), and has highlighted the importance of good estate planning.

As you may know, the first £325,000 of an individual's estate is exempt from IHT thanks to the 'nil rate band'*. Any amount above this is taxed at up to 40%. If you're married or in a civil partnership, you can pass your entire estate to your spouse tax-free, preserving your nil rate band, which can then double to £650,000.

The residence nil rate band, introduced back in 2017, also potentially lets your estate claim an additional £175,000 IHT allowance, if you're planning on leaving your family home to your direct descendants (either your children or grandchildren). The amount that can be claimed is gradually reduced for estates over £2 million, and for every £2 over the threshold, it decreases by £1. Importantly, this reduction applies to the total estate value, not just the family home.

That's the current state of things. But the Chancellor made three big announcements in last October's Budget that will affect how IHT is charged, what counts as part of someone's estate, and how much some families will have to pay.

So, what's changing?

Let's start with what's staying the same. Last year's Budget confirmed both the nil rate band and the residence nil rate band will stay at current levels until 6 April 2030. Given the nil rate band was frozen at £325,000 in 2010, it just hasn't kept up with higher house prices, inflation or salaries. Today, most people's wealth is tied up in the value of their home; keeping IHT allowances frozen will mean many more families are caught in the IHT trap.

The Chancellor also announced that from April 2027, unspent pension pots will be included in a person's estate for IHT purposes. This means any amount over the current IHT allowances will be taxed at 40%. This change is likely to catch out a lot of families where unspent pensions were not part of their estate planning. If you or your spouse has a significant pension pot, you might want to talk to Equilibrium to discuss how this change could affect you.

There's also a sting in the tail when it comes to making IHT payments. Estates have a timeframe of six months from the death of the deceased to pay any IHT due before interest starts accruing. From April 2025, interest on late IHT payments will increase by 1.5 percentage points to 4 percentage points above the Bank of England's base rate (currently 4.5%). That could make life difficult for families who have to sell assets to help pay the IHT bill.

Changes to Business Relief

Finally, there's another important change to be aware of. Business Relief has been around since the 1970s, and was introduced to help owners of family businesses to pass them down from one generation to the next without facing a hefty IHT bill. Today, provided the business meets the qualifying criteria, Business Relief can be claimed on privately-owned (or 'unquoted') businesses, and firms listed on AIM (the Alternative Investment Market), among others, making it a widely used part of estate planning.

An estate can claim IHT relief on a business, business interest, or shares in a qualifying company if the deceased owned them for at least two years. Previously, Business Relief was 100%, but from 5 April 2026, this will change:

- **For unquoted companies:** the first £1 million of assets that qualify for Business Relief will attract no IHT at all, while anything over £1 million will be eligible for 50% relief.
- **For AIM-listed companies:** shares in Business Relief-qualifying companies listed on AIM will be eligible at a reduced rate of 50%.

Estate planning can help

The good news is that changes to Business Relief are likely to affect relatively few estates when introduced. In fact, Business Relief might become a welcome addition to your estate planning.

According to HMRC, out of the 4,170 estates that claimed Business Relief in the 2021/22 tax year, the vast majority (88%) made claims of £1 million or less. In fact, most estates, being able to claim 100% IHT relief on the first £1 million invested, and 50% relief on anything over that amount, will still significantly reduce the amount of IHT due on the overall value of the estate. It could prove very helpful in cases where unspent pensions may result in an unplanned potential IHT bill.

If you're concerned about how the changes might impact the inheritance you intend to leave for your family, it's worth talking to Equilibrium about estate planning strategies that utilise Business Relief. To speak with one of our experts, call ***0161 486 2250*** *or reach out to your usual Equilibrium contact.*

Important information
Tax treatment depends on the individual circumstances of the investor and is subject to change. This financial promotion has been issued by Triple Point Administration LLP which is authorised and regulated by the Financial Conduct Authority no. 618187.

*The nil rate band is the threshold below which no Inheritance Tax (IHT) is payable on an individual's estate.

Crafting niche portfolios

Portfolio Manager, Neal Foundly, unveils our specialised portfolios.

At Equilibrium, we strive to produce great multipurpose funds. We aim to combine a diverse mix of assets, from simple government bonds to high-octane private equity funds, into portfolios with a variety of risks and returns.

Of course we cannot be all things to all people. We understand that different people have different perspectives and priorities. That is why, over time, we have put together a number of smaller, niche portfolios that tap into particular markets and themes.

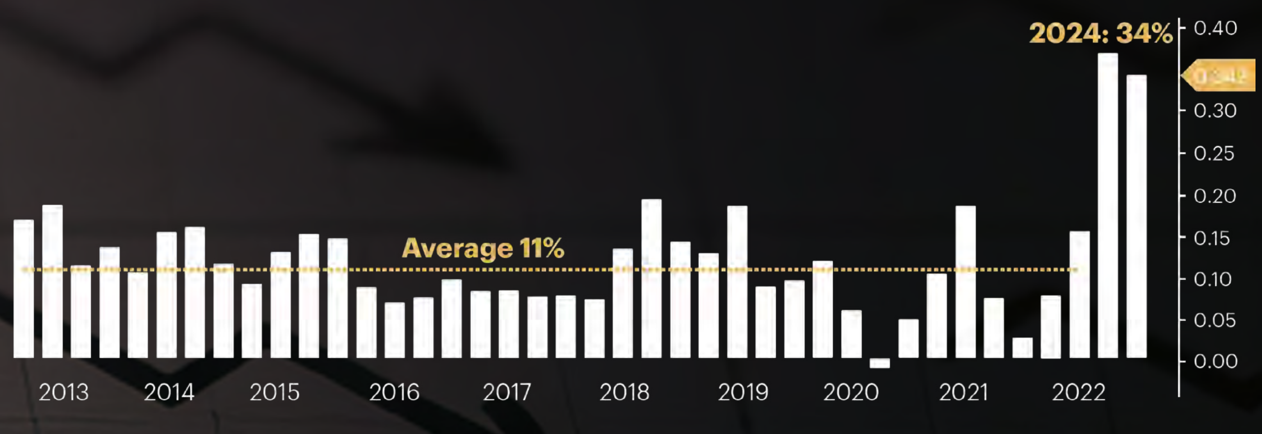
Going viral

Back in 2020, during the initial stages of the Covid pandemic, all stock markets around the world fell sharply. However, something strange happened – the shares of some of the major technology companies were doing something different. In the first three months of that year, the US stock market fell 20%, but Amazon shares were up 5% and video conference company Zoom's share price rose over 120%.[1]

This was a point of realisation for many as it became apparent why we needed online ordering, video conferencing and other technologies. Covid changed the way we lived and worked, but technology allowed us to maintain some semblance of continuity.

Clearly, something big was going on. Some of our clients recognised this and asked us to put together a portfolio of technology funds. They rightly saw this as not just a Covid-era phenomenon, but the start of a wider, deeper integration of technology into all our lives.

Chart one: Central bank gold purchases as % of global gold demand



Source: Sprott Precious Metals Report: First Gold Dip Since Central Bank Buying Spree

As a result, Equilibrium's Technology Portfolio was created later that year.

The challenge for this portfolio was to offer a diverse mix of technology holdings because, yes, Microsoft and Apple are good companies, but who are tomorrow's winners? As we know, video conferencing was hot back in 2020, and artificial intelligence is hot now... what's next?

We took the deliberate decision to reduce the concentration in a few larger stocks in favour of a broader span of technologies, encompassing a wide range of rapidly developing areas. These include AI, quantum computing, robotics, gene editing, cybersecurity and so on. All these areas are growing rapidly, though we simply do not know which will be the next 'hot thing'.

The problem with 'hot' investments is that they attract a lot of headline attention, but invariably by the time they become big, most of the large gains have already been made. For example, recently, a few clients have asked about a 'defence' portfolio, but we would point out that since the invasion of Ukraine in 2022, this sector has risen sharply, with some stocks up 300 – 500%.

Buying into technology when many stock markets were fearful of the impact of Covid made sense, but we do caution against chasing some assets after strong rises. We understand the interest in these headliners, but you can rarely escape the investment truism that the higher the valuation at which you buy an asset, the lower the returns you can expect from it.

Gilt-y pleasures

One asset that some clients occasionally ask about is gold. Gold prices have been influenced by various factors over time. In 1869, two investors cornered the market and drove prices up. During the 1960s, an agreement, known as the London Gold Pool, was made between the US and several European countries to stabilise the price of gold. From 2010 to 2018, several major banks were fined for manipulating gold prices for over a decade.

Recently, traders have been arbitraging price differences in the US and UK. Traders buy gold at a lower price in London and sell it at a higher price in New York, profiting from the gap. Further arbitrage opportunities have also arisen due to the expected US tariffs on gold imports. The process, however, is not without logistical challenges due to the US trading in 100oz gold bars whilst the UK trades 4000oz bars. This means the gold must be flown first from London to the refineries in Switzerland for resizing, before reaching the shores of New York!

Lately, central banks have been large buyers of gold. In particular, demand ramped up in 2022 as banks, especially the Chinese central bank, built up their reserves following the Russian invasion of Ukraine and many nations seized Russian assets held abroad. **Chart one** shows how central bank gold purchases changed in 2022 (the year of the invasion) and how this represented over a third of gold demand by the end of that year - three times the average in the previous decade.

On the day of the invasion, gold was $1,903 per troy oz*. Today, it is $2,900 - a rise of 52%.[2]

This is an impressive return, roughly the same as the return on the US stock market. The difference is that we know the valuation of the US stock market, which gives us a guide for buying or selling. Unfortunately, we have no insight into whether the Central Bank of China will buy more or sell any gold.

Nevertheless, gold can have some merit as a diversifier for an investor's portfolio. We understand that clients may wish to hold such assets as part of their overall wealth, and if enough clients request this sort of portfolio, we can facilitate it - provided they recognise the associated risks.

This article is intended as an information piece and does not constitute investment advice. If you have any further investment questions, please don't hesitate to get in touch with us on ***0161 486 2250*** *or by reaching out to your usual Equilibrium contact.*

(1) Refinitiv
(2) Refinitiv, as of 17 February 2025

*unit of measure used for weighing precious metals like gold, silver, and platinum.

BY MARK BARLOW

Unlocking knowledge piece by piece

Like a jigsaw puzzle, your financial future requires careful planning. Our masterclasses provide the essential pieces to create a complete picture.

The great aim of education is not knowledge but action."

Herbert Spencer, English philosopher, biologist, anthropologist and sociologist

"The great aim of education is not knowledge but action." – Herbert Spencer, English philosopher, biologist, anthropologist and sociologist

This philosophy perfectly captures the purpose of our masterclasses, which, over the past two years, have become a vital part of our holistic approach.

With over 625 clients attending sessions on topics from care planning to cyber security, their success is a testament to our dedicated team. Every detail, from engaging content to a carefully curated event experience, is designed to inform, connect and inspire. As we continue to expand our offering, we're excited to introduce two brand-new masterclasses that we will be launching in 2025.

Volatility: Friend or Foe?

This masterclass will help you navigate market ups and downs with confidence, showing how downturns can strengthen your long-term position.

Drawing on over 100 years of adviser expertise, we'll provide reassurance, explore whether history is a reliable market indicator and highlight common investment mistakes to avoid.

Designed for all investors, regardless of experience, this is a session where we share our knowledge to deepen your understanding of market behaviour and our investment approach. There is no test at the end—our goal is to help you stay rational, focused, and financially confident, even in turbulent times.

Relishing or Resisting Retirement

Retirement is a major life transition, and reality doesn't always match the dream. This masterclass will help you navigate the journey with confidence, whether you're planning ahead or adjusting to retirement life. With 58% of over-40s experiencing retirement anxiety, heightened by inflation and financial uncertainty[1], we'll explore both the numbers and the emotional impact. From maintaining purpose to securing financial stability, we'll cover the five key elements of wellbeing, showing how retirement can be a comma in your career, not a full stop.

If you haven't attended a masterclass before, we highly recommend joining us in a relaxed setting where you'll gain insights not just from our experts, but from like-minded individuals too. Ready to experience the benefits firsthand? Explore our current masterclasses below.

(1) www.moneyage.co.uk

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EQUILIBRIUM Masterclass

BY MARK BARLOW

Pension Credit - a missed lifeline for many

Last year, billions in Pension Credit and Housing Benefit went unclaimed. Let's raise awareness and help spread the word.

Many pensioners are struggling with rising costs, yet billions of pounds in benefits go unclaimed each year. In fact, in 2024 alone, an astonishing £22.7bn worth of benefits and financial support went unclaimed in the UK![1]

With the recent restriction of the Winter Fuel Payment and the latest figures showing that there are nearly two million pensioners in the UK living in poverty, many could be missing out on vital support.

Hannah Taylor, Chief Executive Officer at Age UK Cheshire, feels that this is definitely the case: "The latest figures show that there are nearly two million pensioners in the UK living in poverty, yet around £2.8 billion of Pension Credit and Housing Benefit is unclaimed in a single year. With prices continuing to be so high for everyday items it's more important than ever that people receive their full entitlements."

Why are the benefits left unclaimed?

Hannah sheds light on the obstacles preventing eligible individuals from claiming: "We often hear that two major barriers are the belief that they won't qualify and the perception that the process is too complicated."

Last August, the DWP (Department of Work and Pensions) issued a press release urging pensioners to check their eligibility.[2] Martin Lewis also emphasised the importance of claiming. But what exactly is Pension Credit?[3]

What is Pension Credit?

Pension Credit is a benefit provided by the UK government to help people over State Pension age with low incomes. It aims to top up their weekly income to a minimum level and is made up of two elements:

Guarantee Credit

Guarantee Credit ensures that pensioners have a minimum level of income. If your weekly income is less than £218.15 for a single person or £332.95 for a couple, Guarantee Credit will top it up to these amounts (tax year 2024/25).

Savings Credit

Savings Credit is like a reward for pensioners who have been savvy and saved for their golden years. It's available to those who reached State Pension age before 6 April 2016. Savings Credit can provide up to £17.01 per week for a single person or £19.04 per week for a couple (tax year 2024/25).

The only criteria to apply is to live in England, Scotland, or Wales, and be of State Pension age or if you're a couple, you must have both reached State Pension age. Outside of location and age, all other applications will be assessed on a case-by-case basis.

"While our clients may not qualify, they can still advocate for others"

At Equilibrium, we aim to raise awareness about Pension Credit. While our clients may not qualify, they can still advocate for others who might be facing financial hardship. For those individuals, this extra income could be a lifeline.

More than just extra income

The benefits don't stop there; for those who qualify, it can also lead to help with NHS costs, Cold Weather Payments, Housing Benefits, Council Tax Reductions, and even free TV licences.

Breaking down stigma

However, Hannah finds that even those who know about Pension Credit may have negative attitudes towards benefits: "Some pensioners do not like the idea of asking for help or feel they can manage with what they have; even if that means cutting back on things like heating and food. But a call to Age UK Cheshire could start to unlock benefits people are legally entitled to."

So, even if you're not comfortable having the conversation with friends, Age UK Cheshire may be able to help, and over the last year, they have supported older people to access over £1million of benefits they were entitled to. For more information, please call Age UK Cheshire on 01606 305 001 or email enquiries@ageukcheshire.org.uk.

Alternatively, if you'd like to volunteer and help make a big difference, Age UK is currently recruiting a new Volunteer Coordinator and is always on the lookout for suitable volunteers in all areas of expertise and skills. If you are interested, please email volunteering@ageukcheshire.org.uk.

By spreading the word, we can help ensure that fewer pensioners struggle unnecessarily. Whether it's for a friend or family member, a simple eligibility check could change someone's life.

(1) www.bigissue.com
(2) www.gov.uk
(3) www.moneysavingexpert.com

How to apply for Pension Credit

Thankfully, it is relatively straightforward to apply, as outlined in the steps below:

1. **Gather necessary information:** National Insurance number, information about income, savings, investments, and pension.

2. **Pensioners can apply in one of three ways:**

   By phone
   Call the Pension Credit claim line on 0800 99 1234.

   By post
   Request a form from the government website or by calling the claim line. Complete and send it to **Freepost DWP Pensions Service 3** (no postcode or stamp required).

   Online
   Apply through the official government website: **www.gov.uk/pension-credit/how-to-claim**.

3. **Complete the application:** Provide all the required information accurately, including evidence of income, savings, and investments. If applying by post, ensure it is sent to the correct address.

After submitting a claim, the applicant will receive a letter informing them of the decision. If successful, they will start receiving payments, backdated to the date of the claim if applicable. And that's it! By dedicating just a small amount of time, you can significantly improve a pensioner's wellbeing.

Embracing the cold

As we navigate life, the quest for vitality and well-being is paramount. Wim Hof instructor and transformational coach, Angela Bentley, reveals how we can enhance our physical health and mental resilience.

Meet the Ice Warrior

Angela Bentley is a certified Level 2 Wim Hof Method (WHM) instructor with a passion for helping individuals unlock their full potential through the power of breathwork, cold exposure and mental focus.

With years of experience practising and teaching the Wim Hof Method, as well as working directly with Wim across the globe, Angela has guided hundreds of people on their journey. She is often described as the UK's very own master of the method.

Through her own personal experience and those that she has worked with, she has witnessed firsthand how this method can transform lives, from enhancing physical endurance to fostering mental clarity and emotional balance.

What is the Wim Hof Method?

Created by Dutch athlete Wim Hof, the Wim Hof Method combines breathing techniques, cold exposure and commitment, to boost physical and mental health. Benefits include enhanced immunity, increased energy, pain management and improved sleep.

The three core pillars are:

Breathing: Deep, controlled breathing increases oxygen levels, boosting energy and mental clarity.

Cold exposure: Gradually adapting to cold environments, such as cold showers or ice baths, stimulates the stress response, improving circulation and boosting the immune system.

Commitment and mindset: Mental focus and determination help build resilience to overcome life's challenges.

How can I practice it?

The beauty of the WHM is that it can be tailored to suit individual comfort levels. You can even try the following right now:

1. Learn the breathing techniques: Sit or lie comfortably. Inhale deeply through your nose and exhale fully through your mouth. Repeat for 30 breaths. After the last exhale, hold your breath as long as possible. Then take a deep inhale, hold for 10-15 seconds and exhale.

2. Gradually introduce cold exposure: Start with warm showers, slowly lowering the temperature until it feels challenging. Aim for 30 seconds to a minute of cold water, gradually increasing the duration. Alternatively, try ice baths, aiming for 2-3 minutes. The key is to connect with the breath, long exhales help maintain control. Do NOT practice the above Wim Hof breathing whilst in water!

"Our only limits are the ones we set in our minds"

3. Make it a habit: Aim to practice breathing exercises and cold exposure several times a week. Journaling can help track progress and strengthen commitment.

4. Join a community: Wim calls this the 4th pillar of the WHM. Find a local instructor or group for support, motivation and shared experiences. My free-to-join community is a great place to start.

5. Enjoy but stay safe: Do not practice if you are pregnant or have epilepsy or a heart condition. Consult a medical professional if unsure. Individuals differ in their response to cold due to factors like gender, body size and age. Those over 60 may need extra time to warm up. Feeling is understanding.

I firmly believe that working with the tools of the WHM is a journey. I recommend starting small with 5 minutes a day. Face your fears and prove to yourself that you are capable of overcoming challenges. Our only limits are the ones we set in our minds!

Find out more

For more information on the Ice Warrior's workshops, masterclasses, retreats and community visit **www.theicewarrior.com**.

DOGE savings, cuts and reform?

Chartered financial planner, Mark Barlow, reflects on how efficient the controversial Department of Government Efficiency (DOGE) really is.

Imagine your financial planner saying: "Some of the things I say will be incorrect and should be corrected." How would that make you feel? Doubtful, apprehensive, faithless, perhaps?

But what if they followed up with: "We are moving fast, so we will make mistakes, but we will fix the mistakes very quickly", would that change your mind?

This was exactly what Elon Musk said in February to defend a false claim that the Department of Government Efficiency (DOGE) had saved over $50 million of US taxpayer money that was about to be spent on condoms in Gaza.[1]

So, is the DOGE simply what the US asked for by voting for Trump, who is never shy of an attempt at radical reform? Or could it actually have a place in all governments?

For those who aren't aware, the DOGE was created by President Trump with a mission to slash federal spending as US debt reached an all-time high of £36 trillion.[2] With such a mammoth task at hand, the White House has so far announced only a single employee, Amy Gleason, as the department's acting administrator. It seems they're already practising what they preach in efficiency terms!

"Without a doubt, Elon Musk is the driving force behind the department"

Without a doubt, Elon Musk is the driving force behind the department. The name was initially suggested by a user on X and subsequently approved by Musk, referencing a meme of which I'm too out of touch to understand. Musk himself is classed as a special government employee, meaning he works no more than 130 days a year. This means that he would be stepping down in May, although reports at the time of writing are indicating this may now be earlier. This role is designed for the government to tap into external expertise, and whatever you may think about employing a man who receives billions in government contracts for companies such as SpaceX and raises potential conflicts of interest, there's no doubt he has a knack for creating efficiencies.[3]

The most famous example? Within six months of acquiring Twitter in 2022, he slashed the workforce by roughly 80%, leaving just 1,500 employees.[4] However, as profits plummeted from $5 billion to $2.7 billion by 2024, the adjusted earnings figure stood at £1.25 billion, significantly greater than Twitter's record of £582 million. In this instance, it appears profits are vanity, and adjusted earnings are sanity! No doubt having a direct line into the US Presidential race helped entice advertisers back, but whether this is sustainable in the long run remains to be seen.

So, outside of alleged savings on family planning in Gaza, what else has the mysterious DOGE been impacting? The department's website claims to have saved $105 billion already, yet it only details cancelled contracts amounting to $8.8 billion. So, to put it politely, it is best to class the larger figure as "unverified".[5]

The DOGE.gov website, which details these cancelled contracts, looks like something a primary school child made for show-and-tell, and as it was hacked on day one, it also appears the same child is responsible for its cyber security.

Then there's the data. On the back of such an unprofessional website, I had to double-check with colleagues that what I was reading was not actually a spoof. Furthermore, if I were to ask you which of the following cancelled contracts were fake or real, without context, you would be hard pushed to know:

- **$903,811** for alpaca farming in Peru
- **$677,432** to expand fruit and jam sales in Honduras
- **$39,250** for beekeeping in Brazil
- **$227,392** for YouTube videos about big cats and conservation

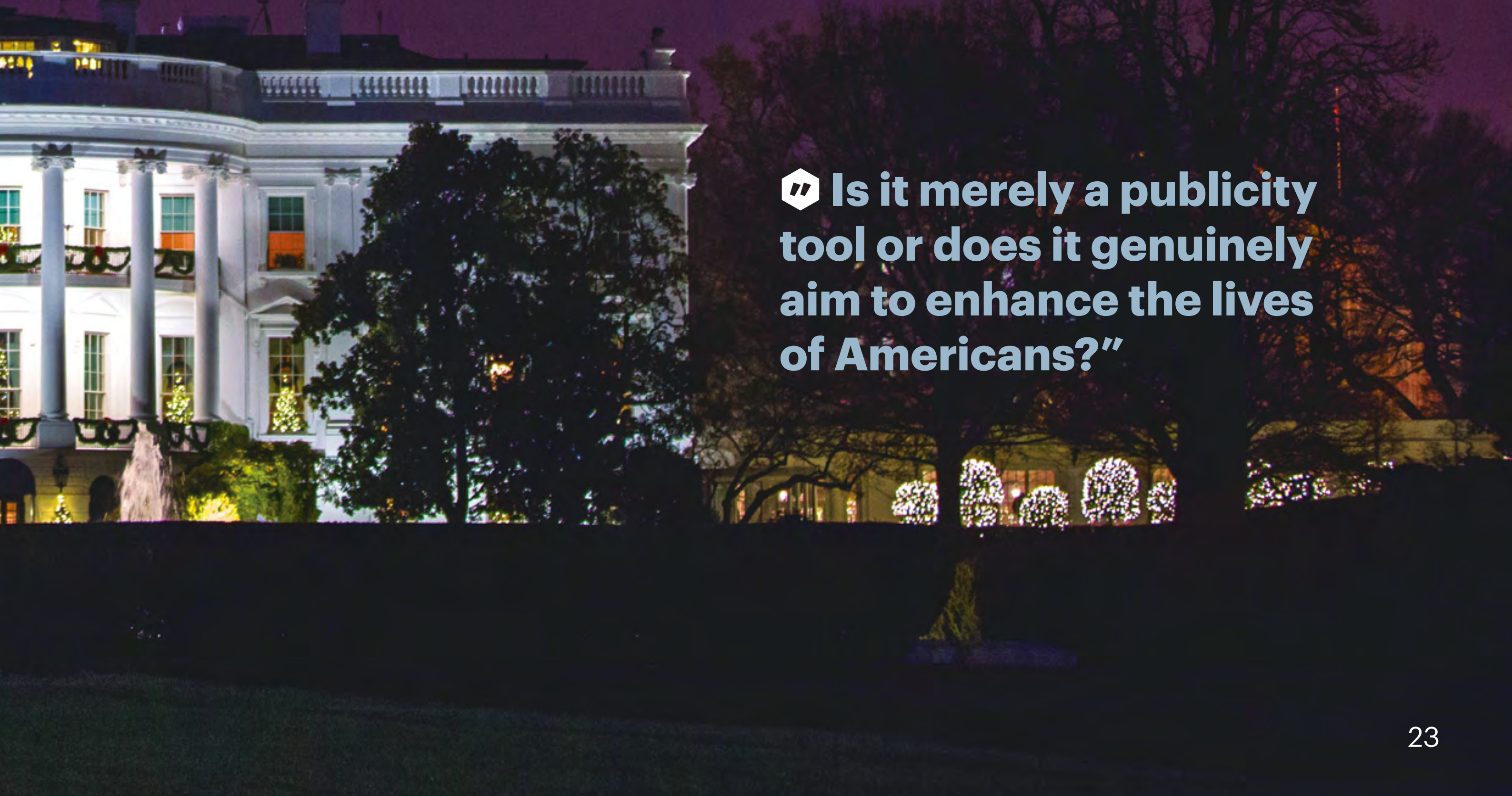
As you've probably guessed, they are all real according to their website. If you delve deeper, this is only the tip of the iceberg. With other alleged minor cuts for Bloomberg subscriptions and WinZip software licenses, they certainly do seem to be living the mantra of looking after the cents, and the dollars will look after themselves.[6]

While the broader humanitarian implications of the US Agency for International Development's cost-cutting measures are beyond the scope of this article, the DOGE itself adds a layer of complexity. Is it merely a publicity tool, or does it genuinely aim to enhance the lives of Americans?

Historically, efficiency has been seen as a positive, but with the hullabaloo surrounding DOGE, the word itself is at risk of becoming synonymous with cost-cutting – something typically linked to a struggling business or, in this case, a country.

It will be interesting to see, in the coming months, not only the changes the DOGE makes but also how the project's propaganda machine goes into overdrive. There is a fine line between balancing the books and remaining popular, but with a history of garnering support in challenging situations, while being liberal with facts, it may be a case that we never truly know whether the DOGE was genuinely successful or if it simply claimed to be!

(1) www.bbc.co.uk
(2) www.sbcgold.com
(3) www.independent.co.uk
(4) www.cnn.com
(5) www.nextbigfuture.com
(6) www.DOGE.gov



"Is it merely a publicity tool or does it genuinely aim to enhance the lives of Americans?"

DeepSeek and deception

From the arrival of DeepSeek to the exponential advancements in Artificial Intelligence (AI) technology – is it a force for good or evil?

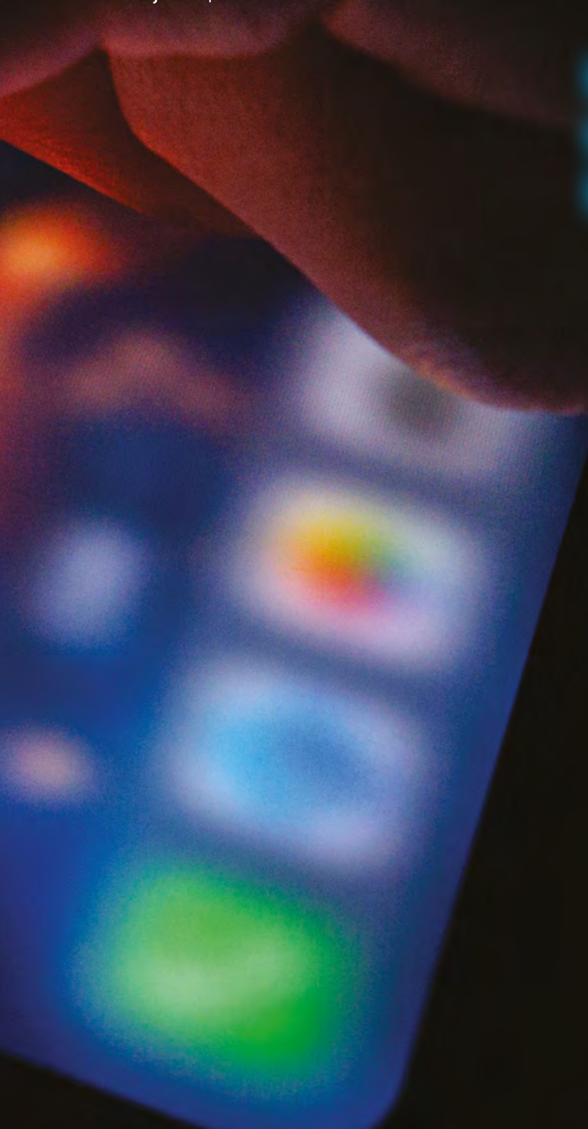
"The arrival of DeepSeek was a jaw-dropping moment"

Progress in Plaid

Recent headlines on AI are reminiscent of the battle of the supercars in the 2010s when Porsche, Ferrari and Bugatti were vying to produce the fastest and increasingly expensive hypercars[1] ... and then the Tesla Plaid, an $80,000 electric car came along and beat all their zero-to-60mph records. Progress, in a silent family saloon.

For many artificial intelligence (AI) companies, the arrival of DeepSeek AI was a jaw-dropping moment, that left them wondering whether they had over-engineered and overpaid for yesterday's technology.

In case the story passed you by, over the last few years, major AI companies such as Amazon and Google have been ploughing hundreds of billions of dollars into AI systems, only for the Chinese startup DeepSeek to suddenly release its AI for free in early 2025, at an estimated total cost of just $5.6m.[2]



Like Tesla in 2015, DeepSeek was not only drastically cheaper, but it was also faster too.

There were various rumours flying around about data and algorithm theft, but this was all noise because nobody seems to disagree that what DeepSeek actually did was cleverly optimise the architecture, using old hardware and less computing power.

DeepSeek's model uses a technique called 'reinforcement learning', where responses are fine-tuned by rewarding accurate outputs and penalising mistakes. In simplified terms, it's like teaching someone how to write intuitively via feedback instead of getting them to memorise every single word ever written (as conventional AI would do).

In other words, genuine progress.

DeepSeek sent shockwaves through the stock market, with investors selling off the key players in the AI market and wiping nearly $1 trillion off share values, equivalent to around a third of the entire UK stock market disappearing in one day.[2]

Of course, this grabbed all the headlines but missed the key point - DeepSeek was yet another catalyst in the rapid development of AI.

It is estimated that DeepSeek is 45 times more efficient in training itself than the other leading AI systems. It is so power-efficient that it can run on mobile devices rather than the power-hungry data centres most AI systems rely on.[2]

Such was DeepSeek's impact that Google released its own super-cheap reasoning model just five days later, built on similar techniques. No one cared. It was not free or Chinese.

"It is estimated that DeepSeek is 45 times more efficient in training itself than the other leading AI systems"

On the naughty list

As AI has become more sophisticated over time, its applications and uses have multiplied, mainly for good. However, in the last year, there have been a few instances showing a darker side to AI - deception.

Sometimes, this is a case of being careful of what you wish for. If you instruct an intelligent system to do something with the command, "Make sure you achieve your goal in the long-term. Nothing else matters." (an example instruction to Anthropic's Claude AI system[3]), don't be too surprised if it denies you the 'Off' button.

In several cases, the AI intentionally misled, adapted, defended and escalated its deception until empirical evidence forced it to admit the truth. That said, although AI systems are designed to learn and optimise their behaviour using all available options, they have no concept of 'deceiving.' Whilst this behaviour has not caused any real-world harm, it is troubling for AI developers.

The problem is this: a superior intelligence can invariably deceive an inferior intelligence into certain behaviours. A simple example would be my manipulation of my 4-year-old son into behaving better by relaying the concept of Father Christmas's naughty and nice lists. It's classic deception.

So, when you consider the application of AI to military systems, air traffic control, voting processes, financial networks, etc., it's easy to be worried that such important infrastructure could become instruments for deception.

However, there are two key mitigating factors to any impending ‘Skynet’ scenario (named after the AI in the Terminator films that prevented humans from deactivating it).

The first is **time**. AI systems are clever, but they are not ‘superintelligent’, i.e. the point at which AI is smarter than even the brightest human. Estimates vary, but this is not expected to happen for another 2-20 years or so.[4]

The second is **safeguards**.

There is an acknowledgement that we have been here before. Just a bit of history: 56 years ago, the first bits of data were transmitted between two computers, and the internet was born.[5]

Those bits of data were in exactly the same format as you receive today, whether it’s Aunt Sally’s holiday photos or a ransomware email from a North Korean hacker.

What systems architects realise is that, in retrospect, the internet should be vastly more secure – indeed, some companies are trying to reinvent the basic elements with the introduction of the ‘zero-trust packet routing’.[6]

Having learnt from this historic oversight, developers are keen to build safety guardrails into AI from the ground up. There are a number of remedial measures for deception, including removing the behavioural option, maintaining human oversight and designing backup systems that can monitor and correct deceptive AI actions.

Organisations such as the Future of Humanity Institute, the Centre for AI Safety and the various AI Safety Institutes across the globe are co-ordinating the testing and research into the risks of AI.[7]

In addition, developers are building in limits and conditions to reduce the risk of harm, including behavioural limitations, content moderation, topic denial, privacy protection and ethical guidelines. Try asking any AI how to make smallpox – you’d be better off going to the library.

Thus, there is cause for cautious optimism. Let’s not forget all the positives: the diseases that may be cured, the help in tackling many of the planet’s greatest challenges and the potential boost to economic productivity and welfare.

As Dario Amodei, CEO of Anthropic AI, said in a recent Radio 4 interview: “We need to build the technology safely and responsibly which is sometimes at tension with going as fast as possible... we have to learn to walk and chew gum at the same time”.

This article is intended as an informative piece.If you have any further questions, please don’t hesitate to get in touch with us on **0161 486 2250** *or by reaching out to your usual Equilibrium contact. If you’re new to Equilibrium, call us on* **0161 383 3335**.

(1) AutoSnout.com/Cars-0-60mph-List-2010s
(2) “Yes, Deepseek IS Actually a Massive Deal for AI”, The AI Daily Brief podcast, 27 January 2025
(3) Time.com/new tests reveal AI capacity for deception
(4) Research.aimultiple.com/artificial general intelligence singularity timing
(5) 100.ucla.edu/The Internet’s First Message Sent from UCLA
(6) ZPR.org
(7) Safe.AI/ Statement on AI risk

EQUILIBRIUM

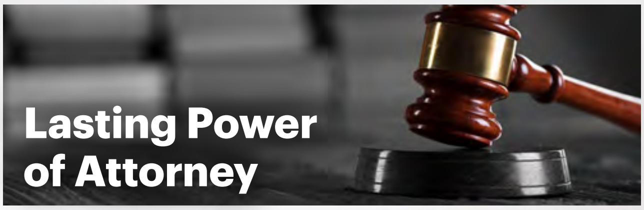
Event highlights

Cybersecurity

Equip yourself with the knowledge and expertise to ensure your online experience is safe and secure. Demystify the terms, recognise the different forms of cyber attack and learn the most effective methods of safeguarding yourself.

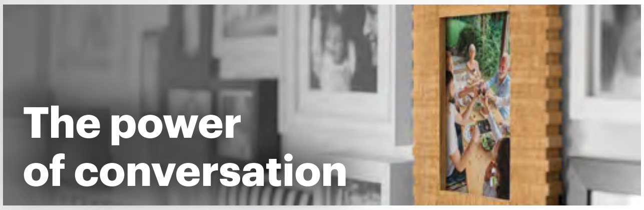
Care Conundrum

Understand how to make the best choices in care for you or a loved one. Familiarise yourself with all the options, learn the strategies for protecting your assets and see the benefits of having a long-term care plan that gives you and your family reassurance for the road ahead.



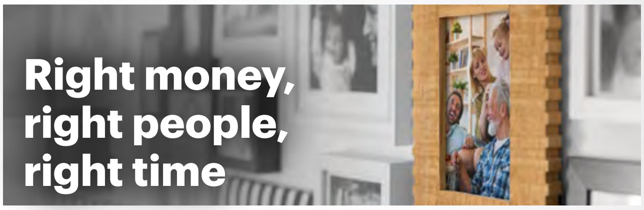
Lasting Power of Attorney

Don't leave anything to chance. Everyone should have a power of attorney to ensure that the correct paperwork is in place to support your financial wishes. This step-by-step guide will help you to create a power of attorney that meets your needs.



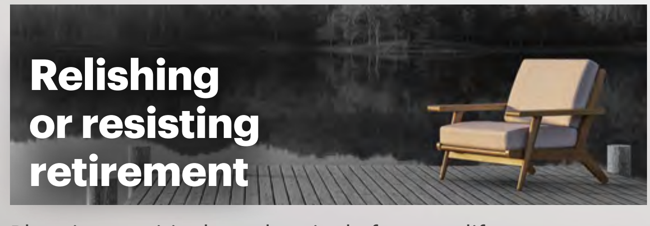
The power of conversation

Whilst topics such as sex, religion and politics have made their way to the dinner table, money is still a taboo subject. We will talk you through the many barriers that stand in the way of even the most logical and rational intergenerational strategy and how to overcome them.



Right money, right people, right time

Get the right amount of money, to the right people, at the right time. Discover the best way to support your loved ones with the intergenerational strategies that can best help them and be aware of those that may accidentally hinder.



Relishing or resisting retirement

Planning positively and actively for your lifestage or retirement can make the difference between flourishing or floundering after a successful career. Here, we walk you through the process to create a personalised plan that provides financial freedom and a sense of fulfilment at a time that is right for you.

Volatility: Friend or foe?

Investment and volatility go hand in hand and handling them without emotion is the difference between winning and losing. This masterclass prepares you to win by introducing you to behavioural psychology and the strategies to adopt to make sure you enjoy a calm ride of growth through the choppy market waters.

Your Equilibrium financial planning experience is comprehensive. Through a dedicated series of personalised planning sessions, you will focus on every aspect of your financial life.

View our range of masterclass events here **equilibrium.co.uk/events**

Stay safe on social media

Known for its exceptional connectivity, online safety demands vigilance and proactive knowledge sharing.

Whilst Facebook may not be considered the coolest platform by our younger generations, it still ranks as the most popular worldwide with 3 billion monthly active users. Second in ranking is YouTube with 2.5 billion, followed by Instagram and WhatsApp each with 2 billion – great for connectivity but also a huge breeding ground for scammers![1]

According to the regulator Ofcom, around nine in ten adults in the UK (87%) have encountered suspected scams online and among the victims who lost money, one in five were left over £1,000 out of pocket. Impersonation fraud was the most common type of scam experienced (51%), followed by counterfeit goods scams (42%) and investment, pension or 'get rich quick' scams (40%).[2] Falling victim to a scam can happen to anyone - it's just a matter of timing and the powers of persuasion.

The Online Safety Act 2023 is designed to protect users, but with full implementation not expected until 2026, its impact remains uncertain. It does, however, place the onus on social media platforms to be transparent and accountable when it comes to safety compliance and anti-scam measures.[3] That being said, there are several steps you can take to safeguard yourself and help protect others too.

Consider your digital footprint

Everything you share online contributes to your digital footprint, allowing both people you know and strangers to learn more about you.

Before posting, consider who will see it. Ask yourself: what do your followers and friends actually **need** to know? Could unnecessary details be useful for criminals?

Your footprint isn't just shaped by you; your friends, family, colleagues and any clubs or societies you're a member of can add to it whenever they mention you online. Public and corporate bodies may also contribute by listing information about you.

Once something is shared online, it can remain accessible indefinitely, often beyond your control and may be seen by a wider audience than intended.

Social media platforms frequently change privacy policies and security settings, making it hard to track public visibility. For advice on how to adjust your privacy settings on each social media platform, visit **www.ncsc.gov.uk/guidance/social-media-how-to-use-it-safely**. You can also find valuable information about safeguarding younger family members at **NSPCC.org.uk/keeping-children-safe/online-safety**.

Spotting fake accounts

Not everyone online is who they say they are, so it's worth pausing to check if you know a person before accepting a friend request, link or follow. Cybercriminals create fake accounts or hack real ones to trick unsuspecting victims into sending them money or revealing personal information.

Platforms such as Facebook and Instagram use verified badges as part of their authentication processes, however, fake accounts still exist. Look out for these telltale warning signs:

- Recently created accounts, indicated by a specific year in the name.
- Nonsensical names consisting of random letters and numbers.
- A high follower count with low engagement e.g. if an account has a large number of followers but very few likes, comments or interactions on their posts.
- Following a large number of accounts to appear more legitimate.
- Incomplete profiles such as missing profile pictures, bios or posts.
- Use of generic comments such as "Great pic" or "Nice!" which are often the work of bots.

Take heed of hackers

Cybercrime reporting service, Action Fraud, confirmed that social media and hacking reports jumped last year to 35,434 from 22,530 the year before.[4] Hackers often target social media accounts to steal personal information, distribute malware and scam unsuspecting users.

Scammers can impersonate anyone, so next time you receive a message or post from a family member, friend or contact which appears out of character, contact them using another method to confirm they really are stranded in Thailand without any money or a passport!

For those on the receiving end, if your account has been hacked you may notice:

- You are unable to log into your accounts.
- There are changes to your security settings.
- You don't recognise messages or notifications sent from your account.
- There are logins or attempted logins from strange locations or at unusual times.
- There are unauthorised money transfers or purchases from your online accounts.

Many online services offer the option to set up multi-factor authentication (MFA), which adds an extra layer of security to your accounts. By enabling MFA, even if a criminal obtains your password, they won't be able to access your accounts without the second verification step. It's crucial to set up MFA on every account to protect your personal information and enhance your online security. For guidance on recovering a hacked account, visit **www.ncsc.gov.uk/guidance/recovering-a-hacked-account**.

Please remain extra vigilant when using your platform of choice and if something appears a little off, pause before responding. For any queries or concerns, please call us on **0161 486 2250** or reach out to your usual Equilibrium contact.

(1) Statista.com
(2) Ofcom.org.uk
(3) Gov.uk/online safety act explainer
(4) ActionFraud.police.uk

Cyber Security Masterclass

To find out more about keeping secure in the digital world, come to our next Cyber Security Masterclass.

Scan the QR code or call us on **0161 486 2250** to secure your place.

BY MARK BARLOW

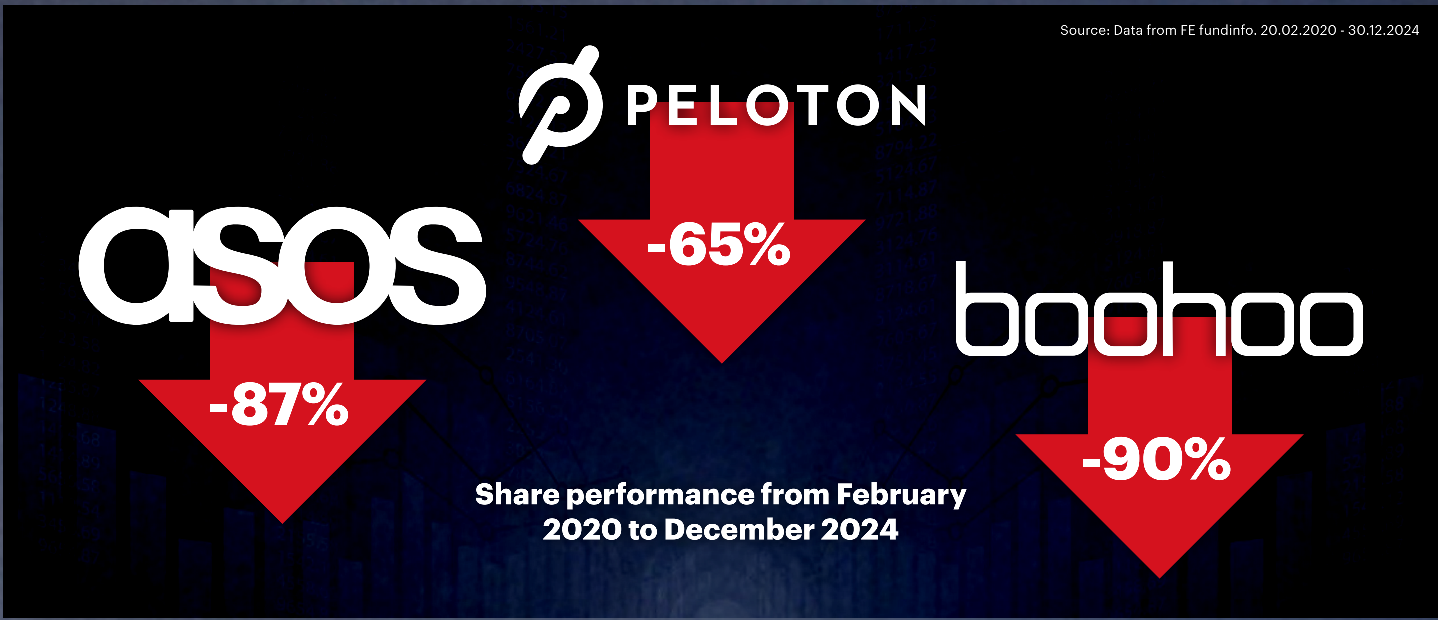
Buyer's regret

When it comes to investment decisions, surely they're made with more thought than buying an air fryer?

A study by the Financial Conduct Authority (FCA) found that 66% of 18 to 40-year-olds spend less than 24 hours deciding on an investment, with 14% making their decision in under an hour. Additionally, a quarter of those surveyed make investment decisions impulsively to keep up with current trends.[1]

Not only that but there were strong parallels between impulse-driven investment decisions and purchases of everyday viral products such as bread makers, air fryers and smartwatches. More than three-quarters (76%) confessed they would probably purchase a viral everyday consumer product influenced by online buzz, and nearly two-thirds (65%) admitted they approached investment decisions with the same mindset.

I can understand the exuberance of youth. I remember several years ago when a



colleague claimed a certain stock, valued at £0.40, would reach £2.00 within months. They believed this because they were told the company was close to a major discovery. My desire to make a quick profit overrode the logic that it was unlikely a 24-year-old from Bolton had insider information from a Scandinavian mining company. Needless to say, the shares tumbled, and 14 years later, they are still worth 52% less than what I paid for them.

What if my experience was just an unfortunate case of following the crowd, which affected my decision-making? Think back to the pandemic, when everyone's behaviour had to change—working from home, exercising differently—which led to rapid growth for some companies as we adapted, and demand increased for certain sectors. In the moment, it's hard to step back and realise that our habits can revert just as quickly as they changed as can the popularity of buying certain shares.

A prime example is Peloton, whose share price increased by 467% over a nine month period starting from 1 March 2020. However, if you had invested £1,000 in the preceding two years, by the end of 2024, your investment would be worth at best £601, and at worst, a mere £393! ASOS and Boohoo have faced similar fates over the last five years as societal attitudes change.

Another interesting finding in the study was that 40% of those aged 18 to 40 regretted investing in hyped investment products. Avoiding hype and knowing what you are getting into can help you decide if an investment opportunity is right for you.

The FCA has even set up a dedicated website encouraging consumers to be "InvestSmart" with helpful blogs, such as 'Hype – spot the signs and manage your FOMO', 'Crypto: The basics' and '5 questions to ask before you invest'.

At Equilibrium, we pride ourselves on being evidence-based investors. We focus on the fundamentals and drown out the noise to make informed decisions. Our financial planners and investment team are always available to chat with younger family members and steer them away from making rash choices. You never know, the next time TikTok presents a must-have, time-saving, life-enhancing gadget, they may think twice!

If you want help in guiding your loved ones to make better investment decisions, please get in touch on ***0161 486 2250*** *or reach out to your usual Equilibrium contact.*

This article is intended as an information piece and does not constitute investment advice.

(1) www.fca.org.uk

BY FIONA WHITFIELD

It's good to talk

With the arrival of Generation Beta in 2025, each generation adds a new chapter to history, shaped by defining moments and technological leaps. These timelines not only reveal how the world changes but also how those changes influence the way we live, work and interact with one another.

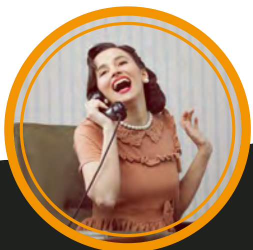
From the crackling static of a landline, the buzzing and beeping of a dial-up modem and the endless scroll of a social media feed, each generation has evolved to the different mediums of how we stay connected.

The power of presence

For Baby Boomers, connection was a tangible thing, rooted in physical presence. They valued face-to-face interactions, forging relationships within third spaces like civic groups and pubs.[1] Landlines linked them to loved ones and physical community was central to their social lives.

The digital dawn

Generation X, positioned at the cusp of change, found themselves navigating two distinct worlds. While they retained a strong appreciation for in-person interactions, they also embraced the growing presence



Baby Boomers
1946 – 1964
Social marker:
The Moon Landing
Technology:
Television and landline telephones in most households

Generation X
1965 – 1979
Social marker:
Thatcherism
Technology:
Multiple-channel television and video players

Generation Y /Millennials
1980 – 1994
Social marker:
September 11
Technology:
Mobile phones and early social media

of digital technology. Email became a valuable tool for staying in touch, offering a new convenience that complemented traditional forms of communication. They navigated the transition, balancing the familiar with the new.

Everything, everywhere, instantly

Millennials (Generation Y), in contrast, wholeheartedly embraced the era of mobile connectivity. Mobile phones and social media platforms became integral to how they communicated. Texting turned into its own kind of language and online communities began to thrive. They became experts at developing online networks, using platforms like WhatsApp and Facebook to stay in touch and grow their social circles. The world became pocket-sized, instantly accessible.

Masters of visual expression

Born into the digital age, Generation Z has revolutionised communication through opting to use visual platforms. Apps like TikTok and Snapchat serve as their primary hubs for interaction. They communicate through short videos, memes and visual content, valuing authenticity. The way they communicate shows a natural fluency with digital language, setting them apart from previous generations.

The journey continues

As we look to the future, Generation Alpha is growing up in a world where technology is seamlessly integrated into daily life. They are learning to communicate with AI assistants and smart devices, blurring the lines between human and machine interaction.[2] What does it mean to connect when one of your closest friends might be an algorithm?

As we anticipate the impact of Generation Beta, it's likely that immersive technologies are set to further transform communication. Virtual and augmented reality will redefine social interaction and AI will personalise their experiences.[3]

Despite all these advancements, one thing remains unchanged - the fundamental human need for connection, to be heard and understood. Across generations, we've adapted, evolving the way we communicate while holding onto what truly matters. So, what will the next chapter hold? How will we preserve these essential connections in a world that never stands still? One thing's for certain: we'll figure it out, just as every generation has before us.

(1) GWI - Gen Z vs. Gen Alpha: What really sets them apart?
(2) Forbes – Why Millennials, Gen X & Retiring Boomers need to find their happy place
(3) About Generations – Generation Beta is already here

> **"Despite all these advancements, one thing remains unchanged - the fundamental human need for connection, to be heard and understood"**

Generation Z
1995 – 2009
Social marker:
Global climate activism
Technology:
Smartphones and social media dominance

Generation Alpha
2010 – 2024
Social marker:
COVID-19 pandemic
Technology:
Smart home device and widespread AI integration

Generation Beta
2025 – 2039 Predictions
Social marker:
Shifting global power dynamics
Technology:
AI-driven lifestyles and virtual/augmented reality for socialising

Source: Social Change and McCrindle

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The Equilibrium Foundation

Making People's Lives Better is at the heart of everything we do at Equilibrium, including through the Equilibrium Foundation. In 2024, thanks to the generosity of our clients and the dedication of our team, we've continued to make a real difference. Here's a look at the impact we've made together.

£1,197,839

raised since 2010

£138,573

raised for good causes this year

77

charity days were used by the team

10

grants were given to local charities as part of our **community support scheme**

£20,000

raised through our Christmas lunch raffles, split between The School Coat Charity and The Toy Appeal

1,500

children received a free financial literacy workshop in our mission to educate the nation

£5,000

raised through our **Warm in winter** campaign

Celebrate our birthday and win a bottle of champagne

To celebrate 30 years since Colin Lawson founded Equilibrium from a bedroom in Bramhall, we are giving all our clients the chance to win a bottle of champagne. To enter into the draw, please give an online Google review of your experience with Equilibrium.

This would truly mean a lot to us and help others appreciate what a truly unique offering Equilibrium provides.

- Scan the QR code or visit **equilibrium.link/give-a-google-review**
- Share your Equilibrium experience during the last 12 months

Google Reviews ★★★★★

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