

YOUR PENSION FUTURE

How the new Pension Scheme Act will reshape your retirement funding

RISING COST OF INVESTMENT FRAUD

Steering clear of scammers

COST OF LIVING CREEPS UP

Factoring in inflation to your planning

Radcliffe
& Co

Financial FOCUS

www.radcliffe-ifa.co.uk • enquiries@radcliffe-ifa.co.uk

SUMMER 2026

The investment World Cup

What can investors learn from football fans about playing the long game?



In this issue...

Summer has arrived with a heatwave and season of sport. As the World Cup progresses, football fever is ramping up. In our feature for this edition we look at what the beautiful game can teach investors in terms of reactions to sudden shocks and playing the long game. As with unexpected surprises in the tournament, the investment league tables can throw up sudden winners and losers and knowing when to react can make all the difference. Increased life expectancy means many more of us will enjoy living into our 90s or even over 100 in the 21st century. But with most people finishing work before their 70s, the potential for a pension funding gap is a problem for many. Ten years after autoenrolment in 2016, another radical set of reforms designed to boost pension funds by consolidating smaller pots and requiring funds to meet investment targets is getting underway. With worries about pension funding come scammers looking to take advantage. Increasingly sophisticated scams are targeting old and young alike, promising higher pension fund returns or persuading younger people that social media 'finfluencers' can make them rich quick.

03

Market update

04

The shape of pensions to come

Major reforms to improve returns on pension funds will be enacted before the end of the decade.

05

The investment World Cup

You may be surprised to hear Argentina tops the investment World Cup as well as holding no 1 rank in the football tournament this summer.

06

How to supercharge your Junior ISA

Teens turning 18 can benefit from a double ISA investment in their final JISA year.

07

Inflation makes a stealthy return

The best laid plans cannot account for unexpected world events as this year's inflation rise proves.

08

Investment scams on the rise

Young and older people are becoming the targets of more prevalent and more sophisticated scams.

09

Charitable donations and IHT

Legacy giving benefits both charities and our loved ones by reducing the IHT payable for beneficiaries.

Credit: Juan Roballo/Shutterstock.com

INVESTMENT

Investment Committee update

The past quarter has been characterised by heightened geopolitical uncertainty, with escalating tensions between the United States and Iran creating periods of increased market volatility. As has often been the case in recent years, investor sentiment has shifted rapidly in response to global events, reinforcing the importance of maintaining a disciplined and diversified investment approach. While short-term market movements can be unsettling, our focus remains firmly on long-term client outcomes.

A significant part of the Committee's activity has centred around the ongoing oversight of our investment panel. During May, we completed our six-monthly due diligence programme, meeting with a range of our bespoke discretionary fund managers, reviewing the performance and positioning of our multi-asset platform solutions, and exploring several alternative investment opportunities. These meetings are a key component of our governance framework, ensuring that our investment partners continue to meet our standards for performance, risk management and operational resilience.

We also continue to receive approaches from a broad range of external investment providers seeking inclusion within our proposition. Given the increasing complexity of investment markets, it is essential that we maintain a rigorous and transparent selection process, enabling us to work only with those partners that demonstrate strong governance, robust investment processes and alignment with our clients' objectives.

Beyond investment oversight, the Committee has reviewed our cashflow modelling software, which is becoming an increasingly valuable tool for clients approaching or in retirement. Enhanced modelling capabilities are helping advisers provide more personalised retirement planning and better illustrate the long-term impact of different financial decisions.

From a regulatory perspective, we remain very mindful of the ongoing expectations arising from the FCA's Consumer Duty, ensuring that investment solutions continue to deliver fair value and appropriate client outcomes. In addition, increasing scrutiny around Environmental, Social and Governance (ESG) disclosures and anti-greenwashing requirements means that any sustainability-related claims must be well evidenced. The Committee will continue to monitor legislative developments closely to ensure our investment governance framework remains robust and fully aligned with evolving regulatory standards.



Market Update

When the first strikes on Iran took place at the end of February, few would have expected markets to be where they are today. That feels even more surprising given the Strait of Hormuz remains officially closed. It's no wonder some clients are scratching their heads as balanced portfolios continue to grind higher – but markets have a habit of climbing walls of worry, often confounding and playing to different tune than that in the media headlines!

From early on, our approach to the conflict has been consistent. We took the view that a prolonged campaign would suit neither Iran nor the US. Iran simply lacks the economic resilience for a drawn-out conflict without risking domestic instability, while in the US, looming mid-term elections and sensitivity to higher fuel prices make a sustained overseas intervention politically unattractive. That doesn't eliminate risk – a renewed escalation would clearly be negative – but for now the balance of probabilities supports remaining positive on equities.

Alongside geopolitics, another long-running concern has been the valuation of US equities. Yet this has been a worry for years and, so far, hasn't derailed markets. We've consistently argued that simple valuation measures like the Price/Earnings ratio don't tell the full story, particularly when it comes to the dominant US companies. These businesses are not only highly profitable but have proven their ability to reinvest earnings into new growth opportunities at attractive returns.

That strength is showing through in the numbers. Despite the S&P 500 rising 11% year-to-date, the forward PE ratio has edged slightly lower to around 22x, helped by steady upgrades to earnings forecasts. First quarter earnings growth came in at 26% year-on-year, well ahead of expectations, with forecasts

suggesting growth of 24% in 2026 and a still healthy 13% in 2027. As long as earnings continue to do the heavy lifting, it is difficult to see a sustained downturn taking hold.

Of course, we are always looking for what could go wrong. The most obvious risk would be a recession, which historically tends to follow tighter monetary policy. There are reasons to keep an eye on this – not least the inflationary pressure from the Iran conflict and heavy AI-related investment spending – but expectations for interest rate rises remain modest. Current pricing suggests just a single quarter-point increase from the Federal Reserve over the next year.

That brings us to the Fed itself, with some added intrigue this month as new Chair Kevin Warsh attends his first meeting on 17 June. There's an expectation he may lean more dovish, although he will still have to navigate a committee that has become more divided. Either way, it is likely to be a more interesting meeting than usual and one markets will watch closely for clues on the policy path ahead.

Closer to home, UK politics continues to bubble in the background. Recent local and mayoral elections were weak for Labour, but not enough to trigger an immediate leadership change. Even so, questions remain, and the potential emergence of figures like Andy Burnham or Nigel Farage does little to reassure

investors on fiscal credibility. For now, markets are largely focused elsewhere, but it would not take much for domestic politics to move back up the agenda later in the year.

Looking ahead, attention is also shifting toward what could be a significant wave of IPOs, with SpaceX, due to list on 12 June with a projected valuation of around \$1.75 trillion. That would put it straight into the top tier of global companies, albeit without delivering profits yet. Potential listings from Anthropic and OpenAI are also in the wings, and investor appetite for these will be an important signal for risk sentiment.

We have consistently pushed back against warnings of imminent bubbles or financial crises, but that does not mean we are complacent. Markets can turn quickly, and risks are never far away. That said, market peaks tend to coincide with tightening financial conditions, and that is not clearly the environment we are in today. With earnings still growing and policy not overtly restrictive, our view remains that it makes sense to stay invested – but to do so sensibly, with diversification across and within asset classes firmly in place.

PENSIONS

The shape of pensions to come

Credit: Lordn/Shutterstock.com

The latest tome of pensions legislation could bring major changes to your pension arrangements in coming years.

The Pension Schemes Act 2026 received Royal Assent just before the axe fell on an unusually long parliamentary session, after 10-months of winding its way through parliament. It has become a weighty piece of legislation, the impact of which has been compared with the pension flexibility reforms introduced 11 years ago. By the end of 2030 the Act will have reshaped the structure of pension provision.

“ *Small pension pots have become scattered across providers. The Act's solution is to require automatic consolidation of small pension pots worth £1,000 or less.*

Bigger is better

The Act reflects a government goal to reduce the number of defined contribution (DC) pension schemes, which now dominate private sector provision. By 2030, schemes will generally need to have at least £25 billion in their main default fund or have £10 billion and a credible plan to reach £25 billion by 2035. At present there are 2,000 schemes which have £10 billion of assets in total.

The government believes that creating these 'megafunds' will lead to better investment

governance, lower costs for auto-enrolled members, a broader spread of investment allocation and higher long-term returns. For many employees, it will mean a move from membership of their employer's pension scheme to a large, multi-employer arrangement.

Value for Money (VFM)

The Act introduces a new regime to address the performance of DC occupational schemes, similar to one currently being developed by the Financial Conduct Authority for personal pensions. A scheme that is judged to be 'not delivering' VFM must take remedial action, and if that fails, ultimately transfer its members and their funds to a different scheme which satisfies the VFM criteria.

Small pots

Currently, if someone changes employer, by default they normally leave the pension benefits they have built up in their former employer's pension scheme. Small pension pots have become scattered across providers, often offering poor value because of multiple flat rate charges. The Act's solution is to require automatic consolidation of small pension pots worth £1,000 or less in a consolidator scheme that meets the VFM requirements.

Guided retirement

Converting a pot of money into a stream of retirement income is a challenge for many scheme members. To ease this problem, the

Act places a new duty on the trustees of DC schemes to provide default 'pension benefit solutions'. These can be offered directly from the scheme, or trustees will be able to work with other scheme trustees to develop solutions.

Mandatory investment allocation

The government originally wanted powers to force scheme trustees to invest a minimum proportion of their funds in certain assets, such as UK infrastructure or private companies. The proposals met stiff resistance from both the pension industry and House of Lords, resulting in a watered-down solution.

Overall, the Act makes a valiant effort to address some of the issues that have been created by automatic enrolment. However, relying on default actions should not be regarded as a satisfactory substitute for personal advice.

❖ *A pension is a long-term investment not normally accessible until 55 (57 from April 2028). The fund value may fluctuate and can go down, which would have an impact on the level of pension benefits available. You may not get back the full amount you invested.*

Past performance is not a reliable indicator of future performance.

Occupational pension schemes are regulated by The Pensions Regulator.

INVESTMENT

The investment World Cup

Investors sitting down to watch the World Cup this summer might be wishing investment markets followed similar predictable rules.

An unprecedented 48 teams are competing in this year's tournament – pitching footballing minnows such as Haiti, Curaçao and Jordan against perennial favourites Brazil, Germany and Argentina.

You don't need to be a football expert to predict the likely outcomes of some of these matches. But second-guessing investment markets is much harder, particularly with geopolitical tensions triggering periodic bouts of volatility.

Oil prices have risen sharply following the outbreak of hostilities in the Middle East, initially causing share prices to fall on many stock markets, echoing behaviour seen after Russia's invasion of Ukraine. In both cases stock markets recovered relatively quickly, despite oil prices remaining elevated, and slow political progress towards permanent ceasefires.

Investors can find it difficult to judge how specific markets or sectors will react to these global events – and this apparent lack of logic can be frustrating. Evidence suggests that

reacting to short-term news is rarely a winning strategy when it comes to investment. There is an old stock market adage that it's 'time in the market' rather than 'timing the market' that delivers results. When it comes to football, tournaments often produce early shocks, but the eventual winners will be teams that produce consistency, even with the odd loss along the way.

PLAYING THE LONG GAME

This same wisdom applies to investing. If you invested £1,000 in the FTSE All Share at the start of 1986, and left it for 35 years, it would have been worth £19,452 at the start of 2021. This period encompassed the dotcom bubble, the 2008 financial crisis and Covid-19 crash, to name but a few periods of major turbulence.

If investors missed the 10 best days of the stock market over that 35-year period, the same investment would be worth just £9,932 by 2021. Missing the best 30 days would reduce it to £4,264.

SPREADING YOUR INVESTMENT

Another key stock market lesson is diversification – ensuring you are investing in

a spread of companies, sectors and countries. The World Cup has expanded its global reach this year, and investors may benefit from adopting a similar approach.

UNEXPECTED RESULTS

Given the media prominence of American tech giants you might assume the US market, the majority host of this year's World Cup alongside Canada and Mexico, to be the best-performing stock market.

In fact, Argentina topped the five-year league table (to 31 May 2026), with annualised returns of 27.69%. This was followed by Peru, Greece and South Korea; names perhaps few pundits would predict.

Over the longer term there are perhaps a few more familiar table-toppers: Taiwan secures the number one position for best performing market over 10 years, and the US comes in fourth.

Holding a diversified portfolio of global funds allows investors exposure to many of these smaller countries and emerging economies, who may burn brightly for shorter periods of time.

SAVINGS

How to supercharge your Junior ISA

Many parents don't realise they can turbo-charge their children's tax-efficient savings in the year they turn 18.

The standard ISA allowance is currently £20,000 a year, but 18-year olds can also benefit from the full Junior ISA allowance of £9,000 in the same tax year. This creates a one-off opportunity for parents, or grandparents, to shelter £29,000.

To maximise both, the Junior ISA needs to be funded before the child turns 18, with the regular ISA taken out between the child's 18th birthday and the end of that tax year.

Money saved can be invested in either shares or cash or both, but from April next year, the maximum cash limit on a regular ISA will be £12,000 for those aged under 65.

Parents should remember that once a child turns 18,

that young adult has full control over their savings plan. While many may use funds to pay university fees or save for a future house deposit, others may choose to spend it differently.

While this allows parents to build future savings for their children, HMRC is attempting to reunite young adults with an estimated 750,000 unclaimed Child Trust Funds (CTFs), by writing to thousands of 21-year olds. CTFs pre-date Junior ISAs and were opened for children born between 2002 and 2011, with the government contributing £250. It's estimated there is £1.6bn sitting in these 'lost' accounts, with an average balance of £2,200.



Geopolitical events and market sell-offs create plenty of drama, just as football tournaments produce unexpected successes and knock-outs. But making sound investment decisions based on such fluctuations is like trying to predict the World Cup winner after one round of matches.

The team that lifts the trophy this summer will have remained focused on their long-term game. Investing rewards the same composure.

❖ *The value of your investment, and the income from it, can go down as well as up and you may not get back the full amount you invested.*

Past performance is not a reliable indicator of future performance.

Investing in shares should be regarded as a long-term investment and should fit with your overall attitude to risk and financial circumstances.

Credit: Juan Roballo/Shutterstock.com

Credit: VH-studio/Shutterstock.com

PLANNING

Inflation makes a stealthy return

Recent good news on inflation is likely to change once the effects of the Iran war take hold.



"I know the cost of living is still a number one concern for households."

So said Rachel Reeves on announcing her Great British Summer Savings scheme, designed to help families during the summer holiday by cutting VAT on children's meals and entertainment tickets for just under ten weeks until the start of September.

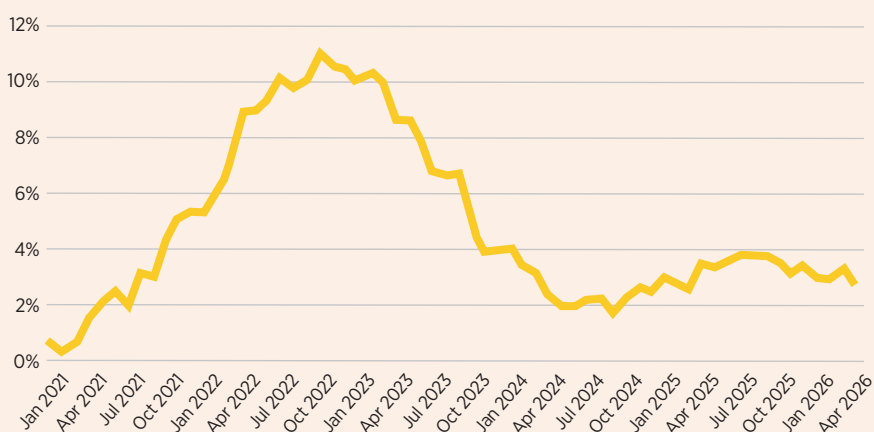
DELAYED REACTION

Ironically, the day after the Chancellor made her cost-of-living statement, the Office for National Statistics (ONS) published better than expected April inflation data. The markets had been expecting a 0.3% fall in the Consumer Prices Index (CPI) yearly rate, but the ONS calculated the drop at 0.5%, taking the yearly rate down to 2.8%.

So, was the Chancellor wrong to talk about the cost of living? The answer was no for two main reasons:

- April's drop in the CPI was largely due to a statistical quirk. In April 2026, water and sewerage bills had their yearly price increase and the latest quarterly Ofgem price cap for gas and electricity kicked in. Both were much less dramatic moves than in 2025. The yearly inflation for the 'Housing water, electricity, gas and other fuels' element of the CPI fell to 1.4% in April from 5.3% in the previous month. That alone was enough to slice 0.5% off overall inflation.
- Economists at the Treasury, Bank of England and elsewhere expect inflation to rise because of the Iran war. So far, the impact has largely been at the pumps (especially for diesel), but higher fuel costs will work their way through the economy. A good

CPI: JANUARY 2021 – APRIL 2026



Source: ONS

example is that Ofgem price cap, which after falling 7% in April 2026 will jump by 13% on 1 July.

The Bank of England's target inflation rate is 2% which, as the graph shows, it has consistently missed in recent years. Whereas before the Iran war the Bank had been expected to cut interest rates in 2026, now increases are expected in response to rising inflation. Money markets have already anticipated the Bank's move, as evidenced by the rise in mortgage rates since the start of March.

TAX SQUEEZE

Higher home loan costs are not the only financial squeeze you may suffer. Alongside the Chancellor's concern around the cost of living for many households is the fact that there will be an impact from inflation on many tax thresholds from the decision to freeze them until at least 2031. Even if your earnings keep pace with inflation, then the frozen personal

allowance and tax thresholds mean your after-tax income will not – unless you're a non-taxpayer.

CPI UP BY ONE-THIRD

Looking further ahead, inflation that runs consistently above 2% can undermine your financial planning unless you take action to adjust for it. For example, if inflation had been 2% a year between January 2020 and April 2026, prices would have risen by 13.2%. The reality was that the CPI increased by 31.3% over the period.

That pace of increase could mean that the level of your family's life cover or your retirement savings target needs to be reviewed now... before the next round of inflation bites.

❖ *The Financial Conduct Authority does not regulate tax advice. Tax treatment varies according to individual circumstances and is subject to change.*

Credit: Yellow_man/Shutterstock.com

FRAUD

Investment scams on the rise

Savers and investors should exercise extra caution as the cost of financial fraud rises.

The National Fraud Database reports that 444,000 cases were recorded in 2025 – the highest number in a single year – as conmen are becoming more sophisticated. Technology and artificial intelligence are increasingly used to impersonate genuine companies and to fake realistic-looking communications, while scammers continue to use stolen or personal data to commit identity fraud.

Many frauds now specifically target investors, with the City of London Police estimating that £2.4m a day was lost in investment scams last year, using schemes designed to target both older and younger investors.

OLDER TARGETS

Older savers should watch out for pension liberation scams, where a company – wrongly – claims you can access pension funds early, or receive higher returns by transferring money into a new account recommended by them.

If the fraudsters invest this money at all, it's likely to be in high-risk, high-charging funds, often based overseas, where there is a real danger you can lose significant amounts. Many people have seen their entire retirement savings disappear.

'FREE' PENSION REVIEW

Cold calling potential victims offering a 'free' pension review is a common trick. It's worth warning older family members to be suspicious of all unsolicited telephone call or emails received about pensions – particularly from firms they don't currently deal with. If in doubt hang up or delete the email.

Even if the communications purport to come from a current pension provider or bank, it is best to treat unexpected emails with a degree of caution, as scammers can clone standard communications.

If in doubt contact the company yourself by going through their own website or calling direct, not using a link in an email.

THE RISE OF 'FINFLUENCERS'

Younger investors are more vulnerable to targeting from so-called 'finfluencers' on social media platforms.

Up to two in five people seek financial guidance or information on social media, leaving them exposed to poor-quality advice and potential scams. A recent university study – analysing nearly 2,500 influencers on Instagram, TikTok and YouTube – found the majority were of low quality, raising concerns about the reliability of information being shared.

ILLEGAL PROMOTION

Some social media personalities may make false and unsubstantiated claims about likely investment returns. In some cases, they may have been paid by a third party to promote these products online, which is illegal under UK financial regulations. Seven UK reality TV stars have been fined, and criminal proceedings are starting in two further cases.

Several international regulators, as well as the FCA, recently took part in a 'week of action' designed to raise consumer awareness of this growing problem. It was also designed to educate social media stars about their responsibilities when promoting financial products.

As with all financial planning, encouraging discussion with a professional is highly advisable.

❖ *Investments do not offer the same level of capital security as deposit accounts.*

The value of the investment and the income from it can fall as well as rise and investors may not get back what they originally invested.

Past performance is not a reliable indicator of future performance.

Investing in shares should be regarded as a long-term investment and should fit with your overall attitude to risk and financial circumstances.

Another Making Tax Digital reminder

As the next deadline nears, many landlords and self-employed workers who should have signed up by April have not yet done so.



Credit: Suitably Studio/Shutterstock.com

Anyone who is self-employed and/or a landlord with gross total profits exceeding £50,000 in 2024/25 has had to comply with Making Tax Digital (MTD) for income tax self-assessment rules from 6 April 2026. There should be 864,000 taxpayers registered for MTD and preparing to send their first quarterly update by 7 August. By mid-April, registrations had only reached 250,000, of which most had come from accountancy firms and tax agents.

The good news is that for 2026/27 there will be no penalties for missing update due dates if you have not yet registered. The bad news is that all four quarterly updates must be submitted before it's possible to submit a 2026/27 MTD self-assessment return.

Contact your local tax office to see what this means for you.

❖ *The Financial Conduct Authority does not regulate tax advice. Tax treatment varies according to individual circumstances and is subject to change.*

NEWS ROUND UP

NS&I ups its rates

The government set National Savings & Investments (NS&I) a higher net fundraising target for 2026/27. NS&I first responded by reintroducing Green Bonds at an uninspiring three-year fixed rate of 3.82%. It then improved the fixed rates on British Savings Bonds (including a three-year rate of 4.45%). Finally, it upped its variable rates and increased the Premium Bond prize fund rate to 3.8%, with the odds of a monthly win shortening to 22,000 to 1.

The top tax takes

In early May, HMRC published tables showing its initial estimates of tax receipts in 2025/26. Three taxes – income tax, national insurance contributions and VAT – accounted for 75.8% of the total. Add in corporation tax and the tally rises to nearly 86%. Those proportions are no surprise – for the last ten years the pattern has been very similar. The quartet's dominance helps explain why the Chancellor, constrained by manifesto tax pledges, has to be ever more creative raising additional revenue.

Pensions and inheritance tax

In May, HMRC published a 'technical note' on how inheritance tax will be collected on pensions from 2027/28. The note says the process may involve personal representatives asking pension providers to withhold up to half of the payment due to beneficiaries, pending payment of tax. That alone could be a reason to review your will and who you wish to administer your estate.

❖ *The Financial Conduct Authority does not regulate tax advice. Tax treatment varies according to individual circumstances and is subject to change.*

TAX

Making the most of charitable donations for IHT planning

The value of legacies to charities has risen as more people look to incorporate charitable giving into their estate planning.

Gifts to registered UK charities made during a donor's lifetime, or left as a legacy in their will, are not included within the value of your estate for inheritance tax (IHT) purposes.

Many people choose to leave a legacy after they die, and it's estimated that about a third of people aged 40 and over who already support a charity, and have made a will, include a charitable donation, with this number rising to around 50% of wealthier individuals. Last year the value of such donations rose to £980m, a £20m increase on the year before.

Solicitors report that this increase is partly due to people looking to reduce their IHT liability. Charitable giving is likely to see further growth as more individuals are affected when unspent pension funds fall into the scope of IHT from next year. A reduced rate of 36% applies to an estate where at least 10% of the net estate is left to a UK charity, rather than the full 40% rate.

LIFETIME GIFTS

Gifts of money to charity as a lifetime gift may reduce the value of your estate. But if you also use tax-efficient schemes, such as Gift Aid, you can maximise the value of this donation to your chosen charity. If more people donated using these schemes, good causes could

raise an estimated additional £560m a year. Gift Aid allows registered UK charities to reclaim basic-rate tax on donations. The scheme means that for every £100 donated, the charity receives £125, at no extra cost to you. What's more, higher-rate taxpayers can claim the additional tax relief back for themselves – so it's a benefit to donors too.

This doesn't just apply to donations to major national charities such as Cancer Research or Oxfam. Gift Aid works for one-off payments, such as sponsoring a friend running a marathon, or can be added to annual memberships to museums, galleries and other arts institutions.

EMPLOYER SCHEMES

There are other tax-efficient ways to give to good causes. Some employers offer Payroll Giving, allowing you to make regular charitable donations from your salary before income tax is deducted, meaning higher-rate taxpayers don't need to claim back additional tax relief through self-assessment.

❖ *The Financial Conduct Authority does not regulate tax advice or estate planning. Tax treatment varies according to individual circumstances and is subject to change.*



**Radcliffe
& Co**

Radcliffe & Co
Independent Financial Advisers

Southampton:

Meridians House, 7 Ocean Way, Ocean Village, Southampton, Hampshire, SO14 3TJ
T: +44 (0) 2380 222 444

Winchester:

Suite 5, 45 Southgate Street, Winchester, SO23 9EH
T: +44 (0) 1962 710 562

Tidworth:

17 Station Road, Tidworth, Wiltshire, SP9 7NW
T: +44 (0) 1980 842 173

E: enquiries@radcliffe-ifa.co.uk

W: www.radcliffe-ifa.co.uk