

A comprehensive
service, **expertly**
delivered.

empirical.



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About us

Whether you're seeking to protect your family, save for the future or have any number of other complex requirements, we'll work with you as your trusted counsel.

Empirical is a boutique advisory practice based on King Street in Manchester, with a satellite office on Regent Street in London. We're not your typical advisory practice. We're a next-generation firm offering a unique evidence-based approach to financial planning. There are no salespeople here. You'll receive honest, clear and unbiased advice.

We're completely independent, we have no outside shareholders, no insurance or investment company owners, we answer only to our clients. This enables us to act with only your interests in mind.

Our recommendations aren't just suitable, they're optimal. You'll find no in-house fund ranges or own-brand products here.

Our independence means that any solutions we recommend are **best-in-class** and evidenced by our unique **Empirical Analysis**.

Whatever your financial situation, we'll make your money work harder. We provide expert advice on a wide range of financial areas – from investments and retirement to tax and cashflow planning. No matter your needs or stage in life, we'll develop a financial plan that's tailored to you.

This is why our clients trust us with all matters financial. We're by your side for the journey.

Our advice process



1. Explore

All of our clients are unique. Therefore, our approach to understanding your goals and objectives is tailored and bespoke to each individual. Our fact-finding process is designed to ensure that as much information as possible is captured, including existing assets, future plans and attitude to risk. By looking at the bigger picture, we are able to provide you with the most comprehensive financial solution, catered to your exact requirements.



2. Research

Following our initial fact-finding we explore any existing plans in more detail, before researching the market. This is achieved in line with your objectives, to ascertain the most appropriate financial strategy going forward. Independence is pivotal in what we do. Our independence allows us to provide 'whole of market' solutions to you, unlike many other 'tied' or 'restricted' firms in the marketplace.



3. Report

After we have concluded our research, we then prepare a detailed report to summarise your current financial position, including any existing plans and investments. The report will outline a series of recommendations taking into account your current financial position, financial objectives and our independent research. In the case of investments, we would establish the most appropriate spread of asset classes matched with your appetite for risk.



4. Recommendation

At this stage we present you with a detailed report, outlining our recommendations. This will include costings for initial advice, alongside fees for any ongoing service.



5. Implement

As your financial intermediary, we will engage with product providers on your behalf in order to implement your strategy. We have a team of professional support staff who will liaise with you regularly, to ensure your strategy is applied diligently and with minimum fuss.



6. Review

Financial advice is best measured over the long-term and for those situations where it is appropriate, we will seek to provide an ongoing service. We continually review your financial goals, providing clear summaries and proactive solutions that will stand the test of time.



Evidence-based advice

Evidence based advice isn't one single process or transaction. it runs through everything we do. It's in our DNA and it places our clients at the heart of what we do.

Sophistication, simplified.

Albert Einstein was able to explain the mechanics of the universe in the simple equation: $E=mc^2$. We believe financial planning should be the same - sophistication, simplified.

Evidence-based advice is a unique blend of economic theory, empirical data, and behavioural finance to arrive at the **optimal** solution to your specific needs. Whilst some aspects of our work is quite detailed and complex, the end result is a clear, concise and easy to understand recommendation report.

A brief overview of these concepts:



Economic theory: these are concepts such as *utility maximisation*, *opportunity cost*, and *present value*.

Utility maximisation in simple terms is prioritising budgets and allocating money to where it adds the most value, or “bang for the buck.” This can be invaluable when for example, you're torn between saving for retirement and protecting your family



Empirical data: We use empirical data to select best-in-class products and investments.

We determine each on their own merit. For example, we don't select a pension provider based on price and then default to selecting their in-house fund range (something we call the *default bias*). This ignores opportunity cost of holding their investment vs alternatives in the market that may offer better performance.



Behavioural Finance: We understand we're all human and subject to a number of biases. Effective financial planning needs to take account of this.

Recency bias for example places considerable weight on recent news or events, making us panic and forget the long-term plan. We need to be sensitive to this and know how to react.

We use behavioural finance concepts such as *nudge theory* to help you consider the impact of decisions today on your future self. We use concepts such as *prospect theory* to have more meaningful conversations around risk and our perception of it.

By your side, for the journey

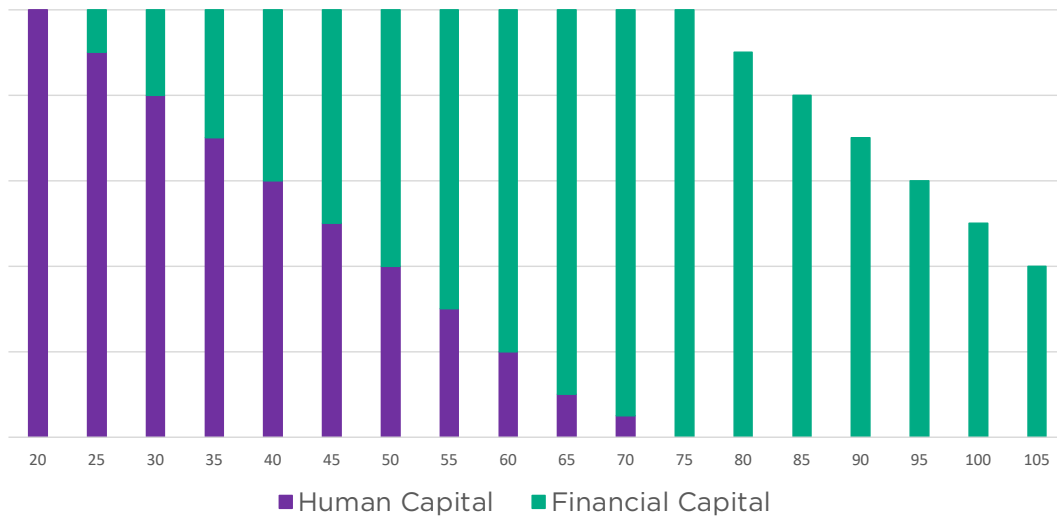


FIG 1.

No matter your stage in life, evidence-based advice can add significant value

We're all on a journey and evidence-based advice can benefit you no matter how far along the path you are.

We're not a typical "wealth management" practice. We see the bigger picture. We've redefined wealth management and we see wealth as having two component parts:

Human Capital

The value of your labour - i.e. what you'll earn between now and retirement. Also known as unextracted capital.

Financial Capital

Financial assets - savings, investments, pensions, property etc.

We understand the interaction between the two. As the chart in *fig 1* demonstrates, you can't consider one without the other.

Until we have enough financial capital, we need to go to work. When we can no longer work, our financial capital has to "go to work" for us.

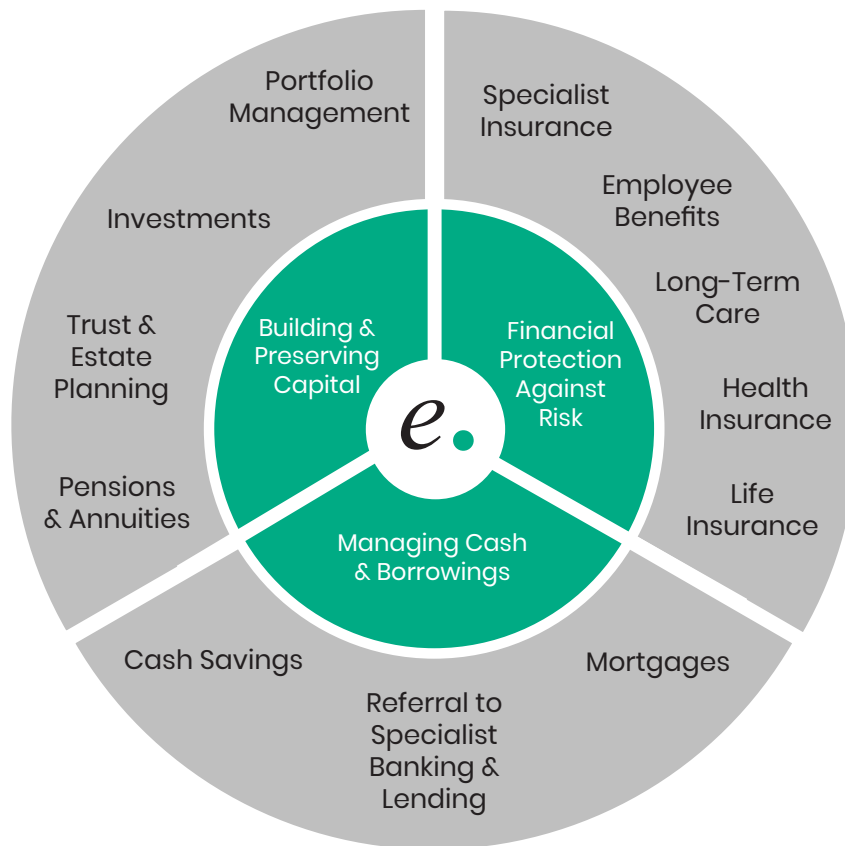
In an ideal scenario, we'll build up enough savings to retire when we want to and have enough budget/savings to do all the things we want to do.

Our evidence-based advice ensures we consider how we best protect your human capital and how we protect and grow your financial capital.

We're interested in you and your journey and we'll work with you to make the most of today, whilst carefully planning for the tomorrow you want to see.

Benefits of our approach

Comprehensive advice, supported by a comprehensive range of solutions



Your home may be repossessed if you do not keep up repayments on your mortgage. Trusts are not regulated by the Financial Conduct Authority. The value of any investment will be directly linked to the performance of any funds selected and may well fall as well as rise. You may get back less than the amount originally invested.

Truly independent

Our advice is truly whole of market. We seek out the best-in-class products and investment solutions, free from any bias or conflict of interest. **Our advice isn't just suitable, it's optimal.**

We conduct regular due diligence on all the providers whose products and services we recommend to our clients, some of which are shown below:





Family Protection

Protecting your family is the first place we start when we're working with clients on a comprehensive financial plan. We use the saying from hedge fund manager, Ray Dalio: "plan for the worst-case scenario and make it as good as possible." There's no value in overlooking the risks of today, for the opportunities of a tomorrow that never comes to pass.

Most families rely on at least one regular monthly salary to cover their household spending. How would your household cope financially if you lost a source of income?

Through our unique evidence-based advice, we will create a bespoke report for you. The report will help you understand your true worth and will outline the best possible course of action to take, in terms of protecting your family from the financial impact of your death or long-term sickness.

This is designed to maximise the amount of protection you have, subject to any budget limitations. We use the economic philosophy of utility maximisation to prioritise any available budget and allocate it to where it adds the most value.

In other words, give you the most "bang for the buck".



Retirement Planning

Whether you're at the beginning of your retirement journey with your first pension, or you're preparing for life after work, a carefully constructed retirement plan is essential.

With our unique evidence-based advice, we design a bespoke "flight plan" to map out where you are vs where you want to be. We'll then act as your "pilot" to guide you through an ever-changing landscape of financial markets, legislation, taxation, and much more.

We'll work together each year to assess where we are relative to the plan and explain any corrective action we should take.

Depending on the stage you're at, there are two very different approaches to how your retirement savings should be invested and the factors that should be focussed on:

Pre-Retirement (Accumulation) - Investment objective: Growth

- **Charges**
- **Investment Performance**
- **Contributions**

At Retirement (Decumulation) - Investment objective: Income

- **Inflation** (the silent assassin, eroding the real value of your savings)
- **Sequence of Returns** (market falls in the early years can be catastrophic)
- **Longevity** (The risk of outliving your savings)



Investing

Whether you are a veteran investor or simply wondering if investing is right for you, we can help. Empirical will assess your needs and put together an evidenced-based investment portfolio, that offers returns in line with your long-term financial objectives and appetite for risk.

We are happy to consult on a single issue, or take the big picture view of your financial profile, and put together a comprehensive plan to help make the most of your wealth.

We'll support you throughout your investment journey from setting long-term financial goals and working towards targeted growth, right through to retirement and taking income. Regular reviews ensure accountability and give you the peace of mind that your investments remain on track, and continue to be aligned with your financial objectives.

Please note: The value of an investment and the income from it could go down as well as up. The return at the end of the investment period is not guaranteed and you may get back less than you originally invested.

Our advice areas include:

- ISAs
- Unit Trusts
- Open Ended Investment Companies
- Investment Bonds
- Corporate Investments
- Structured Products
- Exchange Traded Funds
- Offshore Investment
- Access to Discretionary Fund Management
- Wrap Platforms
- Asset Allocation
- Cash Management



Tax Planning

At Empirical we take a holistic approach to financial planning, leaving no stone unturned to ensure our clients receive a comprehensive financial service.

We work closely with our professional partners and tax specialists to keep our clients one step ahead, giving them peace of mind that their finances and investments are working according to their objectives, as efficiently as possible.

We will manage your succession plans to minimise the tax implications, putting you and your family in the best possible position.

We can give you the peace of mind all your allowances are utilised, proactively managing your plans and investments to ensure 'no stone is left unturned'.

We support with high-net-worth clients through complex tax planning matters, protecting assets through using wide-ranging tax planning measures.

Please note: The Financial Conduct Authority does not regulate some aspects of Trusts, Tax and Estate Planning



Business Protection

Business protection is an essential part of business continuity planning. Here at Empirical, we use an evidence-based approach to determine the optimal level of cover for your business, by completing a unique **business risk audit**.

This is a process where we'll get to know you and your business, how it is structured, and who the key people are. We'll present a comprehensive report detailing our recommended actions and optimal levels of cover, taking into account any budget constraints. We'll complete a full audit of your existing cover and other benefits, to establish whether these remain suitable and whether there are any identified cost savings.

Payroll salary exchange example

if your business has a monthly payroll in excess of £80,000 per month, we can help you introduce salary sacrifice to your workplace pension scheme. Implementing salary sacrifice maintains the same level of contributions into the workplace scheme, but offers a national insurance saving of 13.8%. This cost-saving can then be directed towards protecting the business or introducing other employee benefits, such as death-in-service, private medical insurance and more.



Corporate Investing

Companies holding excess capital have a number of considerations.

Conventional investment theory holds that companies holding surplus cash should distribute this by way of dividend, because shareholders are better placed to make investment decisions than the directors.

There are also Return on Capital Employed (ROCE) issues – reinvesting cash in the company's business will usually generate the 'best' return for shareholders.

However, there will be situations in which a company has surplus funds that it doesn't want to distribute and which can't be reinvested in the business.

In such situations, the company could consider investing those surplus funds in a way that would generate a better return (net of tax and expenses) than that achievable on 'simple' bank deposits.

This is an area of expertise for Empirical. If you'd like to know more about corporate investing, we'd love to talk to you about what we can do for you.



Employee Benefits

Employee Benefits are an increasingly important concern for businesses. A generous benefits package can aid with productivity, recruitment and retention. It can also be expensive.

Using our unique evidence-based advice, we will help you design an employee benefits package that maximises the budget you have.

We'll start with a review of your existing arrangements and any workplace pension schemes you have. We'll look to identify any cost savings which could free up budget for other benefits and source the whole of the market for the best value packages available.

We advise on a number of areas including:

- Workplace pensions
- Salary Sacrifice
- Workplace investing (ISAs)
- Group Death-in-Service schemes
- Group Private Medical Insurance
- Group Dental Insurance
- Group Income Protection

As part of an employer's Auto Enrolment obligations, we can also assist with Scheme Governance and tri-annual reviews.

With regulations being enforced more vigorously than ever by The Pension Regulator, we ensure any pension scheme is compliant through our process of ongoing review and governance.



Business Succession Planning

Business succession planning is a series of logistical and financial decisions about who will take over your business upon retirement, death, or disability.

We work closely with business owners to complete a unique *business risk audit*. It aims to:

1. develop a specific exit/succession plan
2. define a realistic timeframe
3. give you a quantifiable sale value with a plan to achieve this
4. mitigate risk
5. Aim to do this on a cost neutral/cost positive basis

The business risk audit is a thorough 7-step process in which we'll collaborate with your other professional advisers, such as your accountant, general insurer, solicitor, and bank to leave no stone unturned.

We start with your desired lifestyle post-sale and work backwards to establish what the sale price needs to be to support that. We'll look at options to increase value within the business and how we mitigate the risks of death/critical illness of shareholders and key persons, highlighting how this may impact the succession plan.

We aim to make any risk mitigation cost-neutral or potentially cost-positive by conducting a full review of your business finance, employee benefits, and general insurance asking the question; are these arrangements cost-effective and fit for purpose?

In addition, any excess cost savings can increase EBITDA and ultimately the sale price of the business.



Strategic Partnerships

Develop your Professional Practice

Our business model is based on introduced work through formal introducer agreements with accountants, lawyers and general insurance practices. The majority of new business is referred to Empirical this way, demonstrating the level of trust partners place in us.

As their trusted IFA partner, we tailor our solutions to meet their unique requirements and changing client needs.

How could your accountancy practice benefit from partnering with Empirical?

- New service line to your business.
- Relationship provides a new income stream to the practice through fee, or profit share.
- Compliance support by a regulated and authorised firm.
- You have full control and play an active role in who advises your clients.
- Both parties generate new business and retain existing clients.

How our partnerships work



1. Educate

The introducer and Empirical will in turn fully educate one another as to the disciplines and services offered by each business, thus creating a full understanding of the potential benefits of the partnership.



2. Agreement

A formal introducer agreement is then signed, which covers responsibilities and fee sharing arrangements.



3. Approval

A dedicated financial adviser is approved by both parties, based on knowledge, advisory skills and competence. Importantly we always consider the introducer's requirements, and their unique company culture. The chosen adviser will be employed by Empirical, who will be responsible for cost, management and compliance.



4. Report

Ideally, the adviser would be based for a number of fixed days within the introducer's office, ensuring no out of sight, out of mind issues.



5. Implement

A business plan is produced and regular meetings ensure expectations and performance are both fulfilled, and continually assessed.



6. Market

We proactively market the service, aligning our efforts with the marketing strategy of the introducer.



7. Review

Regular management information is produced and presented to show activity and status of the introduced work.

Disclaimer:

This document is designed only for use by, and is directed only at, persons resident in the UK. The information in this document does not constitute legal, tax or investment advice. You must not, therefore, rely on the content of this document when making investment decisions.

If you have any questions related to your investments or the suitability or appropriateness for you of anything described in this document, please contact your adviser.

Past performance is not necessarily a guide to future performance. Changes in exchange rates may also cause an investment to fluctuate in value. Levels of taxation depend on an investor's individual circumstances and the value of any applicable tax reliefs.

The value of investments and the income arising from them, can go down as well as up, and are not guaranteed, which means that an investor may get back less than they invested.

The Financial Conduct Authority does not regulate some elements of Automatic Enrolment, Tax planning, and Trusts.



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