

Street Lamp News



After the volatility we saw in April driven by US President Trump's "Liberation Day" tariffs, equity markets recovered across the board as trade tensions began to ease. We also saw improving consumer sentiment and robust corporate earnings which all helped drive positive equity market returns.

The US equity market was the best performing region in May, delivering +5.5%, which was underpinned by a strong Q1 earnings season. Of the companies that reported, 77% exceeded earnings expectations. The euphoria was felt across the market cap spectrum, as small cap stocks rebounded buoyed by proposed tax cuts and potential regulatory changes. Saudi Arabia's Crown Prince Mohammed bin Salman pledging to invest \$600bn in the US also improved market sentiment. Trump's "big, beautiful" tax bill got through the House of Representatives towards the end of the month. It now needs to get past the Senate by its 4 July deadline. The bill will extend tax cuts from Trump's first term and provide more money for defence spending and funding mass deportations. Contentions over the estimated \$2.4tn it will add to US debt was largely responsible for Trump and Musk's subsequent public fallout.

US-EU trade negotiations and a temporary delay in planned tariff hikes, alleviated fears of a global trade war and led to European equity markets posting positive returns over +4%, while the UK market rose +4.4%. Trump initially threatened the EU with a 50% tariff, but this was put on hold as the deadline for US-EU negotiations was extended to 9 July. On the same day, Trump proposed a 25% tariff on any smartphone made outside the US that could start in June. The proposal wiped \$70bn off Apple's share price on the day.

The Bank of England cut interest rates by 25bps to 4.25%, which followed the European Central Bank's rate cut in April. Central banks have felt confident in lowering borrowing costs as inflationary pressures have subsided. Though this did not lead to positive returns for most of the bond market, more on this later... UK Consumer confidence was better than expected, supported by falling inflation (CPI at 2.1% in April). Tax cuts and proposed infrastructure spending also helped the small cap part of the UK market, reflecting expectations of that domestic policy stimulus. During a productive month, Starmer & Co. secured an "Economic Prosperity Deal" with the US and a new UK-EU post-Brexit deal.

Bonds experienced heightened volatility, driven by shifting trade policies, fiscal concerns and evolving expectations around inflation and monetary policy. Global government and UK government bonds sold off -2.0% and -1.5% respectively. In the US, rising fiscal concerns, resulting in Moody's downgrade of US sovereign credit rating, triggered a sell-off particularly in longer-dated bonds, pushing yields higher. Corporate bonds were more resilient on the back of positive corporate news flow, but returns were modest. Commodities and gold pulled back over the month. Gold as a defensive asset class declined over the month, as investors favoured equities, but the asset class has still had a meteoric rise over the last couple of years and has delivered very attractive returns through 2025.

Outlook for the year will probably continue to be dominated by geopolitics and Trump's name will not be far from investors' minds. By the end of early July, we should have a better idea what rate many of Trump's tariffs will settle on and what amendments the Senate will make to Trump's tax bill. We'll also have a clear understanding of the ramifications from tomorrow's UK Spending Review. In these challenging times, diversification remains the key but as always opportunities will come up as we approach yet another month where a calm head is vital.



Office News



Technical News



Book Club

As some of you may already know, Cole got married earlier this year. The fabulous photos can be seen on page 112 of Lincolnshire Pride, just follow the link: [Congratulations Cole & Millie](#)

This month's technical news looks at the growing importance of annuities in financial planning. If you would like to find out more follow the link to our video boxset. [Annuities Box Set](#)

And finally, some of you who have had a meeting with Claire recently may have been asked to be part of our trial into using meeting recording software. We hope that you will notice that it helps us focus fully on our conversation while ensuring nothing important is missed—giving you better service and a stronger record of our advice.

As always, your privacy remains a top priority. We will always ask for your permission and if you would like to discuss this further please get in touch.

We are hoping that by bringing further efficiencies in our administration we can deliver a better service to you, and support more people in their financial journey.

We understand that planning your retirement income is a crucial decision. In the current economic environment, annuities are becoming a more compelling option for many retirees—and here's why.

Rising Interest Rates Boost Annuity Returns

Annuities pay a guaranteed income for life or a set period, and their rates are closely linked to interest rates. With recent rises in interest rates, annuity payouts have increased significantly compared to previous years. This means you can now secure a higher, stable income in retirement than you might have been able to just a short time ago.

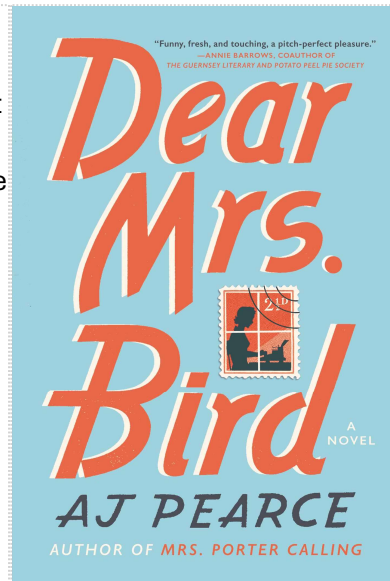
Security in an Uncertain Market

Financial markets remain volatile, and investment returns can be unpredictable. Annuities provide peace of mind by offering guaranteed payments, regardless of market ups and downs. This certainty helps protect your core retirement income from economic fluctuations.

Longevity Protection

One of the greatest concerns in retirement is outliving your savings. Annuities are designed to provide income for life, helping you manage longevity risk effectively.

Inheritance Tax (IHT) Considerations: Looking



Dear Mrs Bird is a delightful and heartwarming debut set in London during the 1941 Blitz.

Emmeline “Emmy” Lake, a bright and determined young woman, dreams of becoming a war correspondent, only to end up typing letters for Henrietta Bird, the iron-willed agony aunt at *Woman’s Friend* magazine. When Emmy discovers that distressing letters are being discarded unread, she secretly starts responding—an act of compassion that leads to heartwarming and humorous consequences .

Emmy’s optimism and cheeky charm—“chipper and stoic and jolly good sorts”—carry the novel’s warm tone

The story masterfully balances wartime poignancy with light-hearted, laugh-out-loud moments—something reviewers highlight as rare and delightful. From casual

Ahead to April 2027

Changes to Inheritance Tax rules are expected from April 2027, which could affect how pension funds are treated on death. Under current rules, unused pension funds can often pass to beneficiaries free of IHT. However, the new regulations may reduce these benefits or change the way pensions are taxed after death. In contrast, the annuity capital is usually outside your estate for IHT purposes, and the income paid to you from an annuity is treated as income, not capital.

Gifting Annuity Income Without IHT Implications

One valuable feature of annuity income is that it can be gifted to family or friends without triggering Inheritance Tax, because the income is treated as the recipient's income when received. This means you can support loved ones regularly without reducing your estate or causing an IHT charge, providing more flexibility in your financial planning.

Tax Efficiency and Flexibility

Many annuities now offer options tailored to individual needs, including tax-efficient structures and the ability to include benefits for your spouse or beneficiaries.

If you'd like to explore how annuities could fit into your retirement plan and secure your income in this evolving

Blackout slang to vivid depictions of Blitz-era London routines, the setting feels authentic and immersive. At its heart, the novel celebrates female friendship, empathy, and quiet acts of bravery in turbulent times.

Dear Mrs Bird is a charming and uplifting read—brimming with wit, heart, and historical authenticity. If you love historical fiction with strong female characters, gentle humour, and emotional depth, it's a must-read. And if you enjoy it, the sequels *Yours Cheerfully* and *Mrs Porter Calling* continue Emmy's journey through wartime.

financial landscape, including the impact of upcoming IHT changes and gifting opportunities, please get in touch. Together, we can create a strategy that offers both growth potential and peace of mind.

Interesting fact: The Roman jurist Ulpian created mortality tables in the 3rd century AD to help price annuities, known as *annua*. These contracts guaranteed annual payments for life in exchange for an upfront sum—remarkably similar to how annuities work today!

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