

# Street Lamp News



We've seen decent returns across various asset classes over the last three months and again in August. Equity markets showed their ability to climb the “wall of worry” despite complex geopolitical tensions, trade policy developments and monetary policy uncertainty.

European equities continued their strong run returning 1.3% over August and remaining the top performing region in 2025. Europe benefitted from resilient economic activity as illustrated by the Purchasing Managers Index (PMI), which rose to 51.1% on increased manufacturing and loan growth in August. UK stocks also delivered a positive return (+0.5%) despite a mixed economic backdrop. The Bank of England (BoE) cut interest rates last month, but voting was much closer than expected, with the bank's Governor Andrew Bailey concluding “it was a finely balanced decision.”

Looking more broadly, there was a strong return generated by Japan (+3.9%) while the US fell modestly (-0.9%). Asia and Emerging Markets equities posted gains of +1.8% and +0.1% respectively.

The macro-economic environment has evolved over the year as the initial shock of tariffs appears to be waning and markets take a less knee-jerk reaction to trade policy decisions made by President Trump. On the tariff front, there were a couple of developments over the month. In late July, the EU & US agreed to a 15% tariff on most EU exports which was higher than previous average tariff but lower than the threatened 30% and includes some exemptions. The US and China extended their trade truce until November 10th, leading to a rally in Chinese equities. Conversely, the US imposed a crushing 50% tariff on Indian goods to punish the country for purchasing Russian oil.

While markets now appear to be shrugging off tariff news, there are growing concerns that inflationary pressures are re-emerging at a time when the US economy is showing signs of slowing and the US government deficit levels continue to grow. To add to this, political noise intensified after Trump's contested firing of Federal Reserve Governor Lisa Cook, fuelling

debate on central bank independence. As a result, investors are demanding more compensation in higher interest rates for holding longer-dated US Treasuries, despite the Fed indicating a higher probability of future interest rate cuts. This has also led to growing demand for precious metals by both Central Banks and investors, resulting in the gold price hitting all-time highs.

Returns across asset classes have been broadly positive so far this year and it has been reassuring to see diversification has helped investors. However, looking forward there are a few things to note. Valuations in the US remain elevated, and Trump's tariff related uncertainties could reappear even before their legality is addressed in the US Supreme Court in November. At the same time, potential macroeconomic volatility and geopolitical uncertainty are issues to be mindful of. Effective diversification is likely to continue to play an important role.



### Office News

After a summer break we are back with our monthly newsletter.

We thought it would be useful to share some client experiences in this month:

#### Interest on banks accounts

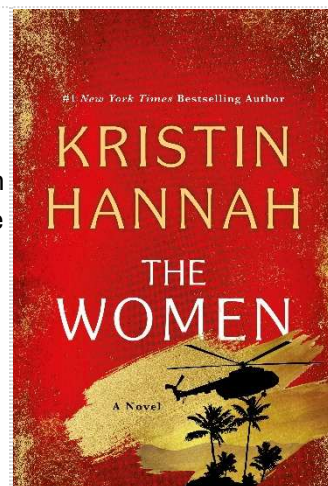
With rising interest rates, many people now earn interest which exceeds the savings allowance. Communication between banks, building societies and HMRC should mean that the 'tax man' is aware of the interest and takes this into account when

### Technical News

From **6 April 2027**, the rules governing pensions and Inheritance Tax (IHT) will change significantly. Unused funds in a defined contribution pension will, in most cases, be included in the value of an estate for IHT purposes. This means that where the total estate value exceeds the available nil-rate bands, those pension funds could be subject to the standard 40% IHT rate.

For many families, this represents a considerable shift. Estates that previously

### Book Club



Kristin Hannah's *The Women* is a powerful and deeply moving novel that shines a light on the often-overlooked role of women in the Vietnam War.

calculating your tax code. Recently it has transpired that for one of our clients, the 2 sides are not communicating and her tax code has not been adjusted. As a result she has now completed tax returns for the last 3 years. If you are unsure if your tax code is correct then we suggest that you speak to your accountant in the first instance.

#### National Savings

Many of you have Premium Bonds and Savings Certificates with this British institution.

When an account holder passes away, they request Grant of Probate if the policyholder had more than £5,000 with them.

Recently we have advised a client to start the Probate process with their solicitor on that basis. Only a few days later she received a payment into her bank account for the closure of her late Husbands accounts, even though the balance exceeded £5,000 by some margin. Fortunately she managed to contact the solicitor in time and the Probate process was halted.

If you are unsure on any of the matters we raise in our newsletter and would like to

had no IHT liability may now find themselves subject to the tax, while those already liable could face an increased bill.

We are already reviewing these changing rules, and they will form part of any review service we provide for clients.

However, if you would like this review brought forward, please get in touch and we will be happy to arrange it sooner.

If you are not currently scheduled for a review but would like to understand how these changes could affect you, we strongly encourage you to contact us. Early action will give you the widest range of planning options.

At F H Manning, our role is to ensure you are fully informed and well-prepared for changes like these. By acting now, you can help protect your assets, minimise potential tax exposure, and ensure your estate passes to your chosen beneficiaries as efficiently as possible.

Following the journey of Frances “Frankie” McGrath, a young nurse who enlists to serve, the story vividly captures both the horrors of combat and the equally painful struggles of coming home to a divided America. Hannah writes with her trademark emotional intensity, weaving a narrative that is both heartbreaking and inspiring. It’s a story of courage, friendship, sacrifice, and resilience, giving voice to the women who served and were too often forgotten. Fans of historical fiction will find it immersive, poignant, and unforgettable..

[If you would like one of the 2 copies we have to giveaway please email me](#)

And please do forget we have a vast collection of books from staff and clients in our office to share. If you need a new read as we head into the winter months, please do pop in and have a browse.

have a chat, please do give  
us a call.

Interesting fact: The word *pension* comes from the Latin *pensio*, meaning “payment.” In medieval times, pensions were often granted by monarchs to their loyal servants or even poets as a lifetime reward.

We are authorised and regulated by the Financial Conduct Authority.

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