



3D Financial Planning

Independent Financial Advisors

Newsletter
October 2025





Important Update for Clients Ahead of the Autumn Budget

A Note on Tax-Free Cash Requests

We've seen an increase in enquiries about taking tax-free cash early, and we understand the desire for certainty. However, given the current surge in requests across the industry, **we cannot guarantee that any new withdrawal will be completed before the Budget on 26 November.**

Pension providers are already experiencing longer processing times - during last year's pre-Budget rush, for instance, AJ Bell's turnaround increased from 10 days to 30 days. In the end, no change was made, leaving some investors regretting hasty withdrawals that couldn't be reversed.

Once taken, tax-free cash cannot be "undone" and acting on speculation can do more harm than good to a carefully built financial plan.

Our advice remains the same: **avoid reacting to headlines**. If any real changes are announced, we'll review them carefully and contact you to discuss any implications for your plan.

Pension Tax-Free Cash: Our View on the Rumours

In recent weeks, there has been renewed speculation that the government may reduce or remove the right to take 25% of a pension tax-free in the upcoming Autumn Budget. We understand that such rumours can cause concern, particularly for those approaching or in retirement, but our view is that **major changes are unlikely in the near term**.

Why We Believe Change Is Unlikely

Public sector complexity

Any reform would need to apply across both public and private sector pensions. This would create enormous challenges for defined benefit schemes such as the NHS and teachers' pensions. For the medical profession in particular, the government has only recently amended pension rules to help retain experienced clinicians. Reversing that progress would be counterproductive at a time when staff retention is a national priority.

Operational and logistical barriers

Even if a policy decision were made, implementing it would take time. Pension providers would need to redesign systems, update documentation, and introduce new checks and safeguards. A sudden change would risk chaos for administrators and savers alike. Industry experts agree that any major reform would need to be well-flagged and phased in gradually, with transitional protections.

Limited short-term fiscal benefit

Although taking away the tax-free lump sum might seem like a quick fix for government finances, in reality it would not bring in much extra money any time soon.



This is because there would need to be special rules to protect people already near retirement, making it complicated and slow to implement. Overall, any short-term gain would be outweighed by the potential problems and upset it could cause.

Public and political backlash

The tax-free lump sum is one of the most popular and widely understood features of the UK pension system. Many people have built their retirement plans around it. Abruptly changing the rules would feel like “moving the goalposts,” damaging trust and triggering strong voter reaction among older demographics.

Market Update

Global equities rose strongly over the third quarter, supported by excitement around artificial intelligence (AI), strong company profits, and an interest rate cut in the US. Emerging markets also performed well as the US dollar weakened. While trade tensions between the US and China continue to influence how global supply chains are managed, optimism has grown as policy uncertainty eased slightly. That said, high share prices, lingering inflation, and political risks remain potential headwinds for investors.

US Equities

US markets reached new highs during the quarter, driven by expectations of lower interest rates, robust corporate earnings, and continued enthusiasm around AI. Technology shares led performance, with solid economic growth and steady consumer spending helping to lift investor confidence. Some uncertainty re-emerged at the start of the fourth quarter, following a temporary US government shutdown, but overall sentiment remains positive heading into year-end.

Eurozone Equities

European shares also advanced, with banks and healthcare among the strongest sectors. The Eurozone economy expanded faster than expected, supported by firm service activity in Germany, Italy, and Spain, although political instability weighed on France. Inflation has now settled close to the European Central Bank’s 2% target, though it may edge slightly higher. On the political front, France’s prime minister stepped down after failing to pass his budget, adding to short-term uncertainty.

UK Equities

The UK market enjoyed its best quarter since 2022, helped by a weaker pound, strong global growth, and positive results from technology and basic materials companies — particularly gold producers. Inflation remained high at 3.8%, but expectations of lower borrowing costs provided support for shares.



Japanese Equities

Japanese equities climbed to record highs, boosted by global AI demand, strong company profits, and higher commodity prices. Investors were encouraged by further share buybacks and rising dividends — signs of continued improvement in corporate governance and shareholder returns.

Emerging and Asian Markets

Emerging market equities outperformed global markets, driven by strong gains in China, Taiwan, and South Korea, where technology stocks benefited from progress in AI and easing trade tensions. Markets such as Egypt, Peru, and South Africa also saw notable advances, while Brazil lagged due to political uncertainty. Across Asia, South Korea and Taiwan led the way, supported by global technology demand and rising commodity prices, while India and Southeast Asia were more subdued.

Asian Equities (ex-Japan)

The MSCI Asia ex-Japan Index gained, led by Singapore, China, Malaysia, and Hong Kong. India and Korea were weaker within the region.

Global Bonds and Commodities

Government bond performance was mixed: US yields fell after the rate cut, while yields in the UK, Europe, and Japan moved higher amid political and economic factors. Corporate bonds performed well as investors sought high-quality issuers, and demand for high-yield bonds remained strong.

Commodities delivered modest gains, with gold and silver reaching new highs, though flat energy prices limited overall growth.

Source: Schroder Investment Solutions – Quarterly Bulletin Q3 2025

In the Spotlight

Are We in a Tech Bubble?: A Familiar Headline – but a Different Story

Recent media coverage has warned of an “AI bubble” and drawn parallels with the dot-com crash of the early 2000s. With technology shares driving much of this year’s gains, it’s natural to wonder whether markets are running ahead of themselves.

Global equities have rallied strongly since the spring. Economic growth has held up better than expected, central banks have begun to cut interest rates, and enthusiasm around artificial intelligence continues to fuel investment.



Then vs Now – The Fundamentals Matter

At the height of the dot-com boom, many firms were built on hope rather than earnings. Today's leading technology companies are highly profitable, cash-rich, and have clear revenue streams.

UBS notes that while AI-related investment in chips and data centres has surged, it is supported by genuine demand. However, they caution that if this heavy spending doesn't translate into higher profits, volatility could rise.

Similarly, **Reuters** observes that market concentration among the largest US tech names is now at its highest since 2000 – a reminder that even solid trends can become stretched when too much optimism gathers in one corner of the market.

Why This Isn't 1999 – but Caution Still Counts

Most analysts agree that the current AI cycle is underpinned by stronger fundamentals. Yet valuations are elevated and sentiment is exuberant – a combination that can lead to sharp short-term swings if earnings disappoint.

For long-term investors, that means the right stance is balance, not alarm. As UBS points out, the leading AI firms are in far better financial shape than the speculative start-ups of the late 1990s. But that doesn't mean prices can rise indefinitely or without setbacks.

Staying Grounded – The Value of Diversification

When enthusiasm runs high in one part of the market, it can be tempting to focus on the latest success stories. Yet history shows that long-term investing is less about chasing trends and more about staying diversified.

The portfolios and investment solutions we recommend are built with this principle at their core — blending different regions, sectors, and asset types to help reduce concentration risk. This means that while exposure to areas such as US technology remains important, it is balanced by other opportunities across the global economy.

Diversified strategies — including those with exposure to alternatives or absolute return funds — can also play a valuable role in smoothing returns when markets become volatile.

“Headlines can be unsettling, but today's fundamentals differ from past bubbles. The key is to stay disciplined and diversified, adapting as markets evolve.”

Phillip Chandler, CIO, Schroder Investment Solutions



By maintaining a well-balanced portfolio and focusing on the bigger picture, investors are better placed to benefit from innovation's long-term potential without being unsettled by short-term swings in sentiment.

*Sources: UBS Global Wealth Management – "HOLT: 'AI Bubble'? What Are the Risks?" (September 2025);
Investopedia – "Why Wall Street Analysts Say We're Not in an AI Bubble... Yet" (2025);
Reuters – "Is Today's AI Boom Bigger Than the Dot-Com Bubble?" (July 2025);
Schroder Investment Solutions – "Helping Clients Navigate Unsettled Markets" (October 2025).*

Our view

While the term "tech bubble" makes for dramatic headlines, we see today's environment as one of healthy debate rather than imminent danger. AI remains a transformative force, and short-term volatility is part of long-term progress.

Our role is to keep perspective, ensuring your investments stay balanced, diversified, and aligned with your goals, not the latest headline.

Planning in Practice

Staying the Course When Markets Feel Restless

When markets rally quickly or when headlines start speculating about bubbles it's natural to feel a mix of excitement and concern. But these emotional responses are precisely why a robust financial plan exists: to provide structure and clarity when the noise grows loud.

A well-built financial plan isn't derailed by market noise, it's designed to anticipate it.

Your Plan Is Built for the Unexpected

Every financial plan we create is stress-tested against a range of scenarios - from rising interest rates to market corrections and global shocks. This ensures your long-term goals aren't dependent on any single outcome or sector continuing to lead.

Uncertainty is part of investing, not a flaw in it. By allowing for both the highs and lows from the outset, your plan is designed to keep you on course even when the headlines seem to change by the hour.

Beyond the Numbers

Markets move in cycles, but emotions can move faster. That's where advice makes the difference. Our role isn't just to monitor markets or review portfolios, it's to help you stay grounded in moments of excitement or unease.

Technology can crunch numbers, but it can't replace judgement, empathy, or reassurance. True financial planning is about guiding people through uncertainty, helping them avoid costly reactions, and keeping their confidence intact when it matters most.



Good advice doesn't eliminate uncertainty. Rather, it helps you live confidently through it.

Our Ongoing Commitment

You've entrusted us with your financial future, and that trust is something we never take lightly. We'll continue to monitor markets, review your plan, and adapt as conditions change ensuring your strategy remains aligned with your goals, whatever the next chapter brings.

Because in the end, it's not the headlines that determine your success, it's the calm, consistent decisions made along the way.

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