

ECFS

Independent Financial Advisers

MAY/JUNE 2020

CORONAVIRUS IMPACT ON THE GLOBAL ECONOMY

IT'S MORE IMPORTANT THAN
EVER TO STAY THE COURSE

FOCUS ON LONG-TERM HORIZONS

Time in the market, not
timing the market

MANAGING VOLATILITY

Diversification is paramount
in uncertain times

COVID-19 EFFECTS ON RETIREMENT PLANNING

Remember that pension savings
are for the long term

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INSIDE THIS ISSUE

Welcome to our latest issue. It has been a very challenging time for many of our clients, their families, their employees and the wider business community.

During this difficult time, we hope you're staying safe. The ongoing news of the impact of the coronavirus pandemic and how it is affecting everyone is a huge concern for us all. Understandably, people are worried about the general economic outlook and their own personal finances.

The Government's actions to help businesses and households manage the short-term economic disruption, such as interest rate cuts and rescue packages, have been positively received, but the intended consequences are yet to materialise.

The Government has created new legal powers in the COVID-19 Bill, enabling it to offer whatever further financial support it thinks necessary to support businesses. On 17 March, the Chancellor, Rishi Sunak, announced an unprecedented package of government-backed and guaranteed loans to support businesses, making available an initial £330 billion of guarantees - equivalent to 15% of the country's GDP.

This was on top of a series of measures announced at Budget 2020. The Government announced £30 billion of additional support for public services, individuals and businesses experiencing financial difficulties because of COVID-19, including a new £5 billion COVID-19 Response Fund to provide any extra resources needed by the NHS and other public services to tackle the virus.

During these challenging times, there has also been an increase in the number of fraudulent scams. Individuals are at increased risk of being exposed to financial scams - including those involving phishing emails and cold calls - in an attempt to obtain personal or sensitive information. Be extra vigilant and do not respond to any correspondence which you are unsure about - letters, emails, phone calls, text messages, etc.

A full list of the articles featured in this issue appears opposite.

HARNESSING OUR EXPERTISE TO MEET YOUR NEEDS



As the COVID-19 pandemic continues, some people may fear that they will not be able to make it financially through this crisis. Inside this issue, we look at a number of areas to consider during this difficult time. If you require any further assistance, please do not hesitate to contact us.



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INFORMATION IS BASED ON OUR CURRENT UNDERSTANDING OF TAXATION LEGISLATION AND REGULATIONS. ANY LEVELS AND BASES OF, AND RELIEFS FROM, TAXATION ARE SUBJECT TO CHANGE.

THE VALUE OF INVESTMENTS MAY GO DOWN AS WELL AS UP, AND YOU MAY GET BACK LESS THAN YOU INVESTED.



FOCUS ON LONG-TERM HORIZONS

TIME IN THE MARKET, NOT TIMING THE MARKET

During this difficult time, fear and worry are understandable, particularly as the coronavirus (COVID-19) outbreak led to the biggest daily drop in the FTSE 100 since the financial crisis of 1987. Trying to second-guess the impact of events such as the coronavirus or the recent stock market volatility – or even attempting to make a bet on them – rarely pays off. Instead, investors who focus on long-term horizons – at least five to ten years – have historically fared much better.

We all have different objectives in life and need different strategies to help achieve them. Sensible diversification – owning a mix of assets, including shares, bonds and alternative investments such as property – can help protect investors over the long term. When one area of a portfolio underperforms, another part should provide important protection.

RISK TOLERANCE AND TIME HORIZON

If you have a well-diversified portfolio, then it's more important than ever to stay the course. You have a strategy in place that reflects your risk tolerance and time horizon, so remain committed. This will help you navigate through periods of uncertainty when some investors are panicking or acting out of fear. Volatility is not all bad, as long as you are prepared to take advantage of the unique opportunities it brings.

In volatile markets, it is perfectly normal for investors to become nervous, question their investment approach and concentrate on the potential for short-term losses over their longer-term investment strategy. Be aware of the psychological effect this type of volatility has on you as an investor, and resist the urge to be reactive.

PROPER DIVERSIFICATION AND PERSEVERANCE

It's important to understand that this movement is not all bad for investors. Some commentators may talk about volatility as a detriment to markets and investors, but fail to discuss the opportunities that arise for investors during periods of market volatility.

No one knows how severe any market turbulence will be or what the markets will do next. It could be over quickly or become more protracted. However, no matter what lies ahead, proper diversification and perseverance over the long term are very important.

UPS AND DOWNS OF DIFFERENT TYPES OF MARKET CONDITIONS

It's likely that the coronavirus will continue to have an impact on markets over the coming months and even years. However, major events causing markets to fall, particularly in the short term, is something we've seen time and time again. And it doesn't mean that markets won't recover. History shows again and again that the ups and downs of different types of market conditions are part and parcel of investing.

The key is to remain calm when stock markets fall. Don't panic. Don't frantically sell. If you can avoid it, don't even log into your investment account. At moments like this, the skills and experience of professional financial advisers come into their own. Not only do we have the experience of dealing with different types of market conditions, but we can also help to take the emotion out of your decisions. ■

LIFE'S FULL OF SURPRISES

Whatever your level of confidence, we could help you make better-informed investment decisions. If you would like to find out more or require any further information, please contact us.

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/// IT'S LIKELY THAT THE CORONAVIRUS WILL CONTINUE TO HAVE AN IMPACT ON MARKETS OVER THE COMING MONTHS AND EVEN YEARS



COVID-19 EFFECTS ON RETIREMENT PLANNING

REMEMBER THAT PENSION
SAVINGS ARE FOR THE LONG TERM

The coronavirus (COVID-19) is having a widespread impact across all aspects of financial life, including retirement plans. The current global stock market turbulence, as a consequence of COVID-19, will no doubt be concerning for individuals whose pension savings are invested partly or fully during these volatile market conditions.

However, making decisions based on what's happening in the short term can be a risky thing to do. It might be tempting, for example, to move all your investments into cash or other lower-risk investments for a while - but in doing that, you might miss out on the point when the value goes back up, so you could lose out in the long term.

TIME FOR MARKETS TO RECOVER

It's really important to remember that pension savings are for the long term. If you're young and currently paying into a workplace pension, then there is time for your pension pot to achieve growth over the long term and recover from the fluctuations currently being experienced in the stock markets. You shouldn't be too concerned, as you have many years ahead of you, and this will provide time for markets to recover before you take your pension income.

If you're older and closer to retirement, you may have seen your funds 'lifestyled'. This means your pension will have been moved into predominantly less risky funds and invested in 'safer' places such as in cash, gilts or bonds, which are lower risk and usually offer a fixed rate of return. The older you get, the more schemes tend to choose to invest in such assets to limit investment risk. However, not all pension schemes offer automatic lifestyling.

ANNUITIES

If you're about to retire and were planning to buy an annuity, in March, the Bank of England cut the base rate twice in just over a week in a further emergency response to the coronavirus pandemic, reducing it from 0.25% to 0.1%. This has meant annuity rates have also fallen. An annuity is a type of retirement income product that you buy with some or all of your pension pot. It pays a regular retirement income either for life or for a set period.

If you are thinking of securing an income by purchasing an annuity, the recent volatility shows the importance of gradually reducing the risk in your portfolio as you approach your expected annuity purchase date. Doing this provides greater certainty over the secured income you can expect to generate from your fund.

DRAWDOWN

If we continue to see a protracted period of negative investment returns, and you're already

using drawdown or plan to move into drawdown soon, you might also want to avoid taking out any more than you need to while fund values remain depressed. The more you can leave invested, the more you will benefit over time once there is a recovery.

Drawdown is a way of taking money out of your pension to live on during retirement. You have to be aged 55 or over and have a defined contribution pension to access your money in this way. You keep your pension savings invested when you reach retirement and take money out of (or 'drawdown' from) your pension pot. Since your money stays invested - and it's usually in the stock market - there is the risk that your fund may fall in value. The upside is that investment growth can provide higher returns and see your pot continue to increase in value.

CONTRIBUTIONS

If you are still in the process of saving for your retirement (and if appropriate), now might be a good time to consider increasing your pension contributions if you can. Even though your strategy may depend on the movement of the markets, increases in contributions over the long term can make a difference to your eventual retirement pot value, if it coincides with the market recovery.

Again, there is no need to panic - at this stage, we do not know what the long-term implications of coronavirus will be. We can help you see the bigger picture, weigh all your options, and take a balanced assessment of your risks.

STAGGERED

New research^[1] has revealed how many pensioners are opting for a staggered retirement and working part-time before giving up work completely to make sure their pensions last the rest of their lives. With people living longer, and with the added prospect of health care costs in later life, retirees increasingly understand the benefits of having a larger pension pot in later life.

Of those who haven't accessed their pension pot, half (51%) say it is because they are still working, while more than a quarter (25%) of people in their 60s say it is because they want their pensions to last as long as possible.

Of course, retirees who haven't accessed their pension pot must have alternative sources of income. When asked about their income, nearly half (47%) said they take an income from cash

savings, others rely on their spouse or partner's income (35%) or the State Pension (22%), while 12% rely on income from property investments. ■

PROFESSIONAL FINANCIAL ADVICE COUNTS

If you're about to retire, the amount of exposure you have will reflect both your attitude to investment risk and the time you have until retirement. Most importantly, before taking any major decisions relating to your pension, take the time to get professional financial advice.



Source data:

[1] LV= survey of more than 1,000 adults aged over 50 with defined contributions - 25 February 2020

A PENSION IS A LONG-TERM INVESTMENT.

THE FUND VALUE MAY FLUCTUATE AND CAN GO DOWN, WHICH WOULD HAVE AN IMPACT ON THE LEVEL OF PENSION BENEFITS AVAILABLE.

PENSIONS ARE NOT NORMALLY ACCESSIBLE UNTIL AGE 55. YOUR PENSION INCOME COULD ALSO BE AFFECTED BY INTEREST RATES AT THE TIME YOU TAKE YOUR BENEFITS. THE TAX IMPLICATIONS OF PENSION WITHDRAWALS WILL BE BASED ON YOUR INDIVIDUAL CIRCUMSTANCES, TAX LEGISLATION AND REGULATION, WHICH ARE SUBJECT TO CHANGE IN THE FUTURE.

THE VALUE OF INVESTMENTS AND INCOME FROM THEM MAY GO DOWN. YOU MAY NOT GET BACK THE ORIGINAL AMOUNT INVESTED.

PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE PERFORMANCE.

TAKING WITHDRAWALS MAY ERODE THE CAPITAL VALUE OF THE FUND, ESPECIALLY IF INVESTMENT RETURNS ARE POOR AND A HIGH LEVEL OF INCOME IS BEING TAKEN. THIS COULD RESULT IN A LOWER INCOME WHEN THE ANNUITY IS EVENTUALLY PURCHASED.



BUSINESS SUPPORT AT A GLANCE

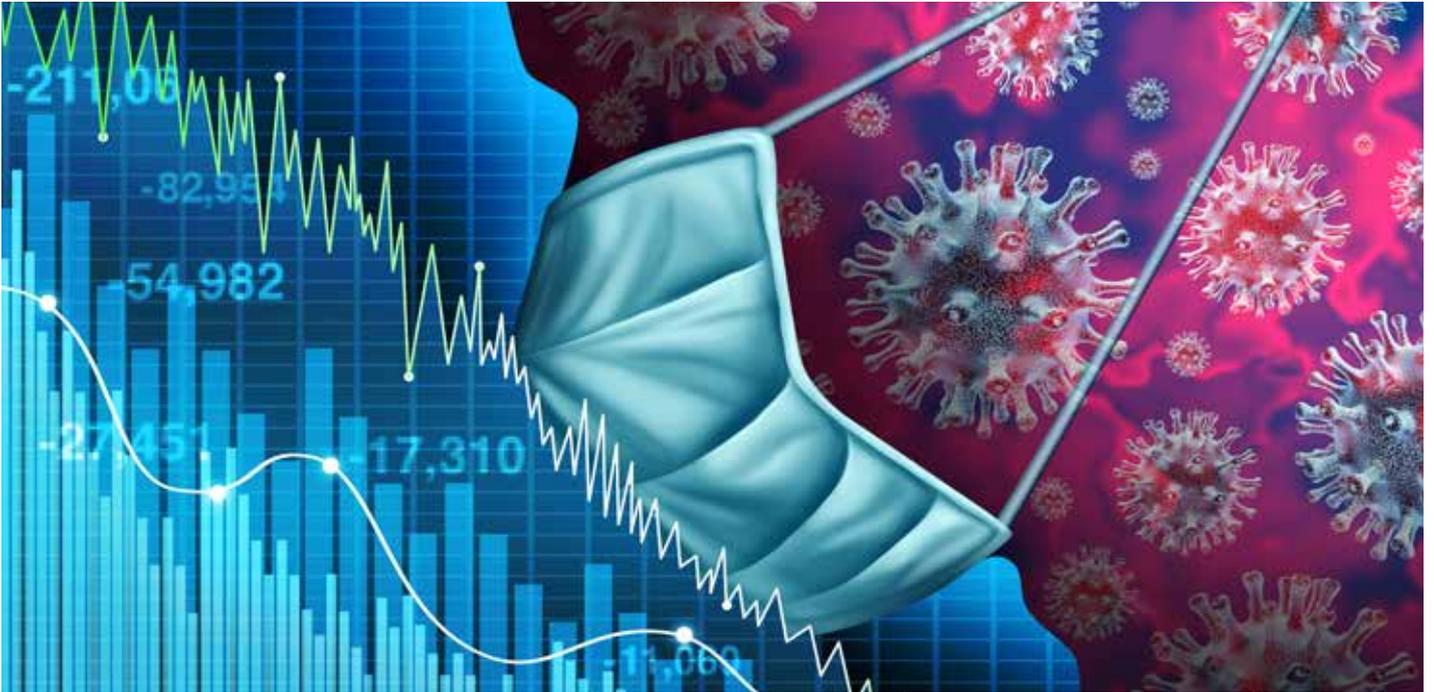
KEY ANNOUNCEMENTS TO SUPPORT PEOPLE AND BUSINESSES

In response to the coronavirus (COVID-19) outbreak, Chancellor Rishi Sunak has set out a package of temporary, timely and targeted measures to support people and businesses through this period of disruption.

SUPPORT FOR BUSINESS INCLUDES:

- Coronavirus Job Retention Scheme
- Deferring VAT and Self-Assessment payments
- Self-employment Income Support Scheme
- Statutory Sick Pay relief package for small and medium-sized businesses (SMEs)
- 12-month business rates holiday for all retail, hospitality, leisure and nursery businesses in England
- Small business grant funding of £10,000 for all business in receipt of small business rate relief or rural rate relief
- Grant funding of £25,000 for retail, hospitality and leisure businesses with property with a rateable value between £15,000 and £51,000
- The Coronavirus Business Interruption Loan Scheme offering loans of up to £5 million for SMEs through the British Business Bank
- A new lending facility from the Bank of England to help support liquidity among larger firms, helping them bridge coronavirus disruption to their cash flows through loans
- The HMRC Time To Pay Scheme

/// THE CORONAVIRUS BUSINESS INTERRUPTION LOAN SCHEME OFFERING LOANS OF UP TO £5 MILLION FOR SMES THROUGH THE BRITISH BUSINESS BANK



CORONAVIRUS IMPACT ON THE GLOBAL ECONOMY

IT'S MORE IMPORTANT THAN EVER TO STAY THE COURSE

The coronavirus (COVID-19) outbreak is first and foremost a human tragedy, affecting hundreds of thousands of people. It is also having a growing impact on the global economy. The markets have been extremely volatile as investors weigh the effect of the coronavirus against measures aimed at easing its economic impact. Therefore, it's hard to say how this will affect investments in the short term.

Even with events like the coronavirus and global market volatility dominating the headlines, the key is to keep calm and remember that ups and downs are a normal function of markets, and part and parcel of investing. Bear markets are a fact of any investor's life. Single-day volatility will continue to be common, and we can expect choppy markets as investors and firms react to the ongoing pandemic.

RECALIBRATING THE MARKETS' OUTLOOK

If the markets follow the pattern established over the past few months, sudden market drops have been followed by similarly acute intra-day upswings as the markets absorb the news and recalibrate their outlook.

What we've recently been experiencing is global stock market lows not seen since the 1987 market crash - and as a consequence, many hard-hit companies have laid thousands of employees off. However, it's important not to let global uncertainties affect your financial planning for the years ahead.

'PREPARE, DON'T PREDICT' APPROACH

When markets look worrying, a 'prepare, don't predict' approach can often be the best strategy. Understandably, market falls can be unnerving and make you question your investments. A few months in, it is still hard to grasp the scale and scope of COVID-19's global impact. A third of the world population has been under some sort of 'lockdown'. Over 200 countries have been affected, and the number of new cases and deaths in many places has grown exponentially. All the while, a second crisis in the form of an economic recession is underway.

The increasing concerns surrounding the coronavirus outbreak pandemic have had a significant impact on markets around the world. However, performance chasing can be a costly mistake not only due to the narrow investment choices it encourages, but also due to the higher costs and taxes incurred. Overall, investors can end up selling low, buying high and, importantly, missing out on creating long-term value.

FINANCIAL PLANNING FOR THE YEARS AHEAD

Remember that the overall direction of developed stock markets is a relentless and continual rise in value over the very long term, punctuated by falls. It's important not to let global uncertainties affect your financial planning for the years ahead. Individuals who curtail their investment planning, particularly during market downturns, often miss out on opportunities to invest at lower prices.

Such volatility is less worrying if you take a longer-term view. It's important to stick to your strategy and keep moving ahead consistently by spreading risk and growing your wealth. Volatility in stock markets understandably makes investors nervous. However, on the flipside, not all volatility is bad - without volatility, stock prices would never rise. ■

TRY TO THINK LONG TERM

Even during this pandemic crisis, our financial solutions and expertise to clients still remain the same, to actively grow and protect their wealth over the long term. If you would like to find out more or discuss your situation, please contact us.



/// OFFERS TO UNLOCK
OR TRANSFER FUNDS ARE
TACTICS COMMONLY USED TO
DEFRAUD PEOPLE OF THEIR
RETIREMENT SAVINGS

BEWARE OF PENSION FRAUDSTERS

SAFEGUARD YOUR HARD-EARNED RETIREMENT
SAVINGS FROM COVID-19 SCAMMERS

Fraudsters are exploiting fears over the COVID-19 pandemic to target pension savers and investors. The Pensions Regulator, the Financial Conduct Authority (FCA) and the Money and Pensions Service have issued a joint statement urging people not to make rash pension decisions in the wake of the global pandemic, as criminals try to exploit public fears over the market turmoil to dupe victims out of their cash.

PERSUADING YOU TO TRANSFER YOUR PENSION POT

Scammers will make false claims to gain your trust – for example, claiming they are authorised by the FCA or that they don't have to be FCA-authorised because they aren't providing the advice themselves, or claiming to be acting on the behalf of the FCA or the government service Pension Wise.

Scammers also design attractive offers to persuade you to transfer your pension pot to them (or to release funds from it). It is then often invested in unusual and high-risk investments like overseas property, renewable energy bonds, forestry, storage units; or, invested in more conventional products but within an unnecessarily complex structure which hides multiple fees and high charges; or stolen outright.

FRAUDSTERS LOOK TO EXPLOIT PEOPLE'S ANXIETIES AND FEARS

Attempts to scam personal data and monies are likely to increase during the COVID-19

pandemic and economic downturn as fraudsters look to exploit people's anxieties and fears. You need to be aware of receiving emails, calls or texts from criminals impersonating investment companies, insurers, pensions providers and other organisations to trick you into providing personal or financial information or money.

Cold calls about your pension - it is illegal for firms to contact you out of the blue about your pension, and you should hang up. The caller may offer to help you access your pension before age 55, or offer you a 'free pensions review'.

Phishing emails - these attempt to trick people into opening malicious attachments or reveal personal or financial information.

Ghost brokers - fraudsters may attempt to use an insurer's branding to promote and sell fake or invalid pension or investment products which may claim to offer COVID-19 protection.

WHAT SHOULD I LOOK OUT FOR?

- Be suspicious of offers that seem too good to be true
- Do not feel pressured or agree to offers or deals on insurance, pensions or investments
- Check the credentials of the person you are dealing with by getting a name and contact details. You can check the financial service register to make sure you are dealing with a regulated company. Hang up and call them back on details you can verify
- Never give your personal details out, such as an insurance or pensions policy number or other account details
- Always use contact details on your documents provided by your insurer or pension provider
- Don't assume all online sites are genuine

DON'T LET A SCAMMER ENJOY YOUR RETIREMENT

If you're contacted out of the blue about your pension, the chances are it's high risk or a scam. Be wary of free pension review offers. A free offer out of the blue from a company you have not dealt with before is probably a scam. Should this happen to you, please contact us.



HOW SECURE IS THE FUTURE OF YOUR FAMILY OR BUSINESS?

PROJECTING OURSELVES INTO THE FUTURE TO SEE WHAT'S AROUND THE NEXT BEND IS NOT AN EASY THING TO DO

Given the current situation during this difficult and unsettling time with coronavirus (COVID-19), it's important to think about how secure the future of your family or business would be in the event that you were no longer around.

- What amount of outstanding business loans do I have now?

FINANCIAL SAFETY NET

It may be the case that not everyone needs life insurance. However, if your spouse and children, partner or other relatives, or business depend on you to cover the mortgage, other living and lifestyle expenses, or business loans, then it will be something you should consider. Putting in place the correct level of life insurance will make sure they're taken care of financially.

That's why obtaining the right professional financial advice and knowing which products to choose - including the most suitable sum assured, premium, terms and payment provisions - is essential.

NO ONE-SIZE-FITS-ALL SOLUTION

There is no one-size-fits-all solution, and the amount of cover - as well as how long it lasts for - will vary from person to person. Even if you consider that currently you have sufficient life insurance, you may probably need more later on if your circumstances change. If you don't update your policy as key events happen throughout your life, you may risk being seriously under-insured.

As you reach different stages in your life, the need for protection will inevitably change. How much life insurance you need really depends on your circumstances - for example, whether you have a mortgage, you're single or have children, or you have business loans that you are liable to pay. ■



Understandably, we would rather not think of the time when we're no longer around, but this crisis has highlighted the importance of protecting the things that really matter - like our loved ones, home, lifestyle and business - in case the unexpected happens.

The outbreak of the coronavirus may mean you have concerns about your life insurance and whether you're covered. If you have life insurance to provide for those left behind, or to cover business loans after your death, it's important to keep paying the premiums, even if you're tempted to put it on hold to cut costs. You could lose your cover and may struggle to find the same level of cover if you start another policy later on.

FULL REPLACEMENT VALUE

For many of us, projecting ourselves into the future to see what's around the next bend is not an easy thing to do. However, without thinking, we insure our cars, homes and even our mobile phones - so it goes without saying that you should also be insured for your full replacement value to ensure that your loved ones and business are financially catered for in the event

of your unexpected death. Making sure that you have the correct type and level of life insurance in place will help you to financially protect them.

Life insurance provides a safety net. Ultimately, it offers reassurance that your family and business would be protected financially should the worst happen. We never know what life has in store for us, as we've seen in recent weeks with the outbreak of COVID-19, so it's important to get the right life insurance policy. A good place to start is asking yourself three questions: What do I need to protect? How much cover do I need? How long will I need the cover for?

ASK YOURSELF

- Who are your financial dependents - your husband or wife, registered civil partner, children, brother, sister, or parents?
- What kind of financial support does your family have now?
- What kind of financial support will your family need in the future?
- What kind of costs will need to be covered, such as household bills, living expenses, mortgage payments, educational costs, debts or loans, or funeral costs?

DON'T LEAVE IT TO CHANCE

Since the outbreak of COVID-19, some insurers are restricting cover for new applicants and have introduced new questions to their application forms. This has been done in order to establish and manage the insurance risks it poses. Planning for a time when you're no longer around may seem daunting, but it doesn't have to be. Don't leave it to chance - speak to us for more information.



MANAGING VOLATILITY

DIVERSIFICATION IS PARAMOUNT IN UNCERTAIN TIMES

The outbreak of coronavirus (COVID-19) has understandably been dominating the news headlines. Market fear over the escalating global spread of coronavirus has seen a sell-off across many asset classes. This period of market stress further emphasises the importance of diversification within portfolios. Investors' objectives can rarely be met by investing in a single asset class.

Diversification means making sure your portfolio has varied investments: investing in stocks and bonds, in different industries, and in large and small companies. Whilst 'don't put all your eggs in one basket' is a well-used adage, it is still relevant today and means: don't have all your money in one place, as you could lose it all in one go.

SMOOTHER RETURN PROFILE

By holding well-diversified assets at both a geographical and asset-class level, our portfolios experience a (relatively) smoother return profile because risk exposure is less concentrated.

Investment options span every sector of the stock, bond and property markets, but allocating your assets based on performance alone is often ill-advised because the market is a moving target. One year, a particular type of security can be a star performer, only to severely underperform the very next year.

RANGE OF ASSETS

During the early weeks of the coronavirus outbreak, the response from financial markets was somewhat muted. However, as the virus has continued to spread, markets have reacted in a more pronounced way to the impact on supply chains, tourism and global demand.

This further strengthens the case to invest across several asset classes to provide greater diversification potential. Therefore, if one asset class performs favourably, it can potentially offset another that is performing less favourably, providing more balance to your portfolio when market shifts occur. Investment returns vary significantly between different investment 'baskets', or asset classes, year to year.

DIFFERENT LIFE STAGES

Different investors are at different stages in their lives. Younger investors may have a longer time horizon for their investing than older investors.

Risk tolerance is a personal choice, but it's good to keep perspective on personal time horizons and manage risk according to when access to funds from different assets is needed. If cash is needed in the near term, it is better to sell an asset when you want to sell it rather than when you have to sell it.

Under normal market conditions, diversification is an effective way to reduce risk. If you hold just one investment and it performs badly, you could lose all of your money. If you hold a diversified portfolio with a variety of different investments, it's much less likely that all of your investments will perform badly at the same time. The profits you earn on the investments that perform well offset the losses on those that perform poorly.

MINIMISING RISK

While it cannot guarantee against losses, diversifying your portfolio effectively - holding a blend of assets to help you navigate the volatility of markets - is vital to achieving your long-term financial goals while minimising risk.

As well as investing across asset classes, you can further diversify by spreading your investments within asset classes. For instance, corporate bonds and government bonds can offer very different propositions, with the former tending to offer higher possible returns but with a higher risk of defaults, or bond repayments not being met by the issuer.

However, although you can diversify within one asset class - for instance, by holding shares (or equities) in several companies that operate in different sectors - this will fail to insulate you from systemic risks, such as international stock market volatility.

There are four main types of investment, known as 'asset classes'. Each asset class has different characteristics and advantages and disadvantages for investors.

MARKET TIMING

Resist the temptation to change your portfolio in response to short-term market movement. 'Timing' the markets seldom works in practice and can make it too easy to miss out on any gains. The golden rule to investing is allowing your investments sufficient time to achieve their potential. Warren Buffett, the American investor

ASSET CLASSES	MAIN ADVANTAGES	MAIN RISKS
Cash	Relatively secure	May lose value if the interest rate doesn't keep up with inflation.
Bonds	Regular income	The bond issuer is sometimes unable to repay in full.
Shares	Regular income and opportunity to grow over time	Share prices can go up and down. A fall in share price will reduce the value of your investment.
Property	Stable and regular income, potential to grow over time	Property prices can fall, reducing the value of your investment. Property transactions take a long time, so your money may be tied up for longer than you want it to be.



“Warren Buffett, the American investor and philanthropist, puts it very succinctly: ‘Our favourite holding period is forever.’ Over the long term, investors do experience market falls which happen periodically.”

Warren Buffett, the American investor and philanthropist

and philanthropist, puts it very succinctly: ‘Our favourite holding period is forever.’

Over the long term, investors will experience market falls which happen periodically. Generally, the wrong thing to do when markets fall by a reasonable margin is to panic and sell out of the market - this just means you have taken the loss. It's important to remember why you're invested in the first place and make sure that rationale hasn't changed. ■

OPTIMAL BALANCE OF RISK AND RETURN



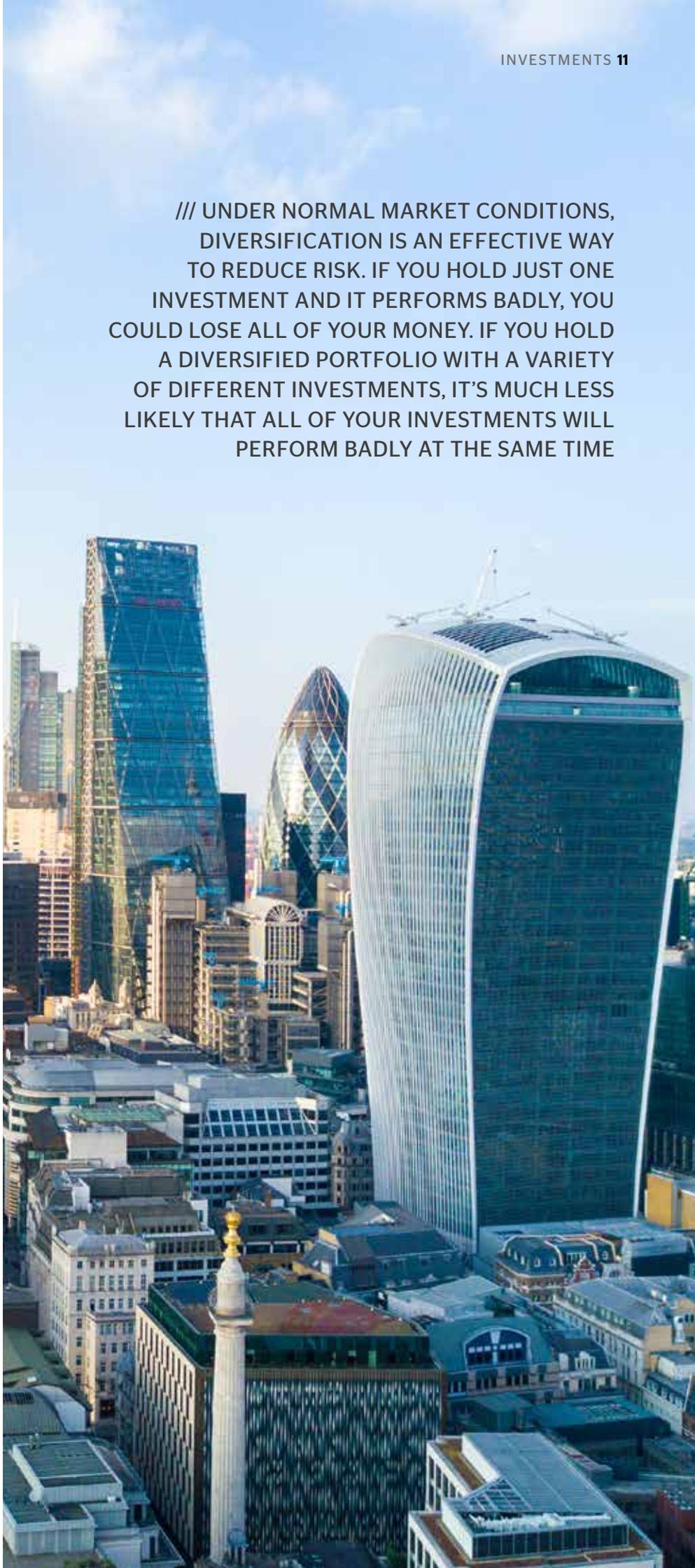
Whatever your approach to not ‘putting your eggs in one basket’ is, diversification can help manage your investment risk. If you would like further information or to discuss your requirements, please contact us.

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/// UNDER NORMAL MARKET CONDITIONS, DIVERSIFICATION IS AN EFFECTIVE WAY TO REDUCE RISK. IF YOU HOLD JUST ONE INVESTMENT AND IT PERFORMS BADLY, YOU COULD LOSE ALL OF YOUR MONEY. IF YOU HOLD A DIVERSIFIED PORTFOLIO WITH A VARIETY OF DIFFERENT INVESTMENTS, IT'S MUCH LESS LIKELY THAT ALL OF YOUR INVESTMENTS WILL PERFORM BADLY AT THE SAME TIME



/// SINCE THE OUTBREAK OF CORONAVIRUS (COVID-19), THE NUMBER OF PEOPLE SEEKING TO WRITE NEW WILLS HAS RISEN BY OVER 30%

Source: The Law Society

WHAT ARE YOU WAITING FOR?

COVID-19 PANDEMIC HAS MADE MORE PEOPLE THINK ABOUT JUST HOW CRUCIAL IT IS TO MAKE A WILL

Since the outbreak of coronavirus (COVID-19), the number of people seeking to write new Wills has risen by over 30%, according to The Law Society.

Understandably, the current situation is causing angst among people, particularly elderly and vulnerable clients who have been self-isolating. It's estimated that more than half of British adults have not made a Will.

The coronavirus pandemic has made more people think about just how crucial it is to make a Will and ensure it is kept up to date. Everyone should have a Will, but it is even more important if you have children; you own property or have savings, investments and insurance policies; or you own a business. Your Will lets you decide what happens to your money, property and possessions after your death.

MAKE SURE YOUR WISHES ARE CLEAR

Making a Will and keeping it up to date is the only way you can ensure that when you die, your wishes are clear. If you die with no valid Will in England or Wales, the law will decide who gets what. If you have no living family members, all your property and possessions will go to the Crown.

If you make a Will, you can also make sure you don't pay more Inheritance Tax than you legally need to. It's an essential part of your financial planning. Not only does it set out your wishes, but die without a Will, and your estate will generally be divided according to the rules of intestacy, which may not reflect your wishes. Without one, the state directs who inherits, so your loved ones, relatives, friends and favourite charities may get nothing.

COHABITANTS

It is particularly important to make a Will if you are not married or are not in a registered civil partnership (a legal arrangement that gives same-sex partners the same status as a married couple). This is because the law does not automatically recognise cohabitants (partners who live together) as having the same rights as husbands, wives and registered civil partners. As a result, even if you've lived together for many years, your cohabitant may be left with nothing if you have not made a Will.

A Will is also vital if you have children or dependents who may not be able to care for themselves. Without a Will, there could be uncertainty about who will look after or provide for them if you die.

PEACE OF MIND

No one likes to think about it, but death is the one certainty that we all face. Planning ahead can give you the peace of mind that your loved ones can cope financially without you, and at a difficult time it helps remove the stress that monetary worries can bring. Planning your finances in advance should help you to ensure that when you die, everything you own goes where you want it to. Making a Will is the first step in ensuring that your estate is shared out exactly as you want it to be.

If you leave everything to your spouse or registered civil partner, there'll be no Inheritance

Tax to pay, because they are classed as an exempt beneficiary. Or you may decide to use your tax-free allowance to give some of your estate to someone else or to a family trust. Scottish law on inheritance differs from English law.

PASSING ON YOUR ESTATE

Executors are the people you name in your Will to carry out your wishes after you die. They will be responsible for all aspects of winding up your affairs after you've passed away, such as arranging your funeral, notifying people and organisations that you've died, collating information about your assets and liabilities, dealing with any tax bills, paying debts, and distributing your estate to your chosen beneficiaries.

You can make all types of different gifts in your Will – these are called 'legacies'. For example, you may want to give an item of sentimental value to a particular person, or perhaps a fixed cash amount to a friend or favourite charity. You can then decide whom you would like to receive the rest of your estate and in what proportions. Once you've made your Will, it is important to keep it in a safe place and tell your executor, close friend or relative where it is.

REVIEW YOUR WILL

It is advisable to review your Will every five years and after any major change in your life, such as getting separated, married or divorced, having a child, or moving house. Any change must be by Codicil (an addition, amendment or supplement to a Will) or by making a new Will. Please contact us to find out more. ■