MorganLaw

Autumn Newsletter

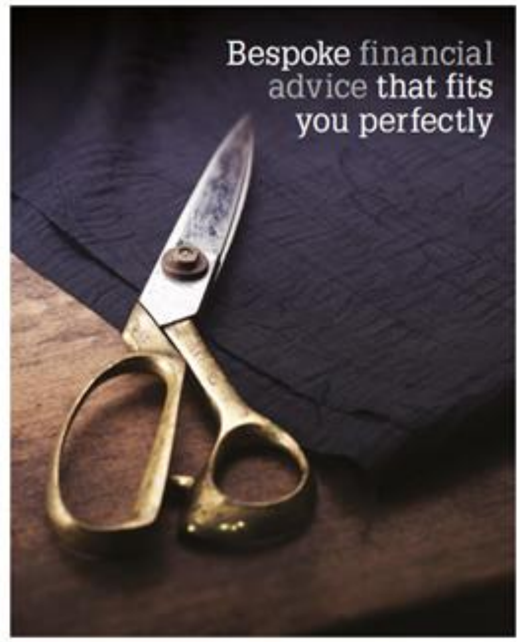
Welcome to the Morgan Law (Financial Services) Autumn Newsletter. We hope that you find the content useful and of relevance to your own finances, portfolios and possible future plans. The aim is to share with you any relevant experiences, feelings and information which we are exposed to during our day to day lives working within a financial services firm and within our industry. Should you wish to speak with us about any of its content or obtain a copy of our newly published company brochure (available both as a hard and electronic copy) then please do not hesitate to contact an adviser or member of the administration team.

The Importance of Basic Financial Planning

No matter what the wealth of our clients, concentrating on the basics of financial planning is key. Sadly, every day we deal with the affairs of clients who have recently passed away. This makes us think about the importance of basic financial planning. Firstly, we have always promoted the importance of having or indeed revising your Will with a reputable Will-writing specialist, ensuring matters are set out as straightforward as possible and importantly all those whom would be impacted are aware of the principles of its contents. All important documents such as these should be stored in a known place so that they can be quickly accessed when needed.

We try to make the advice we give clear and non technical in nature and because of this we hope our clients can continue to live their lives and enjoy them as comfortably as possible without having to worry about money.

Cash flow planning is a service we offer which is a projection of a client's inflows and outflows and the associated impact of their net worth. Whilst such a projection may be useful to help clients develop some longer-term context for their financial decisions, they are, however, highly sensitive to the reasoned and reasonable assumptions we must use. Client specific assumptions including spending, borrowing, saving, investing and gifting need to be developed and agreed, and this is where we can together co-create several possible financial scenarios such as, for example, assuming downscaling



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We hope you will find the following of interest:

the family home to one worth 65% of the value at age 70 which may make a lower-risk portfolio possible. Clients do often find it difficult to connect with a picture that shows what their financial position might be in 25 years and indeed, they more likely connect with what might happen to their finances over the next three years, and what specifications they need to consider over the next 12 months.

Capacity for Loss is a client's ability to absorb falls in the value of their investment and pension portfolios. If any loss of capital would have a materially detrimental effect on your standard of living, this is considered in assessing the risk you are prepared to take. This is embedded in our advice process and we recommend that this should be regularly reviewed.

Recent Fund Manager Visits

As part of our ongoing service to clients we regularly visit fund managers of the funds in which clients are invested. This forms part of our overall due diligence so that we are able to make informed decisions on whether we wish to invest new or keep client money invested with such fund managers. We are constantly reviewing the fund solutions we have on our panel and would inform you if we felt that for any reason your investment would better invested with an alternative manager. Interestingly, when we met some managers at the end of September their views on the global economy differed depending on who we were speaking to. This is normal of course as views are what they are and differ depending on an individual's emotional make up.

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Market Comment

Stock Markets have been on a positive run in 2019 and as we continue to weather the political storm at the heart of Westminster, the Brexit train continues to move, albeit at a rather disjointed pace. Guidance for preparing for no deal can be found on the Government website and we will update you on any relevant impacts once the situation becomes clearer.

The global portfolios that our clients hold would arguably have a greater sensitivity to the US – China trade outcome than that of the Brexit one. Donald Trump may hold the cards for a significant economic stimulus if he were to sign a trade deal, seemingly in his interest, with China that reverses the tariffs at any time. China would need to agree to the terms, but the economic pain inflicted by the tariffs is a powerful incentive to do so. President Trump occasionally proves more flexible than commonly expected.

It appears Central Banks have become better at managing economic growth over the years since a recession. Figures going back to the great depression of the 1930's show that global economic growth has lasted longer and longer following a recessionary period as the decades have gone by. The US recently reducing their interest rates following a succession of rises is another example of the Federal Reserve Systems ("The Fed" – the central banking system of the United States of America) management of the US economy. Lessons from the past have hopefully been learned.

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