

Autumn Newsletter

Welcome to the Morgan Law (Financial Services) autumn 2020 Newsletter. We hope that you are all keeping well physically, mentally and financially and that the end of the year brings positivity and things to look forward to in 2021.

We trust that you find the content of our latest newsletter interesting and as always, if there are any matters which you wish to discuss further on this, or on your most recent portfolio valuation then please do not hesitate to contact us.

Portfolio valuations in general have come back a long way since the March lows, supporting the concept of not making irrational decisions in difficult periods. Even at the very bottom of the market on 22nd March, 5-year performance figures of most portfolios were still in double digit territory. Portfolio valuations have indeed recovered well since then, mainly because markets know more about the unknowns of the COVID19 virus than the “unknown unknowns” at the beginning.

The Value of Advice

Before getting into the specifics, it is worth referencing a few studies on this topic that have been done in recent years:

Vanguard estimated that advisers can add over 3% per annum in net returns for their clients. They cited behavioural coaching, spending strategy, and rebalancing as the largest contributors. Russell Investments estimated that advisers can add similar net returns for clients again through a combination of preventing behavioural mistakes, financial planning, tax smart advice and rebalancing. The studies conclude that an ongoing relationship with a financial adviser leads to better financial outcomes than for those who took one-off advice and that these outweigh any costs associated with it.

How we provide “added value” to you:

Building the Financial Plan - This is where we start when articulating the value of our offering. It takes both time and skill to clarify your life goals including determining the savings required to meet your long-term needs. Financial planning is a broad term, so it is worth specifying the underlying components we provide:



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We hope you will find the following of interest:

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Simple cash flow modelling can help to illustrate your financial path up to and during retirement. This helps to eliminate complex ingredients and allow you to see the finished cake!

Asset Allocation and Diversification is essential to your understanding of the risk you need to take to meet your goals and the trade-offs of investing. The importance of diversification is critical and can help protect against capital destruction during any downturn. We find most clients prefer not to understand the process; however they value the reassurance in the knowledge that it is being done.

No two clients are the same and our role is to recognise these differences and ensure that every financial plan has been custom made to cater for your individual circumstances.

Tax Structuring can generate tax savings for you that are multiples of the returns that are on offer from traditional asset classes. Our skill is to help you use the correct vehicle or tax wrapper to ensure no more tax is paid than necessary and includes making sure you use where possible ISA, Pension and Capital Gains Tax harvesting allowances.

A Decumulation Strategy to ensure clients enjoy their retirement without running out

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Morgan Law (Financial Services) Ltd

Hyde Park House
Crown Street
Ipswich
Suffolk
IP1 3BJ
Tel: 01473 598888
E-mail: admin@morganlawfs.co.uk
Find us on the Web:
www.morganlawfinancialservices.co.uk

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of money if this is the objective. Which tax vehicle or product to withdraw money from first can make a huge difference to how long your retirement pot lasts.

Providing an Ongoing Service and our Soft Skills to you which include:

Behavioural Coaching – we aim to help you overcome natural human predispositions and maintain composure in an increasingly confusing world. This means avoiding knee-jerk reactions driven by herd mentality and the dual forces of fear and greed. Retail investors almost always lose money when they react to or try to anticipate events.

Consistency and Continuity – we aim to be your long-standing guide rather than give you the map and hope that you get to your destination. Advice is not a one-off event and requires constant refinement of your financial plan as circumstances and needs change through all of life's major hurdles.

Communication – Each client has different preferences and our aim is to satisfy these and keep you informed but not to overload you with information.

Being a sounding board and “trusted ear” – A fundamental component of our offering is providing you with the opportunity to discuss concerns and dreams with someone who is experienced in financial markets, in life and in whom you can trust.

Objectivity – We look at your finances objectively and unemotionally, however we are empathetic and can put ourselves in your shoes in understanding what is important to you! Without empathy no amount of professional qualifications is going to help us engage with you.

Encouraging the Bucket List – This may sound at odds with the traditional perception of advisers recommending savings, however we enjoy putting your interest first and persuading you to spend money on those passions which you wish to fulfil.

Peace of mind and the gift of time – Perhaps the least quantifiable of reasons for using your adviser, but often the most important, is the relief to know that a professional has built a customised plan to meet your goals and that it is being constantly monitored. Your portfolios are invested in funds and the contact between ourselves and the actual managers and their teams should provide reassurance to you that if we are not pro-actively contacting you, then your funds in our opinion continue to be achieving the objectives they are set out to achieve.