

WE KNOW / WEALTH

SUMMER 2020 EDITION

COVID 19 - WHAT HAVE WE LEARNED?

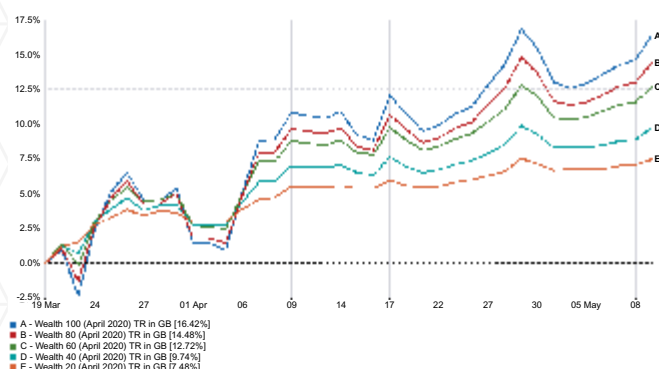
I'll not start this with the usual "I hope this finds you well?" as this seems to be at the start of every fund manager communication we've had since this crisis began! I do genuinely hope though that you and your family are managing to stay healthy and sane during this lockdown period.

The past 3 months has definitely been a test of resolve in lots of areas. I must admit to feeling a bit rattled after finding nothing to buy in my local supermarket - it's natural to put your security in your finances, your health and the fact that you can put a meal on the table!

Being a financial planner/wealth manager during probably the worst dip in the stock market since 2008 definitely tests your resolve and belief in the long term plans that you have for yourself and for your clients. When the bulk of your time is spent face to face with clients, a global pandemic presents a bit of a challenge never mind having to test if your business continuity plan works when getting your team set up to work remotely.

1. The financial challenge - keep faith in the global markets and your long term objectives

When global stock markets fell sharply in the first 2 weeks of March our advice was to sit tight, remain invested and stick to your long term plan. This does not necessarily feel natural - the usual response for all of us in times of crisis is to "do something". Thankfully nearly 100% of our clients took this advice and saw a significant recovery following mid March to mid May. Our portfolios did exactly as we would have expected them to. Markets normally fluctuate but occasionally there are shocks - the worst thing to do is to sell when markets have just fallen, then you crystallise a loss and struggle to know when to re-invest. It's for this reason that we talk to clients about how they feel about taking risk and invest in an appropriate portfolio with equities and bonds.



19/03/2020 - 11/05/2020 Data from FE fundinfo2020

Past performance is not indicative of future results.

2. The face to face challenge - faith in our client's ability to embrace technology

We have found that lots of self-confessed "technophobes" have become brilliant at using technology, so we've been doing lots of client meetings using Zoom. This has worked well when we are using the financial planning software that we normally show in the office. We do hope though that we will be able to meet up face to face at some point, it is not quite the same!

3. Remote working - faith in our team's ability to adapt and communicate well

Emma, our Operations Manager, was brilliant at getting everyone set up and testing our "disaster" plan. From the outset we've used Microsoft Teams to meet up and discuss what everyone is doing that day. We started using a secure portal this year, so it has really come into its own to enable us to send out documents for e-signing. Again, it's not the same as working together in one office but it has not impacted the service we provide to clients.

In the words of Robbie Burns, the "best laid schemes o' mice an' men gang aft agley". That's true, life doesn't always run smoothly but we remain optimistic that our client's long-term objectives will continue to be achieved despite this recent crisis.

Get in touch for more info on how we can help you and your long term financial plans.

Amanda Cowie,
Chartered
Financial
Planner
Director



WE KNOW / ABOUT ESG INVESTING



ESG INVESTING - A NEW NORMAL?

Over the last year we have been having more conversations around ESG investing – where fund priorities are based on environmental, social, and governance issues.

There has always been a small number of individuals who have specifically mentioned that they wish for a particular area to be excluded from their portfolio, sometimes a specific company. To be honest though, when we have asked the question, not many people have had strong views.

For those who do, we have researched alternatives but always with the caveat that it's impossible to be 100% "ethical" in their area. Simplistically, if you wish to exclude alcohol and you have a lot of financials in the fund, how do you know that they don't lend to a supermarket retailer for instance?

There is also the issue that everyone's idea of what's "ethical" is different.

We have therefore decided to take a more pragmatic and perhaps positive view. What if we didn't exclude those we thought were "bad" but actively looked to invest in what was "good". In an ideal world all companies would prioritise sustainability in terms of the environment, they'd

also make sure that all their social policies were equal and fair plus ensuring that they had strong internal controls governing how they run their business well.

Hopefully in the future this will be case, but we are not there yet.

We have therefore researched 5 new risk-based portfolios, which embrace the UN's Sustainable Development Goals. Our normal criteria for choosing funds remains the same though – they must have a good track record, fund manager charges as low as possible and the overall portfolio to provide appropriate diversification. They will not replace our existing portfolios but provide an alternative.

Past performance is not indicative of future results.

If this is something you've been thinking about, please just [get in touch](#).





COPING WITH THE UNEXPECTED – WHAT PRICE FOR PEACE OF MIND?

For many of us, the last few months have been about ticking some long-awaited jobs off a list. Even for those still working it's amazing how much time has been freed up when we haven't got the usual distractions like a social life for instance.

At the start of this pandemic, Robson Laidler's Wills and Probate department saw a deluge of requests from those people who had previously put off/not had time to finalise their will. It's no surprise that, during a global pandemic, people do start to think, "What if?"

"What if?" is a question we discuss with clients on a regular basis when we are putting together a financial plan. One question might be, "What if I repaid my mortgage instead of investing, how would that compare and impact on my future plans?" Another might be, "What if I bought a second home abroad, how would that impact on my ability to fund my retirement lifestyle?" Fun questions!

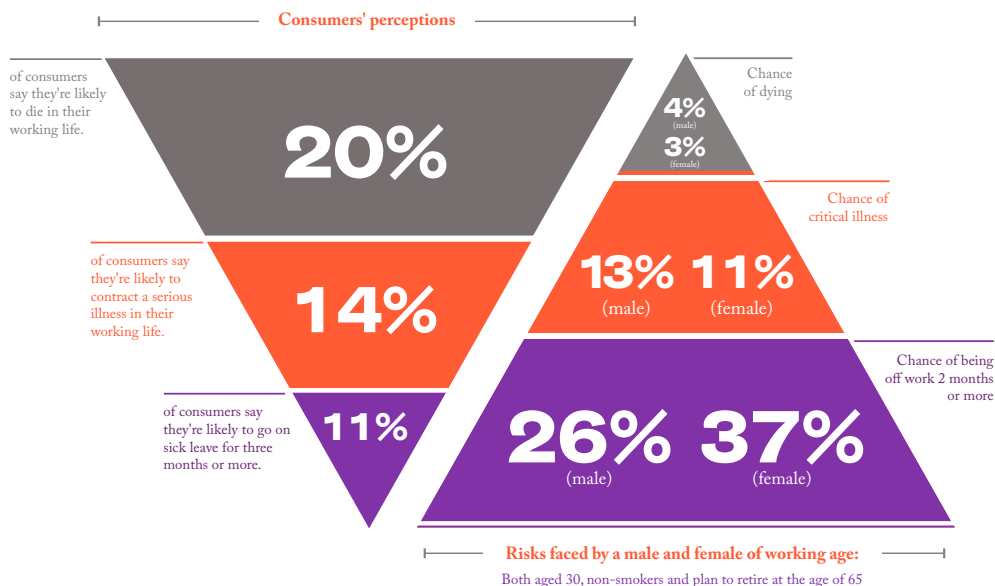
Perhaps not so fun is the "What if" around protecting families against the unexpected – premature death or serious illness for example. This is why we have conversations with clients about this at the outset and at different points along the way – circumstances change. It is particularly important when you have a couple with high income who are just starting to build up their capital. Often, they might have high costs too (childcare/school fees/mortgage etc), which are necessary and would not change if say, one of the couple were to die unexpectedly.

We use our planning software to show what level of cover is needed in a "What if" scenario, it's not about promoting fear but knowing that you have the right amount if the worst were to happen. It's possible to be insured to the hilt but potentially expensive and not always necessary. You may also have cover from your employer, which should be considered.

In the UK we tend to insure first against death, next for a critical illness and lastly to protect our income in the event that we are unable to work for health reasons. Royal London conducted a study "State of the Protection Nation" last year and came up with some interesting results, see below.

It's clear then that the need for income protection is higher, particularly if you are self-employed.

It may be that this unusual time has highlighted the need to have a larger cash reserve and this is something we would always advocate to help provide for needs in the short term. It also might be time to review your existing protection arrangements and this is something we can help you with.



GET TO KNOW / US

DANIELLE'S WEALTH OF KNOWLEDGE MAKES HER THE PERFECT APPOINTMENT

We are pleased to announce we have strengthened our team with the appointment of Danielle Knowles, with more than 15 year's industry experience, as a paraplanner.

Danielle, 37, joined us from a specialist medical accountancy and financial planning firm where she worked in the Corporate Department for 12 years supporting businesses and their employees who needed retirement advice.

Director Amanda Cowie said "We are really happy to have someone of Danielle's calibre join our growing team. Our business continues to expand, and we know how important it is to have a group of fantastic individuals supporting us in providing advice and a quality service to our clients. Danielle is industry qualified and with her level of experience has already hit the ground running".

Our turnover has doubled in the past five years and we now manage over £100million of investments on behalf of our clients. Danielle brings our team to a total of six employees and we have plans to appoint even more staff next year.

Director Neil Cowie said "Our success is down to the importance we place on creating and maintaining long term financial plans for our clients and we use some great financial planning software to help with this. We are in the process of launching some sustainable investment portfolios to align with our company values of making a positive impact and to meet increasing demand from clients".

Our growing success can also be attributed to the launch of our later life service with sister firm Robson Laidler Accountants in 2018, offering a 'one stop shop' for wills, powers of attorney and probate as well as accounts, chartered tax advice, retirement planning, and investment advice. The launch of our service was sealed after Director Amanda Cowie was awarded with an accreditation from the Society of Later Life Advisers "SOLLA". Making her one of only three Independent Financial Advisers in Northumberland and Tyne & Wear to hold this.

Danielle, who is certified in financial planning, as well as Pension Administration and Group Risk, said: "I am really excited to be joining Robson Laidler Wealth. When I met with Amanda and Neil and they shared their vision for the growth of the business and their customer service ethos, I knew it was too good an opportunity to miss. I am very much looking forward to working with the team and supporting them with their research and preparation of advice."

RL Wealth was established in 2005 to offer a complementary service to Robson Laidler Accountants and Business Advisors' clients. The firm is led by husband and wife team Neil and Amanda Cowie, both Chartered Financial Planners, who together have more than 50 years' experience in financial services.



MEET THE TEAM /



NEIL COWIE

Director & Chartered Financial Planner



AMANDA COWIE

Director & Chartered Financial Planner



EMMA PURVIS

Operations & Compliance Manager



MEGAN DIMMICK

Wealth Administrator



ANN HICKS

Wealth Administrator