



Sound Financial

RETIREMENT PLANNING SPECIALISTS

Webinar:

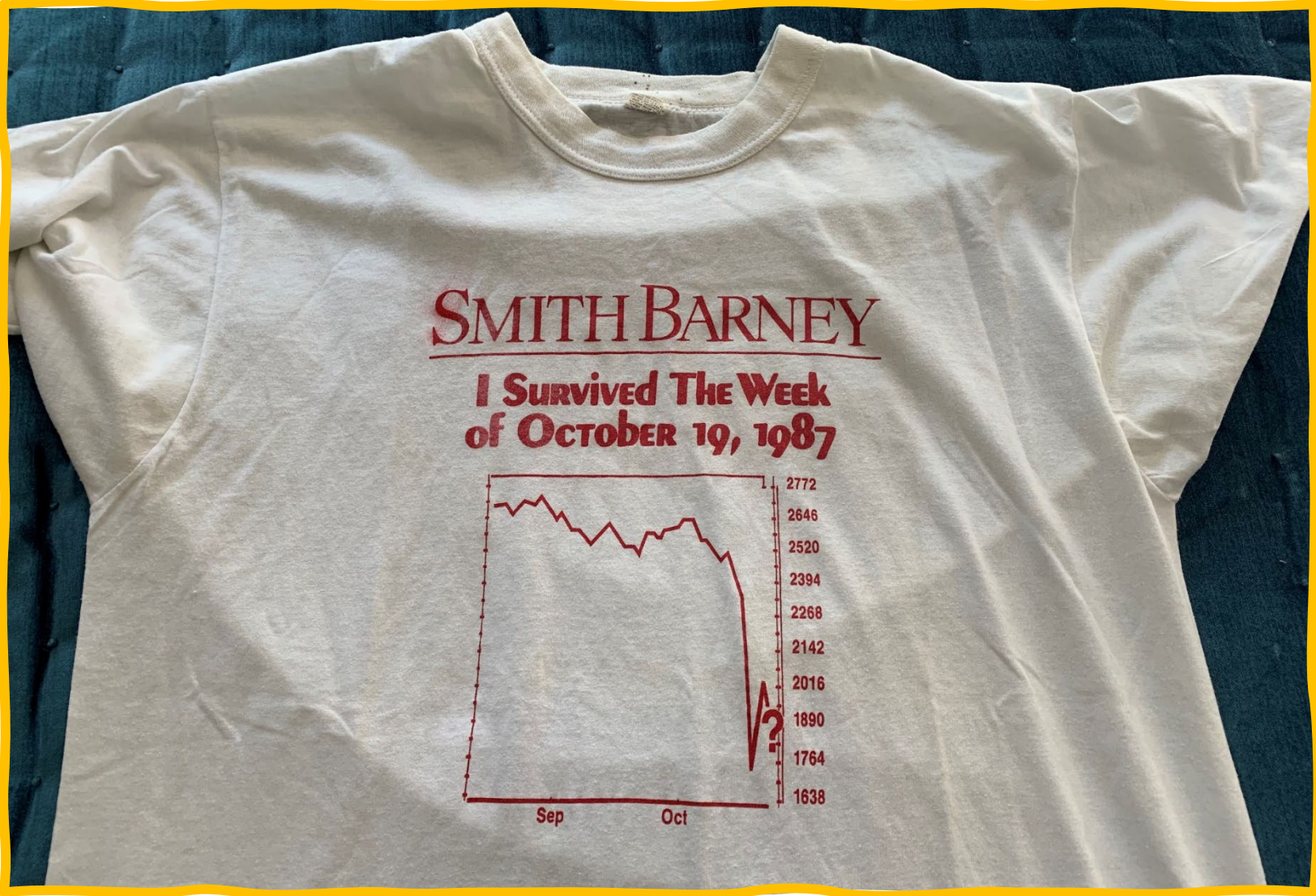
Redress the Stress!

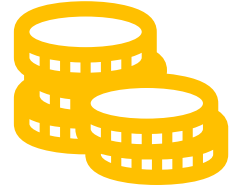
Our 5 key strategies to sound financial planning.



- Webinar is being recorded, please do not enable your own video or microphones!
- Questions via chat feature, will be answered before conclusion!
- Conclude by 2.45pm – 3pm (latest)
- www.soundfp.co.uk

Welcome





- A period of reflection...
- Cash is King
- Emergency funds and lines of credit
- Get house in order now – debt & savings
- Compensation limit of £85k - **BUT**
- NS&I back by The Treasury
- Peer to Peer lending being tested
(Funding Circle, Zopa, etc.)

1.

**Back to
basics**



- The inevitability of Bear Markets
- Previous Bear Market data ([see charts](#))
- Average intra-year decline – **13.8%**
- Recessions – markets are ahead of the game
- Human nature is a failed investor
- The ‘average’ investor underperforms the average ‘investment’

**Back to
basics**



ASSET CLASS RETURNS 10 YEARS TO YEAR END 2019

- Global market – **11.7%**
- Global value – **11.35%**
- Global small – **12.6%**
- UK market – **7.2%**
- EM market – **5.8%**
- Global comm' prop' (reit)– **12.7%**

(2019 index chart)

(Lifestyle Equity 60)

Investments



Investing in the stock-market is like playing with a yoyo whilst on the 'up' escalator – you need to focus on the escalator, not the yoyo.

Investments



- Financial security in the event of catastrophe
- Adequate Life, health and income protection for your family?
- Wills - Solicitors are busy!
- Lasting Powers of Attorney
- Take time to review all of the above

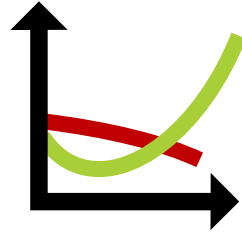
2.

Financial Security



- Secure income and pension issues
- Pension Protection Fund (*PPF*) – benefits
- Not Government backed
- Protection for Personal Pensions
- SSAS increase in new scheme registrations
- A word of warning & key tests

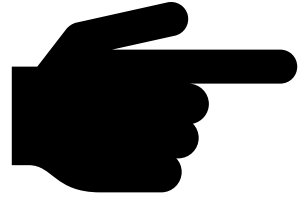
Financial Security



- Cash-flow basics & assumptions
- Act on your Plan at all times, not on what is happening in the ‘market’
- Only 3 ways to improve upon your cash-flow plan...
- Increase inflows
- Reduce outflows
- Increase investment returns

3.

The benefits of cash-flow modelling



Cash-flow Demo

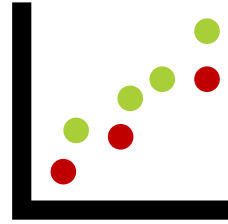
**The
benefits of
cash-flow
modelling**



- All assumptions will prove to be wrong!
- So annual progress reviews essential
- But what happens when we experience ‘black swan’ events?
- What’s your Plan B?

4.

Stress testing the model



- Straight line modelling has its flaws
- Sequence of returns risk (*examples*)
- Stochastic modelling...

Stress testing the model



Five Life-long Principles;

1. Faith in capitalism & confidence in markets
2. Risk & Reward go hand in hand
3. Let the markets do the heavy lifting
4. Patience – think long-term (*10 yrs+*)
5. Discipline

5.

**A robust
investment
philosophy
& process**



Five Effective Practices;

1. Structure
2. Diversification
3. Costs – avoid leakage
4. Control emotions
5. Manage risks across time (*rebalancing*)

**A robust
investment
philosophy
& process**



- DFA 4 factor model
- Funds due diligence – starts with around 700,000 products!
- Long lists and watch lists
- Best of breed/best in class funds
- We are not trying to outperform!

A robust investment philosophy & process



- What is Risk?
- Different types of risk – market, volatility, liquidity, inflation, sector & longevity
- Property funds – an old chestnut
- Warren Buffet...
- *“We simply attempt to be fearful when others are greedy and to be greedy only when others are fearful”*
- This too shall pass

A robust investment philosophy & process



Questions...



...ASK US

Thank you for attending and for your continued support of our business.

If in doubt...