

### It's your Money...

Welcome to the latest edition of 'It's Your Money' from the team at Maher Brownsword. I think that it is safe to say, it's been another interesting year! From highs of rapidly deployed vaccines to Olympic Success, a US Open Champion and almost a European Championship win to sadly further lows of lockdowns, a media driven fuel crisis and horrific humanitarian atrocities in Afghanistan and elsewhere. It's hard to imagine what the future holds? Be reassured at Maher Brownsword we are here to help you in anyway we can, to navigate what the future holds for you and your loved ones.

### Cash is King? Or is it time to Hedge your bets?

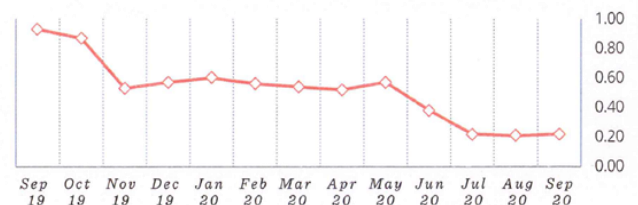
Holding money in Cash might seem the safest option during turbulent times, but if you are holding significant amounts in a savings account or a cash ISA, you could be losing money in real terms. With Inflation (CPI) currently at 2.9%, and expected to go above 4% in the next 12 months, unless your savings rate is better than inflation you are likely to be losing money. In the UK an estimated 6.7 million adults hold approximately £270 billion in cash ISA's. Research by Quilters found that if you moved your money into cash at the start of the pandemic then you could have missed out on 7.6% growth if you had stayed invested in global equities.

Even the Financial Conduct Authority (FCA) are urging people to invest their money, rather than hold it in cash. The watchdog said "Many consumers who might gain from investing currently hold savings in cash. Over time, these consumers are at risk of having the purchasing power of their money eroded by inflation"

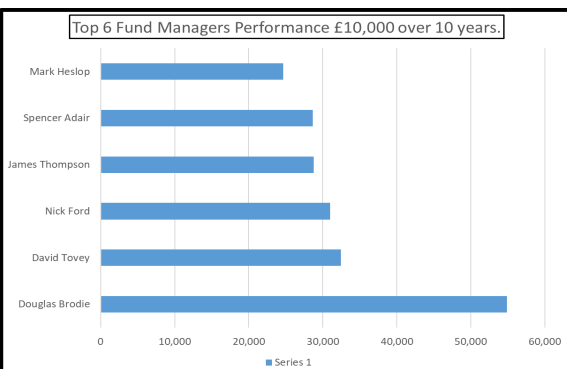
We often talk to clients about the misconception that "Cash is King", even through the turmoil of the last 18 months and the previous financial crisis in 2008, the key to long term financial security is to look at a broad and balanced approach in line with your own individual risk profile..

A recent FT Article "Investment's wager of the century and the power of passive" also demonstrates the benefits of a balanced approach to investing. The article looks at an infamous bet between Warren Buffet and hedge fund tycoon Ted Seides. The wager centred around the performance of tracker fund (Buffet) and a hedge fund over a decade. This was in 2007. To cut a long story short the outcome was that index tracked (passive) fund returned 126 per cent over the decade, whereas the hedge funds did 36 per cent. So either end of the investing scale from cash to high risk hedge funds, do worse over the long term than a well "managed" fund. So the moral of the story is, over the long term a well managed fund, backed by excellent research (such as Morningstar UK), is our recommended way forward.

ISA Interest Rates



Top 6 Fund Managers Performance £10,000 over 10 years.



*"You don't have to see the whole staircase, just take the first step"*

**Martin Luther King Jr**

10 Guild Street,  
Stratford upon Avon  
Warwickshire CV37 6RE

Phone: 01789-268656  
mobile: 07850 011337  
E-mail: Andy@nolifa.com

## How Can Your Finances shape the Future?

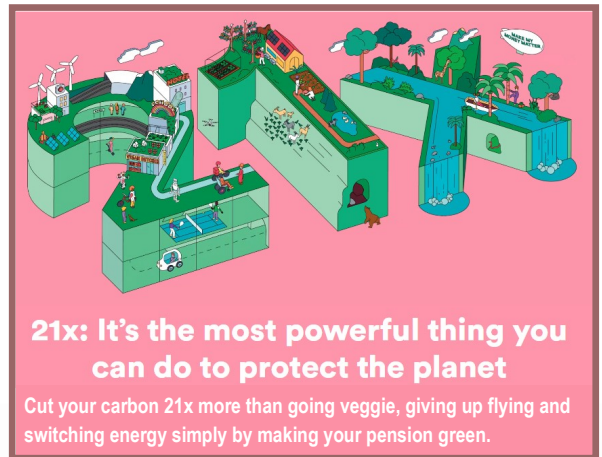
As we approach the end of another year affected by the global pandemic, it can often feel that there is very little positivity in the air. However, more and more research into ESG (Ethical, Social, Governance) is starting to highlight the huge benefits that these investment strategies can bring to the world. Whilst COP26 has made some progress, our impact on climate change can feel like it's just too big a problem.

A recent article about the impact of Elon Musk's vision for Tesla, highlights that sometimes we all need to step outside our comfort zone to achieve our goals. No matter what you think of Elon Musk, his vision for electric cars, and his tenacity to do it his way, has forced a change across the whole car industry. Would they have got there without him—perhaps, but would it have been beyond the climate tipping point?

### So what can we do?

Aviva has undertaken a study with leading data analytics company, Route 2, in association with Make My Money Matter, as part of Aviva's partnership with WWF-UK to:

- a. Quantify average UK individual carbon footprint
- b. Quantify the carbon savings of switching pension wealth & contributions to sustainable funds (compared to global equity index)
- c. Quantify the carbon savings of behavioural adaptations (ie switching to vegan diet etc)
- d. Demonstrate the relative carbon benefits of a pension fund switch versus the more familiar behavioural adaptations.



When the “carbon savings” is applied to the average pension wealth (c£30k) the total carbon savings of switching from the global equity index, to an equity-focused sustainable fund equals 19 tonnes.

The study showed the carbon savings benefit of switching pension funds compared to behavioural changes was 21 times more effective than the combined savings of switching to renewable energy, substituting all air travel with rail travel and adopting a vegetarian diet.

For more information on this research go to [www.makemymoneymatter.co.uk/21x](http://www.makemymoneymatter.co.uk/21x)

### Is it just focussed on the Environment?

It not only helps the environment [see 21x Article above], it focusses companies on talking about some of the most pressing issues in society from diversity and inclusion to better work and education and better health for all. The way in which the world came together to develop COVID vaccines in record time shows what, as a human race, we can do when we have a common aim.

### Does investing give poorer returns?

The idea that you can't make money whilst doing good is simply wrong. A survey by Global Impact Investing Network (GIIN) showed the overwhelming majority of people reported their sustainable investments met or exceeded expectations.

### Is it too Risky?

All investments carry a level of risk, but there's no reason why investing to create a better world would mean your money is at greater risk. A common misconception is that you are investing in risky start-ups with no profits. In fact it is often large industry leading companies that can have the biggest positive outcomes on society.

### Is “investing for good” a fad?

There has been a surge for funds that aim to help the planet. Based on data from the Global Sustainable Investment Alliance, the amount invested in sustainable investments globally is more than US\$30trillion.

Climate change poses a real and present danger to the well-being of people and the planet. The next decade presents a critical window in which we can still shape the future.

**We offer a range of ESG Funds so if this is something you are interested in, then please do get in touch.**

# Protecting your loved ones is a basic instinct...

... but are you one of the 42%\* of adults who does not have life cover or the 81%\* who doesn't have Income Protection? Many people believe that should the worst happen the State will help them, but Statutory Sick Pay at £96.35 per week won't go far. Even if you qualify for ESA (previously Incapacity Benefit) you will still only receive up to £114.50 per week.

Income Protection can cover a % of your earnings (usually 50-60%) and is paid directly into your bank account tax free.

Costs vary dependant on how much cover you need, but as a rough guide for Income Protection of £1,500 per month (deferred for 4 weeks), the premium you pay is roughly your age (eg if you are 30 when you take out IP you'll pay £30 per month, age 50—£50 per month etc.)\*

Income protection is an essential consideration in the same way as car, home and pet insurance.

\* Source: [www.moneytothemasses.com](http://www.moneytothemasses.com)

## Top Tips to Retire Happy

We all hope to have a long and happy retirement and plan our finances around achieving that. But research has shown that it is not just money that makes the difference in retirement

1. Stay healthy—walking 7,500 steps on a daily basis can reduce blood pressure and your risk of dementia.
2. Retain Strong Social connections. Loneliness and isolation can be as bad for your long term health as obesity, smoking and lack of physical exercise.
3. Sense of purpose—one study suggests that helping people gave 3x the happiness as spending money on themselves.
4. Keep learning—your brain needs exercise and mental stimulation has been shown to slow down the effects of dementia.
5. Positive mental attitude—this can increase your chance of surviving to age 85—by 50% for women and 70% for men
6. Count your blessings—a lesson for us all!
7. Think about adopting a pet—not only does owning a pet improve your sense of well being, it means you are likely to be 20% more active.

## 2022 Here's what to expect from us!

Whoever coined the phrase “a face for radio”, was obviously a fan of podcasts! We hope that you have enjoyed this years selection of podcasts and here's a taster of what we have planned for 2022.

- ◆ **Monthly podcasts**
  - ◆ **January:-** What 2022 holds, exclusive one to one chats with Dan Kemp (Global Chief Investment Officer) and Mike Coop (Chief Investment Officer, EMEA) from Morningstar.
  - ◆ **February:-** How to retire happy with life coach Lisa Sanders.
- ◆ **Regular Newsletters**
  - ◆ **March:-** with top tips after the Budget.
  - ◆ **June-July:-** with a half time report on the world economies & market conditions.
  - ◆ **December:-** Newsletter in preparation for Christmas.

- ◆ **Valuations**

These will be sent out at the start of the year & then with your annual review. But if at any time you need an update, just let us know.
- ◆ **Webinars**

On request we are happy to arrange these on a small group basis or bespoke sessions for you.

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MAHERBROWNSWORD LTD  
INDEPENDENT FINANCIAL ADVISERS

MaherBrownsword podcasts can be found at <https://maherbrownsword.podbean.com>

Recent episodes include:-

Ep. 18: The Autumn of Discontent – plus IR35 explained.

Ep. 19: Quid Games



“Like I told you yesterday, if you want to invest in a pension you need to start thinking longer term!”

## To end on a positive note..

This year we have continued to support the local Foodbank. As part of this support, we were proud to sponsor Stratford U17's football club by providing new football shirts on behalf of the Foodbank.

We also continue to support Just Small Change, a charity based in Stratford upon Avon that aims to help some of the world's poorest countries. The charity gives opportunities to groups and individuals to start their own micro-business and build a pathway out of poverty. Once set up and profitable, they then repay the loan to allow the funds to go back into the charity, enabling more individuals to benefit. Over the last 12 months, through their work with Tomolly, a further

**£6,953** has been donated to this fantastic charity.



In addition, Just Small Change are taking part in the nationwide "the Big Give". Any donation through the Big Give website :- (<https://donate.thebiggive.org.uk/campaign/>) will be matched by Tomolly Limited (MaherBrownsword's sister Company).

*"We make a living by what we earn, but we make a life by what we give"*

As part of our aim to reduce our carbon footprint, we will be donating 50p per card to the Woodland Trust to offset any impact our annual Christmas mailout may have.



## Contact

We will be in touch during 2022 with offers of Progress meetings, Newsletters, Podcasts, Market Updates and news of any seminars that we are running. But if YOU need us before we have been in touch, then please call. We are here to help.

The office will be closing on 23rd December at 1:30pm. We will re-open at 9:00am on Tuesday 4 January 2021.

Normal office hours of 9am — 5:00pm from Tuesday 4th January.

**We would like to thank all our marvellous clients for your continued support and to wish you and your loved ones – whether near or far, a Merry & Safe Christmas, And a prosperous New Year.**

Office hours are 9-5 Monday to Thursday and 9-4.30 on Fridays.

Please get in touch with us on:

t: 01789 268656.

m: 07850 011337

E: [andy@no1ifa.com](mailto:andy@no1ifa.com)

[www.maherbrownsword.co.uk](http://www.maherbrownsword.co.uk)

Dates