

## Your prospects in 2023/24

As Easter approaches, and with it the new tax year, the challenging financial market persists. Households have been hit by rising interest rates and inflation, the end of the government's fuel cap in a relentless winter, vegetable shortages and the cost of food which has been badly affected by energy costs and the Russian invasion of Ukraine. Many foreign economies may already be in recession after a tough 2022.

### It's not all bad news

The post-covid stocks and bonds rollercoaster ride seems to have played itself out, construction has levelled off and the interest rate hikes are putting the brake on housing prices and mortgage lending. While the Bank of England base rate increases appear to be levelling out, Governor Andrew Bailey says there is a way to go until we hit the 2% inflation target and he has not ruled out further base rate rises.

In these uncertain times we can seize on fortuitous situations as they present themselves. We are seeing higher yields, and market jitters are creating mispricing opportunities which are feeding through to management of your multi-asset portfolio. You can see this within the recent performance of many of your portfolios.

People who lived through the late 1970s and early 80s will remember that economic desolation nonetheless provided a strong market tailwind that fuelled an iconic consumerist boom. Keeping your nerve in challenging times can have a positive impact on long-term financial goals. Irrational conditions can and do lead to a dramatic rebound in portfolio values, and the current market

is displaying surprising levels of resilience and fortitude.

### New tax year

There are plenty of reasons to be positive as the new tax year approaches and to be hopeful for a more prosperous 2023. Our greatest opportunity to add

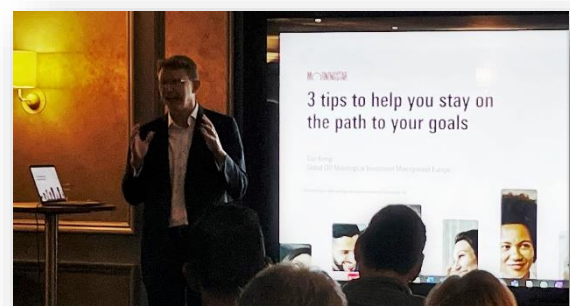
value comes off the back of disorder and extremes, and acting rationally when others won't or can't. Yes, investment value can go down as well as

up, but we are working hard to safeguard your money and continue to act with a steady hand.

Our investment management partner Morningstar and I believe that your portfolio is aligned to deliver strong future returns and safeguarding of your long-term targets.

### Meet the Managers

On 9<sup>th</sup> March we hosted our *Meet the Managers* seminar at the Hotel du Vin in Stratford – upon - Avon. We were delighted to introduce Morningstar's Global Chief Investment Officer Dan Kemp and Fund Manager Nicolò Bragazza.

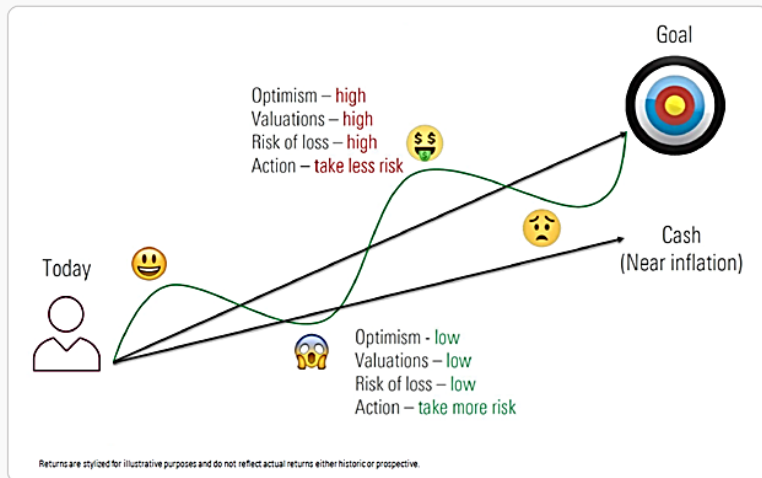


## Staying on the path

### The investment journey

The success of investors depends on two things:

1. Their ability to stay on the path
2. The efficiency of the path in generating attractive rewards for risk



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In the slide from the seminar shown above, Dan explains a trajectory of cash savings juxtaposed with a more proactive investment journey and the importance of staying the course.

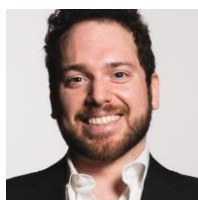
Dan gave an overview on aspects of investment which he broke down into three steps:

1. Setting realistic goals and expectations,
2. Being patient and not micromanaging your investment – how it is far more profitable to stay the course, and
3. Facing forward, focussing on the future and thinking long-term.

Nicolò analysed in-depth mechanisms and comparisons of investment, and explained what goes on with your investments behind the scenes.



Dan Kemp



Nicolò Bragazza

Three lucky attendees were awarded Champagne having fed back their comments about the seminar to us.

There were opportunities to pose questions both during the presentation and to talk to the speakers afterwards at Hotel du Vin's bar.

Thank you to all those who attended to make this a memorable event.

### Come along to the next seminar

We're planning another event like this one in the autumn and we are happy to design the content around your needs. So think about your investments and let us know of any topics you'd like us to showcase.

### The Chancellor's Spring Budget

In his Spring Budget, Jeremy Hunt has removed the lifetime allowance (LTA) for pensions savings, a substantial tax break for the well-off. The lifetime allowance (LTA) is the maximum amount you can draw from pensions (workplace or

personal) in your lifetime without paying extra tax. Previously this stood at just over £1m; it will be abolished completely from April 2024.



There was further good news for pensions. The annual tax-free allowance, which is the most you can save in your pension pot within a tax year before you have to pay tax, will rise from £40,000 to £60,000, and incentive for skilled workers to remain in the workforce.

The Tapered Annual Allowance has been increased from £4,000 to £10,000 and the income threshold for this has been increased by £20,000 to £240,000 from 6<sup>th</sup> April.

The government will increase the Money Purchase Annual Allowance (MPAA) from £4,000 to £10,000 from 6<sup>th</sup> April. This is the annual amount individuals can contribute to Defined Contribution pensions after having previously accessed a pension flexibly.

The maximum Tax-Free Cash for those without protections stays at £268,275 and will be frozen in future.

In his speech the Chancellor said: *“The Office for Budget Responsibility forecasts that because of changing international factors and the measures I take, the UK will not now enter a technical recession this year.”*

We can send you a more comprehensive guide to the Spring Budget on request. As always, the devil will be in the detail and will become apparent over the next few months.

## We're here for you

I'm always happy to discuss, review and advise you on the full spectrum of your financial planning requirements including your investments and provisions for retirement. Don't forget also that we can advise on safeguarding your legacy so that your loved ones don't miss out.

Due to the Easter timing and the King's Coronation in May, we will combine two monthly podcasts for mid-April.

Please be aware that I am away from 31<sup>st</sup> March until 6<sup>th</sup> April. If you have any questions, please contact the office on **01789 268656** in my absence.

*Happy St Patrick's Day!*



**Andy Maher**

Director, Maher Brownsword Ltd



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