



10

REASONS TO USE A FINANCIAL ADVISER

MANY PEOPLE THINK THAT FINANCIAL ADVICE IS ONLY REQUIRED BY THE VERY RICH. HOWEVER, EVERYONE CAN BENEFIT FROM IT. NOT ONLY CAN IT HELP YOU PROTECT AND BUILD YOUR ASSETS, IT CAN ASSIST YOU IN MAKING THE MOST OF YOUR INVESTMENTS AND IN SECURING YOUR AND YOUR FAMILY'S LONG-TERM FUTURE.

1 TO PROTECT YOUR FAMILY

There are a lot of people trying to sell you insurance of one type or another but an adviser can tell you which one is actually worth buying. They will assess your position and guide you through the best options to protect yourself and your family - whether you are single or married, have young children or they have long left home. Whatever your needs, an adviser can help ensure personal tragedy does not turn into financial crisis.

2 TO HELP PLAN YOUR SPENDING - AND SAVING

To secure your long-term future, you need to build some assets - initially to get you through the rainy days and then to pay for holidays and luxuries. Step one is to plan your spending so that you begin to save - and step two is to plan that saving so that you can build your wealth as efficiently as possible. Regardless of whether you currently have £10 or £10,000, a financial adviser will look at your situation and find the best starting point for you.

3 TO HELP YOU PLAN FOR RETIREMENT

Once you have sorted out your short-term saving needs, you can then start thinking about the long term - and most people these days realise that they cannot rely on the state for more than the absolute basics. However, planning for retirement is a complex business and there are many different options available. Pensions have come a long way in terms of flexibility and transparency in recent years and now offer a wide range of investment choices. A financial adviser will not only help sift through the many rules and product options but will also help construct a portfolio to maximise your long-term prospects.

4

TO SECURE YOUR HOUSE

The mortgage market was complicated enough already, with its discounts and variables, annual equivalent rates and caps, indemnities and early redemption fees. Following the credit crunch, things have got even worse. Nevertheless, buying a house is still one of the most expensive decisions we make, and the vast majority of us need a mortgage. A financial adviser could save you thousands, particularly at times like this. Not only can they seek out the best rates, they can help you assess sensible levels of borrowing, make the most of your deposit and might also find lenders who would otherwise not be available to you.

5

TO HELP MEET YOUR INVESTMENT GOALS

As you progress through life, you begin to build your assets and your income begins to increase. You then start considering how you can enhance your position rather than simply consolidate it. This could mean anything from looking to retire early to paying school fees for private schools or investing in overseas property. However your dreams evolve, a financial adviser can help assess what is realistically possible - and put the best plan in place to help you achieve it.

6

TO FIND THE RIGHT COMBINATION OF ASSETS

Investment is as much about protecting against potential downsides as it is about targeting maximum growth. High returns are often associated with high risk - and not everyone is comfortable should their investment fall by a third or more overnight. A financial adviser will make a detailed assessment of your attitude to risk before making any recommendations. They will also ensure you do not put all your eggs in one basket by helping you diversify not only across asset classes but also across accounts, individual funds and product providers.

7

TO OBTAIN AN OBJECTIVE ASSESSMENT

Every new investment opportunity or product is likely to be accompanied by hype, proclaiming it to be the best ever - but that does not necessarily mean it is right for you. Investors the world over have been and will continue to be caught out by market bubbles or high charges because they do not take a step back. A financial adviser knows how products and assets work in different markets and can outline the possible downsides for you as well as the potential benefits. Between you, you can then make a more informed decision about what hype you can believe - and what products you really ought to avoid.

8

TO SAVE MONEY

Once your risk and investment assessments are complete, the next step is to look at tax and even the most basic overview of your position could help. It may simply mean using ISAs or a pension plan to benefit from government incentives or it could mean choosing growth-focused assets over income in order to make use of capital gains allowances rather than pay income tax. Alternatively, for more complicated arrangements, it might mean moving assets to your spouse or children to make full use of their personal allowances. A financial adviser will always have your tax position in mind when making recommendations and can help point you in the right direction, even in complicated situations.

9

TO KEEP YOU ON TRACK

Even when your investments have been put in place and are running to plan, someone needs to keep an eye on them in case changes in markets or abnormal events push them off course. You can ask a financial adviser to undertake this monitoring work for you. They can assess the performance of individual investments against their peers, ensure that your asset allocation does not become distorted as markets move, and help you consolidate gains as the deadlines for your ultimate goals approach.

10

FOR PEACE OF MIND

Money is a complicated subject and there are many things you need to consider in order both to protect it and to make the most of it. Markets are volatile and the media are prone to exaggerate the risks and the rewards. Employing a good financial adviser can remove the pressure from you and place the job in the hands of an expert. Whether you need general, practical advice or a specialist with dedicated expertise, you could find that, in the long term, the money you invest in expert advice will be paid back many times over.

PLEASE NOTE: YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.

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We hope you found the information in this guide useful and informative. If any of the points are of interest, or you would like to discuss your own situation in more detail, please get in touch.

Produced by adviser-hub.co.uk on behalf of your professional adviser.

This guide is intended to provide information only and reflects our understanding of legislation at the time of writing. Before you make any decision, we suggest you take professional financial advice. October 2012

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