

MJB Services

The FSA has recently introduced an initiative for financial firms under the banner of Treating Customers Fairly and so we are obliged to state our service standards for you.

At present our Terms of Business states 'that we would like to carry out follow up reviews, so that we can check your circumstances to make sure our advice is still suitable. It will still be your responsibility to arrange any follow up reviews with us, unless we agree to give you an ongoing service.'

We are constantly striving to improve our level of service and are currently working on a system to more easily provide better regular reviews to our clients but in the meantime please contact us if you would like to arrange a review or to discuss your requirements for regular reviews.

MJB Expansion

We are pleased to inform you that we have recently taken on two new Independent Financial Advisers. These are Jon Dawson and Paul Davis and their details will be on the website.

SUDOKU PUZZLE

COMPETITION

Win a £25 M&S voucher

Please return to
MJB (Partnership) Ltd

Entries must be
received by
3 April 2009

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MJB Contact Details

If you are receiving this MJBrief on a half yearly basis you are entitled to have a Valuation of your policies or investments held with us.

Regular monitoring of your finances has been shown to be beneficial. If you haven't had a recent review we would like to hear from you.

Please contact us by:

phone: **01243 771777**

email: **office@mjbpartnership.co.uk**

website: **www.mjbpartnership.co.uk**

write to us: **1a The Boardwalk, Northgate, Chichester, W Sussex, PO19 1AR**

...or pop in and see us at the office!



Good with numbers?

Solve our Su Doku on
page 4 and win a £25
M&S voucher



MJBrief

ISSUE 7 - Winter 2009

Investment Markets

2008 was an extremely difficult year for investments of any sort. For the first time that many of us can remember negative returns were seen on most assets classes. Not only have equities fallen by 30% +, commercial and residential property has dropped, and the credit crunch has also effected corporate bond funds many of which have dipped. Commodity prices rose in the first half of the year only to fall sharply in the second half. Add to that the banking crisis meaning that cash is not as safe as it once was and with the base rate at 1% it looks as though 2009 will be just as tricky.

Some investment managers believe that we are near the bottom of the equity market and indeed there is evidence that equity markets usually rise during a recession as they anticipate the recovery early. Some companies will continue to trade profitably and certain sectors will do well so investing with a good stock picking fund manager is advisable.

We are closely monitoring the performance of a new range of funds that were introduced under the UCITS3 legislation. These are multi asset funds which often keep a high percentage in Gilts for security and use ETF's (Exchange Traded Futures) to gain positive equity performance. The volatility of such a fund is much lower than most and the signs are promising for a good future in this area.

Please contact us if you would like details.

Tel 01243 771777

**Congratulations to
Mrs A Greenwood and Mr A Wasley**
the winners of the Goodwood Race tickets
and thanks to all who entered



Cash Alternatives

Many clients have been asking us where they can achieve a reasonable level of income from their capital. Last year this was easy with 5% or more being offered by fixed rate savings accounts, but these have now disappeared.

We need to keep in mind the one general rule of investment, namely, if you want a better return there must be more risk. This was highlighted by the savings accounts being offered by Icelandic banks. Savers rushed to invest to get the potential 7% return, but with the Bank of England base rate or lowest-risk rate at the time being 5.5% there must have been an added risk.

This clearly highlighted the need to know and understand what you are investing in. With the base rate now 1%, anything more than this requires a risk to be taken. Unfortunately there are many forms risk can take and books have been written on this subject alone.

However, from a UK investor's point of view there it is possible to chart the relative risk you are exposed to achieve a certain return. The following chart highlights the assets we invest in and how the risk taken has a direct result in the long term return you can expect.



Cash Alternatives (cont...d)

You will notice that Bank and Building society accounts are not at the bottom of the risk ladder. This is because, as we have recently seen, the institutions are not immune to collapse. Even Government bonds have a risk that the government will fail to repay the debt. Again, this is very unlikely but possible. So what are the choices?

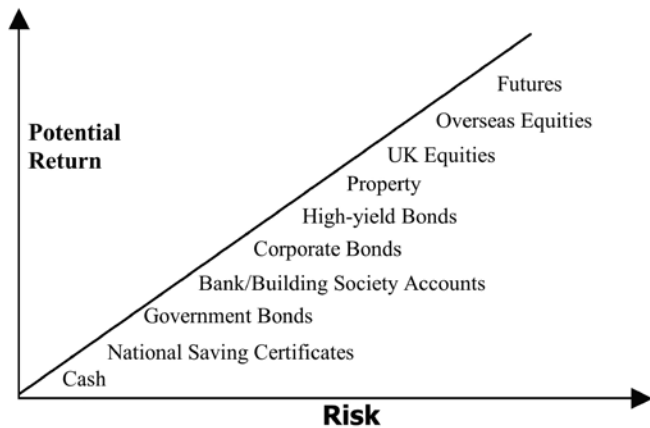
Spreading risk

One way to reduce risk is to spread it. If you have all of your money in cash you are taking more risk than you would if you also had a small amount also in corporate bonds. The risk to cash is mainly inflation and theft; if you get burgled you lose the lot. This is unlikely, but it's even more unlikely that at the same time you are being burgled, all of the FTSE 100 companies go bust.

Protected Products

There are always exceptions to the general rule and in this case protected products are a good example. These products combine two or more of the above investments to hopefully achieve a certain level of return. Prior to recommending any investment we analyse what risks are really present for the promise of greater returns. However, if the risk is clear and the returns are attractive then this type of investment may appeal to you.

More detail on risk and return and this can be found on our website - www.mjbpartnership.co.uk



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I would like an adviser to contact me - Please send me further details of your services

I am interested in: Investments Ethical Investments
Pensions Inheritance Tax
Mortgages Equity Release
General Financial Review

Name:

Address:

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Tel:

Email: