

## Review your Life Cover

For those of you with mortgages and or families it is important to have life protection in place to clear the loan or provide for your children. This vital cover should be reviewed periodically and especially if your circumstances change, e.g. a new mortgage or on childbirth.

It is important to consider the following:

- Is the family policy written under Trust?
- Does the mortgage cover include all borrowing?
- Is the term of the cover appropriate?
- Have you included Critical illness cover?
- Should you consider income replacement insurance?

Please contact us for a protection review or a quotation for life or health insurance.



## Five Funds to Watch?

One of the research tools we use for our fund selection is a company called Citywire. They recently focused on 5 funds and areas that they see as good opportunities for the coming year.

**Baring Absolute Return Global Bond** – The absolute return funds are designed to offer investors a return based on cash plus a small percentage. Many of our clients have been in these funds over the last couple of years but this one offers a specific bond element that is not widely available elsewhere.

**Jupiter Absolute Return** – Using a larger asset range than the Barings funds and with the prospect of improved returns.

**M&G Recovery** - A popular fund that we have recommended to many clients. 2011 is a year when this fund may find that it is very well positioned through its investment strategy of finding growth.

**Invesco Perpetual Japan** - Every year we see a debate on whether Japan will shine and this fund is set to benefit from a recovery, as one of the best long term performers in the sector.

**Veritas Global Equity Income** – Equity income funds have offered strong long-term returns due to the dividend payments that are sought by the fund managers. The global aspect to this fund brings in some major non-UK shares such as Nestle and Coca-Cola and companies trading in the Far East.

Please note that this does not constitute a recommendation in any way. We would need to advise you based on your specific circumstances and attitude to risk.



MJB (Partnership) Ltd is an appointed representative of Best Practice IFA Group Ltd, Sussex House, North St, Horsham, W Sussex, RH12 1RQ, which is authorised and regulated by the Financial Services Authority.



# MJBrief

Issue 11- Winter 2011

Independent Financial Advisers

## Enabling Access

In the last Brief we explained that we were joining Best Practice and looking forward to improving our website facilities so that we could value and track your investments more quickly and accurately. We are pleased to say that this has progressed well and we have begun to offer clients their website login details for their own use.

Our new 'Enable' system can access the systems of many (but not all) of the Life and Investment companies to not only gain instant valuations, but also more detailed fund information. It can use recognised portfolio statistical data such as 'alpha' 'beta' and volatility to determine the 'risk profile' of your holdings and we can ensure that this matches your expectations. This can be done on individual accounts such as an ISA or pension, or across all your holdings.

If you would like web access to view your holdings with us please let us know either by telephoning the office or by sending an email to your adviser (or [office@mjbpartnership.co.uk](mailto:office@mjbpartnership.co.uk)). We will then work on your account and provide you with a user name and password. You can then log in via [www.mjbpartnership.co.uk](http://www.mjbpartnership.co.uk) We would be pleased to hear your feedback.

However, if you do not use the internet, don't worry, we will continue to provide written valuations, by post or at a review meeting. Please contact us if you would like a review or valuation.



**MJB (Partnership) Ltd**  
**1a The Boardwalk,**  
**Northgate, Chichester,**  
**West Sussex, PO19 1AR.**

**Tel: 01243 771777**  
**Fax: 01243 774222**  
**email: [office@mjbpartnership.co.uk](mailto:office@mjbpartnership.co.uk)**  
**website: [www.mjbpartnership.co.uk](http://www.mjbpartnership.co.uk)**

## How safe are your savings?

The crisis at Northern Rock in 2007 brought into sharp focus the question of how safe our savings are. Since then, the UK's compensation scheme for savers in bust banks, the Financial Services Compensation Scheme (FSCS), has been strengthened several times. And as of 31 December 2010 it now offers full compensation up to £85,000 per saver, per authorized institution.

The new higher limit offers compensation within about 20 days to anyone who has money in a UK authorized bank, building society, credit union or friendly society that goes bust. This security has given many people the peace-of-mind to retain all of their savings in a savings account. However, the interest payable on these accounts has suffered and the best instant access rates available are still well below the current inflation figure of around 3.5% per year.



Inflation is the fundamental problem to all savers and is clearly seen in the price of petrol, food and gas. The cost of £100 worth of goods and services ten years ago is now £128 and this is during a decade of historically low inflation. So even though savings capital is safe, the value is reducing through inflation. So what can you do to protect the value of your savings? There are only a few ways of doing this and they generally are a combination of;

- **Risk** – By taking any risk you would expect to be compensated by receiving a better return. This can range from investing in a less secure bank and enjoying a better interest rate (Bank of Ireland currently offer 2.9% through the Post Office) to investing in the risk-based range of funds we commonly advise on.
- **Access** – You can invest in fixed term savings plans that do not allow withdrawals for the period of investment, usually 1 year.
- **Tax** – You can, and should use all your individual annual allowances in order to avoid the 20% tax that may be payable on interest from a bank account.

Everyone will have differing attitudes towards increasing the value of their savings but through some very simple planning you can see your savings really grow and not let inflation eat away at them.



## End of Tax Year Checklist – 5th April 2011

- Make sure you have used your ISA allowance of £10,200 by this date – this can be £5,100 in a Cash ISA and £5,100 in an Equity ISA.
- Check you've made sufficient pension contributions for the financial year to gain maximum tax relief.
- Consider any Capital Gains that could be realised – remember you are allowed £10,100 before any CGT is due.
- Have you made your exempt gifts to reduce potential inheritance tax?



## New Drawdown Rules

As mentioned in our previous MJBrief, the Government recently announced that it will soon introduce new rules for people taking retirement benefits from their defined contribution or money purchase plans (not final salary schemes). The changes are due to take effect from 6 April 2011 and will apply to new and existing plans. The main points are:

- No need to take retirement benefits by age 75.
- New limits for capped income drawdown (available from age 55).
- Reviews to take place every 3 years before age 75 and every year after age 75.
- Introduction of new uncapped income drawdown, allowing unlimited withdrawals, provided a guaranteed lifetime pension income of £20,000 can be confirmed.
- New tax rate of 55% for all lump sum death benefits, apart from death benefits for those who die before age 75 without having taken a pension, which will remain tax free. Unused drawdown pension funds of a member who dies with no living dependants may be donated tax free to a charity.

We welcome these changes, which will offer increased flexibility and choice to retirement planning. More than ever, though, they underline the need for clients to gain professional independent advice, on an ongoing basis. If you would like to discuss how these changes may affect you, please contact us.

