



## Cornwall Finance & Investment Services Ltd.

Independent Financial Advisers

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# New Investment Horizons

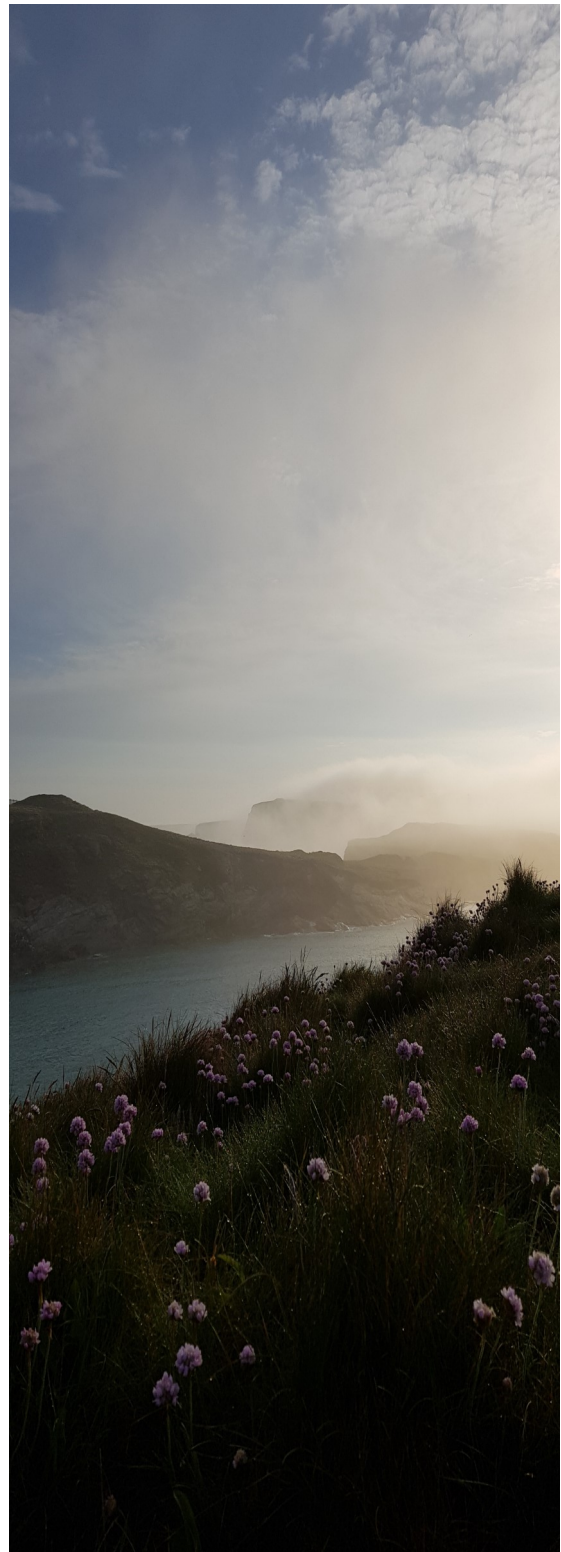
Dear One and All,

We present the latest edition of our newsletter. In this edition we will :-

- Give an overview of the principle Asset Classes which form part of our clients' investments.
- Offer our opinions on the World economy, opportunities and threats to our clients' investments over the coming months.
- Discuss the issue of probate that we all need to face.
- Offer our views on the mortgage and property markets.

Thank you for rating us as one of the UK's top 1000 IFAs ,via [www.vouchedfor.co.uk](http://www.vouchedfor.co.uk)

the "Trip Adviser" for Financial Professionals.  
Please continue rating our service.



The Financial Conduct Authority does not regulate Taxation Advice, Trust Advice,  
Will Writing and some forms of mortgages.



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## World Asset Allocation Review Sector Returns



**UK CASH** - Our least favoured asset class, Best rates for our clients through **Octopus Cash** 12month Fixed Rate 1.59% Inflation rate 1.80% = A Guaranteed loss of 0.21%



**UK FIXED INTEREST** - For those who wish safer returns UK Government Gilts are seen as the logical choice, however we believe more is to be gained in UK Sovereign and Corporate Bond funds at present. **Last 5 Year CF&IS Recommended fund returned 28.70%**



**INTERNATIONAL FIXED INTEREST** - Government Bonds, Corporate Bonds to Emerging Market Bonds this asset class allows higher than cash potential returns without all of the volatility of Equity markets. **Last 5 Year CF&IS Recommended fund returned 32.60%**



**UK Equities** - In 2019 UK economic growth is expected to slow to under 0.50%, compared to World growth of 3.0%, however we feel this sector has been oversold and opportunities exist. **Last 5 Year CF&IS Recommended fund returned 105.3%**



**USA** - The US economy is still booming, dividends and buybacks should continue for at least another 18 months. **Last 5 Year CF&IS Recommended fund returned 149.30%**



**ASIAN Equities** - China's government seem to have controlled the credit risk that faced them, positive trade deal with USA possible. If your goal is long term capital growth, inclusion of this sector is essential. **Last 5 Year CF&IS Recommended fund returned 73.8 0%**



**EUROPE** - Europe was one of the best performing asset class in 2017 and we expect strong growth in 2019. The effects of BREXIT in 2019 onwards remains a lingering question over this sector. **Last 5 Year CF&IS Recommended fund returned 98.70%**



**JAPAN** - Greater corporate governance is helping Japanese company credibility, but we are cautious of further gains for this year. **Last 5 Year CF&IS Recommended fund returned 74.6 0%**



**GLOBAL EMERGING MARKETS (GEM)** - After being suppressed for a time we are expecting a bounce when the Sino/US trade deal is ratified. Those who seek investment for long term growth, inclusion of this sector is essential.

**Last 5 Year CF&IS Recommended fund returned 73.10%**



**COMMODITIES** - The Worldwide economic activity will expand by around 8% over the next 2 years. Demand for materials will positively impact on prices and share values of commodity companies. **No specific funds recommended**



**PROPERTY FUNDS** - To reduce the risk from BREXIT and to aid diversity we now typically recommend funds that invest in properties across the World  
**Last 5 Year CF&IS Recommended fund returned 62.80%**

All fund performance figures are for indication purposes only, past performance is not necessarily a guide to future returns, but is the only one we have.





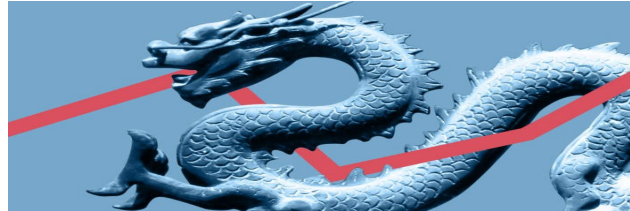
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### Global Noise Brexit, Trump and China



### The World Economy and Growth

In mid September we decided that we would delay publication of this newsletter a month to see what would happen on October the 31st. As it happens now we have a UK General Election. So I thought in this period of Parliamentary purdah I could send out my report in the hope of nothing fundamental changing in the UK on it's way back from the printers.

It has been a busy time for us, reassuring clients about the current state of affairs, and managing the noise. All the Investment sectors overleaf depend upon World Economy growth. World economic growth is steady but made worse by headwinds of political strife and uncertainty.

China has woken up to their ecological disaster and the economy has slowed, growth at any cost is gone. The Hong Kong protests have not helped market sentiment. In the Middle East, Iran is winning over our Allies, potentially increasing regional uncertainty. A more militaristic Turkey has emerged. In the USA a ham-fisted President tramples on, with his spur of the moment foreign policy and abandoning the title of World Leader. India has a stalled economy with endemic corruption. Russia continues to threaten and grow her influence, to what end only Mr Putin knows. And in Britain Brexit rumbles on, the gift that keeps on giving, (thanks Dave). Then there is the worry over Climate Emergency and the possible longer term restrictions to economic growth. With all this going on has 2019 been a bad year for investments so far? The answer at the time of writing (11.11.19) is No, it has been a good year. Even the unloved FTSE 250 is up by 6.28%.



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**So What's Our Reasons For Optimism?** The International Monetary Fund (IMF) predicts that World economic growth will be 3.5% percent in 2020, this is better than 2019, however it is fragile and can be swayed by events. The reason for higher growth is that more people around the World are coming out of extreme poverty. This vast pool of new consumers is keeping up demand where it does not exist in the more developed economies. Inflation globally is likely to remain subdued apart from areas meaning that an inflationary recession is unlikely.

Amongst Developed Economies progress on the USA / China Trade Dispute and Brexit is needed to boost confidence and increase trade. Is this likely to happen? On USA / China Trade Dispute Donald Trump shot himself in the foot and called it a victory, it is now a case of finding a settlement where both parties can save face. There have been significant movement from China on protecting intellectual property rights and in the USA Soya and pork farmers are putting pressure on the USA government to make a deal. The two sides are edging towards a first-stage trade deal, which will be positive for World Equity prices.

On Brexit there is policy from the Labour and the Liberal Democrats that will increase the likeliness of some form of 2nd confirmatory vote / referendum. It is most possible that those wishing to pursue Brexit will fall in behind a Boris Johnson Government. Whether he will command a majority to push through Brexit is less certain, however his deal with the Brexit Party will strengthen his hand. Jeremy Corbyn's "messiah like" appeal with some, is unlikely to translate into a wider victory. A UK downfall and UK Equities have both been oversold. The UK is still growing and its shares offer good historic valuations against other markets. For most of our clients holdings, exposure to the UK is limited, for example an average risk investor only holds 14% in UK Equities. Hence we remain optimistic for real returns to our clients portfolios over the coming year.



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## What to do when you leave...

Our job is to assist our clients in creating, preserving and enhancing their wealth, even after death. One of the ways we enhance wealth is ensuring that it goes to support the people our client's choose.

**THE WILL** ~ Nobody likes talking about death and it is too easy to put it off until it is too late. The first thing we recommend to our clients is to make and review their Will. Around 54% of adults in the UK do not have a valid Will.

There is a misperception in the general public that if they are married they will inherit everything, this is not true. This is what would be applied. The husband, wife or civil partner keeps all the assets (including property), up to £250,000, and all the personal possessions, whatever their value. The remainder of the estate will be shared as follows: the husband, wife or civil partner gets an absolute interest in half of the remainder the other half is then divided equally between the surviving children. If a son or daughter (or other child where the deceased had a parental role) has already died, their children will inherit in their place. Very messy and inevitably leads to sale of property and limits to the enjoyment of the legacy estate. The 46% of us who make our Wills also need to regularly review them. We have come across Wills, which cannot be changed, that are most unhelpful to the family as it exists today. Dust them down and read every 5 years is our recommendation.

**LIFE ASSURANCE TRUST** ~ If you hold a policy of Life Assurance which is not in a Trust please contact us to arrange it as it will speed up payment by avoiding Probate. We also use these around Insurance Investment Bonds to reduce IHT.

**LASTING POWER OF ATTORNEY** ~ These instruments for Health and Welfare and Financial Management are vital, if and when, one loses capacity, or ones mind leaves but the body still remains.

Through our friends at Fistral Wills, a firm of Licenced Will Writers, will come to see you and can arrange your Will and LPA in the comfort of your home or office.

2 Person Mirror Will Cost £245.00

2 Person Mirror Registered Lasting Power  
of Attorney Cost £1042.00

Please call us to arrange your appointment

01637 839098



"It's unorthodox, I know, but old Mrs Featherstone has left her entire estate to her immediate family."

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## Mortgage & Property News

Existing client? Don't forget our Prime and Executive Choice clients are entitled to a friends and family FREE Mortgage review and report, usual cost £387.00. Contact us to see if we can save them some money on their lending!

We offer to all clients free quotes for a variety of General Insurances through the award winning specialist Broker 'Uinsure'.

Lowest 2 year fixed residential rate @ 75% loan-to-value	Lowest 2 year fixed buy-to-let rate @ 75% loan-to-value	Lowest 5 year fixed residential rate @ 75% loan-to-value	Lowest 5 year fixed buy-to-let rate @ 75% loan-to-value
1.23%	1.55%	1.59%	2.04%

## Helping families onto the property ladder

We pride ourselves on helping people, find solutions for their financial goals. In particular it is extra satisfying for us when we help a family onto the property ladder to get them their first home together.

Recently a couple came to us hoping to purchase their first home together. Mr had limited trading accounts (1 year) and Mrs had recently started a new job. Renting a property at the time, disposable cash to save was tight because of the high rental payments. Due to the tight lending criteria, there were only a select few lenders willing to consider the case. After much research we approached a market leading lender, explained the client's specific situation and submitted an application. We then liaised with the clients, the housing association (shared ownership purchase) and the lender to structure a deal. After much negotiation our clients were accepted and a mortgage offer was produced. The clients are now on the property ladder and we wish them all the best.

Very few mortgages are straightforward, but with our expert knowledge we can guide you through what is often a very stressful process.

Contact James Williamson for a no obligation discussion.

## We Go That Extra Mile and get the deal done!



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# Wall of Interesting Numbers



### 10 Years

The time that Cornwall Finance & Investment Services have been operating.

### 38%

of the population worry

about falling sick and not being able to work.

### 7.5 Million

The number of UK adults with less than £100 in savings.

### 30 YEARS

Mark Ridgmont has been a Regulated Financial Adviser.

### Age 100

The Life Expectancy the FCA require us to plan for Pension Advice.

### 14% -

Our average clients' holding in UK equities

### £300,000

The pension fund needed to provide the average UK income in retirement.

### 87.18%

The average 5 year return on our recommended funds

### £234,853.00 -

Average UK house price as of August 2019

### £40,000.00

How much better off those who receive financial advice are on average, than their unadvised peers over a lifetime.



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## **Cornwall Finance & Investment Services Ltd.**

### **Best Value for Your Money**

In research conducted by Money Marketing, the following National IFA firms were asked about their maximum ongoing annual charge for funds under management.

Chase de Vere 1%, Bankhall 1%, Equilibrium 1.50%.

Cornwall Finance & Investment Services maximum annual fund management charge is 0.50%!



**Yes to great service, yes to great value!**

### **Cornwall Finance & Investment Services:**

#### **Our Ongoing Service Packages at a Glance:~**

##### **Prime Service**

The minimum annual fee for this service £2,500.00

##### **Executive Service**

The minimum annual fee for this service £587.00.

##### **Advanced Choice**

The minimum annual fee for this service £387.00.

##### **Entry Level**

A “one-off” service, no annual fee.

**We hope you have a great end to 2019 and we look forward to speaking with you all soon.**

**Best Regards, Mark, James, Dawn & Nikki ~ the Team at  
Cornwall Finance & Investment Services Ltd.**

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