



BreedElliott
happiness through sensitive financial planning

Newsletter: December 2020

Why do you need us?

It is coming to that time of the year when we are naturally inclined to look back over the past year and then start thinking about what the next year might hold in store for us.

To coin a phrase, 2020 has been something of an *annus horribilis*! The coronavirus pandemic has had an impact on all of us, the majority of which, I would guess, is negative.

We have probably had more time on our hands than we are used to, which may have provided us with even more opportunity to reflect on where we have been, where we are and where we are heading.

As part of these reflections, you may think to yourself "Is my Breed Elliott financial planner helping me?!"

If you have not thought this, there is no need to read the rest of this newsletter!!!



How did our relationship start?

More or less every one of our clients was introduced to us through word-of-mouth. But what motivated you, at that time, to contact us?

There is one word which encapsulates why virtually every one of our clients first sought our help.

CHANGE.

Retirement was looming; marital status was changing; money had been inherited; babies had been born; businesses had been sold.

As a result of the life change, your future goals, plans, aims, aspirations, targets (Ed – for the purposes of this newsletter let's keep it simple and just use 'objectives') were likely to be either non-existent or rather hazy and unclear. There is one sure-fire way of formulating an unsuccessful financial plan and that is to be unsure about your objectives.

So, you may recall, we spend a significant amount of time with all new clients discussing your objectives in order to help you gain clarity about what you hope to achieve in the future.

Not only does this provide both of us with a sense of direction for your financial planning, but also, our experience shows us, it is uncanny how often objectives with clarity become reality.



How does the relationship develop?

Firstly, it is worth remembering that Breed Elliott's business is about long-term financial planning and not transactional financial product advice. There is nothing against the latter, we simply prefer building long-term relationships with our clients.

We meet with all of our clients on a regular basis, at least once a year, to see how things are going. What exactly does "to see how things are going" mean?

What would happen if we worked with you to formulate a plan, set the plan in action and then left things alone? The chances are that the plan would move off track to some degree as time went by.

Above all, we believe that objectives would start to become unclear and hazy again as the hurly-burly of everyday life overtook.

So, we believe that the most important element of "seeing how things are going" is to remind you of your future objectives and ensure that there is clarity over what you are trying to achieve.

If there has been another significant life change, e.g. retirement, we would check how your objectives might have changed and ensure the new ones also have clarity.

What happens when things go wrong?

Based on what has been happening across the world in 2020, we do not need to exaggerate the impact of things going wrong.

The most recent bad news event will always seem the most important and we can quickly forget Black Monday, the ".com" crash, 9/11, the global credit crunch, (dare we say it) Brexit!

Events like these are scary and make us question whether we are doing the right thing within our financial planning.

During these times, our primary role must be to keep you on track. We will do this by reminding you of your objectives, ensuring that these have not significantly changed and encouraging you to stick to the plan.

What is the outcome?

So, our job seems fairly straightforward. We work closely with our clients to achieve 3 things:

1. To help you to establish clarity with regard to your future objectives.
2. To regularly remind you of your future objectives and, when life changes, to review and re-clarify them.
3. When times are tough, check that your future objectives have not changed and encourage you to stick to the plan.

As the well-known advertisement says: "Simples!" Is that it?

What is our objective?

The Breed Elliott partners are all driven by a desire to contribute to the happiness of all of our clients through sensitive financial planning. We aim to keep our advice and planning as simple as possible in order to achieve this objective.

How are we qualified to do this?

We believe that there are three attributes that help us to help our clients: skills, knowledge and experience.

Skills: the ability to build trust and the ability to listen.

We do not think it would be possible, in our relationship with our clients, for us to help build clarity into future objectives if you did not trust us and we did not listen to you.

It is humbling that clients are prepared to talk to us about things they would share with very few others.

Knowledge: understanding financial services, the regulations, the products, etc.

We do not have to gain specific qualifications in order to be able to help clients build clarity around their objectives and stick to these objectives.

However, putting financial solutions in place which will help to achieve those future objectives requires significant knowledge, which is constantly being updated and tested (exams every year!).

We often say to new clients something along the following lines:

"I would like to understand where you are currently, where you would like to be in the future and your thoughts about risk-taking. Once I understand you, I will endeavour to step into your shoes and, using my knowledge, develop a financial plan to help you achieve your objectives."

Experience: been there; done that!

One of the greatest thrills of doing this job is that we meet so many people at so many different life stages with so many unique needs.

Getting to know these people like friends and understanding the things that are most important to them, steadily builds our experience of the opportunities and challenges which are presented to all of us at different life stages.

We can then share this rich experience of life with all of our clients.

It puts us in a very privileged position for which we are extremely grateful.

We hope you have found this newsletter enlightening and that it helps you to feel comfortable about working with us in the future.

We also hope you have a wonderful Christmas in these difficult times and that 2021 and beyond makes up for 2020.

Market data

Market	Value at start of 2020	Current situation	Comments
Interest Rates (BOE base rate)	0.75%	0.1% at 30/11/20	The official bank rate is 0.1%.
House Prices (Nationwide)	House prices increased by 1.4% in 2019	House prices up by 0.9% at 30/11/20	Annual house price growth up to 6.5%.
UK Share Prices (FTSE 100)	7604.30	6266.20 at the close on 30/11/20	The FTSE 100 rose by 688.90 points in November. That is a rise of 12.35%.

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