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INSIGHT



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EMPOWER YOUR
RETIREMENT:

UNLOCK YOUR
FINANCIAL FREEDOM

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A MESSAGE FROM NIGEL

I hope this newsletter finds you well. We understand that these times can be uncertain, and we want to provide you with the guidance and insights you need to navigate through them successfully. I'm eager to share some exciting news regarding Reeves Group. Our unwavering dedication to providing outstanding service and forward-thinking guidance continues to drive our mission forward.

Future-Proofing with Homegrown Talent and Graduate Scheme

Here at Reeves, we're all about growing talent from within. I'm excited to let you know that our graduate program, designed to shape the next generation of financial advisers, is set to bring in even more graduates this year. By investing in these bright minds, we're making sure that you, our clients, can enjoy top-notch expertise and personalised service for years to come.



Celebrating Achievements in Professional Development

In our previous Reeves Insight edition, I proudly shared that two of our advisers had attained Chartered status, showcasing their unwavering dedication to excellence and ongoing professional development. Furthermore, our very own Russell Dent was honoured with a prestigious fellowship, acknowledging his remarkable contributions to the realm of financial planning. These achievements solidify our commitment to offering you a team of advisers who are not only highly qualified but also deeply knowledgeable. Now, I'm delighted to announce that yet another one of our advisers has reached Chartered status.

Reeves Wealth Management Update

In the previous edition, I shared our excitement as we welcomed a substantial number of new clients into the Reeves family.

Since that time, we've continued to grow, and we're delighted to report that we've welcomed more clients from Alnwick Financial Management. Looking ahead, we anticipate welcoming additional clients from various other firms throughout this year and into the next. Our commitment to serving you and meeting your financial needs remains stronger than ever.

The Reeves Webinar Program Goes From Strength to Strength

I'm delighted to share the resounding success of our webinar initiative, where we've had the privilege of sharing valuable insights across a wide spectrum of financial topics. These webinars have not only provided a platform to address your questions but have also offered essential guidance, ensuring you stay well-informed about significant developments in the financial landscape. What's even more exciting is that we've had the pleasure of welcoming clients who attended our webinars and subsequently became part of our valued clientele.

As we look ahead, our program is all set to continue into the upcoming year. We've lined up a diverse array of topics, including early retirement, global financial advice, and much more. Stay tuned for engaging and informative sessions that aim to empower you on your financial journey.

As always, I would like to thank you for being a part of our journey. Your partnership means the world to us, and we remain dedicated to serving you with the highest level of expertise and personalised service.

Warm regards,



CEO & Founder - Reeves Group



Inflation and Its Impacts: Navigating the Economic Landscape



Inflation, the sustained increase in the general price level of goods and services over time, is a fundamental aspect of any economy. While mild inflation is often considered a sign of a healthy economy, rapid and unpredictable inflation can have far-reaching effects on individuals and their financial decisions.

In this article, we'll delve into the three key areas that inflation significantly impacts: investment, debt, and retirement planning.

Investment: Riding the Waves of Value Fluctuations

Inflation can have a substantial impact on investment portfolios. As the cost of living rises, the purchasing power of currency decreases. This phenomenon affects various investment assets, such as stocks, bonds, and real estate. Investors often find that their returns need to outpace inflation to maintain their financial standing.

Stocks:

Equities can be a double-edged sword during inflationary periods. On one hand, companies may raise prices to cope with higher production costs, potentially boosting revenues. On the other hand, inflation might erode consumer spending power, leading to decreased demand for products and impacting corporate profitability. It's essential to consider sectors that can better weather inflation's effects.

Bonds:

Inflation can lead to rising interest rates, diminishing the value of fixed-rate bonds. New bonds issued at higher interest rates become more appealing, causing the value of existing bonds to drop. To mitigate this risk, investors might explore inflation-protected securities like Treasury Inflation-Protected Securities (TIPS) that adjust with inflation.

Real Estate:

Property can act as a hedge against inflation, as its value often rises in response to increased construction and land costs.



Debt: Balancing the Burden

New borrowers will likely encounter higher interest rates as lenders adjust for inflation risk.

For individuals who have moved from a fixed rate mortgage onto a variable rate recently, they will likely see their interest rate and monthly repayment increasing. Ways to reduce down the monthly repayment can be:

- 1) Pay off a portion of the loan using other assets
- 2) Investigate if a fixed rate mortgage would offer better value
- 3) Temporarily go to Interest Only

Everyone's position is bespoke, therefore advice in this area is important. For those with existing debt, borrowers may find it easier to repay loans, this is due to the potential for an increase in wages or benefits that have increased alongside inflation.

Retirement: Planning for the Long Term

Inflation poses a considerable challenge to retirement planning. Individuals need to ensure that their retirement savings grow sufficiently to keep pace with the rising cost of living. Failing to do so can lead to a diminished standard of living during retirement.

Savings and Investments:

To counter the erosive effects of inflation, retirement portfolios should be diversified across assets that historically offer a hedge against inflation. This might include a mix of stocks, bonds, commodities, and real estate investments.

Pensions:

The UK single-tier state pension benefits from the 'triple-lock' this means it will always grow by the highest of 2.50%, Inflation measured by CPI or, Average Earnings. This provides retirees with a safeguard against rising costs. Similarly, some pension plans incorporate

inflation adjustments to help retirees maintain their purchasing power. Pension tax relief should be taken advantage of wherever possible. By contributing into pension you can receive 20% in tax relief paid into the pension.

In conclusion, understanding the multifaceted impacts of inflation is crucial for making informed financial decisions. Whether you're an investor seeking to grow your wealth, a borrower managing debt, or an individual planning for retirement, the effects of inflation must be factored into your strategies. By staying well-informed and seeking professional advice, you can better navigate the dynamic economic landscape and secure your financial future.

Remember, the economic environment is subject to change, and individual circumstances may vary. Consult with financial experts before making any significant financial decisions.

Pension Annuities vs. Drawdown:

Which Retirement Option Is Right for **You?**



As you approach retirement, one of the most crucial financial decisions you'll face is how to access your pension savings. Two popular options that individuals often contemplate are pension annuities and pension drawdown.

Each option comes with its unique set of advantages and considerations. In this article, we'll explore the differences between pension annuities and drawdown to help you make an informed choice that aligns with your retirement goals.

Pension Annuities: The Positives

A pension annuity is a financial product that provides a guaranteed income for life, purchased with a portion or all of your pension savings. Here are some key features and benefits of pension annuities:

Lifetime Income

One of the most significant advantages of annuities is the promise of a regular income for life, no matter how long you live. This financial security can be particularly appealing for individuals who want to eliminate the risk of outliving their savings.

Predictable Payments

Annuities offer fixed or inflation-linked income options, allowing you to choose a payment structure that suits your financial needs and goals. This predictability can help you plan your retirement budget with confidence.

Peace of Mind

Annuities provide a level of financial stability, as they are not subject to market fluctuations. This can be reassuring during economic downturns when other investments may be more volatile.

Pension Annuities: Things to Consider

Lack of Flexibility

Once you purchase an annuity, your decision is typically irreversible. This means you won't have access to a lump sum of money for unexpected expenses or investments.

Potentially Lower Income

Annuity rates can be influenced by factors such as interest rates and life expectancy, which may result in a lower income compared to other retirement options.

Pension Drawdown: The Positives

Pension drawdown, on the other hand, offers retirees greater flexibility and control over their pension savings. Here's what you need to know:

Income Flexibility

With drawdown, you can decide how much income you want to withdraw from your pension each year. This flexibility allows you to adapt your income to changing circumstances and financial needs.

Investment Opportunities

Drawdown allows you to keep your pension savings invested in various assets, potentially benefiting from market growth. However, it's important to note that investments can go up or down, affecting your pension's value.

Lump Sum Access

Unlike annuities, drawdown gives you the option to take lump sum withdrawals from your pension, which can be useful for large expenses or investments.

Pension Drawdown: Things to Consider

Investment Risk

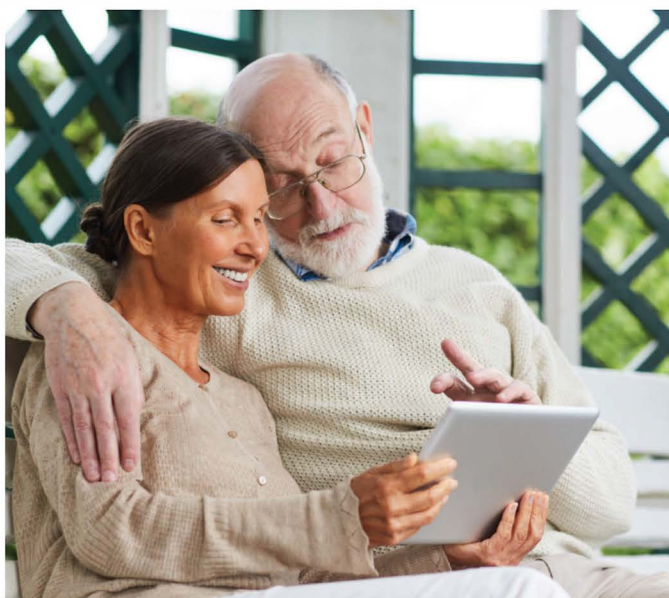
The value of your pension can fluctuate based on the performance of your investments, potentially resulting in a reduced pension pot.

Income Management

Managing your income and investments requires financial knowledge and discipline. Without careful planning, you could deplete your savings prematurely.

Longevity Risk

Unlike annuities, drawdown doesn't provide a guaranteed income for life, so you must be mindful of outliving your savings.



Choosing the Right Option for You

The decision between pension annuities and drawdown is highly personal and depends on your individual circumstances, risk tolerance, and financial goals. Some retirees may choose a combination of both options, using annuities to cover essential expenses and drawdown for discretionary spending.

Before making a decision, it's advisable to seek professional financial advice. An independent financial advisor can help you assess your unique situation, evaluate your options, and create a retirement strategy that aligns with your goals and provides financial security in your golden years.

In conclusion, pension annuities and drawdown each have their advantages and drawbacks. The choice you make should reflect your financial objectives, risk tolerance, and the lifestyle you envision for your retirement. By carefully weighing the pros and cons and seeking expert guidance, you can make an informed decision that sets you on the path to a financially secure and fulfilling retirement.

Safeguarding Your Wealth

THE ROLE OF DEFENSIVE ASSETS IN INVESTMENT PORTFOLIOS

In the world of investments, the term "defensive assets" refers to a category of assets that are known for their stability and ability to withstand market volatility. These assets play a crucial role in model portfolios, serving as a shield against economic uncertainties and market downturns. In this article, we'll delve into the importance of defensive assets and why they are a key component of well-structured investment portfolios.

»»» What Are Defensive Assets?

Defensive assets are typically low-risk investments that are less susceptible to market fluctuations. They are known for their ability to preserve capital and many provide a reliable source of income, making them an essential part of diversified investment portfolios.

Examples of Defensive Assets:

Government Bonds

These are issued by governments and are considered one of the safest investments. They offer fixed interest payments and return the principal amount upon maturity. They are deemed to be relatively safe, however (as was proved last year) even Gilts can fluctuate hugely depending on circumstances.

Corporate Bonds

Bonds issued by stable, creditworthy corporations provide regular interest income and are less risky compared to equities.

Cash and Cash Equivalents

Investments like money market funds and Treasury bills offer high liquidity and minimal risk, making them suitable for short-term capital preservation.

Dividend-Paying Stocks

Certain blue-chip stocks with a history of consistent dividend payments can also be considered defensive assets due to their income generation and stability.

»»» The Importance of Defensive Assets

01

Risk Mitigation

Defensive assets act as a hedge against market volatility. When the equity markets experience declines, defensive assets tend to remain relatively stable, reducing the overall risk in your portfolio.

02

Income Generation

Many defensive assets provide a steady stream of income in the form of interest payments, dividends, or coupon payments. This income can be essential for meeting financial needs, especially during retirement.

03

Capital Preservation

The primary goal of defensive assets is to protect your capital. During market downturns or economic crises, these assets can help safeguard your wealth and prevent substantial losses.

04

Portfolio Diversification

Diversifying your investments across different asset classes, including defensive assets, spreads risk and can enhance long-term portfolio performance.

05

Liquidity & Flexibility

Defensive assets often offer high liquidity, allowing you to access your funds when needed. This flexibility can be crucial for covering unforeseen expenses or taking advantage of investment opportunities.





»»» Constructing A Balanced Portfolio

To build a well-structured investment portfolio, it's essential to strike the right balance between defensive assets and growth-oriented assets like stocks. The ideal asset allocation depends on your financial goals, risk tolerance, and time horizon.

While younger investors may have a higher proportion of growth assets to potentially capitalize on long-term market growth, those nearing retirement or seeking capital preservation often allocate a more significant portion to defensive assets.

In conclusion

Defensive assets are the bedrock of a resilient and balanced investment portfolio. They provide stability, income, and risk mitigation, helping you weather economic uncertainties and market turbulence. By incorporating these assets into your investment strategy, you can work towards your financial goals with greater confidence and peace of mind.

Remember that seeking guidance from a qualified financial advisor is a prudent step to tailor your investment portfolio to your unique circumstances and objectives.



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Unlocking Retirement Wealth:

The Intersection of Pensions and Property



As retirement approaches, financial planning becomes increasingly critical, and one aspect that deserves attention is the relationship between pensions and property. Both play significant roles in securing a comfortable retirement, and understanding how they can complement each other is key to maximising your financial well-being.

Property as an Investment

Real estate has long been considered a stable and potentially lucrative investment. Many individuals choose to invest in property throughout their lives, often as a means of generating rental income or capital appreciation.

When retirement nears, property can offer several benefits:

01

Rental Income

If you own rental properties, the rental income they generate can provide a consistent source of income in retirement, helping to cover expenses and maintain your lifestyle.

02

Downsizing

Some retirees choose to downsize by selling their larger homes and purchasing smaller, more manageable properties. This can free up equity for retirement living expenses or other investments.

03

Equity Release

Another option is to explore home equity release schemes, which allow you to access some of the value tied up in your property without selling it. This can provide an additional source of funds for retirement.

Pensions for Financial Security

Pensions, whether provided by employers or privately funded, are a cornerstone of retirement planning. They offer the security of a regular income stream during retirement, ensuring you have a financial safety net.

Here's why pensions are crucial:

- Pensions provide a reliable income, often for life, offering peace of mind and stability.
- Many pension contributions benefit from tax relief, making them an efficient way to save for retirement.
- Pensions allow you to diversify your investments, potentially growing your wealth over time.

Synergy between Pensions and Property

The synergy between pensions and property lies in their ability to complement each other in retirement planning:

- **Diversification:** By having both pensions and property in your retirement portfolio, you spread your financial risk. If one asset class performs less favourably, the other may offset potential losses.
- **Income Sources:** Combining pensions and property income can create a balanced retirement income strategy. While pensions offer a guaranteed income, property can provide additional, potentially variable income.
- **Flexibility:** The flexibility to sell or downsize property as needed can be especially valuable in emergencies or to fund specific retirement goals.



It's **essential** to approach property investments and pensions with careful consideration. Factors such as property market volatility, maintenance costs, and property management can impact your retirement strategy.

Seeking financial advice is crucial when navigating the intersection of pensions and property. A professional advisor can help you create a personalised retirement plan that optimises both your pension assets and your property holdings.



We are gearing up for our property campaign and will be reaching out to all our valued clients early in October. Stay tuned for some exciting updates!

Here's what you can expect:

- A comprehensive email covering crucial details about your property.
- The opportunity to schedule a one-on-one call with one of our expert advisers to discuss your property options in detail.
- Detail on how you could use your property as a part of your retirement plan.
- Information for you and your children on the benefits of property investments compared to traditional pension plans.





UNLOCK OPPORTUNITIES WITH THE REEVES ADVOCATE SCHEME



OCTOBER

28

2023

LOCATION

The Baltic, Centre for Contemporary Art, Newcastle.

*Experience an Enchanting Evening of Entertainment,
Culinary Delights, and Opulent Prizes. Enjoy a
Complimentary Luxurious Hotel Stay on Reeves and
uncover the Charms of Newcastle Upon Tyne.*

To be eligible for an invite, you must have referred at least two people since the inception of our Advocate program.

Keep those referrals coming!

For those unable to attend, we will be live streaming on Zoom, so you don't miss out on the prize draw!

For more information email:
Referrals@reevesifa.com

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Download the new Reeves
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start earning rewards!



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