

Autumn 2019

Finance 1st



In this edition we take a look at financial planning and the benefits that can come with investing. You'll find out about what you could achieve through financial planning, (p.2) and why it could help to hold a balanced portfolio (p.3). We also reveal some of our top tips for investing and how you could have an appointment from the comfort of your own home (p.4). Firstly, we start off with a look at the current climate of interest rates, and why investing may be more suited to helping you reach your long-term goals.

A new norm of interest rates

It's just over a decade ago that the Bank of England was grappling with the consequences of 2008's unfurling financial crisis.

Base rate was slashed to cushion the economy by cutting the cost of borrowing for millions of businesses and mortgage customers. This was partly done with the hope of freeing up cash for consumers to spend on the economy.

These measures were taken to ensure the financial system kept functioning. But it also marked a radical change from the traditional banking model. The reduced interest rates were intended to be taken as a short-term measure. Something to keep as many businesses and consumers afloat as possible. However, base rate didn't rise

again until November 2018 and even now it stands at only 0.75%.

A drop in returns

The last 10 years of low interest rates has seen the average rate paid by all providers to savers with instant-access accounts swing between 0.35% and 1.14%. As a comparison, in October 2008 the average instant-access account paid 2.46%, today it would pay just 0.43% (as of 31 July 2019).

At this moment in time, some experts are predicting low interest rates to be here for many years to come. So opting to invest your money for a long period of time could have the potential to enhance your future. It may also produce even stronger returns than your normal savings account.



Complimentary telephone consultation

The NAHT has been working with Skipton Building Society since 2006. Through NAHT Personal Financial Services, we can offer you trusted and expert financial advice. What's more there's no obligation to act on the advice you receive.

To help you find out more, we're offering all NAHT members a complimentary initial telephone consultation. Through this you'll be able to find out more information about our services, and see how an appointment with one of our professional advisers may be able to help you plan your finances around your future needs.

Call today for your complimentary telephone consultation:
0800 012 1248[^]



By investing with advice from Skipton, the aim is to grow your money by a greater extent than is available through cash savings accounts to help you achieve your goals. Although funds are not like bank and building society savings accounts. It does mean placing your capital at risk, as its value can fall as well as rise and you may get back less than you originally invest.

What could you achieve with financial planning?

It's no secret that as a school leader your day-to-day week is a busy one. This may mean planning your finances is something that you're tempted to put on hold. But ideally, it should be an essential part of your life.

A well thought out financial plan could help you to improve your lifestyle in general. Or you may have future goals and ambitions you wish to achieve. Whatever it is, financial planning could play an important role in helping you.



1. Children/grandchildren's education

As a school leader, you'll understand the importance of education. So there's no doubt you'll want your family to achieve as much as they can in life. You might even want to give them a helping hand. The majority of UK universities charge fees of over £9,000 per year. This, along with accommodation and other lifestyle costs, begins to add up.

2. Once in a lifetime holiday

You're relaxing on the beach, champagne in hand. From the corner of your eye you can see the sun reflecting off the five star sign of the luxurious hotel that you're calling home for two weeks. This time last week you were taking the morning assembly - and now you finally find yourself on that once in a lifetime holiday you've always dreamed of.

3. Retirement

You've worked hard throughout your career, so you deserve to enjoy your retirement. A 2018 study by Which? has calculated that you'll need an overall retirement pot of £267,800 to achieve a comfortable lifestyle. And for a luxurious retirement lifestyle - hobbies, European holidays, and occasional long-haul trips - you'll need £615,500*.

*Which? 'How much will you need to retire?' (2018).

Get in touch to make a start

No matter what your future aims and needs are, seeking financial advice could prove beneficial.

To help you get started we're offering you a complimentary initial telephone consultation. Through this you'll be able to find out more information about our services, and see how an appointment with one of our professional advisers may be able to help you plan your finances around your future needs.

Call today for your complimentary telephone consultation: **0800 012 1248[^]**



By investing with advice from Skipton, the aim is to grow your money by a greater extent than is available through cash savings accounts to help you achieve your goals. Although funds are not like bank and building society savings accounts. It does mean placing your capital at risk, as its value can fall as well as rise and you may get back less than you originally invest.

How investing is like planning the curriculum

In terms of planning the school curriculum, you'll do this in a way that makes sure there's a broad and diverse range of subjects for your students.

It's wise to take the same approach when it comes to investing. We'd all love to make positive returns on our money. But like students, at times, market behaviour can be hard to predict. This is where taking a balanced approach to building your portfolio could prove helpful.

There are several types of asset classes you can invest into:

Just like there's many subject areas to choose from, to achieve a balanced portfolio you could spread your money across a range of different asset classes across different parts of the world. This varies from cash, shares, property, bonds and alternatives such as gold.

This way if some areas of your holdings are struggling, there will hopefully be different asset classes that aren't performing

as badly. They could even be going up in value. Whilst these better performing assets may not completely halt your losses, they could help to limit them to some extent.

Economic conditions, interest rates, politics and conflicts can all have varying effects on different classes. What's more, these conditions may cause different effects than they did in the past – so you can never guarantee the same reaction each time. Therefore, having exposure to a good mix of asset classes and locations would help reduce the overall level of risk to your portfolio.



This is where Skipton can help

In a nutshell, investing with Skipton can help you to invest into a range of assets, with advice that's tailored to your unique situation.

It's all about what's right for you. We'll help you to understand your feelings towards risk and what you want to achieve with your money. Then we'll explore your options for investing your money in a way that suits your circumstances.

Call today for your complimentary telephone consultation: **0800 012 1248**[^]



Your attitude to risk

“ Diversification isn't a magic bullet. Whilst it will help you to spread your overall risk, it's important to remember you can't completely eliminate the chance of losing money. The key is to finding a spread of investments and a level of risk and reward that you're comfortable with. ”

Daniel Howard, Technical Research Manager at Skipton

If you're not entirely sure about investing or your attitude to risk, you may benefit from seeking financial advice. Even if you already hold investments, you may feel your portfolio is too heavily concentrated in one area.

By investing with advice from Skipton, the aim is to grow your money by a greater extent than is available through cash savings accounts to help you achieve your goals. Although funds are not like bank and building society savings accounts. It does mean placing your capital at risk, as its value can fall as well as rise and you may get back less than you originally invest.

A few tips for investing

1. Avoid checking your investments too often

It's important to check your investments every now and then. But assessing them too often could have a negative impact on your financial plans. Another reason not to become too focused on the here and now is that by doing so, you may end up forgetting why you invested in the first place.

Losing sight of your original long-term plans could completely throw your plans off course – making it harder for you to achieve them. If you're investing towards goals you aim to reach in five to 10 years, your money's performance in the short-term and near future could prove less important. Especially in comparison with long-term performance.

2. Do your homework

You shouldn't jump into a fund based on its recent performance. The past performance of a fund is never a guide to future returns. The most important thing to consider before selecting a fund is whether it's suited to your personal needs. This involves fully understanding how the fund works, its objectives and risk category.

3. Don't panic during market falls

A lot of people panic and sell their investments during market falls. Although this might seem like the best solution at the time, it could prove otherwise over the long-term. When markets eventually recover, you could miss out on valuable growth that could offset any previous losses.

4. Keep track of your plans

If you already hold investments, it may also be worth reviewing them. Sitting with an adviser can determine if they're still suitable for you and your present day needs and goals. It may be that as a head teacher you now find yourself in a position where you're able to invest more money and/or take more risk. Or you could be nearing retirement, and as a result want to take less risk with your money.

An appointment from your office

You don't need to wait until the holidays to get the ball rolling. With Skipton's award-winning Video Link service it's easy to speak to a qualified adviser from the comfort of your own home or even from your office. You can organise an appointment at a time convenient to you. All you need is a laptop or tablet and an internet connection.

Through an appointment, a Skipton financial adviser will review your current situation and provide detailed recommendations that are suited to your personal needs.

Call today for your complimentary telephone consultation: 
0800 012 1248[^]

By investing with advice from Skipton, the aim is to grow your money by a greater extent than is available through cash savings accounts to help you achieve your goals. Although funds are not like bank and building society savings accounts. It does mean placing your capital at risk, as its value can fall as well as rise and you may get back less than you originally invest.

NAHT Personal Financial Services is a trading name of Skipton Building Society, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, under registration number 153706. Should you act on advice from Skipton Building Society, NAHT will receive a fee for the introduction.

[^]To help maintain service and quality, some calls may be recorded and monitored. Calls are free from a BT landline, costs from other networks and mobiles may vary.