



NEWS

November 2020



What 2020 has meant for Smith Eliot

Nearly every business across the UK has found themselves in an unprecedented situation this year, facing a global pandemic that has forced them to look at what their business means to them, how they operate and how adaptable they can be.

Get online and keep up to date

The majority of our clients have now registered for online services, so they can log on whenever they wish and see the value of their pensions and investments. If you have not done this yet, simply visit our website [smitheliotfinancialmanagement.co.uk/client-area](https://www.smitheliotfinancialmanagement.co.uk/client-area) to get started.

We are certainly no different and have faced the same challenges here at Smith Eliot.

Closing our doors throughout the first lockdown on 35 Market Place was surreal for our Managing Director Stephen Smith, "I have been in the business for over 30 years and when we received the news that we would have to close the office from the 23rd March it was not something I had envisaged happening." Smith Eliot is built on cultivating personal face-to-face relationships, so our priority is to stay in communication with all our clients, issuing information to reassure them that Smith Eliot is still operating like clockwork - just from home!

The Smith Eliot team works like one big family with everyone supporting one another, now more than ever, and we have even been fortunate enough to expand in recent months. We now have a strong team of 19, with Marketing Specialist

Megan Wright, Trainee Financial Administrator Tommy Adams and Paraplanner Will Millett being three of our latest recruits. Tommy is also our youngest recruit at just 16 and was due to be introduced to the company on a weekend basis as he finished up his GCSEs however thriving business levels allowed us to take him on full time.

Being an active part of local life in Oakham is central to who we are and that's why cannot wait to gradually and safely get physically back to work at 35 Market Place. It's so important to us that we continue to support our local businesses and community when we are back, whether that's with Stephen's weekly burritos from Oakham market (every week without fail!) or by guiding you through your tailored investment solutions. We are here to reassure, advise and support you through your financial future, and that's the Smith Eliot difference.

A summary of the changes in our Investment Portfolios

Changes are currently being made to St. James's Place's nine Growth & Income Portfolios, from 21 September 2020. The main theme behind these changes is improving the diversification of Portfolios by using the full breadth of their investment proposition and expanding the flexibility that their fund managers have to add value for you.

More specifically, this involves:

- Using a greater proportion of global managers to improve the global footprint of the Portfolios. This will maximise the managers' ability to pick the most attractive investments, irrespective of where in the world they happen to be listed. In practice, this involves reducing the number of regionally focused managers, and increasing the number of global managers.
- Reducing any large concentration to a particular manager, improving diversification by strategy, therefore making better use of the strength and breadth within our fund range.
- Improving diversification by investment style to ensure our Portfolios benefit from a well-diversified global equity offering. St. James's Place are therefore making wider use of the new Global Value fund, and the Global Growth fund, which was previously only included in the Strategic Growth Portfolio.

If you wish to know more about this, please do contact us and we will be happy to share more information with you on the changes.

The value of an investment with St. James's Place will be directly linked to the performance of the funds selected and may fall as well as rise. You may get back less than the amount invested.

Sustainable Investing and what this means

With today's media eye on climate change and plastic pollution, it's impossible to ignore the impact we're having on our planet. So, if you are someone who wants to make a positive difference, you might be interested to know how you, your money and the things you care about could all benefit from sustainable investing.

You've probably got a reusable coffee cup and take your own bags to the supermarket. You might be a conscious consumer and opt for sustainable clothing brands over 'fast fashion'. But did you know that Responsible Investment strategies amount to over \$20 trillion - around a quarter of professionally managed assets globally?

Since the millennium, investors have become more concerned about the ethical impact of their investments. However, over the last couple of years, as conscious consumerism has come to the forefront of society, pressure has grown on investors to put their money where their mouth is.

ESG, Impact Investing, Ethical Investing, Sustainable Investing - the list goes on. These terms are used to describe the values and beliefs which dictate where investors put their hard-earned money. They sit collectively under the umbrella of 'Responsible Investing' which aims to seek returns alongside a positive long-term impact on the society, environment and the economy.



How Smith Eliot have dealt with these unprecedented times...

Meet our Operations Director, Jane van der Vloet.



Jane is the longest standing Smith Eliot team member and is at the heart of the day to day running of the company making sure that everything runs smoothly in front and behind the scenes, without her the company would not be what it is today. If you need advice or help with any part of work Jane is your woman and is happy to help whoever needs it. Outside of work, Jane loves spending time with her family and looking after her beautiful kitten Romeo who has made some surprise appearances on Zoom over lockdown. Jane is also known as the queen of cakes and has a passion for making extravagant celebration cakes when she isn't in the office. Jane has taken time out of her busy day to answer a few of our questions;

What is your favourite part of the culture at Smith Eliot?

We have such an eclectic mix of people in the Smith Eliot team that there is never really an 'average day in the office' indeed never a dull day either! They are such great team and I really miss our office banter and the way we all help and support each other. A cup of coffee and a hug used to go a long way!

Have you enjoyed the balance of working from home and partially in the office?

Personally, I think that COVID19 has made us all re-evaluate our lives in general. Luckily, I have had the opportunity to address my work and home life balance by working both at home and in the office. It has been a great experience and I have found that I have been far more productive working from home, despite my kitten deciding to work as my PA! Working from home has allowed me to keep more of an eye on my elderly parents throughout the crisis as they live close by and this reduced a lot of the worry that we had as a family during Lockdown.

Are there any changes you see remaining post covid in the way the business operates? (virtual meetings, remote working, etc)

Absolutely! As a business, we have totally re-evaluated the way that we work post COVID as well. We now have 3 people permanently remotely based only coming into the office when necessary. Other team members are rotated between working from home and being in the office. We are much more reliant on virtual meetings with many meetings now being held online. We regularly carry out COVID risk assessments and adjust our policies and procedures in line with Government guidelines but **It's definitely business as usual at Smith Eliot!**



The Smith Eliot family is growing! Due to business demands we have been busy on the recruitment side, meet our lovely new teams members who have all fitted into the business like they have been with us for years!

Meet our Financial Administrator, Tommy Adams.



Tommy is our youngest member of staff, joining us mid Covid Pandemic in June. He is on an apprenticeship scheme, training as a Financial Administrator working closely with Jonny. On successful completion of his apprenticeship next year, will move on to train as a paraplanner. Tommy also has talents within computers and technology, making him the go-to whenever there is an IT problem in the office.

Meet our Marketing & Client Servicing Specialist, Megan Wright.



Megan joined us earlier this year as our Marketing Specialist. She is the brain behind all of Smith Eliot's Advertising, Social Media, and Client Events. She has so far proved that she has a lot of new and exciting plans for the business. As well as managing the marketing and advertising for the business she also is the person behind the client servicing process and monitoring client satisfaction and feedback and so has a very important role. Outside of work, Megan likes to spend time with her partner Ryan and their cheeky cocker spaniel Bruno who have just moved into their first home as a family.

Meet our Paraplanner, Will Millett.



Will is the latest member of our paraplanning team, having recently transitioned from a career in professional rugby. He works alongside the other paraplanners to research and prepare suitability reports to be presented to clients. Will is also working towards completing his Diploma in Regulated Financial Planning, having recently qualified as a mortgage adviser.

Your home may be repossessed if you do not keep up repayments on your mortgage.

We hope you will enjoy getting to know our new recruits as much as we have, and I am sure you will agree they make great additions to the SE family!

Exam Success

Our team's personal development is really important to us, and we remain fully committed to supporting them through training and progressing their careers- ensuring they remain fully qualified and up to speed in a highly regulated environment.



Nick Henbrey – Nick has undertaken around 780 hours of study and 9 exams since April to complete a total of 19 exams since leaving the Royal Navy less than 13 months ago. He achieved the exams required to be recognised as a Chartered Financial Planner, only lacking time in the industry to receive it. If that was not enough he went on to achieve Fellow of the Personal Finance Society which is the highest qualification an adviser can get, Nick has certainly made the most of lockdown 1 and 2!

As you would expect, in our industry we are always refreshing our knowledge and taking exams and training throughout the year.

Wealth Check

The Office of Tax Simplification (OTS) has published the first of two reports reviewing Capital Gains Tax (CGT), requested by Chancellor Rishi Sunak in July. It suggests that some of the current rules can "distort" investor behaviour and makes several recommendations, including a cut in the annual allowance and better alignment of tax rates on capital gains and income.

The 136-page report has been produced with unusual speed, adding weight to the view that the government is keen to find ways to fill the huge hole in its finances caused by COVID-19. The reforms could generate revenue of £14 billion in the first year, although the OTS acknowledged that figure could be much less if the proposals prompted a change in taxpayers' behaviour, as they almost certainly would. One of the key recommendations relevant to investors is to charge capital gains at Income Tax rates – effectively doubling CGT rates from their current level. Another is to reduce the current £12,300 annual exempt amount. The OTS says that a cut to around £5,000 would double the number of people paying CGT each year.

CGT is currently paid by around 250,000 individuals¹, suggesting that reforms to CGT won't impact the majority of taxpayers. Despite this, it won't have escaped the chancellor's notice that much of any extra tax burden is likely to fall on core Tory voters.

"Some of the recommendations are relatively radical, but they are not official policy, so it doesn't make sense for individuals to change their financial plans at this stage," suggests Tony Wickenden, Technical Business Development Director at St. James's Place. "We may hear more about the government's plans for capital taxes in next year's Budget. But this review underlines the importance of making the most of appropriate tax wrappers such as ISAs and pensions that shelter your assets from CGT, and any further liability to Income Tax."

¹Gov.uk, November 2020

While we are talking of achievements...

Congratulations to Bridget who has officially been appointed as a fully qualified Financial Adviser. We knew you could do it. Your hard work has finally paid off.

The value of an investment with St. James's Place will be directly linked to the performance of the funds selected and may fall as well as rise. You may get back less than the amount invested.

The levels and bases of taxation and reliefs from taxation can change at any time and are dependent on individual circumstances.

Charity update:

Nick is undertaking a huge challenging for charity. He met Michelle King who runs the charity Little Miracles during lock down and was blown away by the work they do. Little Miracles support families with children who have disabilities, additional needs, life limiting conditions and who are terminally ill. They are currently looking after 10,000 children and the charity are entirely reliant on donations.

- April: 90km race around the Isle of Arran spread over 2 days, with 'serious vertical gain'.
- August: 107km from London to Canterbury within a 25-hour time limit.
- October: Edinburgh, 57km with 3000 feet of ascent and descent within a 10-hour time limit

We are extremely proud of Nick and wish you all the very best with your training and the events, if you wish to support Nick with his fundraising efforts please visit the page on the link below.

www.justgiving.com/fundraising/nick-henbrey



Nick has decided to compete in 3 ultra-marathons in 2021



DID YOU JOIN US FOR

'WEAR IT PINK' DAY

ON THE 23 OCTOBER?



On the 23 October we were proud to support 'wear it pink', to raise money and make life-saving breast cancer research and life-changing care happen.

Why?

Because breast cancer is still here. It's still tearing apart the lives of families and it's still taking the lives of the women we love on a heart-breaking scale.

From Stephen Smith, Managing Director



As we enter the final few weeks of 2020, I would like to personally thank every one of our clients who have continued to support Smith Eliot and stood by us during undoubtedly the most challenging times.

As a business, we have totally re-evaluated the way that we work not just during the pandemic but post COVID as well. We now have several of our team permanently remotely based only coming into the office when necessary and other team members are rotated between working from home and being in the office.

Despite all the changes to the office environment we can certainly say it is business as usual at Smith Eliot and we continue to work hard.





Rest assured we are still working with our clients at the forefront of any decisions we make, and evidence proves that the worst days are often followed by the best ones. As a financial adviser, we are our clients co-pilots, helping with directions and decisions which are beneficial in reaching your end goal but now, we feel it is prudent we help to navigate you through the uncharted territory, we find ourselves in today.

This year has taught us a number of lessons and expecting the unexpected is one of them. Whilst we wish we could have bypassed this pandemic along with its tumultuous twists and turns, we realise that it is time to focus on the road ahead rather than on the months that have passed us by and despite not having the 2020 we had planned for; we can still see the light at the end of the Coronavirus tunnel and so we look forward to seeing what the new year has to offer.

During these times we have all realised the importance of having healthy and loving family and loved ones around you, and so we wish you and your family health and prosperity in the final weeks of 2020.



A few questions to ask yourself to ensure you are on track and to instigate a plan for your future

-  **What/who is important to me now?** Am I spending enough time focussed on/doing what is important to me now? **What needs to change?** What could I do differently to enhance this area of my life and what could put this at risk?
-  What do I want to achieve/do/have/be in the next 12 months, 3 years or even 5 years? **Am I on track for this?** What could knock me off track? **What do I need to do to/focus on to make sure this happen?**
-  Am I the best me I can be? **Am I in good enough health?** Am I taking care of myself? **Am I caring for those that are important to me?** Am I moving forward or backward?
-  What do I need to do this week/month/year to achieve what I want?

This exercise is both soul searching and a great way of gaining perspective and clarity. Why not give it a go and have some fun with it?

When you have the clarity you are looking for it will be time for us to fine tune your financial plan to meet your newly defined needs!

