



Feature Article

Welcome to this latest edition of our newsletter!

Welcome to this final edition of our newsletter for 2016

In this month's edition, we take a look forwards into 2017 and suggest a few ways in which we can help you get a really firm grip of your personal finances. We would love the opportunity to sit down with you and go through a few ways in which we can help. We've then set out a few thoughts on making the most of any spare money you might have, with our 8 investment tips.

Finally, there is our usual mix of content that we found on the web that we think will be of interest to you.

We'd like to finish by wishing you a very Happy Christmas and our very Best Wishes for 2017.

Main Articles

We'll Get You on the Right Financial Track in 2017

A New Year means New Year Resolutions. Getting back to the gym, maybe pounding the pavements, trying to improve your diet. Well if your financial health is not where you want it to be, a resolution that should be top of the list is to come and talk to us. And we suggest that you do this sooner rather than later if you want to see your financial health improving quickly.

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We start by listening

How can we help you? Well first of all, we'll spend a lot of time listening to you. We will want to understand exactly what it is that you want to achieve with your money – are you looking to get back on an even keel, possibly squirrel away some money for your children's education in the future or build up a nest egg for your retirement? Maybe you simply want to make sure all will be okay financially if you are unable to work or indeed if you get sick or die prematurely. Indeed you might simply want to gain more clarity and confidence about your financial future.

We help you to understand risk

We then place a significant focus on risk. We will help you to determine your own appetite for risk (how much you are happy to take) and your capacity for risk (how much you can afford to take). This is a key part of building your financial picture. We want you to achieve your potential outcomes, while at the same time ensure that you understand the relationship between risk and reward. We also want to make sure that you continue to get a good night's sleep, and that events such as Brexit or the recent US presidential election don't keep you awake at night!

Once we understand your financial goals and your risk profile, we'll then want to determine where you are today in terms of your financial resources. We will want to clarify your earnings, what you spend every month, what financial assets you have and also get a picture of your debts.

It's all about a plan...

At this stage we start earning our corn! Knowing where you are trying to get to financially and understanding where you are today, we will then develop a financial plan for you. This will set out a roadmap for you to achieve your financial goals.

Yes, this might result in some tough decisions for you, as we might recommend that you need to cut right back on what you are spending on holidays and other luxury purchases. We might demonstrate that you need to be saving more for the future, that your current level of saving is simply not enough to achieve your future goals. We'll work through all the different challenges in your own financial roadmap with you, help you to prioritise your next steps and determine how best to move forwards.

And then we will put in place any financial products that might be needed to help you achieve your goals. These could be protection policies in case any unforeseen events occur, or a pension plan to save for your retirement. Maybe you don't need new products at all. Often we find that existing products are absolutely suited to your needs, but maybe the fund strategy needs to be tweaked. Sometimes again, the solution lies completely away from products. We'll point out if the solutions lie in your day to day management of your finances.

We're now at the start line, not at the end!

Now you know your destination (your financial goals), your starting point (your financial situation today), you have your roadmap (your financial plan) and the vehicles to make it all happen (your financial solutions and products). So let your financial journey begin!

And that's a key point; the journey has only just begun. We won't just send you on your way alone. We will want to meet you year after year to review your progress towards your financial goals. We will adjust your plan as needed, and tweak some of the solutions as needed. And finally when you reach your financial objectives, and only then, our job is done!

So give us a call. Turn those good intentions into action and aim to leave 2017 more confident about your financial future and on the road to achieving your financial objectives.

8 Investment Tips Worth Remembering!

People face a whole range of different personal finance challenges and often ask us for tips. The area of savings and investments is one we're asked about a lot. So we thought it might be useful to give you a few tips to consider, that will help you to best manage your hard-earned cash. Of course we strongly advise you to come and talk to us about these first

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Pay yourself first & save up to 10% of your monthly income

One of the biggest mistakes that people make in relation to saving is that they place it as the lowest priority item in their monthly budget. They pay their mortgage, their bills, they go shopping, they spend on luxury items and entertainment, they probably waste a few bob...and then they save whatever is left over! So effectively you're paying yourself last.

One great habit of saving is to **pay yourself first** every month, immediately after you are paid. If you're running out of money then at the end of the month, yes, you'll have to "dip in". But you're much less likely to waste money, if you have to dip into your savings to do so. And how much should you be saving? Aim for 10% of your income, even more if you have no pension scheme in place.

Be careful of individual shares

So you get a great share tip. What do you do? Throw a lot of your money at it to really make a worthwhile gain? Well, be really careful, this is a very risky strategy. We only have to consider all the unfortunate people in Ireland who only 8 or so years ago had their wealth tied up in the shares of an Irish bank. Because they were a "sure thing", with no risk attached. These people lost the lot.

Always spread your risk and build your wealth through funds or pools of shares. This diversification will give you some protection against one of the companies you're invested in going south.

Learn the "Rule of 72"

The Investopedia definition of the Rule of 72 is that it is a simplified way to determine how long an investment will take to double, given a fixed annual rate of interest. By dividing 72 by the annual rate of

return, investors can get a rough estimate of how many years it will take for the initial investment to duplicate itself.

For example, the rule of 72 states that €1 invested at 10% would take 7.2 years ($(72/10) = 7.2$) to turn into €2.

Knowing this rule will help manage your expectations in relation to the performance of your portfolio or will help you identify the return needed to double your money in a specific timeframe.

Follow an Asset Allocation Strategy

Spending time getting your asset allocation right, and adjusting it as your investment objectives and/or market conditions change, is a much more robust investment strategy than trying to pick the right stocks. Yes picking the right stocks can result in very sharp gains in a portfolio. However they also can result in very steep drops too. Spending the time getting your asset allocation right and then adjusting it as required is likely to result in a more consistent return. Of course this is where we can really help you! We can help you identify the right allocation to suit your investment objectives and risk profile, and then help you to implement it.

Use investment strategies to increase wealth

There are a number of different strategies that you can use that are likely to serve you better than an ad hoc approach. A few to consider include:

- **Buy and hold:** This is where you buy investments (usually stocks) and keep them for a long time, ignoring short-term fluctuations in the market.
- **Pound cost averaging:** This is where you invest a fixed amount of money in a fund or basket of shares on a regular, monthly basis. When prices are high, your monthly amount will purchase less shares of a well-performing asset, but if the price falls, your “new” money will buy more shares.
- **Rebalancing:** This is where you identify your desired asset allocation at the outset and then buy or sell assets in your portfolio to maintain this allocation as the prices of the assets change.

Adopt a non-emotional investment approach

Look at investment markets coldly and don't allow emotion to cloud your judgement. Greed and fear are two of the greatest threats to a good investment strategy.

Learn the Market Cycle

The investment market usually (but not always) follows a typical cycle as shown below. While you obviously cannot rely on all of the different factors coming together as illustrated, this is a useful picture to bear in mind.



Follow the chart above from the outside in. Markets work in cycles and no two cycles are ever the same. One of the most interesting parts to note is the "sharp rally" which happens during a recession.

*Source: "Building Wealth with Mutual Funds" by John H. Dwyer, Ph.D.

Get independent advice

Well we would say that, wouldn't we? But this is so important. Your independent financial adviser can help you navigate your way through the choppy investment waters, with their sole objective being to help you achieve your investment goals. We'd be delighted to talk you through any of the tips in this article.

Warning: If you invest in these funds you may lose some or all of the money you invest.

Warning: The value of your investment may go down as well as up.

Mandatory retirement has lead to more 65-year-olds on the dole than at any other age

Age Action is calling for mandatory retirement clauses that force people out of their work because of their age to be abolished.

Women have low levels of financial wellness despite better control of their day to day money

Women consistently show poorer levels of financial wellness despite a more diligent approach to money management...

Ask GFC 019 – What If You and Your Spouse Have Different Financial Goals?

One of the biggest financial problems couples face is when they have very different financial goals. Here are a few thoughts

HR managers need a simplified approach to pensions

If your own pension seems complex, spare a thought for the human resources personnel charged with sorting pensions out for entire workforces.

Disability Income Insurance – A Comprehensive Look at an Important Protection for You

If you do not have disability income protection, you might want to consider covering this aspect of your wealth protection strategy.

Saving for a deposit on a house?

If you are saving for a deposit on a house, you may be overwhelmed by the task ahead. But it's not impossible...

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