



LIGHTHOUSEPLATINUM
Wealth Management Ltd



Nick Hodgetts

A note from Nick...

Happy Christmas - I can't believe it's here again so soon and I hope you've had a great year!

This year has been dominated by the two big political events - both Brexit and the US election proved that when the people want change they are prepared to vote for it. Neither has (so far) had the adverse effect on stock markets that some predicted - in fact, historically, political events rarely have much of an impact on markets. That said, Mr Trump is considered to be good for business so here's hoping. Aside from some frantic but short-lived activity following those two results, investments and pension funds have risen overall this year. It's important to "make hay while the sun is shining" so if you (or anyone you know) feel you are not benefitting from stock market growth please get in touch.

I wish you a merry Christmas and a happy, healthy and prosperous New Year!

Nick

Never been a better time to be a borrower

Michael, is now settled in to his new role arranging mortgages and Equity Release – helping people move home, get on the property ladder or use Equity Release he arranged over £1 million of lending in his first five months! Interest rates are still so low and don't show any signs of increasing which is great news for those that need (or want) to borrow.

People over 55 are using Equity Release to fund home improvements, help children and grandchildren, pay off debt or simply enjoy a little extra luxury. With interest rates at an all-time low we've also found this is a great time for reviews - people who first used Equity Release some years ago may be able to cut their fixed interest rates considerably.

If you would like more information about mortgages or Equity Release or would value a complimentary review of your existing arrangements, please get in touch.

Pension Freedom

It is now more than a year since George Osborne ended the link with annuities to provide pension income. As an alternative to annuities, Income Drawdown was actually introduced more than a dozen years ago but was previously thought more likely to be suitable for those with larger pots. Now it is a mainstream option for everyone who welcomes a bit more flexibility in their retirement income and can cope with some investment risk but still only to be used advisedly and with care and understanding.

According to the Association of British Insurers, very few pension holders have cashed-in and headed for the Lamborghini dealer. Only around 4% of those drawing a lump sum took more than 10% of their fund value. In the first year of the new Flexible Access Drawdown (FAD) option around £4.3 Billion has been paid out in lump sums, the average was £14,500.

That time between ages 65 and 75 is now being referred to as the Golden Decade when people are tending to spend a little more. The biggest regret seems to be "I didn't save enough" but, while many were happy, 42% in that age bracket felt they may have made some wrong choices. See "Six Pensions Mistakes You Can't Afford to Make" on my website.

How to invest in an ever changing world

With interest rates so low and seemingly settled on the bottom, savers and investors wanting more from their money are choosing stock markets for growth and income. We live in volatile times and, in my opinion, investments and pension funds need even more careful and competent governance – they are not fit it and forget it. A Discretionary Fund Manager (DFM) will create a bespoke portfolio for pension or ISA pots designed to suit the investor's attitude to risk and time scale. I've been recommending DFMs for several years and clients have been very pleased with the results.

For those with more modest sums, some DFMs have created off-the-shelf portfolios that anyone can buy in to. I'd be happy to tell you all about them.

Around the Office

We've put some extra effort into our website recently (www.lighthouseplatinum.com) – feedback always welcome.

Our big company event was the unexpected need to move to a new office when our old building was sold for redevelopment. I'm happy to say we landed on our feet in bigger and better offices, just about a mile across the fields from the old one. You are very welcome to visit us here and I hope to see you in 2017.

We now have a collection of around 120 fridge magnets on display in the office, collected on our travels and I've put some photos on the website. Between us, our trips this year have included Gran Canaria, Southern Brittany, Anglesey, Prague and Legoland! Lynn is just off to Centre Parcs – one of her favourites – and next year I have plans for Scotland and Italy so we'll be adding a few more fridge magnets.

Contributions to our collection from your travels would be greatly appreciated – the sillier the better!

I hope to see you in 2017 – whether at my office, your home or workplace

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