BRI Wealth Management PLC

BULLETIN

July 2019

We hope you enjoy our **Newsletter**

Contents

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INVESTORS IN PEOPLE

CYBER ESSENTIALS PLUS

Market Commentary

It has always been the case that the stock market is highly emotional, frequently changing from periods of wild pessimism to extreme optimism.

The last nine months have been a fine example of the extreme mood swings that the market is prone to, with wild pessimism accompanying the festive cheer and extreme optimism accompanying the summer lull. Yet as I'm sitting here watching the sun try to break through the clouds, I wonder whether the outlook for markets has got brighter or gloomier over the last few months.

Headlines such as 'S&P 500 Posts Best First Half in 22 Years' and 'Nearly Everything's Winning in 2019' could lead one to feel especially contented about the outlook, and Mr Market has certainly taken this stance recently. Most markets have performed strongly this year but there is a polarisation in opinions about the state of the world. Bond markets are shouting recession, whilst equity investors continue to cling on to the increasingly aged bull market.

There are competing forces at work which make the outlook slightly murky, namely, a slowing global economy and because of this, central banks becoming ever more dovish with monetary policy. The mantra in the markets has always been 'don't fight the Fed' and so equity markets ignore the weakening economic outlook and rejoice at the continuing era of cheap money.

However, there must come a point where economic reality catches up with equity markets and causes investors to shun equities. The question is when, though?

Economic growth has been mixed over the last ten years and there have been many times that people have called the end of the bull market. Each time they have been proved wrong; and usually this is because central banks intervene and calm markets with more QE or talk of lower interest rates. This can't go on forever as central banks clearly have a limit on how low interest rates can go. It is hard to call the end of the bull market, but we would speculate that we are probably closer to the end of the strong run than the start of it.

The economic outlook has certainly got gloomier in 2019 but – peculiarly – this has made investors more bullish on markets. Bond markets are correct in that the chances of a global recession are higher than they have been for a while. Equity investors are also correct that in the short-term, equities have become more attractive provided that interest rates are going to move lower. If the global economy does continue to slow, then this will have to catch up with equity markets at some point in the future.

As stewards of your capital, we like it when Mr Market is extremely optimistic or wildly pessimistic. It gives us the opportunities to generate performance by taking an objective view of the world when markets are taking a subjective view. Our current stance is that in the short-term, equity markets are likely to be underpinned by central bank intervention, but that over the next few months increasing concern over the global economy and Brexit will lead to volatility in the market. We will continue to take advantage of Mr Market.

You'll be pleased to know that the sun has finally broken through the clouds in the centre of England and the UK market is up 60 points. Things are looking brighter. For today.

The Rising Age of Pensions

As most people are aware, you currently need to be aged 55 to access your pension benefits, although the rules of some pension schemes can vary.

There are exceptions, for example if the member is suffering from seriously ill health, or if the member has a 'protected pension age' (such as being a sportsperson or having a hazardous occupation) which may entitle them to access their pension at an earlier age.

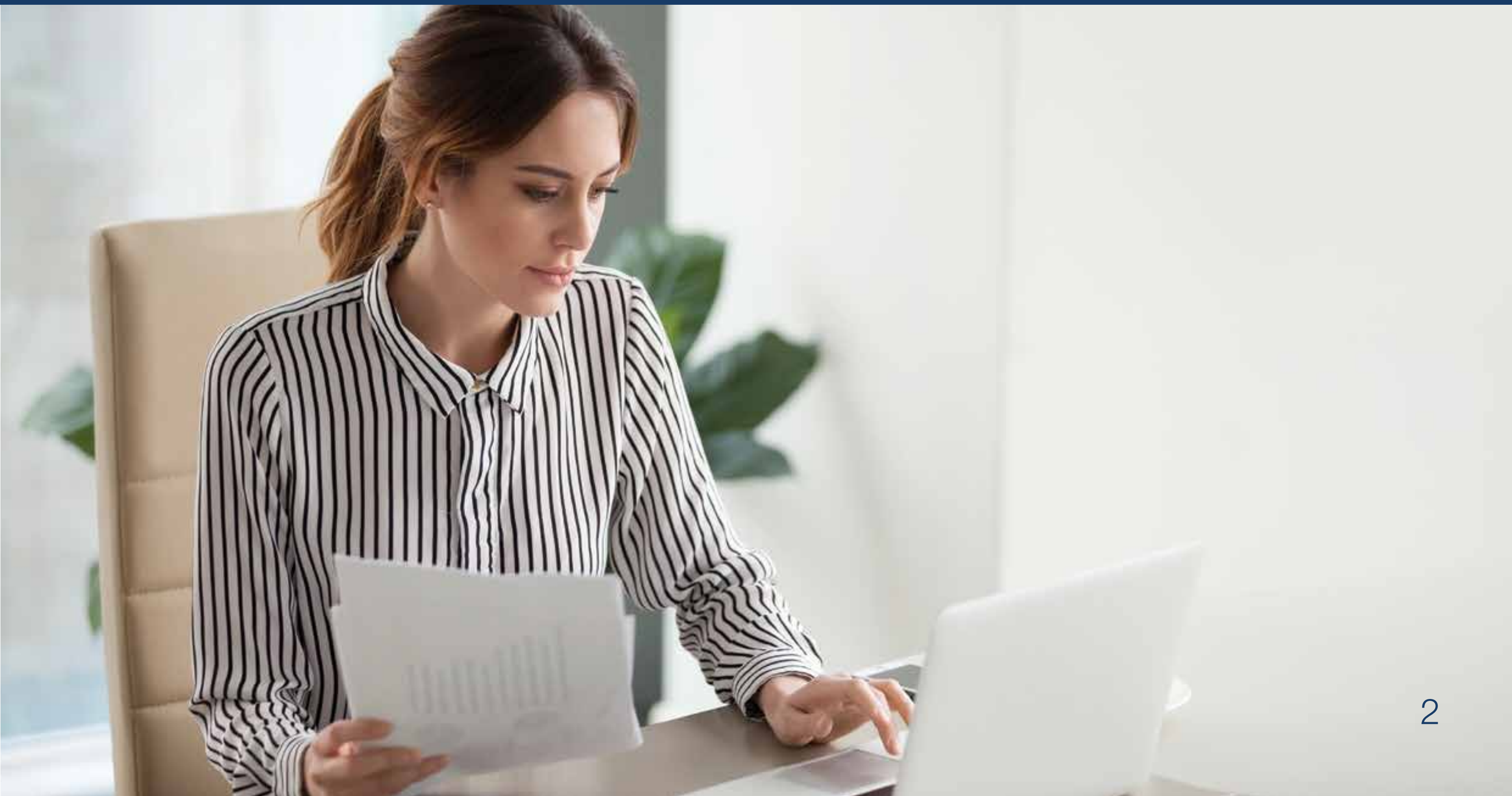
In 2014 the Government put forward a consultation document proposing an increase to the minimum pension age, suggesting it rise to 57 in 2028 when the State Pension age increases to 67, thereby maintaining the 10-year differential between minimum pension age and State Pension age. This will consequently affect anyone born from April 1971 onwards.

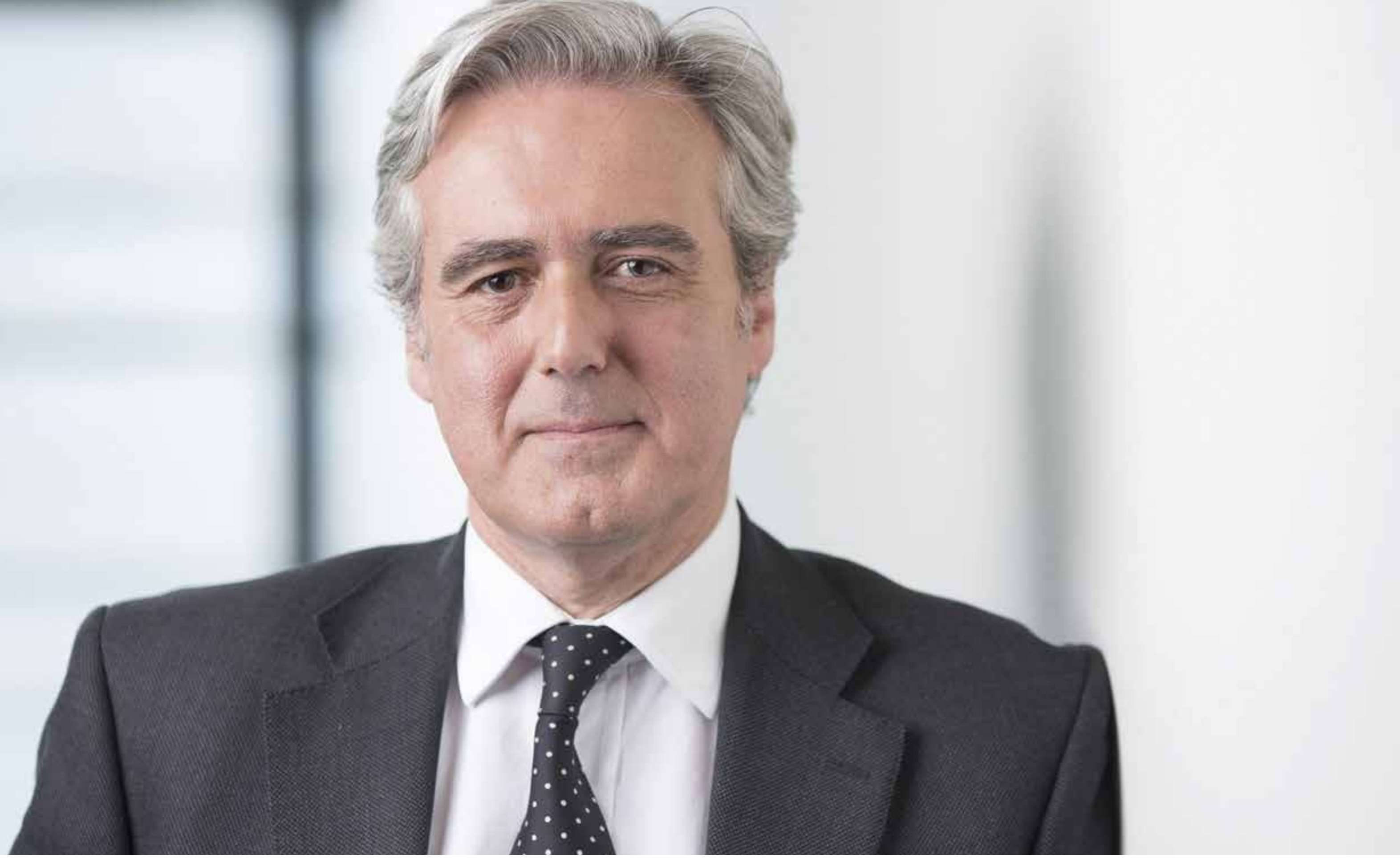
The proposal is that the minimum pension age will continue to track the State Pension age and its 10-year window and would therefore increase to 58 from 2037 when the State Pension is set to increase to 68. Whilst it is appearing increasingly likely that this change will be implemented, there is currently nothing in legislation that confirms that the normal pension age will increase in 2028.

State Pensions – A refresher

- The State Pension age started to increase from December 2018 and will rise for both men and women until it reaches age 66 in October 2020 and age 67 between 2026 and 2028.
- It will rise to age 68 between 2037 and 2039.
- The full State Pension in the 2019/20 tax year is £8,767.20 p.a. and is paid every 4 weeks.
- It is increased via the 'Triple Lock' – the higher amount of either inflation, or average earnings, or 2.5% per annum – which is guaranteed until 2020.
- You currently need 35 qualifying years to receive the full State Pension. This is achieved by obtaining National Insurance Class 1 Contributions which are typically earned via employment, although these can also be earned in other ways, for instance if you have received Child Benefit or the Carer's Allowance, or you have been in full-time training.
- BRI's Financial Planners usually recommend obtaining a State Pension forecast periodically in the lead-up to your retirement, since if there are gaps, it might be possible to make voluntary contributions.
- It is possible to defer receiving your State Pension, for which you would receive an annual uplift of 5.8% per annum, although this is not as generous as it used to be.

If you have any questions regarding pensions, then please get in touch with one of our Financial Planners.





Political Update by Mark Garnier

There is a well-known Chinese curse: *May you live in interesting times*. I suspect that for at least a generation, times haven't been as interesting as they are now.

Parliament and politics have been dominated by the Brexit debate for three years. That debate became increasingly delicate a couple of years ago when the general election resulted in a minority government, supported by the Northern Irish DUP. The progress of Brexit through Parliament has resulted in an impasse. The Government has lost key votes by historic margins and two Prime Ministers have resigned over the issue of our relationship with the EU. Indeed, unprecedented numbers of ministers have resigned, holding fast to their principles on where our future relationship should lie.

We find ourselves deep in a leadership election, with the two candidates who are each vying to become leader of the Conservative Party and our next Prime Minister needing to tackle what seems like an impenetrable problem.

Three years of negotiations resulted in the Withdrawal Agreement (WA). This merely looks at the exit process and the transition period, during which we will negotiate the future relationship framework by the end of 2020. Whilst the agreement is broadly acceptable to Parliament, the provisions that protect the interests of the Northern Irish border – the so-called "backstop" – are causing great anguish for the Brexit enthusiast and the DUP alike. Seeking to find a way to meet the dictates of the Good Friday Agreement that require an open border in the island of Ireland, whilst meeting the requirements of the WTO that oblige countries to secure their customs borders, is a dilemma.

The resultant impasse, where the EU has said they will not renegotiate the WA, where Parliament has said that it will neither pass the WA nor allow a hard no-deal Brexit, but by default we leave without a deal on 31st October 2019, is a conundrum that the new Prime Minister must resolve.

With a majority of just three (including the support of the DUP), the Government is vulnerable to a vote of no confidence – a vote that may come in the week of the announcement of the leadership ballot of Tory members on 23rd July.

A possible outcome could be a general election. Voters are angry that Brexit has not been delivered; and the rise of Nigel Farage's Brexit Party will have a profound effect on the outcome of that election – especially if it is held before any resolution of Brexit has been delivered. With the Brexit Party splitting the Conservative vote, we run the risk of seeing a hard left-wing minority Labour government under the leadership of Jeremy Corbyn.

The possibility of renationalisation of utility companies, higher corporation and personal tax rates, exchange controls, and policies that may see the de-listing of companies that fail a new test of environmental targets is a world that is unfamiliar to modern Britain. And this could coincide with a (hopefully avoidable) hard Brexit. The stakes have never been higher.

Refer a friend and visit some of Britain's most beautiful sites!

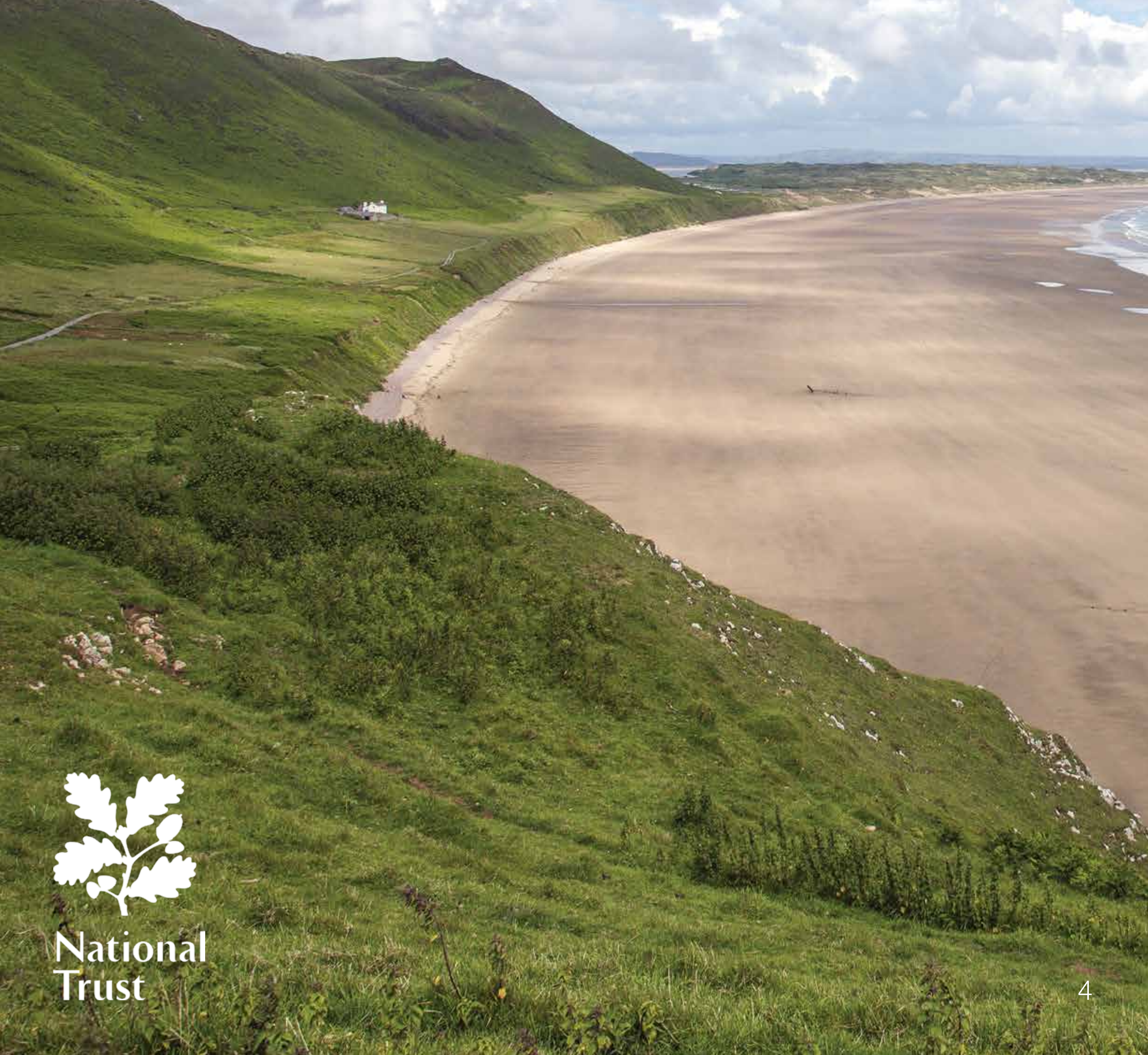
If you are an existing client of BRI Wealth Management and can recommend us to a friend or family member, you and a friend can receive a £100 National Trust voucher each. The National Trust is Britain's charity of choice for preserving the heritage of special places – whether it's wildlife, stately homes or iconic landmarks.

The voucher can be spent on membership, merchandise, entrance to listed venues, cottage and hotel stays, or used in their cafés or on any other service or product the Trust offers.

How it works:

- Call, email or write to us and let us know you and your friend's contact details.
- One of our advisors will arrange an initial meeting with your friend.
- Once the meeting has taken place, a £100 National Trust voucher will be posted to you and your friend.

Please note that our minimum investment portfolio value is £250,000 and your friend/family member must consent to us contacting them.



National Trust

Hannah Takes Home Two Awards!

We are very pleased to announce that our Financial Planning Director, Hannah Edwards, recently won two Women in Financial Advice awards. **She had been nominated for Financial Adviser of the Year – Midlands & East Anglia, and Woman of the Year – Investment Advice.**

The Women in Financial Advice awards aim to celebrate the achievements of women working within the financial advice community and also the broader financial services sector. The award ceremony took place at The Hilton, Bankside on Wednesday 3rd July.

"I was delighted to even make it through to the final in both categories, let alone win them both. There are some phenomenal women in our industry, so I feel a great sense of achievement."

Follow us

If you would like to know more about BRI and see regular company updates, then please follow us on LinkedIn or Twitter.

linkedin.com/company/bri-wealth-management

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Cyber Security

Since the beginning of the digital age, we have witnessed extraordinary developments within the field of technology, and the internet has become an integral tool for the day-to-day running of any business. That being said, the considerable benefits the internet brings come with constant threat to the safety of those who use it.

Here at BRI we take this very real threat extremely seriously and always ensure that robust measures are followed to establish a strong cyber security framework within our organisation.

On 20th May 2019, BRI Wealth Management was assessed by IT Governance against the Cyber Essentials Requirements and we obtained our Cyber Essentials Plus certification.

This is the first step evidencing how we as a business have implemented an effective means of defence against the threat of potential cyber attacks; and we will continue to improve upon this, and will evolve alongside the ever-changing developments to cyber security, thus continuing to safeguard our organisation and – crucially – our clients.