



Savings and Investments

About Advance Wealth

The most important part of your planning is the **COMMUNICATION** you receive from Advance Wealth.

We strive to stay in touch at least twice a year, often to let you know that everything is in good order so that you can feel reassured.

We are fully committed to all our clients

We believe strongly that if you are looked after properly you will feel comfortable to stay with Advance Wealth for life. Staying with one adviser for life can only enhance your planning.

We work hard to build your trust in our expertise

Our aim is to give our clients a trusted financial services organisation that truly listens with empathy and understands fully their needs. An organisation our clients feel they can lean on to ease their financial worries.

We are committed to a proactive approach and never take our clients loyalty for granted.

The most important value in Advance Wealth is respect – for our clients and for each other.



Why are we encouraged to save money?

Most of us are told to put away money to save for the future – perhaps for something special? Or perhaps to be sure that when we really need something we have the funds to acquire it, without taking on debt? Whether you place your money in a piggy bank, or in a multinational investment house, our aims are broadly the same; to provide for our future needs, and to protect ourselves against unexpected causes of expenditure.

Savings or investments?

When planning your finances, it is important to distinguish the difference between savings and investments. Savings are generally funds that you set aside, but can be accessed relatively quickly. These savings are often for a specific need or purchase, like a holiday or a new car.

Investments are designed to be held for a longer term, usually at least 5 years. You need to be comfortable with tying up this money for a period of time, and should not consider investments unless you have some savings in place. Most investments are not guaranteed to return your money in full, although do offer the prospect of potentially higher returns than deposit accounts.

A wide range of options

Savings and Investment products range from a simple current account, which allows a small amount of interest, but facilitates regular payments and withdrawals without detriment to your savings. At the opposite end of the scale would be company shares, where you invest money in a company, with the prospect that the company will prosper and the shares will increase in value over time. Whilst the benefits are potentially high, the risks are also much greater.

Investing and risk

Whether you are looking at investing in a pension, an investment bond or perhaps using an Individual Savings Account (ISA) you might consider using investment funds. Put simply, a fund is a collection of many different peoples money in one place. Buying large numbers of shares or achieving a portfolio of investments may well be beyond most average investors so they effectively club together to increase their purchasing power.

Typically these pools of money are run and managed by an investment specialist. He is paid to make the day to day decisions of where the pooled money is invested. Rather than individuals (who have no interest in markets and shares, or who don't have the knowledge or time to study market information) choosing which shares to buy, to hold and to sell and at what time, the fund manager uses his expertise to make suitable investments in order for the value of the pooled fund to hopefully grow over time.

For more information...

If you would like further information, or to set up a FREE initial no obligation appointment with one of our advisers, please call us on **08455 12 02 02**, contact us via email at advice@advancewealth.co.uk, or follow the link on our website www.advancewealth.co.uk

The Financial Services Authority does not regulate Bank Accounts, National Savings & Investments, Gilts and some forms of ISAs



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Investment options

There are so many different mediums in which to invest, and here we look at just a few key areas:

Bank Accounts:

Current accounts may offer a very low rate of interest (if any) but they are the most flexible in terms of accessing your money. Banks can also offer savings accounts, with higher interest rates, and also notice accounts with very competitive interest rates, but you may have to give a certain amount of notice before making a withdrawal (60 or 90 days perhaps), or you must agree to invest the money for a set period of time.

National Savings & Investments:

These products are backed by the government and operate like bank accounts to a certain extent. There are some tax-free products available and they are generally considered low risk since they are backed by the government.

Bonds & Gilts:

Bond/Gilt Funds are generally considered to be lower risk than direct equity (share) investment although the value can still fall as well as rise. Bond markets can be split into two categories. Corporate bonds are investments based on business loans offered by private companies and are 'rated' based on the ability of the issuer to maintain interest payments and repay the loan.

Government Bonds (known as Gilts in the UK) generally offer much lower returns, they are underwritten by the government and so the risk of default is much reduced.

Property:

The historic performance of commercial property has very little correlation with the performance of corporate bond or equity based investments. For investors looking to diversify their portfolio property funds have offered historical attractive returns with relatively strong defensive characteristics (i.e. low volatility).

Equities (shares):

Over the very long term equities have historically offered better returns for investors. Although this is not a guide to the future, it is felt that the increased risk of investing in company shares can potentially be rewarded by investment returns in excess of what is available from traditional bank or deposit accounts. However there are no guarantees.

Investment 'Funds':

Specialist investment managers will often manage a fund (a pool of investments) that invests in one or more of the above categories, the aim being to diversify the risk across a spread of shares, or bonds, or both. There are hundreds of investment funds available, each with their own specific aims and objectives. Investment funds can also specialise in one particular sector, such as only investing in companies that are listed on the FTSE100 index, or only investing in construction and mining companies.

There are also funds that invest geographically, perhaps only buying shares in Japanese or American companies. Each sector has its own unique characteristics, and your adviser will be able to explain more about this.

All these types of investment can be arranged on your behalf by Advance Wealth. You may be able to include your investment within a tax-efficient product such as an Investment Bond, ISA (Individual Savings Account), unit trusts or even a pension.

Call Advance Wealth now to see how we can help and advise you to decide which is most suitable for your needs?