

# INFORMED

*Working with professional partners*

by **Clayden**  
FINANCIAL  
INDEPENDENT FINANCIAL ADVISERS

## COVID-19 EFFECTS ON RETIREMENT PLANNING

Remember that pension savings are  
for the long term

HOW SECURE IS  
THE FUTURE OF  
YOUR FAMILY OR  
BUSINESS?

Projecting ourselves into the future  
to see what's around the next bend  
is not an easy thing to do

Clayden Financial, 1 Constable Court, The Street, Belstead, Ipswich IP8 3LY

Tel: (01473) 730090 Email: [advice@claydens.com](mailto:advice@claydens.com)

[www.claydens.com](http://www.claydens.com)

*Clayden Financial is a trading name of Clayden Financial Planning Ltd which is authorised and regulated by the Financial Conduct Authority*

# In this issue...

**2** Welcome to our Summer issue

**3** Clayden's News

**4** COVID-19 effects on retirement planning

Remember that pension savings are for the long term

**6** Focus on long-term horizons

Time in the market, not timing the market

**7** How secure is the future of your family or business?

Projecting ourselves into the future to see what's around the next bend is not an easy thing to do

**8** Ryan's Update

# WELCOME TO OUR SUMMER ISSUE



Since our last newsletter, we have experienced the most dramatic restrictions ever on our normal lifestyles, and the overwhelming need for everyone to deal with this terrible virus threat has affected all aspects of our lives. I do hope that you and your families are well and coping with the various restrictions.

At Clayden Financial, we acted quickly to enable all staff to work remotely from home. This has meant that we have been able to continue to provide an efficient service to all our clients during the most challenging period in my 34 years in this industry. Half of our staff members recently returned to working from our office, and the remainder of our staff and advisers continue to work from home. We are available to assist you in the normal way, with most of our meetings

and discussions being handled remotely by telephone or using tools such as Zoom and Skype. However, in certain circumstances – where strictly necessary – face-to-face meetings can be arranged at our office, and we will act strictly in accordance with government guidelines pertaining at the time with regard to social distancing and Health and Safety.

The coronavirus crisis has had a devastating impact on many worthwhile charities which have lost significant income through general lack of funding and the cancellation of events and activities.

Claydens has donated to two local charities – Age UK Suffolk and Baylham Rare Breeds Farm – to assist in a small way.

Stay safe and well.

**Leigh Clayden**

## A MESSAGE FROM LINDSAY LONG, FUNDRAISING OFFICER, AGE UK SUFFOLK

The support and services our charity provides are more vital than ever. The COVID-19 crisis has meant a loss of income through our paid services of £33,000 per month, and our fundraising events have been cancelled. We are looking at a huge funding gap at a time when we face an equally large increase in need. We urgently need support to help us to:

- Meet the growing demand on our Information and Advice Line – calls are currently up by 40% and are expected to rise as the situation continues. We need to continue to offer expert advice and support to all older people, carers and families
- Continue to provide our befriending service and allow us to make many

additional calls to provide comfort and reassurance to older people facing long periods of isolation

- Continue to offer support on the frontline, such as services and prescription collections

To keep these services running, Age UK Suffolk has launched an Emergency Appeal – 'Good Day Calls'. To find out more, please visit <https://www.ageuk.org.uk/suffolk>.

**Clayden Financial is a Platinum Friend of Age UK Suffolk.**



**Clayden**  
FINANCIAL  
INDEPENDENT FINANCIAL ADVISERS

1 Constable Court, The Street,  
Belstead, Ipswich IP8 3LY

Tel: (01473) 730090

Web: [www.claydens.com](http://www.claydens.com)

Email: [advice@claydens.com](mailto:advice@claydens.com)

# SOME POSITIVES THAT HAVE COME OUT OF LOCKDOWN



**ADRIAN FIRTH**

I've enjoyed (mostly!) 1,072 hours of NHS volunteering and arranged outdoor film showings with the neighbours projecting onto our double garage doors. The photo shows the iconic ET!



Steve

**KAREN LAST**

My stepdaughter was stranded in New Zealand at the end of a year out. We finally got her home at the end of April, as NZ was threatening to stop all flights to the rest of the world until the end of 2020! Two definite positives – my husband was finally allowed to join our Zoom ladies-only Pilates class in our living room, and we had a fabulous VE Day street party in our front gardens. And we finally got to know our long standing neighbours!

**KIRK**

Erm... it gave me the confidence to finally dare to shave my own head with surprisingly reasonable results!

**ASHLEY CLAYDEN**

I've enjoyed the opportunity to get outside and exercise during lockdown, it really helps relieve stress.

**CHRIS MCGLONE**

It is much calmer, and I can concentrate more with slightly less interruptions, distractions and noise. I do so miss cuddles from the grandchildren though...and the office banter!

**GEMMA CLAYDEN**

It's been so lovely spending more time with the family. Olivia and Joshua have been completely oblivious, but Joshua does say he wants the horrible bug to go away and likes to talk about Boris! Olivia is now five months old and is becoming such a little character.

**KRYSTYNA SMITHERS**

I have enjoyed the increased tranquillity in the garden, with very little passing traffic, very few aeroplanes, and much more birdsong (or maybe it was always there but I couldn't hear it so well). A big positive is that I have had to become better at IT, and I've enjoyed Zoom meetings – for work and pleasure – and playing chess and scrabble online.

**SHIRLEY LEGRICE**

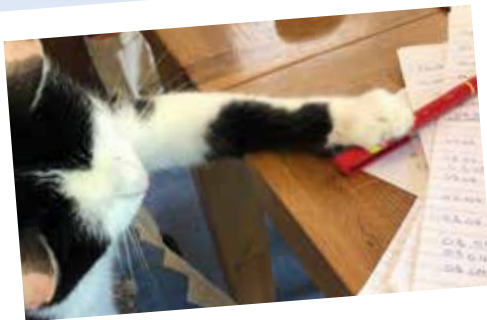
One thing I have noticed working from home is that there are a lot more birds in my garden than I realised before. House sparrows have taken up residence under the tiles on my roof. With these being RSPB red-listed birds, whose population is in severe decline, I am happy to have them as house guests. They are repaying my hospitality by eating the greenfly on my roses and singing beautifully in the mornings. I just need the lockdown to last a little longer so that I can see the young fledge and fly from the nest.

**ANGELA SMITH**

The neighbourhood has become more of a community. Lockdown has encouraged me to walk more (albeit short walks) and to use my bike. Also, it has been lovely always being just a few steps away from a well-stocked fridge!

**LEWIS OFFORD**

Lockdown has helped me sort out all the old jobs that have needed doing around the house that I had forgotten about. The garden has never seen quite so much abuse – I'm a bit too heavy-handed for it to be called anything else! The warm evenings have granted me the opportunity to improve my chess game, if only a little.



**GINA BULL**

Around Christmas time, a cat started to appear in our garden. He was a hungry and scared stray who had been eating from the bird feeders. We started to feed the poor little chap and eventually he started to accept us. About a week into lockdown, the cat moved in and we named him Connie Cat, but he also has lots of nicknames: Mr Tibbs, Tibbo and The Prince Regent. He has brought great fun to the house and garden and has certainly brightened things up. As you can see, he also loves working for Clayden Financial.

Many of those operating from home brought up the benefits of not having to make oneself look presentable and the gain of the usual journey time to and from work.

# COVID-19 EFFECTS ON RETIREMENT PLANNING

Remember that pension savings are for the long term



The coronavirus (COVID-19) is having a widespread impact across all aspects of financial life, including retirement plans. The current global stock market turbulence, as a consequence of COVID-19, will no doubt be concerning for individuals whose pension savings are invested partly or fully in stocks and shares during these volatile market conditions.

However, making decisions based on what's happening in the short term can be a risky thing to do. It might be tempting, for example, to move all your investments into cash or other lower-risk investments for a while – but in doing that, you might miss out on the point when the value goes back up, so you could lose out in the long term.

### TIME FOR MARKETS TO RECOVER

It's really important to remember that pension savings are for the long term. If you're young and currently paying into a workplace pension, then there is time for your pension pot to achieve growth over the long term and recover from the fluctuations currently being experienced in the stock markets. You shouldn't be too concerned, as you have many years ahead of you, and this will provide time for markets to recover before you take your pension income.

If you're older and closer to retirement, you may have seen your funds 'lifestyled'. This means your pension will have been moved automatically into predominantly less risky funds and invested in 'safer' places such as in cash, gilts or bonds, which are lower risk and usually offer a fixed rate of return. The older you get, the more schemes tend to choose to invest in such assets to limit investment risk. However, not all pension schemes offer automatic lifestyling.

### ANNUITIES

In March, the Bank of England cut the base rate twice in just over a week in a further emergency response to the coronavirus pandemic, reducing it from 0.25% to 0.1%. This has meant annuity rates have also fallen. An annuity is a type of retirement income product that you buy with some or all of your pension pot. It pays a regular retirement income either for life or for a set period.

If you are thinking of securing an income by purchasing an annuity, the recent volatility shows the importance of gradually

reducing the risk in your portfolio as you approach your expected annuity purchase date. Doing this provides greater certainty over the secured income you can expect to generate from your fund.

### DRAWDOWN

If we continue to see a protracted period of negative investment returns, and you're already using drawdown or plan to move into drawdown soon, you might also want to avoid taking out any more than you need while fund values remain depressed. The more you can leave invested, the more you will benefit over time once there is a recovery.

Drawdown is a way of taking money out of your pension to live on during retirement. You have to be aged 55 or over and have a defined contribution pension to access your money in this way. You keep your pension savings invested when you reach retirement and take money out of (or 'drawdown' from) your pension pot. Since your money stays invested – and it's usually in the stock market – there is the risk that your fund may fall in value. The upside is that investment growth can provide higher returns and see your pot continue to increase in value.

### CONTRIBUTIONS

If you are still in the process of saving for your retirement (and if appropriate), now might be a good time to consider increasing your pension contributions if you can. Even though your strategy may depend on the movement of the markets, increased contributions over the long term can make a difference to your eventual retirement pot value, if it coincides with the market recovery.

Again, there is no need to panic – at this stage, we do not know what the long-term implications of coronavirus will be. We can help you see the bigger picture, weigh all your options and take a balanced assessment of your risks.

### STAGGERED

New research[1] has revealed how many pensioners are opting for a staggered retirement and working part-time before giving up work completely to make sure their pensions last the rest of their lives. With people living longer, and with the added prospect of health care costs in later

life, retirees increasingly understand the benefits of having a larger pension pot in later life.

Of those who haven't accessed their pension pot, half (51%) say it is because they are still working, while more than a quarter (25%) of people in their 60s say it is because they want their pensions to last as long as possible.

Of course, retirees who haven't accessed their pension pot must have alternative sources of income. When asked about their income, nearly half (47%) said they take an income from cash savings, others rely on their spouse or partner's income (35%) or the State Pension (22%), while 12% rely on income from property investments.

### PROFESSIONAL FINANCIAL ADVICE COUNTS

If you're about to retire, the amount of exposure you have will reflect both your attitude to investment risk and the time you have until retirement. Most importantly, before taking any major decisions relating to your pension, take the time to get professional financial advice.

#### Source data:

[1] LV= survey of more than 1,000 adults aged over 50 with defined contributions – 25 February 2020

A PENSION IS A LONG-TERM INVESTMENT.

THE FUND VALUE MAY FLUCTUATE AND CAN GO DOWN, WHICH WOULD HAVE AN IMPACT ON THE LEVEL OF PENSION BENEFITS AVAILABLE.

PENSIONS ARE NOT NORMALLY ACCESSIBLE UNTIL AGE 55. YOUR PENSION INCOME COULD ALSO BE AFFECTED BY INTEREST RATES AT THE TIME YOU TAKE YOUR BENEFITS. THE TAX IMPLICATIONS OF PENSION WITHDRAWALS WILL BE BASED ON YOUR INDIVIDUAL CIRCUMSTANCES, TAX LEGISLATION AND REGULATION, WHICH ARE SUBJECT TO CHANGE IN THE FUTURE.

THE VALUE OF INVESTMENTS AND INCOME FROM THEM MAY GO DOWN. YOU MAY NOT GET BACK THE ORIGINAL AMOUNT INVESTED.

PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE PERFORMANCE.



# FOCUS ON LONG-TERM HORIZONS

Time in the market, not timing  
the market

**D**uring this difficult time, fear and worry are understandable, particularly as the coronavirus (COVID-19) outbreak led to the biggest daily drop in the FTSE 100 since the financial crisis of 1987. Trying to second-guess the impact of events such as the coronavirus or the recent stock market volatility – or even attempting to make a bet on them – rarely pays off. Instead, investors who focus on long-term horizons – at least five to ten years – have historically fared much better.

We all have different objectives in life and need different strategies to help achieve them. Sensible diversification – owning a mix of assets, including shares, bonds and alternative investments such as property – can help protect investors over the long term. When one area of a portfolio underperforms, another part should provide important protection.

## **RISK TOLERANCE AND TIME HORIZON**

If you have a well-diversified portfolio, then it's more important than ever to stay the course. You have a strategy in place that reflects your risk tolerance and time horizon, so remain committed. This will help you navigate through periods of uncertainty when some investors are panicking or acting out of fear. Volatility is not all bad, as long as you are prepared to take advantage of the unique opportunities it brings.

In volatile markets, it is perfectly normal for investors to become nervous, question their investment approach and concentrate on the potential for short-term losses over their longer-term investment strategy. Be aware of the psychological effect this type of volatility has on you as an investor, and resist the urge to be reactive.

## **PROPER DIVERSIFICATION AND PERSEVERANCE**

It's important to understand that this movement is not all bad for investors. Some commentators may talk about volatility as detrimental to markets and investors, but fail to mention the opportunities that arise for investors during periods of market volatility.

No one knows how severe any market turbulence will be or what the markets will do next. It could be over quickly or become more protracted. However, no matter what lies ahead, proper diversification and perseverance over the long term are very important.

## **UPS AND DOWNS OF DIFFERENT TYPES OF MARKET CONDITIONS**

It's likely that the coronavirus will continue to have an impact on markets over the coming months and even years. However, major events causing markets to fall, particularly in the short term, is something we've seen time and time again. And it doesn't mean that

markets won't recover. History shows again and again that the ups and downs of different types of market conditions are part and parcel of investing.

The key is to remain calm when stock markets fall. Don't panic. Don't frantically sell. If you can avoid it, don't even log into your investment account. At moments like this, the skills and experience of professional financial advisers come into their own. Not only do we have the experience of dealing with different types of market conditions, but we can also help to take the emotion out of your decisions.

## **LIFE'S FULL OF SURPRISES**

Whatever your level of confidence, we could help you make better-informed investment decisions. If you would like to find out more or require any further information, please contact us.

INFORMATION IS BASED ON OUR CURRENT UNDERSTANDING OF TAXATION LEGISLATION AND REGULATIONS. ANY LEVELS AND BASES OF, AND RELIEFS FROM, TAXATION ARE SUBJECT TO CHANGE.

THE VALUE OF INVESTMENTS AND INCOME FROM THEM MAY GO DOWN. YOU MAY NOT GET BACK THE ORIGINAL AMOUNT INVESTED.

PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE PERFORMANCE.

# HOW SECURE IS THE FUTURE OF YOUR FAMILY OR BUSINESS?

Projecting ourselves into the future to see what's around the next bend is not an easy thing to do

Given the current situation during this difficult and unsettling time, it's important to think about how secure the future of your family or business would be in the event that you were no longer around. Understandably, we would rather not dwell on such a scenario, but this crisis has highlighted the importance of protecting the things that really matter – like our loved ones, home, lifestyle and business – in case the unexpected happens.

The outbreak of the coronavirus may mean you have concerns about your life insurance and whether you're covered. If you have life insurance to provide for those left behind, or to cover business loans after your death, it's important to keep paying the premiums, even if you're tempted to put it on hold to cut costs. You could lose your cover and may struggle to find the same level of cover if you start another policy later on.

## FULL REPLACEMENT VALUE

For many of us, projecting ourselves into the future to see what's around the next bend is not an easy thing to do. However, without thinking, we insure our cars, homes and even our mobile phones – so it goes without saying that you should also be insured for your full replacement value to ensure that your loved ones and business are financially catered for in the event of your unexpected death. Making sure that you have the correct type and level of life insurance in place will help you to financially protect them.

Life insurance provides a safety net. Ultimately, it offers reassurance that your family and business would be protected financially should the worst happen. We never know what life has in store for us, as we've seen in recent weeks with the outbreak of COVID-19, so it's important to get the right life insurance



policy. A good place to start is to ask yourself three questions: Who do I need to protect? How much cover do I need? How long will I need the cover for?

## ASK YOURSELF

- Who are your financial dependents – your husband or wife, registered civil partner, children, brother, sister or parents?
- What kind of financial support does your family have now?
- What kind financial support will your family need in the future?
- What kind of costs will need to be covered, such as household bills, living expenses, mortgage payments, educational costs, debts or loans, or funeral costs?
- What amount of outstanding business loans do I have now?

## FINANCIAL SAFETY NET

It may be the case that not everyone needs life insurance. However if your spouse, partner, children or other relatives depend on you to cover the mortgage or other living expenses, or your business has loans and also depends on you, then this is something you should consider. Putting in place the correct level of life insurance will make sure they're taken care of financially.

That's why obtaining the right professional financial advice and knowing which products to choose – including the most suitable sum assured, premium,

terms and payment provisions – is essential.

## NO ONE-SIZE-FITS-ALL SOLUTION

There is no one-size-fits-all solution, and the amount of cover – as well as how long it lasts for – will vary from person to person. Even if you consider that currently you have sufficient life insurance, you may need more later on if your circumstances change. If you don't update your policy as key events happen throughout your life, you may risk being seriously under-insured.

As you reach different stages in your life, the need for protection will inevitably change. How much life insurance you need really depends on your circumstances – for example, whether you have a mortgage, you're single or have children, or you have business loans that you are liable to pay.

## DON'T LEAVE IT TO CHANCE

Since the outbreak of COVID-19, some insurers are restricting cover for new applicants and have introduced new questions to their application forms. This has been done in order to establish and manage the insurance risks it poses. Planning for a time when you're no longer around may seem daunting, but it doesn't have to be. Don't leave it to chance – speak to us for more information.

# RYAN'S TAKES TIME TO LOOK AND LISTEN OUT FOR LOCKDOWN LEGENDS



As we work through the way we will all continue to be affected as a nation in lockdown, pausing to look, listen and take stock of the situation around us is a good thing to do. Every day, we recognise our lockdown heroes – doctors, nurses and carers, postmen, and those working in retail to name only a few. Looking in less obvious places, though, it's clear that we really are a nation of heroes.

Ryan's, which has won awards for its commitment to its employees, operates with a strong ethos of giving back, and it's clear that this extends through the entire business. Decamped and working from home, with no break in service in terms of customer care, the people at Ryan's are stepping up, volunteering and giving to the community in a range of different ways.

## SUPPORTING THE COMMUNITY

Teaming up to provide local support for vulnerable people is invaluable, and that's something Katrina Boyle, in Capel St Mary, recognised while her family had to self-isolate. 'As we were isolating when the local support group started, I'm not on the ground, but I'm on the telephone team, making weekly calls to a group of vulnerable people for a check-in and chat. The relationships we're building with people we didn't know previously have been incredibly rewarding for me, as well as a lifeline for them.'

That team spirit is shared by Managing Director Robin Belsom, who is collaborating with his fellow runners at Jaffa to organise a virtual Ekiden relay race in support of the East Anglian Air Ambulance, as well as runners' personal charity choices. 'We're all recognising the terrific work our NHS workers are doing. That incredible work extends out to the charities who give their services to our communities, but who may have taken a lower profile most recently.'

## SUPPORTING KEY WORKERS

Supporting our key workers as they go out onto the front line is also incredibly important. We've seen local initiatives, setting up and helping out, and the team at

Ryan's have been doing their bit too.

Wendy Pryor, who's a dab hand with a crochet needle, has been creating face mask expanders for key workers. Rachael Stokes and Nicci Dedman Munro have been busy making bags for carers, nurses and doctors to transport their scrubs safely from work and into the washing machine without contaminating other items.

Scrubs, meanwhile, have been flying out of Executive Chairman Tim Ryan's house. 'Those who know me will be sure it's not me working magic on the sewing machine! Emma and her machine have been working non-stop, though, and it's great to hear how much of a difference these have made to people's well-being.'

While they're busy supporting and creating for the community, the teams at Ryan's are all available to help with both personal or business insurance enquiries as usual.



If you would like to talk to one of our advisers about our range of personal or business insurance solutions please call the Ryan's team on 01473 343300 or visit our website [www.ryans.co.uk](http://www.ryans.co.uk)

Ryan's is a trading name of Ryan Insurance Group Limited which is authorised and regulated by the Financial Conduct Authority

**Clayden Financial Independent Financial Advisers**  
1 Constable Court, The Street, Belstead, Ipswich IP8 3LY  
**Tel:** (01473) 730090  
**Web:** [www.claydens.com](http://www.claydens.com) **Email:** [advice@claydens.com](mailto:advice@claydens.com)

Clayden Financial is a trading name of Clayden Financial Planning Ltd which is authorised and regulated by the Financial Conduct Authority

**Clayden**  
FINANCIAL  
INDEPENDENT FINANCIAL ADVISERS