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Post Brexit Economic Update

Following news of the decision to leave Europe a huge amount of articles were written forewarning the economic disaster that was about to be unleashed. However, whilst relatively little is known about what Brexit will in fact look like as the government appear reluctant to outline it - trade and markets have recovered from their initial shock very quickly.

Domestically British retailers saw stronger-than-expected sales in August with the CBI noting that the figures showed a sharp rebound from their slump in July following the Brexit vote.

Indeed UK Equity markets themselves have also delivered a positive return to investors. Much of this may well be down to the impact of a weak pound, which appears to have had a strong influence in the aftermath of the leave vote.

It is worth bearing in mind that approximately three-quarters of the revenues and earnings of the UK's top 100 companies are generated overseas, so a fall in sterling has provided support to exporters and an immediate currency translation gain. Equally a number of UK Companies have now become targets of overseas buyers as they start to look good value in currency terms as potential acquisitions.

In addition to the above the Bank of England has also acted decisively to try to support the economy and UK interest rates have been cut to a new all-time low. Bank of England (BoE) policymakers reduced base rate by 0.25 percentage points to 0.25% at their August meeting.

Prior to their decision, the UK's key interest rate had remained at 0.5% since March 2009 – their lowest level since the BoE was established in 1694. The rate cut – which was unanimously agreed by the nine members of the Monetary Policy Committee (MPC) – had been widely anticipated for some time; indeed investors had been surprised by the MPC's decision to maintain its monetary policy stance at its July meeting.

Alongside August's cut, policymakers also signalled their readiness to take further action if required, perhaps even reducing the base rate to near-zero levels if necessary.

Finally the BoE also expanded its stimulus measures and will purchase £60 billion-worth of government bonds and up to £10 billion-worth of corporate bonds. In addition, the bank will also lend up to £100 billion to the UK's banks in a new Term Funding Scheme designed to make sure the measures feed through to the real economy.

Whilst popular from an economic perspective savers may not quite admire this as it makes Banks less inclined than ever to offer competitive interest rates on savings accounts.

The BoE warned that "recent surveys of business activity, confidence and optimism (suggested) that the UK is likely to see little growth in GDP in the second half of the year", but maintained its forecast for 2% economic growth in 2016. Looking further ahead, however, the central bank slashed its growth forecast from 2.3% to 0.8% in 2017, and from 2.3% to 1.8% in 2018

As the clocks go back, burglars come forward

For many of us, the clocks changing in autumn isn't something we really look forward to — but for criminals, perhaps it is. Shorter days give them more time to work under cover of darkness, with research from Aviva showing there's a significant increase in burglary between Halloween and Bonfire Night.

Halloween sees a rise of 150% in malicious damage claims to homes, damage to cars rising by 50% and car thefts also increasing by 20%. And Bonfire Night is the worst night of the year for break-ins. It seems burglars take advantage of many people being out of the house at public displays or parties and the noise of fireworks cover up suspicious sounds such as smashing glass.

With 80% of crime being committed by opportunists, it's the simple steps that can have the greatest effect to avoid the worry of being a victim of crime. Such as ...

- Remove keys from doors when they're locked and leave them out of sight.
- Shut windows when you go out.
- Make your house look occupied if you'll be out when it's dark.
- Don't answer the door to trick or treaters if you don't want to.
- Lock sheds, garages and other outbuildings with robust locks.
- Mark your possessions with your house number and postcode. Seeing a marked item may dissuade a burglar from taking it in the first place.

How much is enough?

What do I need to do to enable me to live the life I want? How much do I need to earn, save or invest to ensure I never run out of money? What do I need to do to ensure my family has complete peace of mind, whatever happens?

In order to have the lifestyle you want you need clarity over your goals, your objectives and your motivations. Cash flow modelling illustrates what might happen to your finances in the future, and enables you to plan to ensure that you make the most of your money to achieve your lifestyle objectives.

Utilising cash flow modelling software we can show your current position relative to your preferred position and your goals by assessing your current and forecasted wealth, along with income inflows and expenditure outflows to create a picture of your finances, now and in the future.

The process and planning is only as good and as comprehensive as the information you provide. It is most successful when making use of annual reviews and re-assessments, and you will need to be fully involved in the process as there can be variables.

Using the software we can determine what recommendations and best course of action are appropriate for your particular situation, lifestyle & spending and the right investments to achieve those goals.

This will give you peace of mind, financial security and the financial independence you need to ensure you can achieve and maintain your desired lifestyle without risk of either running out of money – or dying with too much!

Tax Tips

From 6 April 2016, the first £1000 of interest you receive from savings is tax free, if you are a basic rate taxpayer.

If you are a higher rate taxpayer, the threshold is £500. It is only if your savings income exceeds the allowance that any tax is due on it.

This will no longer be deducted at source, if tax is due you can pay it via self-assessment or have it deducted via PAYE through an adjustment in your tax code.

Staff News

'Team Sabre' complete Muddy Run for Second Year



'Team Sabre' successfully conquered the Race for Life's Pretty Muddy 5km run at Exeter again on 23 July 2016.

This year the team of 14 ladies raised almost £900 for Cancer Research. They were cheered on by their colleagues and all agreed it was a really good event.

Exam Successes

Sabre is committed in encouraging and supporting their staff in further personal development and training.

Three members of staff have recently passed industry recognised exams:

Andrew Bond, Financial Adviser - R08 – Pensions Update. The objective of this unit is to develop knowledge and understanding of changes introduced by the Taxation of Pensions Act 2014, changes to the State pension provision from 06 April 2016 and the key factors to take into account when advising clients on their retirement income.

Scott Robinson, Personal & Business Protection Adviser - R01 – Financial services, regulation & ethics R03 – Personal taxation R05 – Financial protection.

Scott is now fully qualified to advise on personal and business protection.

Rob Came, Trainee Account Executive – CII IF1 Insurance, Legal & Regulatory.

Rob is also taking IF2 General Insurance Business at the end of September.