

## Investment Market Update

The start of 2018 has witnessed renewed stock market volatility after a long period of relative calm and growth. Indeed although the FTSE 100 Index reached a new all-time high during January UK equity indices generally ended the month in negative territory, weighed down by a rally in the value of sterling, and by strong economic news from America which threatens a rise in interest rates. At the time of writing markets have regained their poise and started to recover.

In terms of the UK Stock Market there were several companies who hit the headlines when outsourcing company Carillion collapsed during January after failing to procure further funding. Carillion's share price plummeted by over 90% in 2017 and the company subsequently went into liquidation with a substantial pension deficit.

In an article written for The Guardian newspaper, Prime Minister Theresa May pledged to ensure that the Government will protect employees' pensions from "executives who try to line their own pockets". Carillion's predicament led investors to turn their attention to other outsourcing companies and, as January drew to a close, outsourcing company and FTSE 250 Index constituent Capita issued a profit warning alongside restructuring plans, triggering a dive of over 40% in the company's share price.

In a wider context the UK economy expanded by some 1.8% in 2017, having grown by 1.9% in 2016. Looking ahead, the International Monetary Fund (IMF) expects the economy to grow by 1.5% in 2018 and 2019. The IMF believes that Brexit remains a key stumbling-block to the UK's prospects, and warned that an increase in trade barriers could dampen global investment and reduce efficiency.

Economic growth in the Eurozone accelerated during January to reach its highest level for almost 12 years, according to IHS Market. Expansion was boosted by robust growth in the services sector. Pricing pressures deepened during January, driven up not only by higher energy prices, but also by stronger demand. The Eurozone's economy grew by 2.5% during 2017. The International Monetary Fund (IMF) believes that the global economic outlook is improving, underpinned in part by a strong contribution from Europe. The IMF upgraded its forecast for economic growth in the Eurozone, and now expects the euro area's economy to expand by 2.2% in 2018 and 2% in 2019.

In America over January as a whole the Dow Jones Industrial Average Index rose by 5.8%, whilst the Nasdaq index climbed by 7.4%. Despite the volatility recently experienced the newly agreed tax reforms are projected to make 2018 another record year for dividends and share buybacks, with the Federal Open Market Committee predicting real GDP growth of between 2.2% and 2.6% in 2018.

## Does your Home Insurance protect you when it matters?

Underestimating the value of your home contents is all too easy — research from leading UK Insurer Aviva, consistently shows that millions of homes in the UK are underinsured. We don't want yours to be one of them which is why we advise you to check your home insurance policy for the level of cover you have.

You should then consider doing an inventory of your belongings in order to work out an estimated cost of replacing them as new items. The easiest way to do this is room by room, making a note of the contents and the cost of replacing them. For example, in bedrooms it would include furniture, carpets, curtains and so on, and also clothes, which collectively could be the most valuable things you possess. It is a good idea to keep receipts for any valuable items you buy, for reference.



It is also vitally important to consider the up to date values of any precious items, jewellery and any collections that you may have and we recommend talking to specialist value's in order to ascertain an accurate replacement cost of such items.

If you do find that your contents come to more than you're covered for, talk to your insurance provider about increasing the contents cover limit on your home insurance policy. It may cost you slightly more in premium but ultimately it will make a huge difference in the event that you need to make a claim, especially in the worst-case scenario of a fire or flood.

Telephone or visit our offices to speak to us about your insurance needs.

# Sabre sponsors charity golf day

We are very pleased to announce our support for the 2018 Kingsbridge Estuary Rotary charity golf day with a 3-year title sponsorship deal alongside the prestigious Thurlestone Hotel.

In 2017 the event raised over £7,000 for charity and they continue to support Rotary and other locally supported charities. This year the main charity is Brace, an independent charity committed to defeating dementia through scientific research. Brace raises funds and awards grants to researchers at universities in the South West, including Plymouth and Exeter.

Over recent years Sabre has been keen to support a number of local clubs and community groups including South Hams Indoor Bowls Club, Kingsbridge & Salcombe Hockey Club, Kingsbridge Youth and Business awards, Salcombe Yacht Club and Kaleidoscope Disability Football. We wish all these Groups well for the rest of 2018 and are pleased to support them with their endeavours.



## Top Tax Tips

Review the income you expect to receive by the end of the tax year and make sure it is as tax efficient as possible. If you are drawing income from shares there is a £5,000 p.a. tax free allowance for dividend income but tax is due on dividends above this level starting at 7.5% for basic rate taxpayers. This allowance is due to reduce to £2,000 p.a. from 6 April 2018.

Interest income is tax-free up to £1,000 for a basic rate taxpayer and £500 for a higher rate taxpayer (nil if an additional rate taxpayer). Also up to £5,000 may be tax-free for any taxpayer but only if income excluding dividends is less than £16,500. If you have taxable income over £100,000 there are potential tax benefits in making additional pension contributions or gift aid donations which may restore your personal tax allowance.

## Staff News

Unfortunately, Lucy Stokes, Steph Pope and Kelly McCormack have all decided not to return to work following the births of their children. We wish them and their families all the best for the future.



We are pleased to welcome Lydia Baker to the accounts team where she will process accounts for both Sabre Financial and Sabre Insurance Services. Lydia previously worked at Oceans Restaurant and the Gastrobus. Outside of work her hobbies include helping to run her family's farm which has horses, ponies and a few ducks.

As part of his continued professional development we are pleased to announce that Scott Robinson has recently passed R06, Financial Planning Practice, the last in a series of 6 exams and has been awarded a Diploma in Regulated Financial Planning, along with the DipPFS designation. The Diploma is an advanced technical qualification which develops specialist knowledge and skills across the key areas of financial planning. Scott looks forward to using this to provide new and existing clients with the sophisticated and comprehensive approach to financial planning you expect from Sabre.



Yan Potterton, our Accounts Manager at Sabre Insurance Services will be running the London Marathon with her friend Lisa Green on 22 April 2018 in aid of Breast Cancer Now. If you would like to sponsor her, please use the following link: <https://uk.virginmoneygiving.com/yan-potterton-lisa-green-SAVMLMBONDS3332018-3388>

And finally – a reminder that Stuart will be away taking part in the Clipper Round the World Yacht Race and will be away from the office from 18 April to 1 August. In his absence his clients should contact Jo Massey or Bunny Rothwell.

