SUMMER **2021** ISSUE NO. **02**

# MONEY MATTERS

**UPDATES, NEWS AND SERVICES FROM LAKESIDE FINANCIAL SOLUTIONS**



> ***"We were very pleased with the way our clients' portfolios held up and performed during 2020"***

## Understanding Investment Performance

**Looking back at last year, we were very pleased with the way our clients' portfolios held up and performed during 2020. We hope you found the updates that we sent reassuring during what was a year of worry and turmoil.**

However, it is now time to note that after a year of solid, good investment performance it is likely that there will be a period of consolidation and even some falls in value, particularly over the shorter term.

As you may have seen in the recent portfolio review that we sent to you, our portfolios stand up incredibly well against their peers and sector averages, offering excellent consistency and risk-adjusted returns. But this does not mean that they always go up in value, especially when looking at three monthly valuations. So, whilst it is nice to check values online and look at statements regularly, we caution against becoming addicted to checking the short term detail as your investments are there for the long term.

Rather than anchoring your investment performance against your latest statement - which may be from a very good point in time or a short term blip - it makes more sense to frame it within a three and five-year time horizon…what was it worth three years ago? What was it worth five years ago? What is it worth today? Then you can get a feel for how things are going over the long term rather than be excited or concerned by the short term noise and volatility.

If you cannot find your historic values to undertake this exercise, we would be more than happy to help - please ***contact the office at admin@lakesidefs.co.uk***

## IN THIS ISSUE

**MORTGAGES**
We look at remortgaging, your options and overpaying. Plus a mortgage Q&A.



**25 YEARS SERVING OUR CLIENTS**



# **Finance Q&A** - Remortgages

**Whether buying a home, remortgaging at the end of a current deal or looking to borrow extra money against your home, researching the market is essential to secure the best possible rates. Lakeside Financial Adviser, *James Foster,* highlights the key considerations.**

## What are the main reasons for remortgaging?

**J**: Most homeowners will be looking to remortgage when approaching the end of a fixed-rate mortgage period to ensure they are getting the best deal available. The alternative is to drop onto their current provider's variable rate though this will likely come with higher interest than they were previously paying. Some people also choose to remortgage to borrow money against their property for things like home improvements or consolidating debt.

## What are the main risks and benefits of remortgaging to raise funds?

**J**: The main risk with remortgaging to raise funds is that you are borrowing against your home, and so if you can't make the repayments, your home could be at risk. We will always review a client's insurance situation to try and mitigate this risk. Mortgages tend to have lower interest rates than other secured and unsecured borrowing options, but if you are paying the money back over a longer period, it can result in paying more interest overall. As such, we advise looking at all options available, such as personal loans, before choosing the remortgage route. On the other hand, more extended repayment periods can work in some clients' favour as it means spreading the cost, making the monthly repayments more affordable.

## How is the current pandemic impacting remortgage options, and what factors will affect the rates available to an individual?

**J**: Every remortgage to raise funds or change lender is a brand new application, and so an individual's full circumstances are assessed to see if they meet the criteria required as to what lenders and rates are available to them. This includes age, income, credit score and commitments and the amount of equity that is in the property. Competition in the mortgage market will also affect the rates available at the time.

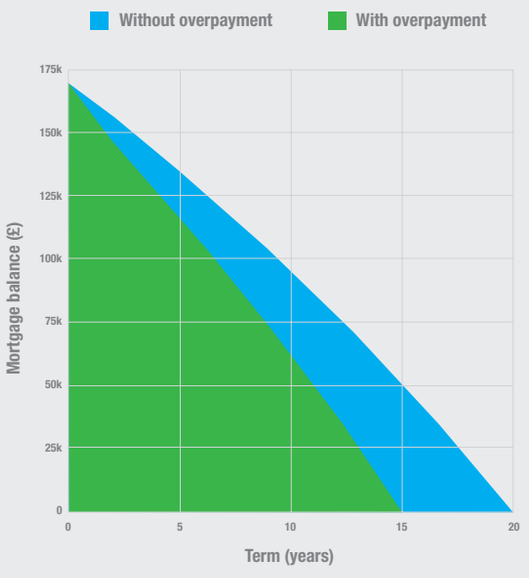
The pandemic has caused most lenders to tighten up their criteria, and some clients may find that their own lender's criteria has changed since they carried out the initial application, or indeed their own personal circumstances have changed as a result of the pandemic, and now their lender is refusing to lend more. Applications are moving slower than usual, too, as lenders carry out more checks.

## How can Lakeside assist clients looking to remortgage?

**J**: We advise all clients, no matter what their personal circumstances are, to start exploring their remortgage options around six months before their current deal is due to end. This allows time for us to thoroughly research the lenders available to them to get the best possible deal in place. We'd also advise anyone currently on a variable rate to get in touch as the likelihood is we can save them money by finding them a better interest rate. If a client is looking to remortgage to borrow more money from their property, we can again do the research to make sure they are getting the best deal with their own lender or by looking elsewhere. The remortgage process is made simple and efficient for our clients in that we have an in-depth knowledge of lender criteria and software that helps us carry out research. We also have existing relationships with lenders. We can then approach the lenders on our client's behalf, package their applications, deal with the underwriters and chase up solicitors, valuers, and anyone else we need to get our client's mortgage sorted as quickly as possible. This saves our client from doing their own research, attending various appointments at the bank, and lots of time on the phone chasing people for updates.

***Please feel free to contact us for further information on remortgaging your property: admin@lakesidefs.co.uk***

## *"How overpaying your mortgage could save you time and money"*




**With a mortgage of £170,000 over 20 years - paying an extra £200 per month for the remaining mortgage term and a lump sum of £5,000 could mean you save £13,110 in interest.**

These result assume the interest rate stays at 2.49% over the whole remaining mortgage term.

# *What are your remortgage options?*

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## INVESTMENT MANAGEMENT UPDATE

As you may know, Lakeside FS converted our model portfolios to discretionary model portfolios some time ago, primarily so that you no longer had reply to emails giving us permission to make changes with your investment funds. This work was done in conjunction with Copia which was founded by Henry Cobbe. Henry left Copia last year and so in order to continue to work with Henry, we have now formed Lakeside Portfolio Services Ltd. to provide the ongoing portfolio services. Henry will continue to work as one of our external consultants to provide continuity. You won't notice any changes and the investment decisions will continue to be made by the same team but if you do have any questions, please feel free to contact us.

# LAKESIDE TEAM Q&A - Claire Wadeley



**Client Liaison Manager Claire Wadeley helps to keep the Lakeside cogs turning, from answering client queries to organising director diaries and implementing excellent customer service. Here, she reflects on the company's growth and how her love of talking makes her the perfect woman for the job.**

**When did you first join Lakeside, and how has your role changed since that time?**

I've been with Lakeside for 16 years, joining in an admin role following an earlier career in retail. I was one of three initial team members at Lakeside, and so the company has grown a lot since that time. I've seen my role advance into client liaison and PA to Lakeside's directors, plus helping to maintain a high standard of customer service across the board.

**What does a typical working day look like to you?**

No two days are ever really the same, but they're always busy. I currently work closely with Lakeside Practice Principal Matthew Hibbert, and so I'll make sure he is up to date with client and new business meetings, answer emails and take on any additional tasks he may have for me. Most days, I'm also in contact with clients updating their data on our systems and passing any circumstance changes to our advisers to follow up on.

**And what do you enjoy most about your job?**

I'm known as a talker, so it will come as little surprise that the interaction with clients is what I enjoy most. If someone rings with a general enquiry, they will often come through to me, and I love catching up with existing clients just as much as speaking to new ones. Given the circumstances the past year, it's been more important than ever to check in on clients; sometimes, a simple phone call to say "hi" can make a real difference.

**Tell us what you feel sets Lakeside apart from other financial advice companies?**

Though the company has grown a lot, it's built on honest family-run values, which means a lot to its employees and clients alike. As a team, we build trust with our clients, treating each as an individual and getting to know them. This means our advisers can always act in clients' best interests.

**How do you spend your downtime away from work?**

Family time with my husband, Mark and our 13-year-old daughter Rebecca-Mae is important. We love art, especially drawing, and always look forward to our holidays to Disneyland Paris. I also have a close group of girlfriends that I've grown up with that I socialise with a lot when Covid restrictions aren't in place.

**What are your top personal goals for 2021?**

I hope that we can return to a level of normality following the pandemic. The lockdown periods have certainly made us appreciate things that we once took for granted, such as seeing family and friends. It will also be great for our daughter to enjoy high school once again and feel more settled.

*If you would like to discuss Lakeside's investment and estate planning services, contact the office at admin@lakesidefs.co.uk*

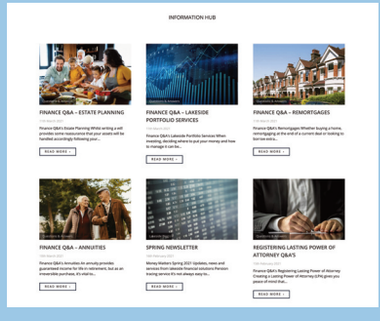
# SERVICES

## Just some of the services we offer at Lakeside

**At Lakeside our clients benefit from bespoke financial solutions and pro-active, ongoing advice as well as access to exclusive products and services with extremely competitive pricing and charge caps. We offer the following services to all our customers:**

- **Investments**
- **Pensions**
- **Insurance**
- **Mortgages and Lending Options**
- **Wills**
- **Lasting Powers of Attorney**

Visit the 'Information Hub' section of our website for further articles and updates on the portfolio of services that we offer.




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