



Independent Financial Advisers

News & Views

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The Review Process

At any given moment in time we can only plan ahead based on what is known now and what is expected in the future.

We talk to you - our clients. We ask about your past experiences and present circumstances and how you expect these to change in the future. We discuss your aims, your aspirations, your targets and your goals. We also talk about concerns, threats and risks.

Plan

Then we come up with a plan, tailored to your requirements. The plan takes account of a lot of solid facts: none of us can change the past or change our age or even change our National Insurance Number.

But, it also takes account of an enormous number of variables: jobs, earnings, outgoings, assets, liabilities, health, marriage, children ... the list goes on.

As these circumstances change so do needs and aspirations. Views change. Timescales change. Willingness and/or ability to accept risk changes.

... Review

And this is why regular reviews of any and all financial planning decisions are so important. Good decisions made in the past will count for nothing if they are not revisited when needs and circumstances change.

At HDA we invite all of our active investment management clients to review their targets and their Risk Profile on a six-monthly basis.

Take the time to read your review and to engage with the review process. The more often you confront your own aims and views, the more likely we are to achieve your goals.

...Plan

Behind the scenes HDA is always at work on our part of your plan. As investment advisers we look at what has happened to different types of asset in the past and we look at how different assets have performed relative to each other.

We look at the current economic situation and we consider how we expect this to change over the short and long term.

As explained in the last edition of *News & Views* we then focus on the correct asset allocation, fund selection and strategy for each of our portfolios.

... Review

Having made our initial investment decisions the most time consuming part of our work is to keep these under review and amend them when necessary. Just as a client's individual investment planning must be regularly reviewed, so our asset allocation decisions and fund selections must also be constantly monitored.

We measure the performance of our portfolios on a daily basis against bespoke benchmarks. In simple terms we aim to ensure that the performance of our actively managed funds is above average in each sector over relevant time periods.

We also measure the efficiency of our asset allocation (i.e. deciding how much to invest where) on a daily basis by measuring volatility (the level of ups and downs in a portfolio) and by tracking absolute performance relative to our targets.

We communicate our performance data and our investment recommendations to you every six months. That is the time to ensure that our planning and your requirements are in tune with each other.

In the next edition of *News & Views* we hope to bring you exciting news about HDA's online developments.