



Tailored Financial Planning & Advice

Investment - Pensions - Protection - Mortgages

2023-24 Brochure

www.krdfa.com

Who we are, and how can we help you?

KRD will celebrated its 15th Birthday in October 2020. We are very proud of our business, of the progress we have made, and of the way in which we have worked together with our clients to help them prosper over that period. 12 years has flown by, but that said, many of our senior team have worked successfully together for more than double that period of time, so we would like to think that at KRD there is a wealth of experience, in managing clients wealth.

Right from its inception KRD has been a business built around its people, and everyone who works here, from our senior advisory team to our administration staff all understand that people do business with people, and not with organisations.

“There’s nothing like a walk in the park, when you know life’s worries are taken care of.”



Our aim, would always be to work very closely with you, because it is vital to us that we fully understand you, and your needs. This helps us to determine and achieve, your lifestyle and financial goals and objectives, in order to maximise your opportunity to increase your wealth over time.

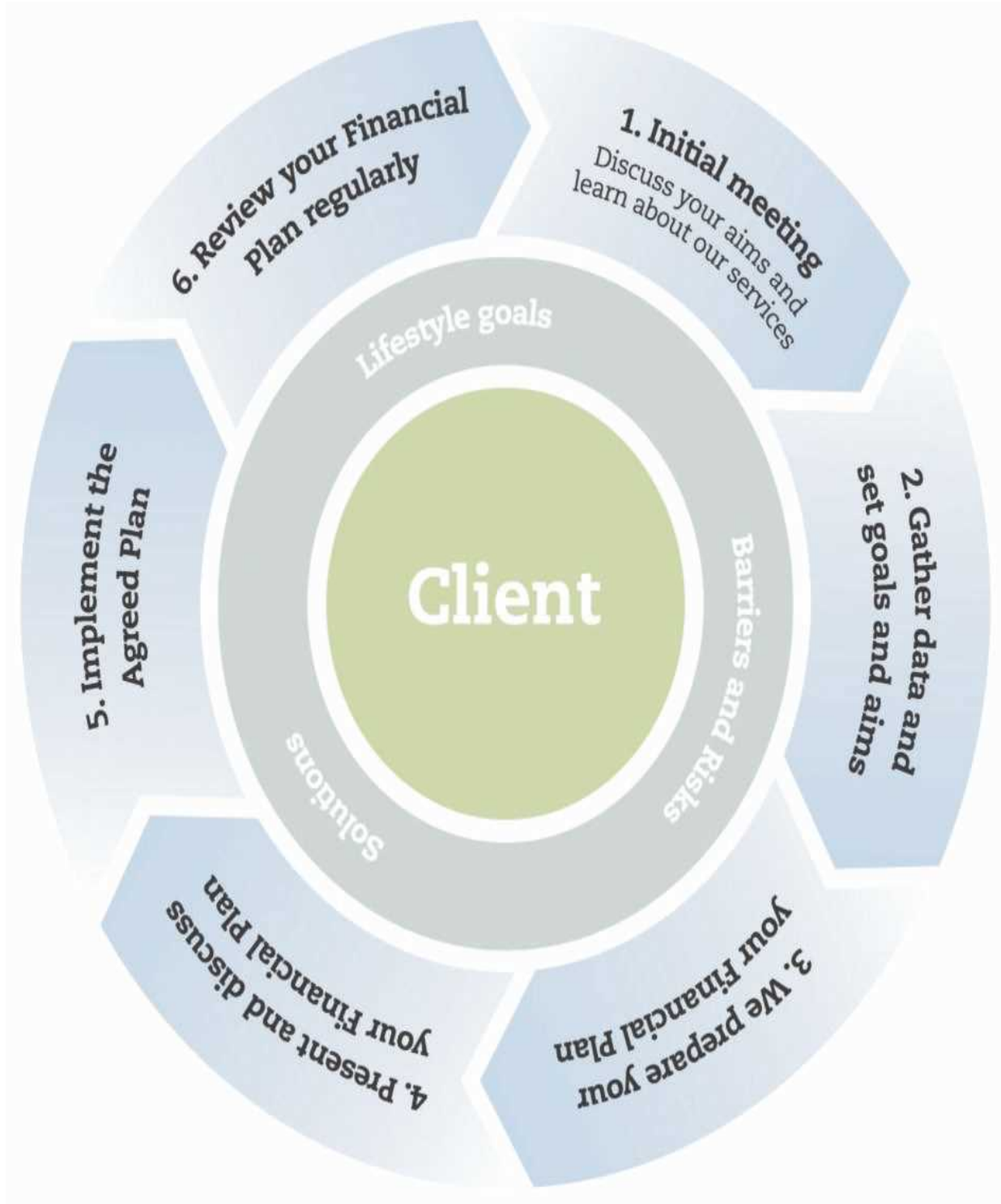
Everyone is different and has different needs. Your needs will evolve as your personal circumstances change, so we work with you to ensure a regular focus on your investments, and pension funds, ensuring you are advised properly in regard to long-term estate planning, in the most tax efficient way possible.

Many of our long-standing clients have complex financial needs, needs that have changed over time, and which may do so again, in-line with changing financial markets and regulatory frame-works. However, you, like many of our clients, may have neither time, nor easy access to all the information you need to make informed decisions, and to manage your long term investment finances effectively and efficiently in this evolving marketplace, so that's where we come in.



Visit our website: www.krdfa.com

The Planning Cycle



What we do, and the way we do it

Whatever you need, and want from your wealth, the first step is to establish what matters most to you, so, during the initial stage of the planning cycle, we will meet with you to consider and discuss your priorities, ambitions and concerns.

This would include: levels of return need to meet specific objectives assessment of the situation in the event of sudden, or long-term illness or death how your accumulated wealth might eventually be distributed income tax planning your attitude to risk, and the impact of changing circumstances inheritance tax planning

Once we've gathered all of the information at the initial meeting, we can start to analyse your needs, review the wide range of financial products available, and consider all of the options that might be available to you, before tailoring and proposing solutions that meet your needs.

We then present, and discuss these proposals with you, before agreeing, and then implementing your personal financial plan, which is then regularly reviewed with you.

As the planning cycle illustration demonstrates the planning approach that KRD use, and will continue to use, starting with the initial meeting, and runs through to the implementation of a strategy that we will agree together, and then leads to the regular review meetings that we will hold with you.

Financial Modelling

The next couple of pages show graphically how your risk profile and asset allocation are formulated and reported along with a cash flow model of your income and expenditure that shows how long your savings will last.

The software we use is independent and is recognised as being amongst the best in the industry.

The risk and return graph (below) shows the results of an "attitude to risk" questionnaire that you will be asked to complete. This shows your risk score and if applicable your current investments risk profile. This way we are able to check the risk you are taking currently

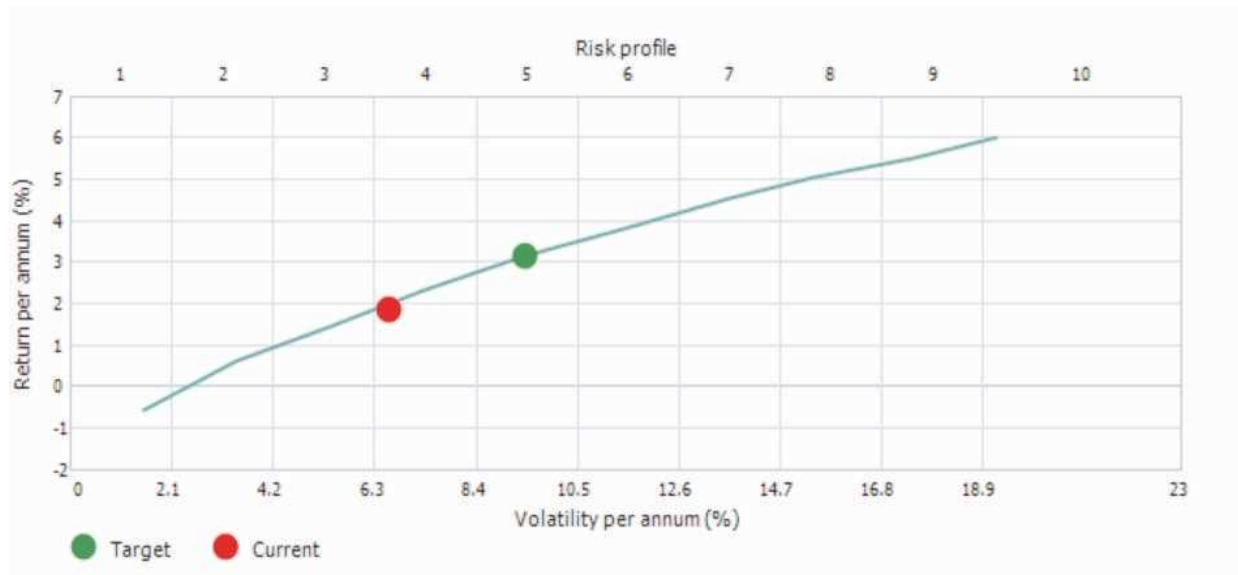
If you have existing investments, the risk and return graph shows your current asset allocation and our target or recommended asset allocation is for the risk you are prepared to take. Asset allocation is widely recognised as the key to getting the best returns.

We also use a cash flow modelling system as shown on page 7 to show clients a forecast of what their retirement income might look like. This system can be updated as often as required or as things change.

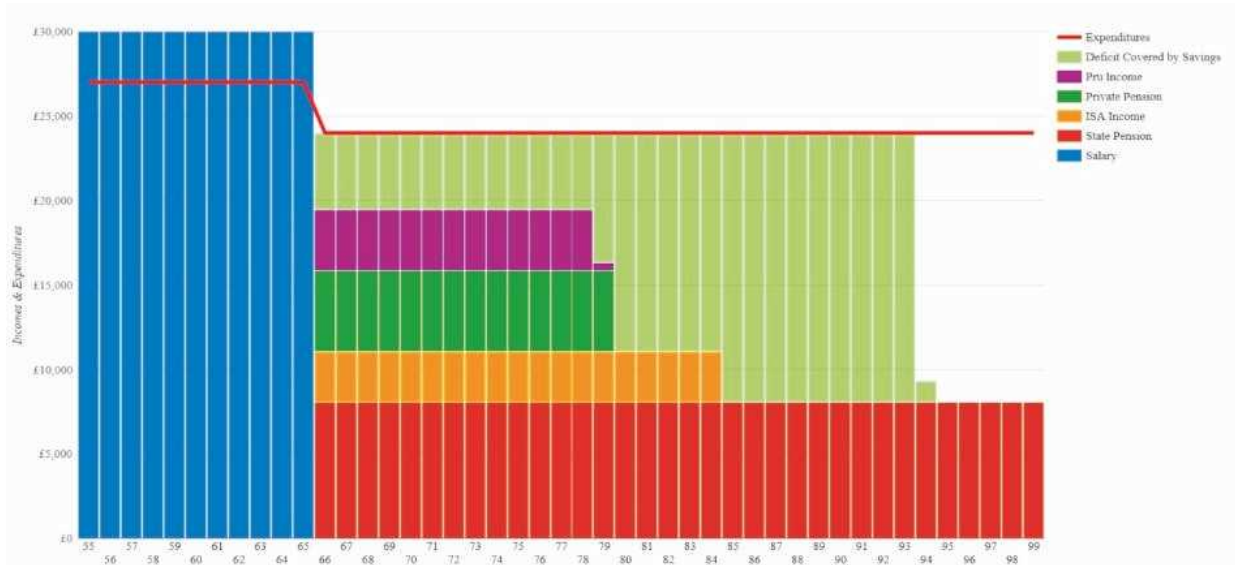
This allows you to plan with more certainty, and give you greater peace of mind.

The second cash flow graph shows how your savings deplete over time, assuming you are supplementing your income from savings. Not everybody will, but it gives an indication of when your savings are likely to run out.

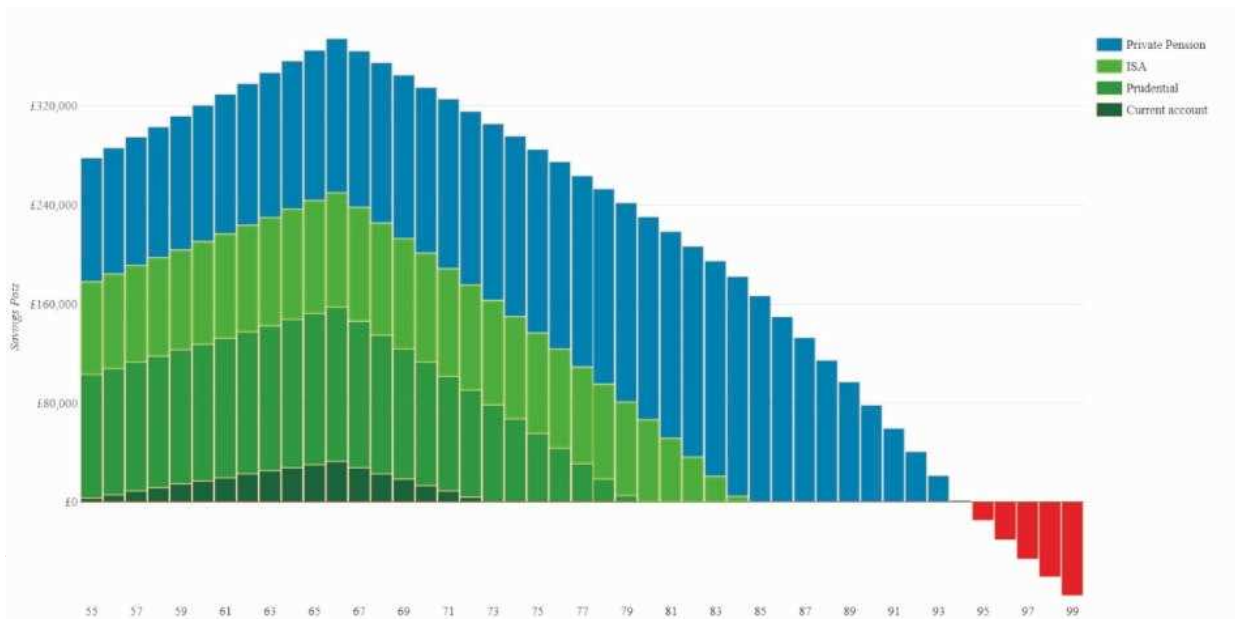
Risk and return expectations



Cash Flow Forecasting



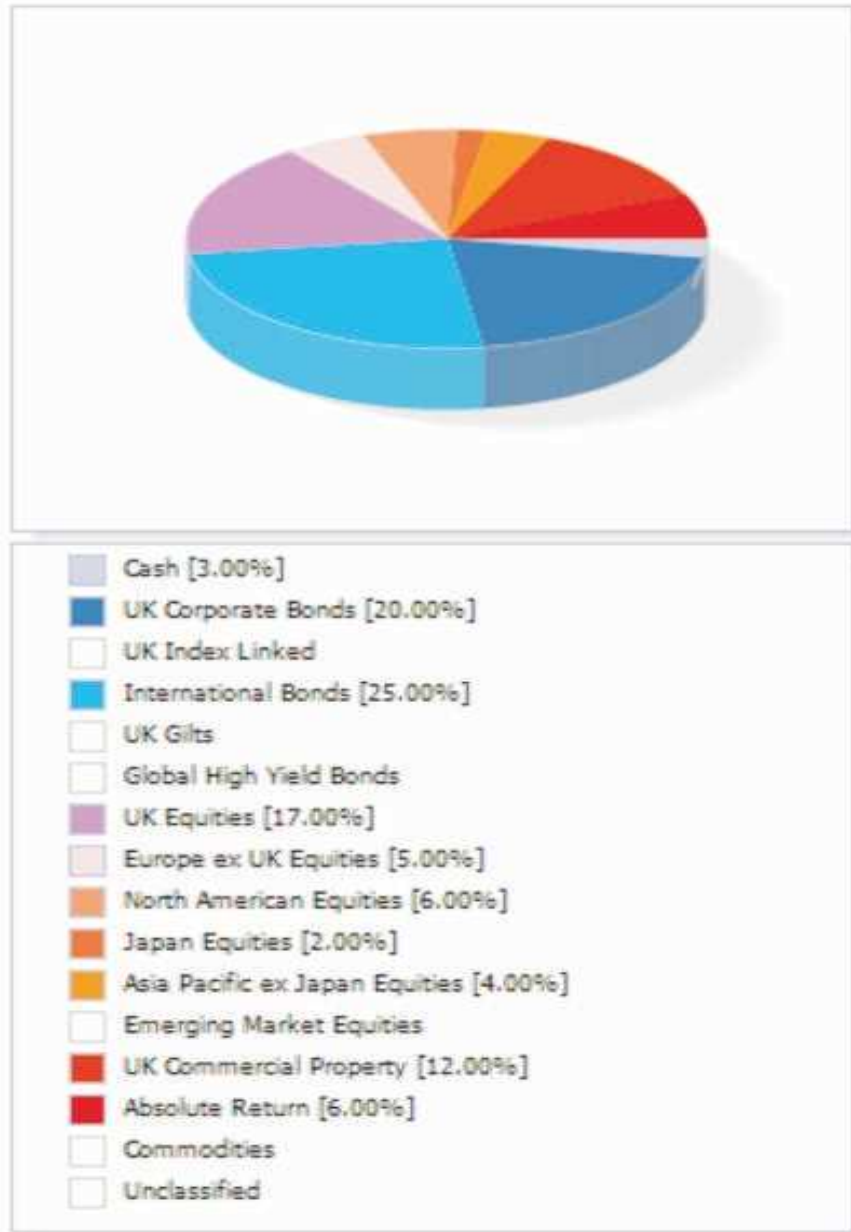
Savings Over Time



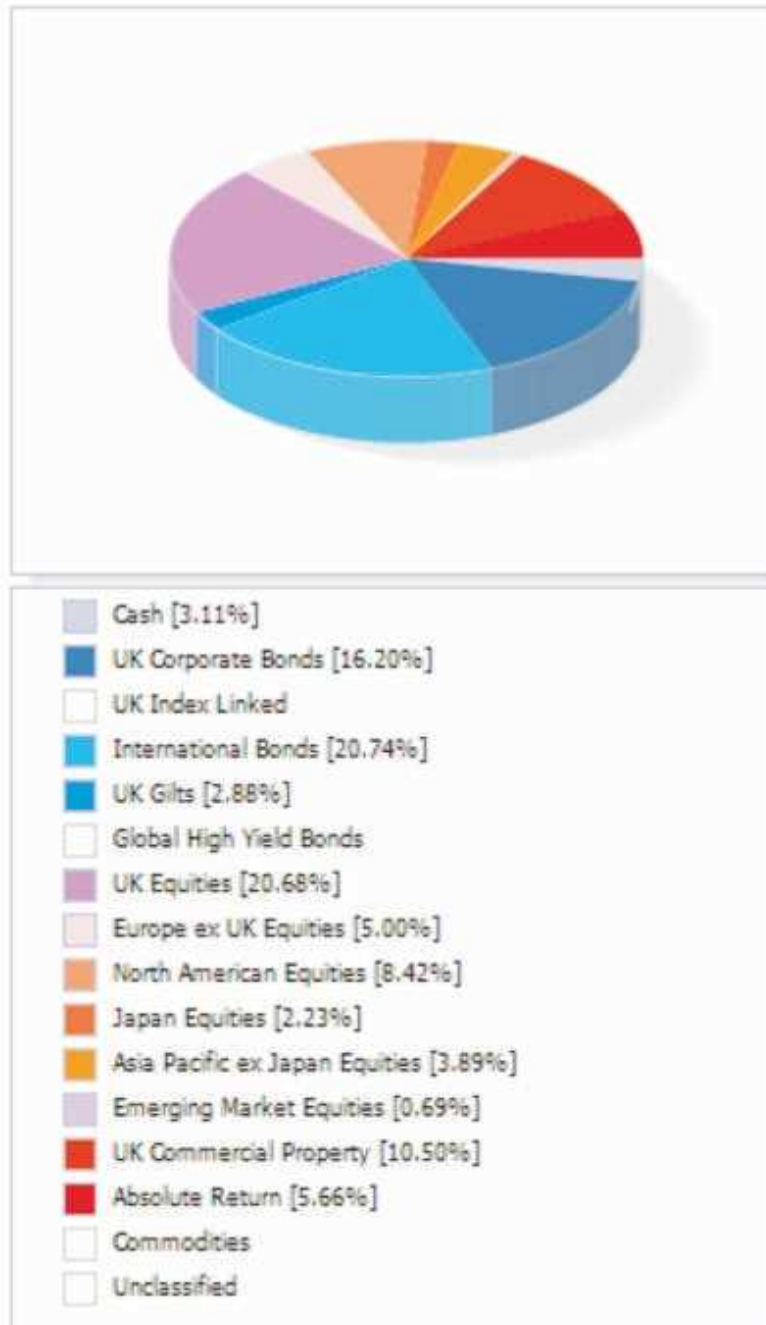
Recommended Asset Allocation

The following charts display the asset allocation of your current holdings alongside the asset allocation for the recommended portfolio.

Current Asset Mix



Recommended asset mix



Ethically Investing

What is ethical Investment?

Ethical Investment is known by a variety of terms including Green Investments and Socially responsible investment (SRI). These terms refer to financial or investment services which strive to maximise both investment performance and social welfare. In general, ethical investments looks to encourage corporate practices that promote environmental stewardship, consumer protection, human rights and diversity, although additional criteria such as avoidance of weapons, alcohol, tobacco gambling and pornography are often included as legitimate areas of concern.

These criteria are usually referred to as environmental, social justices, and corporate governance, or ESG

What are its benefits?

It gives investors the option to avoid companies that engage in activities that they would not wish to support and to proactively invest in companies that recognise their corporate social responsibilities. Ethical investing is now one of the fastest growing areas in financial services with funds under management having grown to approximately \$8.72 trillion dollars in the United States alone.



Visit our website: www.ethicallyinvest.com

The KRD Investment Committee

KRD introduced its investment committee in January 2016

The job of our committee is firstly to research both the general market and then specific funds within it, allowing us to carefully monitor how and where we place our clients' money.

Sitting on our committee is a group of widely experienced financial advisers, and selectively invited industry experts, who together provide broad updates on developments within specific areas of the market, and can also comment on overall market sentiment.

KRD's financial advisers are not stockbrokers, but they are experts in their field. They are there to give informed advice on personal financial planning investing in individual stocks and shares requires constant monitoring of individual share performance, together with a deep understanding of both macro, and micro economic data, and an appreciation of monetary and political factors. "Similar thoughts, just slightly different."



KRD takes the view that Multi Asset investing, which includes Managed Portfolio Services (MPS), as well as Multi Manager investing, would best serve the vast majority of its clients investment objectives. This approach offers a "Stockbroker" style investment for the wider client base, and for those who fit the risk profile of this type of portfolio. The investment houses we deal with, offer a portfolio that suits most investment profiles, of course, a bespoke investment plan can be made, and we will always be happy to discuss this with clients.

By using these 'outsourced investment partners', we know that their specialists are working hard to manage clients money on a daily basis. We choose the portfolios that tie-up with our own 'attitude to risk' profiling software as this allows us to accurately, create a portfolio to meet clients specific needs and goals.

This ongoing process allows us to monitor the portfolios already recommended and to look at others that will no doubt be pushing to be added to our recommended list of providers in an ever-changing market. We then measure our chosen portfolios against a benchmark, to let us know how these portfolios are performing.

These days, there are a considerable number of benchmarks available to us, but in many cases these tend to be something that financial advisers just like to talk about. We believe most of our clients would prefer a benchmark that is 'real' to them, and perhaps more easily understandable. This is why we have chosen RPI (Retail Price Index) as our chosen benchmark. This way, our investors can see if their portfolio is outperforming a well-known and respected benchmark.

Most clients tend to fall within a so-called 'risk band' rating of between 3 & 7 (1-10 is the full range) and we have applied our benchmark as follows: Risk rating 3 equals RPI + 1% then going up in 0.5% stages to Risk rating 7 being RPI + 3%.

We believe that this generates a meaningful figure, and one that our clients can easily compare against their own investment return expectations.

Using a formulated process of assessing funds, and then measuring their performance, gives our investment committee the tools it needs to make sure that our selected investment partners keep on track, and deliver consistent results. Failure to do this can mean that investment monies are moved and given to another partner, who is performing better.

The committee meets quarterly to discuss the performance of our investment partners, but data is updated monthly. As such, should it become necessary, a meeting of the committee can be called at short notice. KRD advisers firmly believe that the work of our committee, should give our clients further confidence that their investments are being managed effectively, and consistently.



KRD Mortgage Advisers



We are trained, and we are experienced, so that you can be assured that whilst your initial contact may be via this website, there will always be someone who you can talk to, someone who will find out exactly what you are looking to achieve, and what your personal circumstances are. And, once we know your full circumstances, we will find the best solution for you.

As a team we have many years of experience, in dealing with all types of mortgage business and we use the latest internet-based technology to source and place mortgages from across the whole of the mortgage market.

If someone needs help in finding their first mortgage, well, we deal with a lot of first-time buyers, so here again, we can help. In fact, we can make sure that clients are on the right course whether buying or re-mortgaging their home and we can make sure that they are doing it in the most cost-effective way possible.

Our aim is to make sure you are not overpaying your lender for one of, if not the, most prized assets you will own, so we will search and check out your existing loan to make sure you are not overpaying your lender.

Visit our website: www.krdmortgages.co.uk

First-Time Buyers

We are experts in providing whole of market advice and we are here to listen to you, to answer your questions, and to provide tailored advice and to give you specific product recommendations. We will take care of you and help you with your application to your chosen lender, supporting you each step of the way.

Remortgage

Our first step is to work with you so we can gain a full understanding of your needs. We then tailor our approach to your requirements so we can provide exactly the service you need. As we have access to the whole of the mortgage market we will search to find you the best possible deal to suit your own personal circumstances.



Buy-To-Let

These types of mortgages are designed for property investors and private landlords, who do not intend to live in the purchased property.

Buying additional property for the purpose of letting it to earn rental income can be risky and complicated since there is no guarantee that house prices will rise nor that rental income will be uninterrupted.

That said, letting a second property to tenants could return respectable financial rewards over the longer term, but it's important to properly consider the risks, as well as rewards, involved in 'Buy to Let' first.



Equity Release

There are two types of Equity Release, Lifetime Mortgages and Home Reversion Plans.

Lifetime Mortgages account for over 99% of Equity Release lending in the UK and there are now numerous variations of lifetime mortgages available. These include lump-sum, interest-serviced, and drawdown lifetime mortgages, among others, and there are also other types of mortgage-based retirement lending to consider, and the market is growing.

There are a number of important things that need to be taken into consideration when thinking about Equity Release, and it is vital that independent, fair and balanced advice is given to anyone considering this route.

Any advice given will include a detailed and considered review of all of the options that might be open to anyone considering Equity Release, and this will cover the possible utilisation of any other investments held, right through to 'downsizing', and the potential impact on beneficiaries and on any access to any state benefits and grants that may be available, as well as the way in which interest and other charges apply to Equity Release products.



Visit our website: www.krdequityrelease.co.uk

Insurance

However, given that our mortgage is often one of our biggest outgoings, it is critical that we give thought to what would happen if our circumstances change. So,

It is a fact that whilst most of us understand the need to insure our car, our house and our travel arrangements to their full value, not all of us take quite as much consideration to our health and to our employment.



What is Mortgage Life Assurance?

Mortgage Life Assurance is designed to pay off the remaining mortgage debt on repayment mortgages and interest only mortgages if you die within a set period. It helps to ensure that your dependants needn't worry about repaying the mortgage if you die.

Is it worth having?

It is sensible to consider cover when you take out a mortgage. It can be useful protection if you have a repayment mortgage or interest only mortgage, and people who are financially dependent on you.

How Much Does It Cost?

Mortgage Life Insurance has no investment element as the payment covers the balance of the mortgage. So, it's usually a simple case of the cheaper the better. It is usually necessary to review the cover when moving home or taking on additional borrowing on your mortgage.

Costs depend on you

Policy costs increase with mortgage size and length as well as the likelihood of your death during the term. This means age and whether you smoke are big factors. For those who've quit smoking, once a year has passed, it is worth a re-quote as the price may have reduced substantially. Again, if you already have a policy and you have stopped smoking ask us for a re-quote as we may be able to find cheaper cover for you.

Again, if you already have a policy and you have stopped smoking ask us for a re-quote as we may be able to find cheaper cover for you. Some Mortgage Life Insurance policies also factor in health, occupation and participation in risky sports.

So, a 21 year-old, non-smoking office worker, who enjoys healthy food and regularly visits the gym, will probably find their policy could have monthly premiums that cost less than they would for someone who is older and leads a less healthy lifestyle.

Consider writing in trust

If you die the life assurance payment will then form part of your estate. This may make the value of your estate liable to Inheritance Tax. In many cases you can avoid this by writing the policy in trust – which means the payment goes direct to the trustees for payment to your chosen beneficiaries, avoiding inheritance tax. This is relatively easy to do as with most insurance policies they include the option (and papers) for writing in trust directly, at no extra charge.



What is Critical Illness Cover?



The plan will have no cash in value at any time, and will cease at the end of the term. If premiums are not maintained, then cover will lapse.

The policy may not cover all definitions of a critical illness. For definitions of illnesses covered please refer to the Key Features and Policy Documents.

Although Critical Illness cover is sold by life assurers, there is a big difference when compared with life insurance - you don't have to die to benefit from the Critical Illness insurance policy. This type of cover is designed to pay out either as a lump sum or as a regular income (FIB) in the event of you suffering from certain types of critical illness or if you have to undergo certain types of surgery.

Critical Illness insurance is designed to help with the extra costs incurred as a result of contracting a particular condition. It is important to note that the policy only pays out if you contract one of a defined list of illnesses specified in your policy. It is important to remember that if you contract an illness which is not covered by your policy you will not receive a payout. These policies differ in what they cover, so you should always check the policy wording.

The size of your insurance premium will depend on your age, health, occupation, whether or not you smoke, the type and amount of cover you need, and how long you need it for. It is important to remember that premiums could also be more expensive if you have a history of a particular illness in your family or the illness may be excluded from the cover.

Unless you have substantial savings, some form of Critical Illness insurance may well make sense for you, particularly if you have any debt such as a mortgage. How much cover you should have depends on your circumstances. Consider the sums that you might need in the event of contracting a critical illness - being able to pay off the mortgage or making modifications to your home, for example. If you're able to cover the necessary costs incurred from your own or your partner's savings, then critical illness insurance may well be unnecessary and it may be more appropriate to look at covering your income instead.

Visit our website: www.krdmortgages.co.uk/Insurance

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