

Case Study: Managing Investments



Laura received a substantial redundancy settlement and at the same time sold some of the shares she held in her previous employer's firm. She wondered if she might use some of this capital to fund her future lifestyle and not return to work.

"I needed to know what income I could produce from the money that I had available. Informed Choice was able to give me the reassurance that I needed that I could create enough income from my investments and not take excessive risk to do this."

Investing hard earned capital can sometimes result in having to make difficult decisions. Laura is like many of our clients in that she was not prepared to take a great deal of risk with her money. She did however realise that taking no risk at all was not an option. Had she kept all of her money in a cash savings account, eventually it would have run out.

For Laura to achieve her goal of not having to work again, we needed to examine what a sustainable income level was and how it might be achieved without eroding her capital. We knew that in ten years time she would receive further income from the State pension and also from a private pension income.

We provided Laura with a detailed investment report, written in plain English, explaining not only what a realistic sustainable level of income was but how it might be achieved. We spent time with Laura to identify not only her attitude towards investment risk, reward and volatility, but what level of loss she could tolerate. We would never set out to lose money, but no one should invest unless they can accept and afford the potential for loss.

We presented our report to Laura explaining how her money would be invested and how her investments might generate income in a tax efficient manner. Laura then had the opportunity to ask and have answered all of the questions she had. We were able to provide Laura with reassurance and confidence she could achieve her goals.