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# Financial goal-setting

The key to building wealth

FACTSHEET

Our life is an endless series of daily choices, and how we manage those choices determines the outcome of our life. We all want financial freedom, but how will we achieve it? Financial goal-setting is the key to building wealth.

There are always going to be bumps in the road on every journey, which is why it's essential to be flexible enough to adjust your plans when the unexpected happens. Your wealth creation objectives need to be able to adapt to whatever's going on in your life. Nothing should stand between you and your long-term goals.

Creating and maintaining the right investment strategy plays a vital role in helping to secure your financial future. Whether you are looking to invest for income, growth or both, we can provide you with professional expert advice to help you achieve your financial goals. So what do you need to consider?

## SET A GOAL AND START EARLY

Short term, ultra specific goals are generally very easy to achieve as they don't really involve any planning, but longer-term goals on the other hand require you to actually plan out how you are going to achieve the goal. Remember that wealth creation is about creating a lifestyle of your choosing, and the earlier you start to invest, the sooner you can enjoy the benefits of compound growth working for you to build value and make your money work harder for you.

By taking the time to step into your future, you can look back and visualise what needs to happen today for you to enjoy the lifestyle you want tomorrow. Ask yourself these three questions to help you visualise your future needs: what do I have? What do I want? When do I want it?

## DEVELOP AN INVESTMENT HABIT

If you think that investing a few hundred pounds every month will offer little in return, you should change your mindset. To start your investment strategy, you should adopt a stable and organised investment routine that will help you achieve your goals. Compound growth is the central pillar of investing. It is why investing works so well over the long term.

The more you invest and the earlier you start will mean your investments have that much

more time and potential to grow. By investing early and staying invested, you'll also be able to take advantage of compound earnings. Making money on your money is the concept behind compounding. Compounding is when the money you earn from your investments is reinvested for the opportunity to earn even more. However, you need to keep in mind that while compounding can make an impact over many years, there may be periods where your money won't grow.

## BE CONSISTENT

Many people stop their investment planning particularly during market downturns, as we've seen in recent weeks. By doing this, they often miss out on opportunities to invest at lower prices. If you keep to your investment strategy and keep moving ahead consistently, this helps spread risk and enables you to grow your wealth for the long term through pound-cost averaging and careful asset allocation.

It's important to remember that investing is an ongoing process, not a one-time activity. The right way to begin your investment strategy is by establishing goals that need to be achieved over the short, medium and long term. Secondly, it is necessary to assess your current position in the financial lifecycle. Thirdly, you must ascertain your risk profile, as that decides how much risk you should take while investing. This is particularly important as different financial objectives require different investment approaches.

## MAINTAIN A WELL-DIVERSIFIED PORTFOLIO WITH REGULAR REVIEWS

Regular reviews of your portfolio enable you to adjust your portfolio to meet your changing needs and risk appetite at different stages of your life and in different market conditions. This helps you keep up your investing momentum towards achieving your long-term financial goals. It's also important not to put all your investment eggs into one basket.

Investing randomly into different asset classes without ascertaining their asset allocation, not

following a disciplined approach to investing, exiting abruptly from an asset class and investing without a clear time horizon are some of the most apparent inconsistencies in any investment process. ■

## CREATE THE RIGHT INVESTMENT STRATEGY

We recognise that choosing how to invest your money can seem daunting. When it comes to planning for your future and that of your family, you'll want to be sure that you have everything covered. We help our clients set goals and then create the right investment strategy to achieve them, whether it's growing family wealth or leaving a legacy. We know everyone is unique and has different priorities. To discuss your future dreams, please contact us.

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