

# Delegation v abdication

Who's managing your money? If you've left your investments sitting around for a while, perhaps now's the time to review the situation suggests Suzanne Allen

When was the last time you considered where your hard-earned money is invested? Are your investments still sitting in the same place they were five, 10 or if you're honest, even 20 years ago? Don't worry, you are not alone.

Although we tend to change our mortgages or lenders and switch between banks or building societies for the best deal every few years, most of us leave our investments exactly where we started them. And in terms of allowing them to flex their monetary muscles, instead of working out at the gym, tired and forgotten investments are left languishing on the sofa.

Many dentists invest tens or hundreds of thousands of pounds into personal pensions, ISAs, insurance policies, bonds and shares at the recommendation of their professional advisers, and most are quite happy to delegate this responsibility. For those with a good financial planner, there is every chance your investments are looked at regularly and if not, now may be the time to look around for a new adviser.

Historically, managing your money has always been a vital part of your financial planner's role. But doing this job effectively is becoming more difficult and time consuming due to the ever-increasing red tape and admin process. It also requires a lot more research and time as the range of investment products becomes more complex and reactive to economic factors.

## Work your investments

To get the best from investments, financial advisers are increasingly turning to the experts in this field – discretionary fund managers.

More and more financial planners are recognising that their skills and experience lie in taking stock of the 'bigger picture' rather than the day-to-day aspects of investment management. A good financial planner would prefer to spend more time face to face with a client, developing creative solutions to improve the client's finances.

The result is that many financial planning firms are now developing links with discretionary fund management companies to outsource the investment management side of their business. These companies invest heavily in research and clients are appointed a personal investment manager who monitors their portfolios on a daily basis.

## A bespoke service

Managing money on a 'discretionary' basis means that an investment manager constantly monitors portfolios and can react

immediately to market changes to make sound investment decisions.

This more bespoke investment service is generally avail-

able for portfolios above £100,000 although in today's market, some companies are pitching in at lower levels. And it can look after all your investments such as pen-

sions, ISAs, unit trusts, bonds and shares in one go.

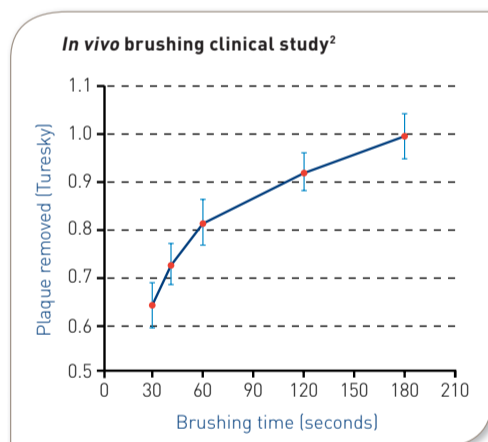
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## NEW EVIDENCE FOR THE BENEFITS OF INCREASING BRUSHING TIME

To motivate behavioural change, it helps if patients understand the benefits of brushing for at least 2 minutes twice a day with fluoride toothpaste, compared to an average brushing time of around 46 seconds.<sup>1</sup>

New research results from Aquafresh show that increasing brushing time:

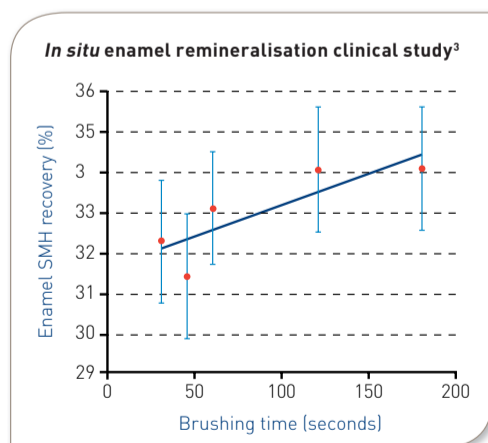
### Significantly increases plaque removal



26% more plaque removal was observed with brushing for 120 seconds compared with 45 seconds\*<sup>2</sup>

*Recommend a great tasting fluoride dentifrice to encourage your patients to brush for longer, for increased fluoride protection and plaque removal*

### Significantly increases fluoride uptake and enamel strengthening



Surface microhardness (SMH) increased in a linear fashion over the period 30–180 seconds\*<sup>3</sup>

\* p<0.05



## References

1. Beals D, Ngo T, Feng Y, et al. Development and laboratory evaluation of a new toothbrush with a novel brush head design. *Am J Dent* 2000; **13**: Splss 5A–13A.
2. Gallagher A, Sowinski J et al. The effect of brushing time and dentifrice on dental plaque removal *in vivo*. [Accepted for publication in *J Dent Hyg*]
3. Zero DT, Creeth JE et al. The effect of brushing time and dentifrice dose on fluoride delivery *in vivo* and enamel surface microhardness *in situ*. [Manuscript submitted]

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For portfolios up to £500,000, investments would usually be held in ‘collectives’, which are pooled funds such as unit trusts, investment trusts, and OEICs.

Larger portfolios are more likely to be invested directly into a personal basket of UK shares and bonds, with overseas assets normally still held in collectives.

Once a fund manager is given their remit, they will manage the portfolio and make investment decisions without having to contact the client at every stage. The advantage being that if their research department sees an investment opportunity, it can be purchased immediately, without waiting for the client’s written or verbal agreement, which could take days or weeks, by which time the vital window of opportunity could have been missed. They

also have access to investment areas not readily available to individual investors, such as hedge funds and structured products.

Although you can have as much contact with the fund manager as you wish, it is up to your financial planner to monitor their performance and ensure they stick to the mandate set up by you. The financial adviser will also let them know if your circumstances change, for

example, if you are reaching retirement and need to draw an income from their investments. And by working alongside your financial planner, discretionary management groups will use the tax status of each investment to its best advantage.

**Right for me?**

But is this right for you? To make it easier for you to decide if a discretionary management service sounds like the right

move it may be helpful to consider the following questions:

- Is your portfolio of ISAs, pensions, shares, bonds worth more than £100,000?
- Are your investments still held in the original funds?
- Would you like your investments to be professionally managed and monitored on a daily basis?
- Are you happy to ‘let go’ of the responsibility for managing your investments?
- Would you like a cohesive approach to your investment management?
- Would you like direct access to the person who makes the investment decisions on your behalf?
- Would you prefer your financial planner to spend more time looking at the ‘bigger picture’ in managing your planning, such as creative tax planning and researching the most appropriate products?

Your financial planner is not abdicating responsibility by passing the investment of your money to a professional fund manager, quite the opposite. As a great dentist, you take full responsibility for your patient’s mouth, by ensuring it is looked after to the highest professional standards. However, to give your patient the best service possible you would refer them to a specialist for complex treatments.

Likewise, a good financial planner will take overall responsibility for your finances and take advantage of specialists in their fields, such as discretionary managers, to ensure your investments are worked as hard as they can be – to help you achieve your financial goals. DT

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**About the author**



**Suzanne Allen** is managing director of Heritage Financial Advisers, a team of independent, fee-based financial planning specialists dedicated to the dental sector. She has over 12 years experience in the financial-planning industry, having spent half this time working with dentist clients. Suzanne holds a diploma in financial planning and possesses specialist knowledge of pensions, taxation and trusts.