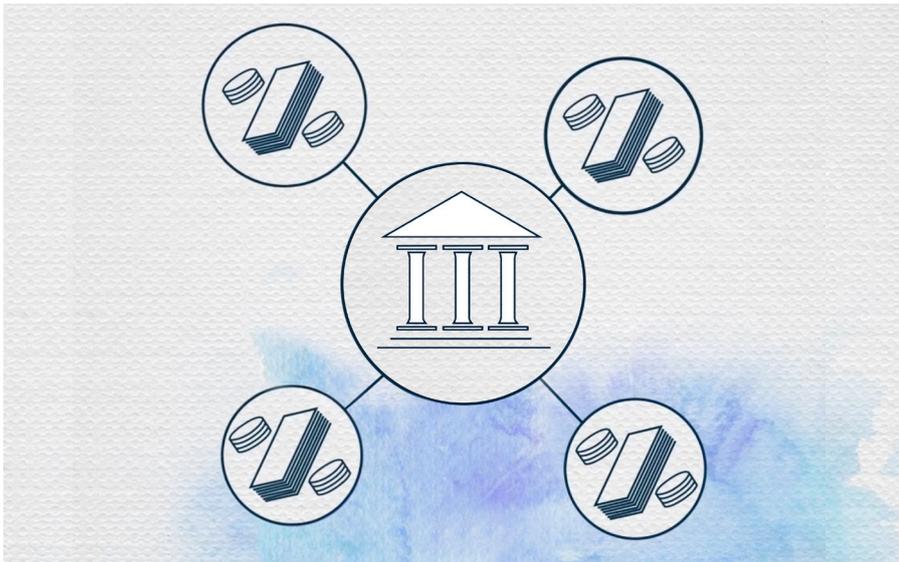


Insignis' Guide to Managing your Cash in Uncertain Times



Keep cash working

Smart savers actively move cash to the best interest rates they can find. Finding a good savings account need not affect your current account and you can open multiple accounts to suit your liquidity requirements in the months and years to come. There are some attractive interest rates for savings, with choice and flexibility in the market place. The trend is generally away from fixed term accounts into notice accounts, so whilst a 1-year

fixed term account will yield a good interest rate you may see a 365-day notice account offering a better rate. Banks are beginning to offer a good range of notice accounts to suit any liquidity profile, so you can put money away knowing you have access to it within 30 days, 90 days, 120 days, 180 days, etc. should you need it. And in the meantime you know you're getting a better rate than a fixed term product.



Diversify risk

Spreading risk across multiple institutions is prudent during periods of high volatility. The FSCS guarantees depositors savings up to £75,000 per person per institution. Government bonds can provide the security you are looking for – but at a price. For, the first time we recently saw Gilts at negative yields*. To be clear, you have the comfort that the UK Government will send your funds back on maturity, but it could be less than you paid in the first place.

*<http://www.yourmoney.com/investing/gilt-yield-turns-negative-first-time>



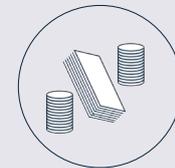
Capital preservation

We all hear that you may not get back the amount you originally invested and in buoyant times we treat this phrase with contempt. With the FTSE 250 in a 1669 point/14 pct range in the last month alone, timing entry and exit points has challenged even the savviest of investors. In times when the technical backdrop overrides fundamental analysis its worth considering a move to products that provide capital preservation rather than suffer from headline induced volatility.



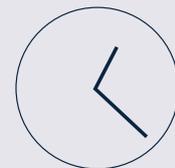
Fixed rate over variable

Your savings account rate is either fixed or variable. Today interest rates are moving downward so consider fixing a good rate now in order to ride out the reductions in the coming months. Balance this by not locking in for too long as this may work against you with rising inflation resulting in rising interest rates.



Factor in the 'Real Interest Rate'

'Real' interest rates are the nominal interest rate minus the rate of inflation, which is currently increasing at 0.6 p.a. in the UK. This number is a much more important measure of the real impact on people's savings. We are at a stage in a predictable cycle where inflation is climbing and interest rates are coming down, which leaves the saver in the worst of all worlds.



Act quickly

Interest rates are on a downward trajectory at present but there are some worth locking in while you can. Insignis can get you up and running within a couple of days and have such good relationships with our partners in our digital banking network that it can be possible to reserve a rate that is due to decrease. Speak to us today to see how quickly we can move.



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