



## Investing an inheritance

Making informed decisions to secure your financial future

Receiving an inheritance can be a life-changing moment, often accompanied by a mix of emotions. While it may provide financial security or the means to realise long-held dreams, it can also bring uncertainty about how best to manage this newfound wealth. For many, the responsibility of making the right decisions can feel overwhelming, especially when faced with a range of options and potential pitfalls.

This is why taking a thoughtful, informed approach is so important. Whether you're looking to pay off debts, invest for the future or support your family, understanding your financial priorities and seeking professional advice can help you make the most of your inheritance. Here's what you need to consider to navigate this process with confidence.

### START WITH A FINANCIAL OVERVIEW

Before making any decisions, it's essential to assess your full financial position. Consulting with us will help you understand your current situation and identify priorities, such as paying off debts, funding major life goals or building long-term savings.

We'll also guide you on how to use tax-efficient options such as ISAs and pensions, ensuring your inheritance works harder for you. This initial step is crucial to avoid common pitfalls and to create a clear plan tailored to your needs.

### WHY INVESTING BEATS SAVING

While leaving your inheritance in cash may feel safe, inflation can erode its value over time. By contrast, investing offers the potential for long-term growth and protection against inflation, but the returns are not guaranteed.

For those considering property, it's worth noting that while it can generate rental income, it's an illiquid asset. Diversified investment portfolios, however, offer flexibility, access to global markets and the potential for risk-adjusted returns.

### TAILORING YOUR INVESTMENT STRATEGY

There's no one-size-fits-all approach to investing an inheritance. Your strategy should reflect your goals, timeframe and risk tolerance. For example, you might allocate funds to tax-efficient wrappers, such as ISAs or pensions, or split your inheritance across different goals, such as retirement and education.

A diversified portfolio combining equities, bonds and other assets can help balance risk and return. Professional advice ensures your investments align with your financial objectives and adapt to changing circumstances.

### BUILDING A LEGACY FOR FUTURE GENERATIONS

Some people use their inheritance to support children or grandchildren. Options include setting up Junior ISAs, funding education and contributing to family trusts. With the right structure, your inheritance can benefit your family for years to come.

### AVOIDING COMMON MISTAKES

It's easy to fall into traps such as holding too much cash, focusing on a single asset class or trying to time the market. Professional guidance can help you avoid these pitfalls, maximise tax benefits and create a sustainable investment plan. ■

### NEED HELP WITH YOUR INHERITANCE?

For advice tailored to your unique situation on how to manage and invest your inheritance, contact us today. We'll help you make informed decisions and secure your financial future.

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