



# EARLY BIRD INVESTING: A FRESH STRATEGY FOR THE NEW TAX YEAR

The new tax year is a perfect time to set fresh financial goals and take advantage of opportunities for long-term growth. By making your ISA contributions early, you give your investments more time to grow and maximise the benefits of compound growth. This guide explains why starting early matters and how regular investing can make a significant impact on your financial future.

## Why invest early in the tax year?

### 1. Compound growth

The earlier you invest, the more time your money has to benefit from compound growth—earning returns on both your original investment and its accumulated gains.

For example, investing £20,000 at the start of the tax year rather than at the end can provide an extra year of potential growth.

### 2. Market opportunities

Investing early allows you to take advantage of market fluctuations and opportunities throughout the year. Regular contributions can help smooth out the impact of market volatility through pound-cost averaging.

### 3. Tax-efficient saving

ISAs allow you to grow your investments free from income tax and capital gains tax, so starting early means maximising the tax benefits over the full year.

## The power of regular contributions

If contributing your full ISA allowance at the start of the tax year isn't feasible, regular monthly contributions are a great alternative. Here's why:

- **Consistency builds discipline:** Automating your contributions ensures you stay on track with your goals.
- **Pound-cost averaging:** By spreading contributions throughout the year, you can reduce the impact of market highs and lows.
- **Achieving long-term goals:** Even small, consistent contributions can add up significantly over time.

## A fresh start in 2025

The beginning of a new tax year is a chance to reset and refocus on your financial goals. Whether you're investing a lump sum, contributing monthly, or just getting started, the key is to take action early to make the most of the opportunities available.

## Case study: Sarah's early bird strategy

Sarah, a 45-year-old investor, sets a goal to contribute the full £20,000 ISA allowance each year. Here's how she approaches it:

1. At the start of the tax year, Sarah invests £10,000 in a stocks and shares ISA to benefit from early compound growth.
2. She then sets up a direct debit to contribute £800 each month for the remainder of the year.
3. Over 10 years, Sarah's disciplined approach helps her build a substantial investment portfolio, benefitting from tax-free growth and income.

## Speak to your adviser

Starting early in the tax year can be a game-changer for your financial strategy. Speak to your financial adviser to discuss how to structure your ISA contributions and set yourself up for long-term success.

## Important information:

The value of investments can go down as well as up, and you may not get back the full amount you invested. Past performance is not a guide to future performance, and past performance may not necessarily be repeated. Tax benefits depend on personal circumstances and current tax rules, which could change in the future. Information provided is for guidance only and does not constitute financial advice. Tavistock Investments Plc is authorised and regulated by the Financial Conduct Authority.