**Sean - Pensions v1.mp3**

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WILL: Hi, and welcome again to “Ahead of the Field” with me, Will Evans.

This is another of our short bonus episodes, exploring a specific issue around diversification in more detail with an expert from NFU Mutual.

Joining us again today is with Sean McCann, a Chartered Financial planner with NFU Mutual, and this time the focus is on pensions.

WILL: Pensions then. Very relevant subject. So what can I use my pension for when it comes to diversification?

SEAN: I mean there’s lots of ways that farmers can potentially use their pensions when it comes to diversification. I mean most obvious one is when they reach 55, since the pension freedoms were introduced in 2015 they can basically get their hands on some or all of their pension money that can produce capital to help them start the diversification process. But that's not always a good idea to take all your money out as a lump sum because there can be some big tax implication, so again it's really important to take advice. The older and the younger generation can also use their pensions to help diversification, by transferring their existing pensions into what we call a self-invested pension scheme, a SIP. What that allows them to do is invest in a much wider range of assets than a normal pension and that can include farmlands, it could also include commercial buildings. So it is possible that you could use your SIP to buy a commercial premises that your business would then occupy and pay you rent, in order to use into your pension scheme. Your SIP can also borrow money as well within limits, so if you haven't got enough in your pension scheme there's the potential for it to borrow money to actually scale the investment. And also you could have family members coming together with their own self invested pensions and buying property jointly as well. So lots of flexibility, but again advice is key.

WILL: Yeah. And your NFU mutual advisor would be the place to go.

SEAN: Yeah I mean we advise a growing number of our customers on using their SIPs, their self-invested pensions to buy farmland and commercial property. I mean it's not right for everyone because you know obviously having all your eggs in one basket isn't perhaps as solid an investment as having more widely diversified portfolio. And we all know the value of farmland and commercial property can go up and down as well. So again it makes sense to take advice, see if it's right for you.

WILL: Okay well thanks very much for that Sean.

If you’ve been inspired to find out any more about diversification, how to do it and what advice is out there for you, NFU Mutual has published a report on the subject that you can download right now. Just go online and search for “NFU Mutual diversification.”

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