

AN INTRODUCTION TO

> Investing

GETTING TO GRIPS WITH THE BASICS



Why should you invest?

Lessons from the past

The right strategy – step by step

Communication – a vital part of
the advice process

The value of financial advice
– we're here to help

➤ Changing financial needs

Throughout life, many things can have a significant impact on your financial needs and plans for the future. As your life journey progresses, you will need to adapt to an endless list of variables including:

- commitments such as marriage
- property purchase
- starting a family
- business commitments
- retirement
- inheritance planning.

The financial planning process will help to support you by ensuring that your financial plans remain relevant and on track for the future. Our conversations with you are expertly focused on all aspects of your goals, alongside our knowledge to help you stay on the best financial path for you.

This guide focuses on **Investing**. We take time to understand your situation by assessing your income, expenditure, financial goals and attitude towards risk. It's also important to find the most suitable investment features for you; different methods of investing will suit different circumstances.

We can help you to build a suitable investment strategy to make your money work harder and as tax efficiently as possible.

The value of investments can go down as well as up and you may not get back the full amount you invested. The past is not a guide to future performance and past performance may not necessarily be repeated.





➤ Worried about investing?

WHY SHOULD YOU INVEST?

Inflation can seriously affect the value of cash savings over the medium and long-term, that's why it's important to look at alternatives to cash deposits to make your money grow. The stock market tends to do better than cash over the longer-term, providing an opportunity for greater returns on any money invested over time, allowing you to build your wealth.

YOUR ATTITUDE TO RISK

As an investor, you have to decide how much risk is right for you. Building an appropriate portfolio will incorporate strategies designed to help reduce risk, but it cannot be eliminated altogether.

It's important to remember that some market volatility is inevitable; markets will always move up and down; although market fluctuations can be concerning, you can rest assured that we will work with you to formulate a financial strategy which is in line with your personal requirements. This can help you look through 'the noise' to focus on what really matters.

And, of course, you should remember that volatility can also create opportunities for investors as well.

➤ Lessons from the past



Chart: FTSE 100 since inception to 2025, source Yahoo and Trading Economics

As an investor, putting any short-term market volatility into historical context is useful. This chart of the FTSE 100 index since inception, details a series of significant events over the last 40 years or so. Despite a variety of market shocks and rebounds, the index still has a long-term growth trend.

DIVERSIFICATION IS KEY

Diversification is the term for spreading your money between different investments (asset classes) and different investment products. There are four main asset classes – cash, equities, property and bonds (or fixed interest securities). Diversification is often considered to be the number one rule when investing, as different asset classes perform well or badly at different times. No individual asset class consistently outperforms the others.

A portfolio that contains a selection of asset classes, spread across various geographical regions will be less volatile than an investment in a single asset class.

By selecting a broad range of assets in line with your attitude to risk, objectives and time horizon, diversification aims to provide the potential to improve returns for your chosen level of risk.

THE RIGHT STRATEGY – STEP BY STEP

- Before we make a recommendation, we will build up a picture of your overall personal financial circumstances, agree your goals and objectives with you, the areas you should prioritise, and assess your attitude to risk
- We will develop a strategy and asset allocation which complements your investment goals

- We consider what products best suit you and your circumstances by looking at all your options and making you aware of how the various products and investments differ
- Recommendations will be tailored to your needs, making sure you get the right balance between affordability, and the suitability of products and investments you need
- Regular reviews are essential so that we are aware of any changes in your objectives or circumstances and to help rebalance your portfolio where necessary.

➤ Taking the long-term view

Investment requires a disciplined approach and a degree of holding your nerve if markets fall. Experienced long-term investors know that the worst investment strategy you can adopt is to jump in and out of the stock market, panic when prices fall and sell investments at the bottom of the market.

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WE'RE HERE TO HELP

We're only a phone call away, so if you have queries or would like to discuss any aspect of your investment portfolio, please do get in touch

➤ Communication – a vital part of the advice process

Getting into the habit of meeting with us regularly to update your objectives and any changes in your personal circumstances which may affect your finances, is essential. Important changes include buying a house, losing your job or receiving an inheritance.

Where necessary, we can adapt your strategy and asset allocation to rebalance your portfolio if your investment goals change. Failure to rebalance after achieving good returns, could leave your portfolio with a risk level that is inconsistent with your strategy.

Planning is a continual process of anticipating and adapting to changes in your personal circumstances over the long term. Working with us means that you'll be benefiting from informed advice, reinforced by up-to-date market intelligence and years of experience.

BE SCAM AWARE – TRUST YOUR INSTINCT

Unfortunately, the incidence of investment scams is on the rise, and as they increase in sophistication, everyone is at risk.

Government advice for consumers to protect themselves from fraud includes checking the company's credentials via a reliable source such as the Financial Conduct Authority's (FCA) Financial Services Register, being wary of deals that sound too good to be true, not giving out personal details, not clicking on links from unknown senders and seeking professional financial advice before making any decisions. To check whether an investment or pension opportunity is legitimate, you can use the FCA online scam checker, which can be found here: www.fca.org.uk/scamsmart

If you are unsure about any financial opportunities that come your way, please contact us.



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➤ The value of financial advice

You may be asking yourself whether it is worth taking financial advice when investing.

Over the years, research has produced some interesting findings that highlight the benefit of taking advice when making financial decisions.

When assessing financial value, research¹ has highlighted that people who take specific financial advice were likely, on average to receive between 3 and 4.4% more per annum in net returns. This was through a combination of financial planning, preventing behavioural mistakes, rebalancing portfolios and tax advice.

Elsewhere, another study² highlighted that receiving professional financial advice over a five-year period (between 2001 and 2006), resulted in a total boost to wealth (in pensions and financial assets) of nearly £48,000 a decade later.

¹Russell Investments, 2019, Vanguard, 2022

²ILC, Revisiting the Value of Financial Advice, 2019

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Warning statement

It is important to take professional advice before making any decision relating to your personal finances. Information within this document is based on our current understanding and can be subject to change without notice and the accuracy and completeness of the information cannot be guaranteed. It does not provide individual tailored investment advice and is for guidance only. Some rules may vary in different parts of the UK. We cannot assume legal liability for any errors or omissions it might contain. Levels and bases of, and reliefs from taxation are those currently applying or proposed and are subject to change; their value depends on the individual circumstances of the investor. No part of this document may be reproduced in any manner without prior permission.