atomos
wealth & financial wellbeing

Understanding your risk rating

A guide to how we assess your appetite for investment risk

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Introduction

Financial planning requires some decision-making. The question that is likely to have the greatest impact on your financial future is: how much investment risk will you take?

At atomos, we take risk seriously. We use the latest tools and techniques to help you understand:

- how much risk you are willing to accept;
- how much you can afford to lose; and
- how much you need to take to achieve your investment goals.

We'll work with you to balance these three factors and to help you set realistic objectives.

Investment risk is the chance you take that you will lose some or all of the money you have invested in the event that financial markets fall.

This guide introduces the way we assess risk and the different risk ratings we use. We hope you find it helpful and that you enjoy exploring your attitude to risk with us.

Understanding risk

A life without risk is impossible. Risk is everywhere – even walking down the street comes with a small risk. Whatever you are doing in life, it is important to understand your own tolerance for risk.

You may feel more comfortable limiting the amount of risk you're exposed to by not participating in certain activities, or you may prefer to take more risk in the hope of achieving greater rewards.

For example, those with a low risk tolerance may avoid taking part in a skydive to eliminate the chance of injury, while those with a higher threshold for risk may thrive on the adrenaline rush.

Owning wealth also involves both risk and reward. Rewards can be growth, security, income or some combination of the three. The risks will depend on what you choose to do with your money. Some level of risk will always be present, no matter what you do with your investments. It's important to understand this from the start.

However, you have the power to choose which risks to take and when to take them. Financial markets offer you a way to improve your life now and in the future, but you must always be aware of the type of reward you are pursuing and the different risks you may be taking. One of the main benefits of consulting with an atomos financial professional is that they will help you make these decisions.

Some level of risk will always be present, no matter what you do with your investments. It's important to understand this from the start.

Types of investment risk

Market risk

Market risk is the risk that your investments perform unpredictably, or fall in value, due to factors affecting the financial markets as a whole. Your investments can do this at any time, mildly or severely, for a number of reasons. Losses are inevitable when you're investing in financial markets, so this is something every investor must plan for.

Inflation risk

Inflation risk is the risk that your returns are below the rate of inflation. This can reduce the purchasing power of your wealth, even though you may not feel you have lost anything in numeric terms.

Historically, stock market investments have been better able to beat inflation than cash held in a savings account.

Opportunity cost risk

Opportunity cost risk is the risk that you miss one investment opportunity by taking another or doing nothing, and that the one you didn't take would have brought a better result.

Credit risk

Credit risk is the risk that you buy a bond from (i.e. lend money to) a party who is later unable to repay you. Credit risk is a type of counterparty risk: the risk that another party you are involved in a transaction with is unable to fulfil its side of the deal.

Liquidity risk

Liquidity risk is the risk that an asset cannot be sold - and converted into cash - when you decide to sell it.

Shortfall risk

Shortfall risk is the risk that your portfolio will not generate a rate of return sufficient to meet your investment goals. This may be because of lower market returns or because you have not taken enough risk within your portfolio to generate the required return.

Exchange rate risk

Exchange rate risk is the risk that the exchange rate moves against you when investing in an asset that is priced in a currency other than sterling.

Sustainability risk

Sustainability risk is the risk associated with uncertain social or environmental events or conditions that, if they occur, can have a significant negative impact on your investments.

Sources of risk, sources of return

There are thousands of different investment options available today and it can be daunting to look at financial markets and think 'what should I do?'

Despite the bewildering choice, most investments can be understood by thinking about three main asset classes – cash, fixed income and equities.

Cash

Cash is the easiest asset class to understand and is the one investment that almost everybody will have experienced in one form or another. Your money is lent to an institution (typically a bank) and in return you are paid interest on your capital sum.

The rate of interest, and the access you have to your capital, varies a great deal, from instant access deposits to those with long lock-in or notice periods attached.

Cash is a very low-risk investment in most cases, but you should be very careful to check the creditworthiness of the deposit taker and your right to compensation if they default. Deposits held with UK-authorised banks are covered by the Financial Services Compensation Scheme (FSCS), which can pay compensation in the event a bank fails. At atomos, we will often use a type of collective investment, called a money market fund, for a part of the cash portion of your portfolio.

Although very secure, cash tends to underperform inflation over time. Investors who try to avoid risk by staying in cash often see the real value of their savings eroded. Cash keeps you safe from market risk at the cost of exposing you to inflation risk.

Fixed income

More commonly called bonds, fixed income securities represent loans to governments or companies. All bonds work in broadly the same way and offer investors both a regular fixed payment (referred to as the coupon) and repayment of the sum that was paid by the original lender (called the principal) when the bond matures, meaning when the bond's fixed term ends.

In essence, investing in a bond means buying the right to receive a fixed and known series of payments. These payments are guaranteed unless the issuer of the bond defaults. This is uncommon for company bonds, but it can happen. It also happens from time to time with the debt of foreign governments.

Emerging market debt is an example of a riskier fixed income investment, as these bonds are issued by governments of economies that are still developing as they engage with global markets and are therefore more likely to default on their debt.

However, defaults are extremely rare for governments in developed market economies. For this reason, government bonds from developed market economies are considered a lower-risk investment than other types of bonds; but bond prices can fall, and so even government bonds are not risk free.

Although private investors can buy and hold bonds directly, this is much less common than buying equities directly. Bonds are usually accessed indirectly by investing through funds, also known as collective investment schemes.

Company bonds can vary in their risk and return profile depending on the company issuing the bond and the bond itself. Investment grade bonds are considered higher quality and lower risk, so they offer a lower return. High yield bonds have a higher risk associated with them, since they are more likely to default, and compensate with a higher return.

While labelled as fixed income, emerging market debt and high yield bond investments are inherently return-seeking assets and are substantially higher risk than typical, more defensive, investment grade bonds or government bonds.

Emerging market debt and high yield bond investments have a risk and return profile that is more aligned with risk assets, like equities.

Investing in a bond means buying the right to receive a fixed and known series of payments. These payments are guaranteed unless the issuer of the bond defaults.

Equities

Often called stocks or shares, equities represent ownership stakes in companies. They can be bought directly through a stockbroker or indirectly through funds, also known as collective investments.

Owning equities means that you possess a share of a company's profits and its future growth. However, just like any other business owner, you take the risk that the company does not make a profit or that the value of the business falls. If a company in which you hold shares goes bankrupt, you will be at risk of losing your investment. This risk can be managed by diversifying your portfolio.

Equities are the engine room of long-term returns for investors. Their prices fluctuate, sometimes wildly, and they are prone to short-term panics called corrections or crashes. This puts many people off, but £100 invested in the FTSE All Share (comprised of the FTSE 100, FTSE 250 and FTSE Small Cap Indexes) on 1 January 1991 was worth £700 after 25 years of growth, even accounting for all the ups and downs along the way.

Investing in equities should only be undertaken for the long term, where there is a tolerance for uncertainty, and the financial capacity to lose some money in the worst-case scenario.

Alternatives

We believe that shares, bonds and cash are the three fundamental asset classes, but there are many other things in which it is possible to invest, including:

- Property, usually indirectly via collective investment schemes, for example Real Estate Investment Trusts (REITs).
- Infrastructure, such as energy infrastructure, communication networks and water systems, usually accessed indirectly via collective investment schemes.
- Commodities, including precious metals, energy, and so-called "softs" like coffee beans.
- Absolute return funds, which aim to return a profit for investors regardless of market conditions, and hedge funds, which can use a wide range of strategies and forms of special trading. These vary considerably and can be technical and complicated.
- Derivatives, which are contracts between two parties that derive their value from an underlying asset. Examples include futures, options and covered warrants.

Typically, your portfolio will contain the three main asset classes – equities, bonds and cash. But we may make use of other assets when we believe it may be in your interests to do so.

Managing risk

At atomos, we build diversified portfolios according to our investment philosophy, which comprise a range of different asset classes, and different securities within each asset class. This is designed to ensure that, if one security collapses or one asset class is struggling, the rest of the portfolio can usually take up the slack. This is one of the basic rules of long-term investing.

The chart highlights how different asset classes have performed over the past 12 years. As well as demonstrating the changes from year to year in terms of the best and worst performers, it also highlights the relationship between different asset classes. For example, notice how government bonds and equities usually have had an inverse relationship – when one rises, the other tends to fall. However, this is not always the case, as seen in 2022.

Annual asset class returns

The performance of different asset classes tends to fluctuate every year.

Rank	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1st	UK Government Bonds 17%	High Yield Bonds 19%	North American Equities 27%	North American Equities 19%	European Equities 5%	North American Equities 33%	Emerging Market Equities 25%	Cash 1%	North American Equities 26%	Asia Pacific Equities 19%	CMDTY 28%	CMDTY 27%
2nd	Corporate Bonds 5%	Asia Pacific Equities 17%	European Equities 22%	UK Government Bonds 15%	North American Equities 5%	CMDTY 33%	Asia Pacific Equities 25%	UK Government Bonds 0%	European Equities 24%	North American Equities 16%	North American Equities 28%	UK Equities 6%
3rd	High Yield Bonds 3%	European Equities 16%	UK Equities 18%	Asia Pacific Equities 9%	UK Government Bonds 0%	Emerging Market Equities 33%	European Equities 13%	North American Equities 0%	UK Equities 16%	Emerging Market Equities 15%	European Equities 23%	Cash 2%
4th	Cash 1%	Emerging Market Equities 13%	High Yield Bonds 7%	Corporate Bonds 8%	Cash 0%	Asia Pacific Equities 28%	UK Equities 12%	Corporate Bonds -3%	Asia Pacific Equities 15%	UK Government Bonds 9%	UK Equities 20%	Asia Pacific Equities -8%
5th	North American Equities 0%	Corporate Bonds 11%	Asia Pacific Equities 1%	European Equities 5%	Corporate Bonds 0%	UK Equities 19%	North American Equities 10%	High Yield Bonds -4%	Emerging Market Equities 14%	Corporate Bonds 7%	High Yield Bonds 2%	European Equities -9%
6th	UK Equities -2%	UK Equities 10%	Cash 0%	Emerging Market Equities 4%	High Yield Bonds -1%	High Yield Bonds 15%	High Yield Bonds 7%	CMDTY -8%	High Yield Bonds 11%	High Yield Bonds 4%	Cash 0%	North American Equities -10%
7th	European Equities -9%	North American Equities 10%	Corporate Bonds 0%	High Yield Bonds 3%	UK Equities -2%	UK Government Bonds 11%	Corporate Bonds 5%	Asia Pacific Equities -9%	Corporate Bonds 11%	Cash 0%	Corporate Bonds -1%	Emerging Market Equities -11%
8th	CMDTY -13%	UK Government Bonds 3%	UK Government Bonds -4%	Cash 0%	Asia Pacific Equities -4%	European Equities 7%	UK Government Bonds 2%	UK Equities -9%	UK Government Bonds 7%	European Equities -2%	Emerging Market Equities -2%	High Yield Bonds -12%
9th	Asia Pacific Equities -15%	Cash 0%	Emerging Market Equities -4%	UK Equities 0%	Emerging Market Equities -10%	Corporate Bonds 6%	Cash 0%	Emerging Market Equities -9%	CMDTY 1%	CMDTY -6%	Asia Pacific Equities -2%	Corporate Bonds -15%
10th	Emerging Market Equities -18%	CMDTY -6%	CMDTY -11%	CMDTY -12%	CMDTY -20%	Cash 0%	CMDTY -8%	European Equities -11%	Cash 1%	UK Equities -13%	UK Government Bonds -5%	UK Government Bonds -25%

Key

- Government Bonds
- High Yield Bonds
- North American Equities
- Emerging Market Equities
- Commodities (CMDTY)
- Corporate Bonds
- UK Equities
- European Equities
- Asia Pacific Equities
- Cash

Source: Bloomberg.

Investing is a journey

The graph below provides a breakdown of how a balanced portfolio (one that holds a variety of equities, bonds and alternatives) has behaved over the past 21 years.

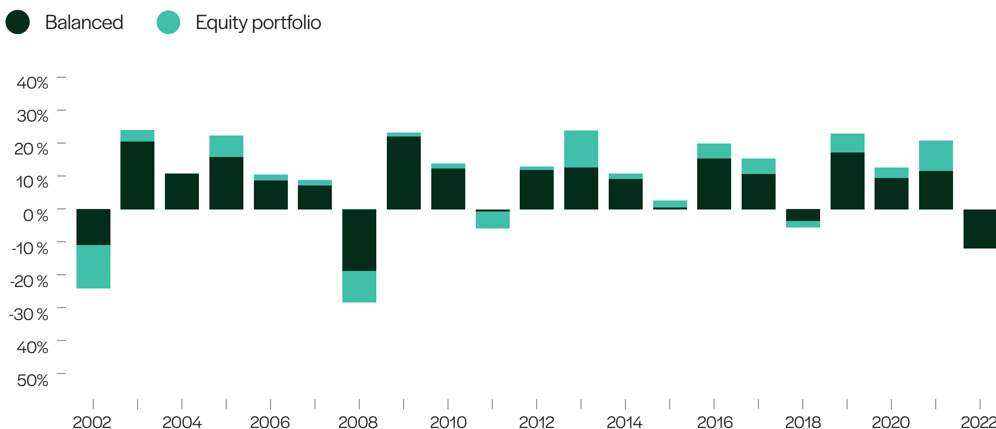
While this illustration delivered an average annual return of 5.7%, the journey was not always a smooth one. It is important to note the difference between an average annual return over a longer period of time (for example, 10 years) and returns received on an annual basis. This is where it is important to maintain conviction in your investments and keep a long-term view. When it comes to investment losses, one of the biggest issues is not so much the market falling, but rather being out of the market when it rallies (bounces back).

Having suffered losses three years in a row between 2000 and 2002, many would have been tempted to exit the market. Those who did would have then missed out on five consecutive years of above-average returns.

Likewise, following the global financial crash in 2008, those who exited the markets would have missed out on the returns delivered in 2009, which represented the highest returns in a single year during the 20-year period. We saw a similar pattern during and after the Covid-19 pandemic in 2020.

Investing for the long term

This chart provides a breakdown of how a balanced portfolio behaved over the past 21 years, in comparison to a full equities portfolio (a portfolio that consists of 98% equities and 2% cash):



Past performance is not a reliable indicator of future results.

What’s a risk rating?

Your risk rating is a level of investment risk that is right for you at a certain time and for a given financial objective.

You may need to take different levels of risk for different parts of your financial plan. As your goals and circumstances evolve, your risk ratings may change with them.

The ideal risk rating will give you a realistic chance of achieving what you want, with an acceptable level of uncertainty attached. By ‘uncertainty’ we mean three things:

- How much will the value of my investment change each day as asset prices go up or down?
- If there is a serious market event (a crash or other crisis) then how much could the value of my investment fall?
- If I miss my goal over the long term, then how far short might I fall?

Any assessment of your risk rating should consider risk tolerance, capacity for loss, investment objectives, and your knowledge and experience of investing. Be wary of advice based on only one or two of these factors.

The ideal risk rating will give you a realistic chance of achieving what you want, with an acceptable level of uncertainty attached.

The process

When we discuss your risk profile with you, we'll focus on four key areas:

Risk tolerance

Risk tolerance is how you feel about investment risk. This is assessed by using a psychometric questionnaire. It's about the psychology of taking risks with money. How will you react if there is a sharp market fall? Will investing become a source of stress and anxiety for you, or will you be relaxed as markets go through their natural cycles?

Capacity for loss

Capacity for loss looks at your overall financial position. Can you afford to make a long-term investment and to take the risk of losing money? What proportion of your total wealth are you investing? Ideally you would not have to access your investment in an emergency and sell during a market low.

Investment objectives

Investment objectives are about what you want your wealth to do for you in the future. Buying a house or a car, saving for a comfortable retirement or leaving a legacy to loved ones are all possible goals. Your investment objectives reflect the type of person you are and your priorities in life. They are unique to you.

Knowledge and experience

Knowledge and experience is there to ascertain your understanding of different investment types and to learn more about your past experience with investing.

What makes up your risk profile?

There's a lot to think about when deciding how to invest your money.

The atomos risk ratings

This section explains how your portfolio is constructed in terms of asset allocation and also how you can expect your portfolio to behave. First, here are some key terms:

Targeted returns

To calculate our targeted returns, we consider the estimated returns from our core asset classes and any extra returns from taking additional risk. The estimated returns from our core asset classes are based on historical performance of those asset classes and current market conditions, assuming we hold the investments for 10 years. During this time, we reinvest any dividends and interest payments received, and also adjust for a number of other factors, such as changes to bond yields (the return an investor receives on the capital invested in a bond). The final estimated return for the 10-year period is then converted into an annual figure.

Targeted returns are calculated for a hypothetical investment of £500K and are net of investment management fees of 0.90% (plus VAT) and a 0.20% platform/custody fee (no VAT), transaction costs and the prevailing underlying fund charges at the time of print. Adviser charges are not included.

Forecasts of targeted returns are not a reliable indicator of future performance. Additional fees may also apply which will further reduce the targeted returns. All figures are based on an investment account held in sterling. Returns for accounts held in other currencies may differ.

Targeted returns updated in July 2023

Volatility is a common way to measure the uncertainty, or degree of daily change, in the value of a portfolio.

Historical volatility

Volatility is a common way to measure the uncertainty, or degree of daily change, in the value of a portfolio. The higher the volatility, the more the value of your investment may fluctuate (either upwards or downwards).

Worst historical drawdown

Drawdown is a measurement of the decline in an investment or portfolio's value during a specific period. The worst historical drawdown figure below represents the worst scenario since January 2000, which would have been achieved if you were unfortunate enough to have invested at a high point and then sold out at a low point.

Historical volatility and historical drawdown figures have been based on the past performance of an index. An index is a group or selection of financial instruments that represents and measures the performance of a specific market, asset class, market sector or investment strategy. For example, the FTSE 100 Index comprises the hundred largest companies listed on the London Stock Exchange.

The index used in our historical calculations has been created by combining various indices in equities and fixed income that best reflect our asset allocation at the end of June 2023. The main ones are the MSCI ACWI, MSCI World, MSCI USA and MSCI Emerging Markets, FTSE Dev Core Infrastructure 50/50, FTSE EPRA Nareit Developed, Bloomberg Barclays Global Aggregate hedged to GBP, Bloomberg Barclays Global Treasury hedged to GBP, Bloomberg Barclays U.S. Corporate High Yield, and cash interest at the UK official base rate.

This is projected back at each month between January 2000 and December 2022. The performance figures are to illustrate broadly the risk taken in each risk rating. It is not a representation of how the particular risk rating portfolio would have had performed in that period or making claims about the future performance. Actual performance will vary due to a range of additional factors.

Volatility is calculated using monthly data from 2000 through to December 2022, and the worst drawdown is the worst peak to trough loss from month end to month end in this period.

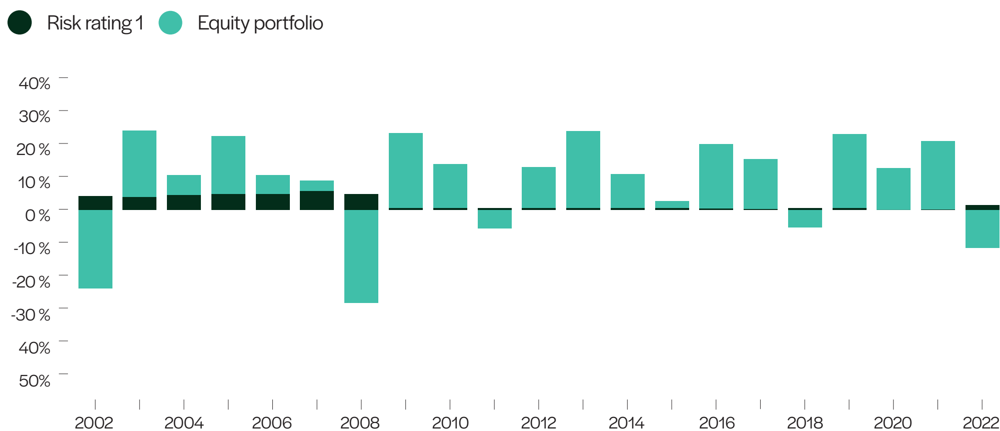
Additionally, where portfolios are permitted to deviate in a risk-controlled way from our strategic asset allocation in order to optimise risk and return over a shorter, five- year horizon, this is incorporated into the targeted return.

The investment charges that you pay will impact your targeted return, these figures have been based on investment management fees of 0.90% (plus VAT) and a 0.20% platform/custody fee (no VAT). Adviser charges are not included. We have assumed that active management will enhance returns in line with the active risk taken. While we have endeavoured to produce the best estimate of long-term returns that we can, no guarantees can be made.

Risk rating 1

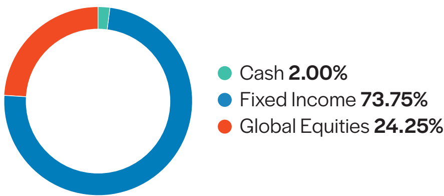
You are not prepared to take any investment risk and you are seeking the type of security of capital and income typically associated with UK banks and building society accounts. You have no appetite for fluctuations in the value of your capital. You are aware that the value of your capital is likely to be eroded by the effects of inflation.

atomos does not offer an investment solution for this risk rating.



Risk rating 1 compared to a **full equities portfolio***. The graph shows that although returns have been higher for a portfolio constructed entirely of equities, our risk rating 1 portfolio has offered more protection when markets have not done so well.

(*) A portfolio that consists of 98% equities and 2% cash and has the same risk profile as the risk rating 7 category and based on the same composition of underlying indices.



Risk rating 2

You are looking for capital and/or income growth that keeps in line with the rate of inflation. Therefore, you are prepared to accept investment risk with the aim of at least protecting the spending power of your money.

You should expect an investment portfolio in this category to typically invest in a mixture of investments, the majority being bonds along with some equities, both UK and overseas. Riskier fixed income securities, such as high yield bonds and emerging market debt, as well as alternative assets, including property and infrastructure, may be used to provide the best estimated return for a given level of risk and to diversify the risk within the portfolio.

You are willing to accept fluctuations in your investments but in order to minimise the impact of short-term market falls in the value of your money, you are prepared to invest for a minimum of five years.

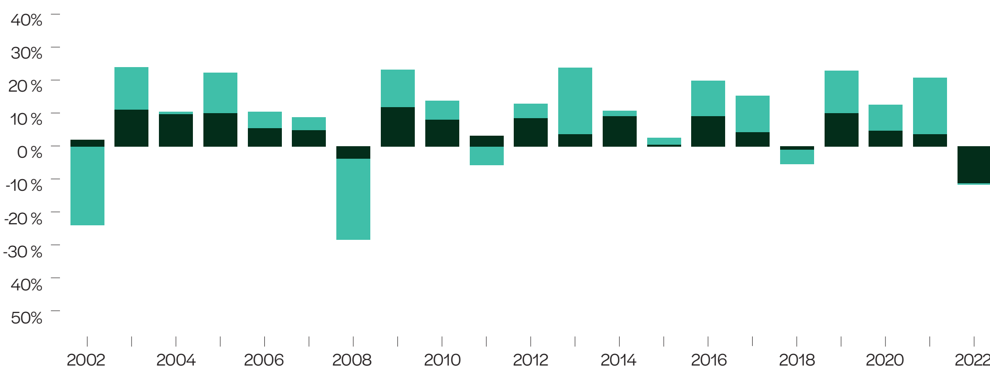
Conservative

3.8%	Annualised targeted returns
4.7%	Historical volatility
-12.6%	Worst historical drawdown

*Historical Volatility and Worst Historical Drawdown are based on data since January 2000

*Annualised returns are the 10 year Median returns weighted by asset class weight

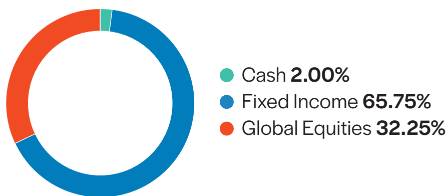
Risk rating 2 Equity portfolio



Risk rating 2 compared to a **full equities portfolio***. The graph shows that although returns have been higher for a portfolio constructed entirely of equities, our risk rating 2 portfolio has offered more protection when markets have not done so well.

(*) A portfolio that consists of 98% equities and 2% cash and has the same risk profile as the risk rating 7 category and based on the same composition of underlying indices.

Risk rating 3



Defensive

4.3% Annualised targeted returns
5.9% Historical volatility
-14.5% Worst historical drawdown

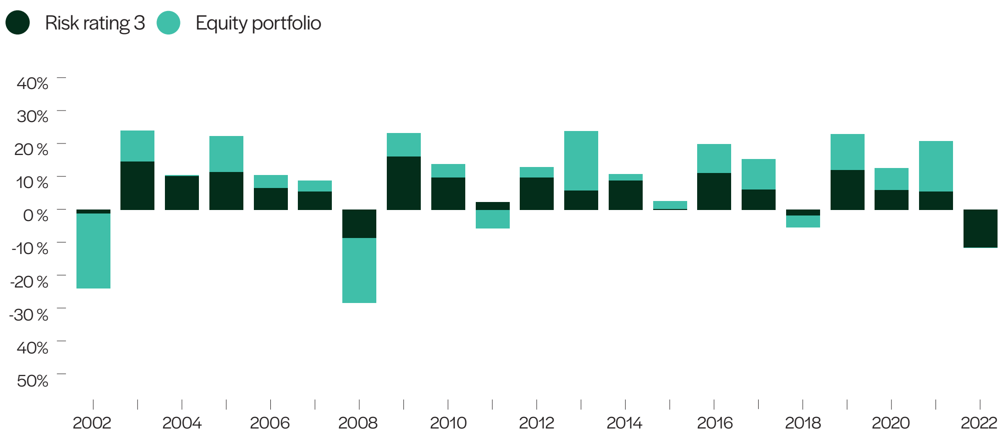
*Historical Volatility and Worst Historical Drawdown are based on data since January 2000

*Annualised returns are the 10 year Median returns weighted by asset class weight

You are looking for capital and/or income growth that stays ahead of the rate of inflation. You are prepared to accept short-term fluctuations in your investments in order to increase the potential returns.

You should expect an investment portfolio in this category to typically invest in a mixture of investments, with a significant proportion in bonds with some equities, both UK and overseas. Riskier fixed income securities, such as high yield bonds and emerging market debt, as well as alternative assets, including property and infrastructure, may be used to provide the best estimated return for a given level of risk and to diversify the risk within the portfolio.

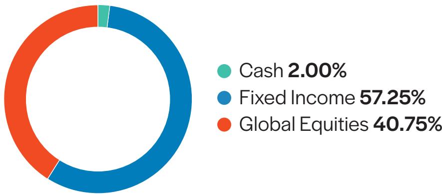
You are willing to accept fluctuations in your investments but, in order to minimise the impact of short-term market falls in the value of your money, you are prepared to invest for a minimum of five years.



Risk rating 3 compared to a **full equities portfolio***. The graph shows that although returns have been higher for a portfolio constructed entirely of equities, our risk rating 3 portfolio has offered more protection when markets have not done so well.

(*) A portfolio that consists of 98% equities and 2% cash and has the same risk profile as the risk rating 7 category and based on the same composition of underlying indices.

Risk rating 4



Cautious

4.7%	Annualised targeted returns
7.3%	Historical volatility
-20.2%	Worst historical drawdown

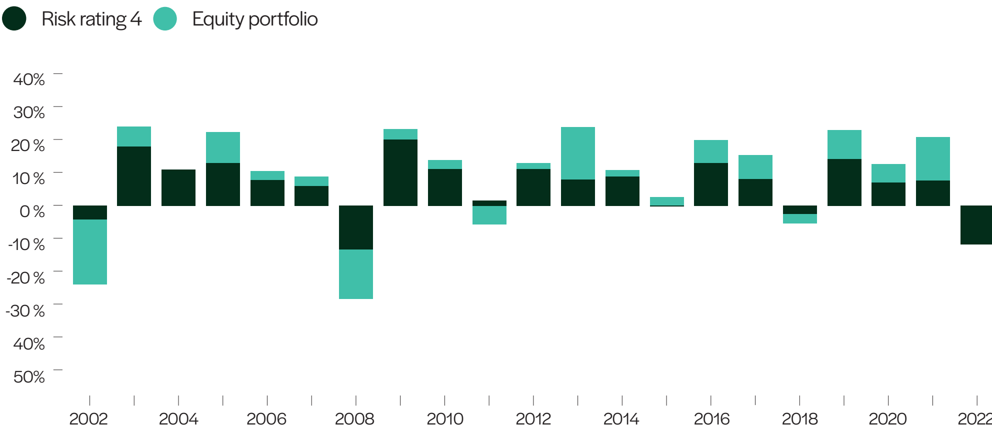
*Historical Volatility and Worst Historical Drawdown are based on data since January 2000

*Annualised returns are the 10 year Median returns weighted by asset class weight

You seek additional capital and/or income growth over the rate of inflation and capital protection is less important to you than achieving a better return on the investment. You are prepared to accept more risk in the hope of achieving this.

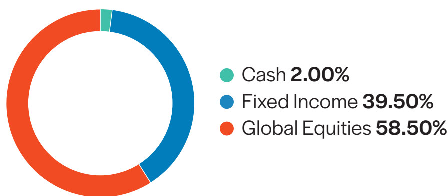
You should expect an investment portfolio in this category to invest in a mixture of investments including bonds and equities, both UK and overseas. Riskier fixed income securities, such as high yield bonds and emerging market debt, as well as alternative assets, including property and infrastructure, may be used to provide the best estimated return for a given level of risk and to diversify the risk within the portfolio.

You are willing to accept fluctuations in your investments but, in order to minimise the impact of short- term market falls in the value of your money, you are prepared to invest for a minimum of five years.



Risk rating 4 compared to a **full equities portfolio***. The graph shows that although returns have been higher for a portfolio constructed entirely of equities, our Risk rating 4 portfolio has offered more protection when markets have not done so well.

(*) A portfolio that consists of 98% equities and 2% cash and has the same risk profile as the risk rating 7 category and based on the same composition of underlying indices.



Risk rating 5

You are prepared to accept significant short-term fluctuations in your investments in order to increase the potential return over the longer term. Capital protection is less important to you than achieving a better return.

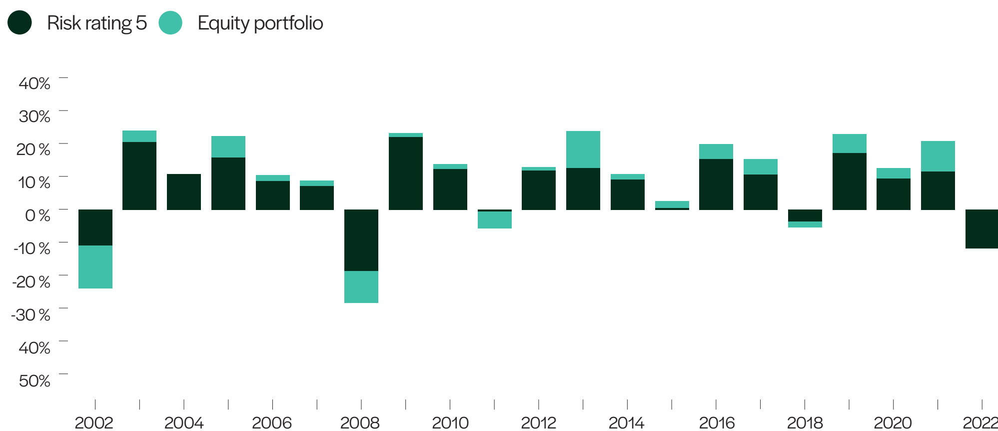
You should expect an investment portfolio in this category to invest in a mixture of investments including bonds and equities, both UK and overseas. Riskier fixed income securities, such as high yield bonds and emerging market debt, as well as alternative assets, including property and infrastructure, may be used to provide the best estimated return for a given level of risk and to diversify the risk within the portfolio. In order to bear the impact of short-term market falls in the value of your money, you are prepared to invest for a minimum of five years.

Balanced

5.3%	Annualised targeted returns
9.3%	Historical volatility
-27.6%	Worst historical drawdown

*Historical Volatility and Worst Historical Drawdown are based on data since January 2000

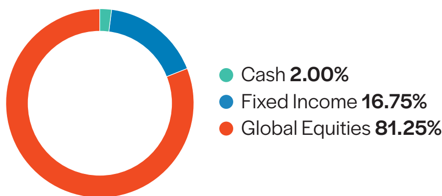
*Annualised returns are the 10 year Median returns weighted by asset class weight



Risk rating 5 compared to a **full equities portfolio***. The graph shows that although returns have been higher for a portfolio constructed entirely of equities, our risk rating 5 portfolio has offered more protection when markets have not done so well.

(*) A portfolio that consists of 98% equities and 2% cash and has the same risk profile as the risk rating 7 category and based on the same composition of underlying indices.

Risk rating 6



You are prepared to take a significant degree of risk with your investment in return for the prospect of higher possible longer-term performance. You understand the risk and reward relationship of investing in equities.

You should expect an investment portfolio in this category to be invested predominantly in equities, both in the UK and overseas, but may also use fixed income securities. Riskier fixed income securities, such as high yield bonds and emerging market debt, as well as alternative assets, including property and infrastructure, may be used to provide the best estimated return for a given level of risk and to diversify the risk within the portfolio.

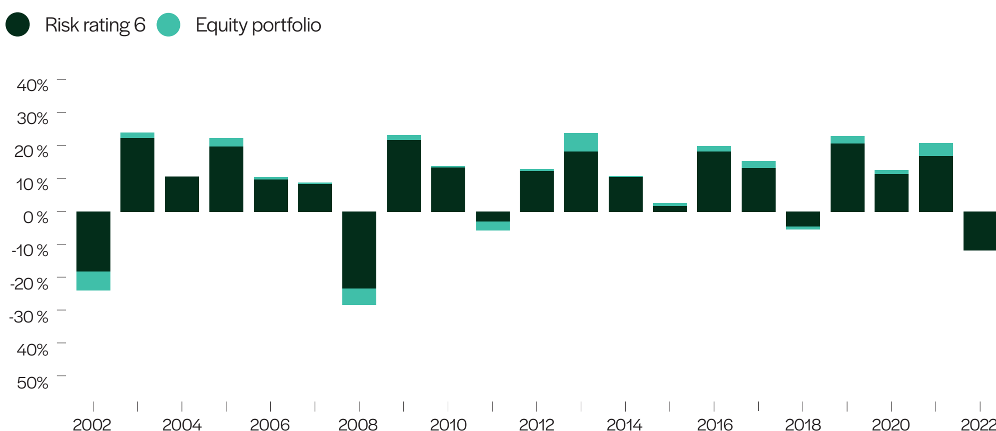
You appreciate that, over some periods of time, there can be significant falls, as well as rises, in the value of your investment. In order to bear the impact of short-term market falls in the value of your money, you are prepared to invest for a minimum of five years.

Growth

6.0%	Annualised targeted returns
11.7%	Historical volatility
-36.6%	Worst historical drawdown

*Historical Volatility and Worst Historical Drawdown are based on data since January 2000

*Annualised returns are the 10 year Median returns weighted by asset class weight



Risk rating 6 compared to a **full equities portfolio***. The graph shows that although returns have been higher for a portfolio constructed entirely of equities, our risk rating 6 portfolio has offered more protection when markets have not done so well.

(*) A portfolio that consists of 98% equities and 2% cash and has the same risk profile as the risk rating 7 category and based on the same composition of underlying indices.

Adventurous

6.4%	Annualised targeted returns
13.8%	Historical volatility
-45.1%	Worst historical drawdown

*Historical Volatility and Worst Historical Drawdown are based on data since January 2000

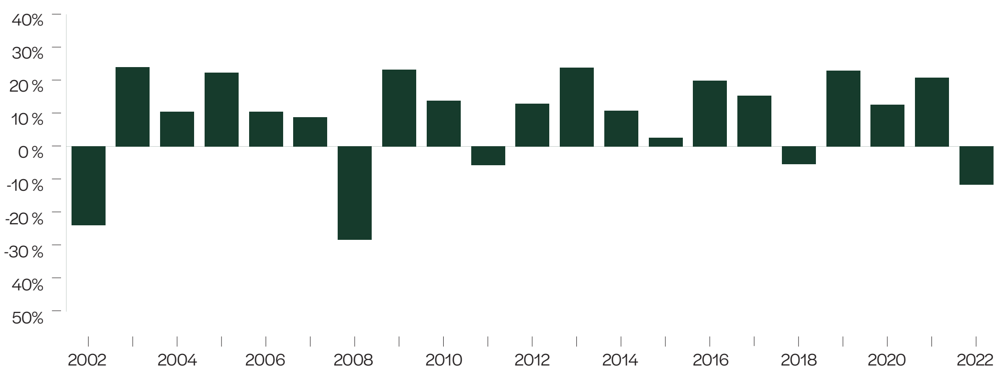
*Annualised returns are the 10 year Median returns weighted by asset class weight

Risk rating 7

You are prepared to take a substantial degree of risk with your investment in return for the prospect of longer-term performance. You understand the risk and reward relationship of investing in equities.

You should expect an investment portfolio in this category to be usually invested entirely in equities, both in the UK and overseas. Alternative assets, including property and infrastructure, may be used to provide the best estimated return for a given level of risk and to diversify the risk within the portfolio. You appreciate that, over some periods of time, there can be significant falls, as well as rises, in the value of your investments.

As this strategy holds significant risk in the shorter term, you are prepared to invest for a minimum of five years.



Past performance is not a reliable indicator of future results.

Contact us

If you'd like to find out more about our risk rating process and investment services, please get in touch.

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Important information and risks

All investing involves risk. The value of investments, and the income from them, may fall as well as rise. You may not get back the original amount invested. **Past performance is not a reliable indicator of future results.**

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