Quilter Financial Planning

Your attitude to risk
1. Risk averse investor

Potential returns - risk averse investor

There are no guarantees with this investment strategy and actual results achieved may be higher or lower than those shown. However, these probable returns are a sensible way of understanding the potential downsides as well as the upsides when saving or investing this way.

Potential gain

The graph below is an example of the potential returns based on an assumed £100,000 invested for a term of 10 years following the illustrative asset allocation, assuming no charges, no active management and with regular rebalancing. The chart has been simplified, in that it does not show potential daily market fluctuations, or account for your specific financial objectives, nor does it take into consideration the impact of inflation but is an illustration of the variability in long term returns before charges that might be experienced with the illustrative asset allocation:

Potential growth

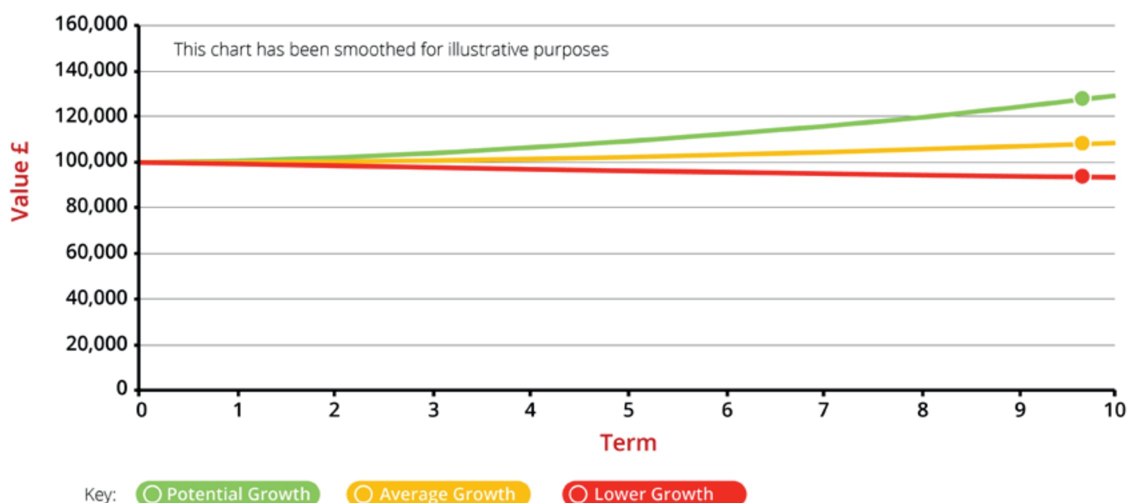
The top line shows there is a 1 in 10 probability of achieving at least £127,544 after 10 years. This is what you might get back from your original investment if market conditions are very good.

Average growth

The middle line shows there is a 1 in 2 probability of achieving at least £108,006 after 10 years. This is what you might get back from your original investment under average market conditions

Lower growth

The bottom line shows there is a 1 in 20 probability of achieving less than £93,907. This is what you might get back from your original investment if market conditions are poor.



Quilter Financial Planning

Strategic asset allocation risk averse investor

Risk averse investors typically have very limited knowledge of financial matters. They are unlikely to have experience of investment. Risk averse investors prefer knowing that their capital is safe rather than seeking high returns. They are not comfortable with the thought of investing in the stockmarket and want to keep their money in the bank.

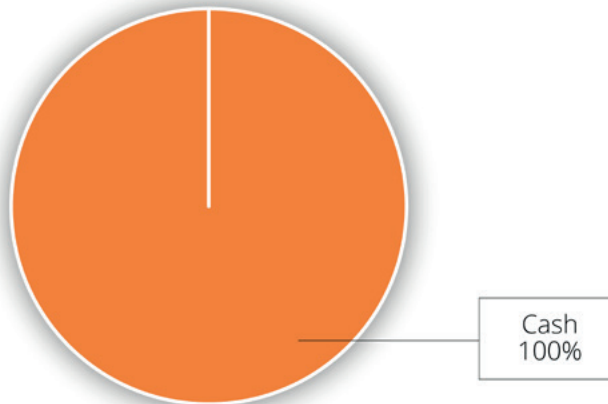
Risk averse investors can take a long time to make up their mind on financial matters and will usually suffer from severe regret if their decisions turn out badly. They typically hold all of their money in cash deposits.

Risk averse investors need to be aware that their unwillingness to take any risk with their money may mean that the value of their savings does not keep pace with rises in the cost of living ("inflation").

Risk attitude is only one factor in determining a suitable investment strategy. You must also consider your ability to withstand short term losses, and your need to take risk to achieve your financial goals.

You should always discuss appropriate investments with your financial adviser. Your decision to make any investments should have regard to the way your money is to be managed, the impact of inflation and the length of time you wish to invest.

A stochastic model (supplied by Moody's Analytics) has been used to generate thousands of possible future scenarios for this Strategic Asset Allocation. Stochastic modelling is a standard industry tool, and allows us to estimate the measures of risk and return shown in the Potential Returns section.



Quilter Financial Planning

Your attitude to risk
2. Conservative investor

Potential returns - conservative investor

When investing, you must accept there will be times when the value of your portfolio will fall. There will be good years and bad years. The important thing is to understand the potential volatility of this investment strategy, what a bad year might look like and be able to cope with it.

As an example only, were you to invest in the illustrative asset allocation then the downside risk in a single bad year is estimated as a loss of 7% or worse of your investment before charges (equivalent to a £7,000 loss or worse on £100,000). The likelihood of this happening is estimated as having odds of 1 in 20 each year. A bad year could occur at any time, including the first year of the investment.

But remember, there are no guarantees. Also, it is important to be aware that your actual investments will be different - Fund Managers will not hold the same investments as the illustrative asset allocation, and so will give rise to different outcomes for potential loss/volatility and potential returns.

There are no guarantees with this investment strategy and actual results achieved may be higher or lower than those shown. As the investment strategies increase in risk and potential reward, so does the amount you may lose in a bad year. Conversely the investment gain in a good year also increases. However, we believe these probable returns are a sensible way of understanding the potential downsides as well as the upsides when saving or investing this way.

Potential gain

The graph below is an example of the potential returns based on an assumed £100,000 invested for a term of 10 years following the illustrative asset allocation, assuming no charges, no active management and with regular rebalancing. The chart has been simplified, in that it does not show potential daily market fluctuations, or account for your specific financial objectives, but is an illustration of the variability in long term returns before charges that might be experienced with the illustrative asset allocation:

Potential growth

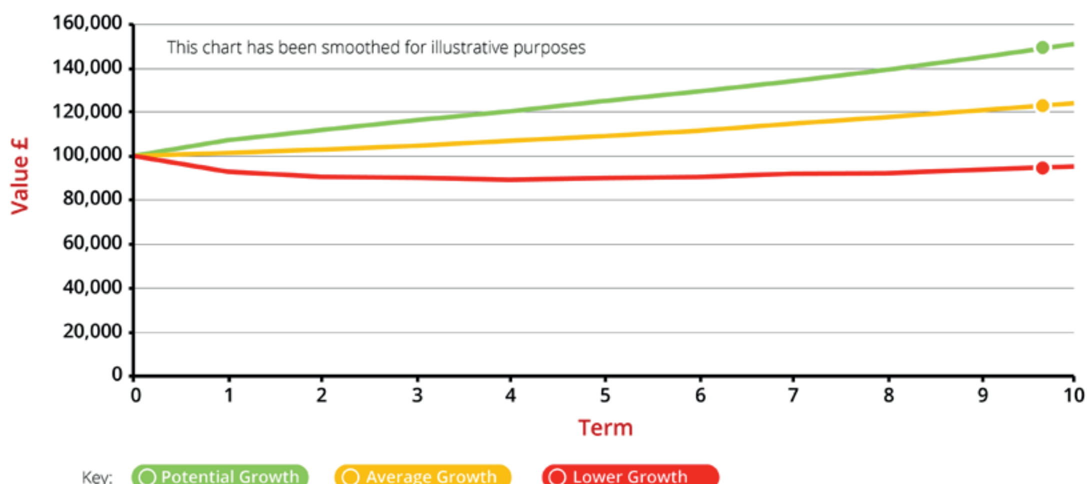
The top line shows there is a 1 in 10 probability of achieving at least £156,617 after 10 years. This is what you might get back from your original investment if market conditions are very good.

Average growth

The middle line shows there is a 1 in 2 probability of achieving at least £126,681 after 10 years. This is what you might get back from your original investment under average market conditions.

Lower growth

The bottom line shows there is a 1 in 20 probability of achieving less than £94,675. This is what you might get back from your original investment if market conditions are poor.



Quilter Financial Planning

Strategic asset allocation conservative investor

Conservative investors typically have fairly limited knowledge of financial matters. They are unlikely to have much experience of investment.

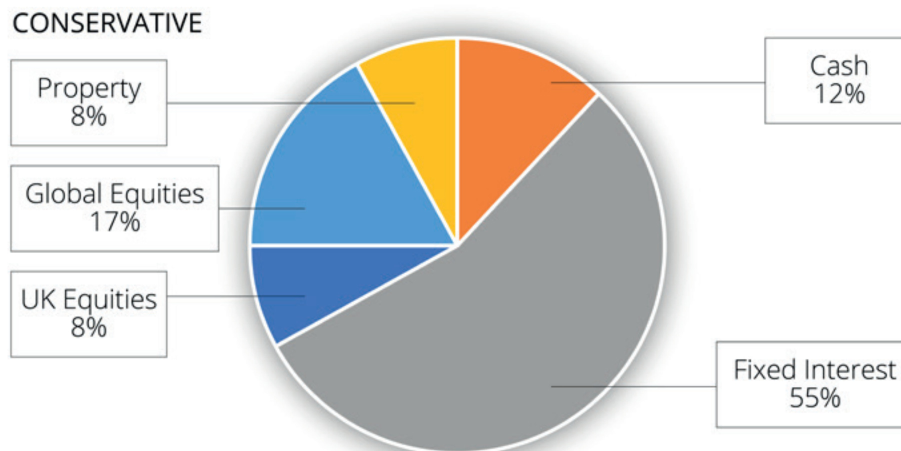
In general, Conservative investors prefer knowing that their capital is safe rather than seeking high returns. They are not particularly comfortable with the thought of investing in the stockmarket and would rather keep most of their money in lower risk assets.

Conservative investors can take a relatively long time to make up their mind on financial matters and will usually suffer from regret if their decisions turn out badly.

Risk attitude is only one factor in determining a suitable investment strategy. You must also consider your ability to withstand short term losses, and your need to take risk to achieve your financial goals.

You should always discuss appropriate investments with your financial adviser. Your decision to make any investments should have regard to the way your money is to be managed, the impact of inflation and the length of time you wish to invest.

A stochastic model (supplied by Moody's Analytics) has been used to generate thousands of possible future scenarios for this Strategic Asset Allocation. Stochastic modelling is a standard industry tool, and allows us to estimate the measures of risk and return shown in the Potential Reurns section.



Quilter Financial Planning

Your attitude to risk 3. Balanced investor

Potential returns - balanced investor

When investing, you must accept there will be times when the value of your portfolio will fall. There will be good years and bad years. The important thing is to understand the potential volatility of this investment strategy, what a bad year might look like and be able to cope with it.

As an example only, were you to invest in the illustrative asset allocation then the downside risk in a single bad year is estimated as a loss of 10% or worse of your investment before charges (equivalent to a £10,000 loss or worse on £100,000). The likelihood of this happening is estimated as having odds of 1 in 20 each year. A bad year could occur at any time, including the first year of the investment.

But remember, there are no guarantees. Also, it is important to be aware that your actual investments will be different - Fund Managers will not hold the same investments as the illustrative asset allocation, and so will give rise to different outcomes for potential loss/volatility and potential returns.

There are no guarantees with this investment strategy and actual results achieved may be higher or lower than those shown. As the investment strategies increase in risk and potential reward, so does the amount you may lose in a bad year. Conversely the investment gain in a good year also increases. However, we believe these probable returns are a sensible way of understanding the potential downsides as well as the upsides when saving or investing this way.

Potential gain

The graph below is an example of the potential returns based on an assumed £100,000 invested for a term of 10 years following the illustrative asset allocation, assuming no charges, no active management and with regular rebalancing. The chart has been simplified, in that it does not show potential daily market fluctuations, or account for your specific financial objectives, but is an illustration of the variability in long term returns before charges that might be experienced with the illustrative asset allocation:

Potential growth

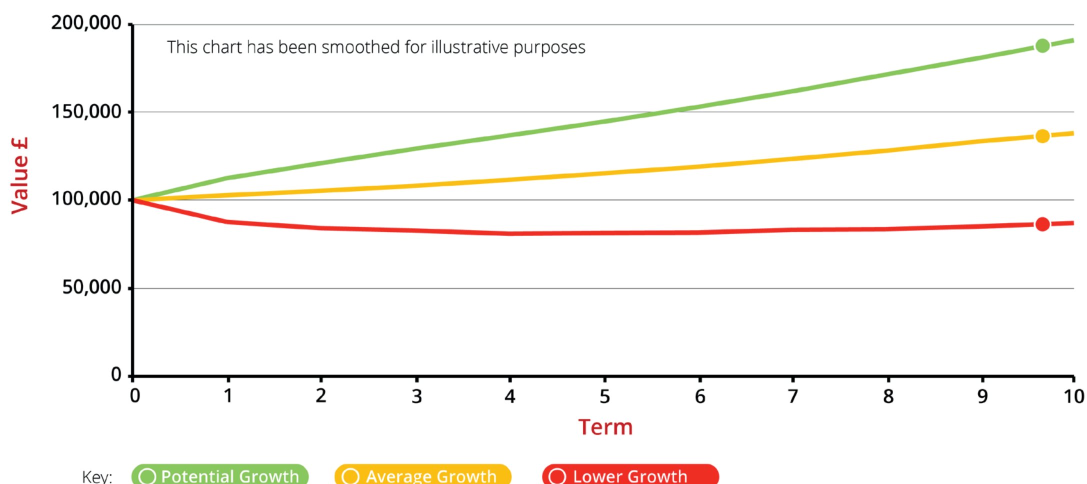
The top line shows there is a 1 in 10 probability of achieving at least £187,605 after 10 years. This is what you might get back from your original investment if market conditions are very good.

Average growth

The middle line shows there is a 1 in 2 probability of achieving at least £136,651 after 10 years. This is what you might get back from your original investment under average market conditions.

Lower growth

The bottom line shows there is a 1 in 20 probability of achieving less than £87,488. This is what you might get back from your original investment if market conditions are poor.



Quilter Financial Planning

Strategic asset allocation balanced investor

Balanced investors typically have modest levels of knowledge about financial matters. They may have some experience of investment in riskier assets.

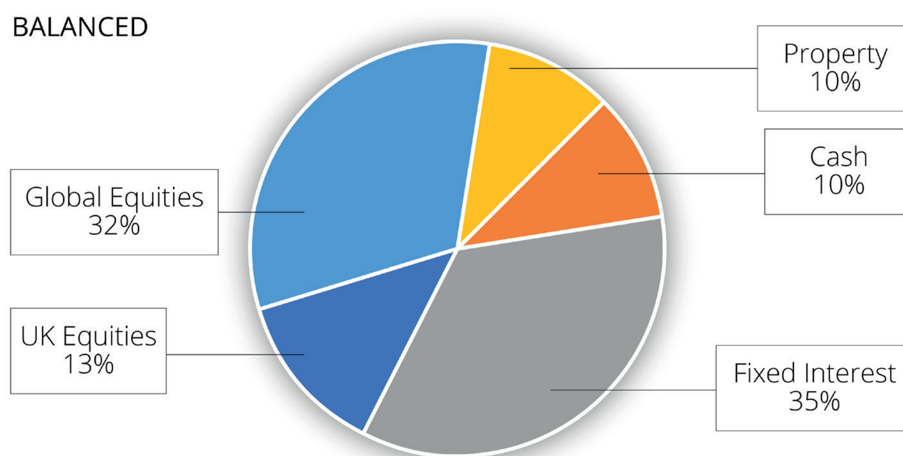
In general, Balanced investors prefer not to take much risk with their investments, but will do so to an extent. They prefer lower risk assets, but realise riskier investments are likely to give better longer term returns.

Balanced investors can take some time to make up their mind on financial matters and can often suffer from regret when decisions turn out badly.

Risk attitude is only one factor in determining a suitable investment strategy. You must also consider your ability to withstand short term losses, and your need to take risk to achieve your financial goals.

You should always discuss appropriate investments with your financial adviser. Your decision to make any investments should have regard to the way your money is to be managed, the impact of inflation and the length of time you wish to invest.

A stochastic model (supplied by Moody's Analytics) has been used to generate thousands of possible future scenarios for this Strategic Asset Allocation. Stochastic modelling is a standard industry tool, and allows us to estimate the measures of risk and return shown in the Potential Returns section.



Quilter Financial Planning

Your attitude to risk
4. Moderate investor

Potential returns - moderate investor

When investing, you must accept there will be times when the value of your portfolio will fall. There will be good years and bad years. The important thing is to understand the potential volatility of this investment strategy, what a bad year might look like and be able to cope with it.

As an example only, were you to invest in the illustrative asset allocation then the downside risk in a single bad year is estimated as a loss of 15% or worse of your investment before charges (equivalent to a £15,000 loss or worse on £100,000). The likelihood of this happening is estimated as having odds of 1 in 20 each year. A bad year could occur at any time, including the first year of the investment.

But remember, there are no guarantees. Also, it is important to be aware that your actual investments will be different - Fund Managers will not hold the same investments as the illustrative asset allocation, and so will give rise to different outcomes for potential loss/volatility and potential returns.

There are no guarantees with this investment strategy and actual results achieved may be higher or lower than those shown. As the investment strategies increase in risk and potential reward, so does the amount you may lose in a bad year. Conversely the investment gain in a good year also increases. However, we believe these probable returns are a sensible way of understanding the potential downsides as well as the upsides when saving or investing this way.

Potential gain

The graph below is an example of the potential returns based on an assumed £100,000 invested for a term of 10 years following the illustrative asset allocation, assuming no charges, no active management and with regular rebalancing.

The chart has been simplified, in that it does not show potential daily market fluctuations, or account for your specific financial objectives, but is an illustration of the variability in long term returns before charges that might be experienced with the illustrative asset allocation:

Potential growth

The top line shows there is a 1 in 10 probability of achieving at least £223,258 after 10 years. This is what you might get back from your original investment if market conditions are very good.

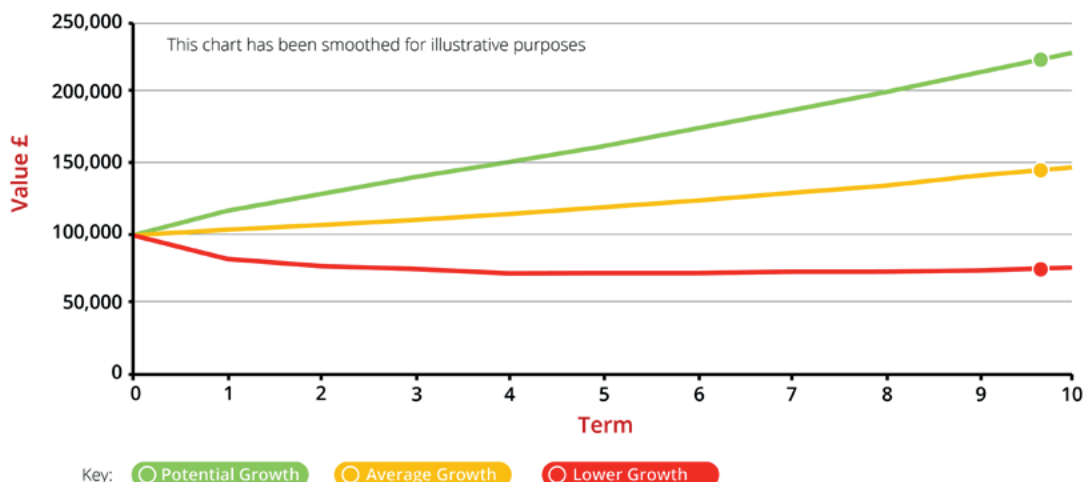
Average growth

The middle line shows there is a 1 in 2 probability of achieving at least £145,842 after 10 years. This is what you might get back from your original investment under average market conditions.

Lower growth

The bottom line shows there is a 1 in 20 probability of achieving less than £78,198. This is what you might get back from your original investment if market conditions are poor.

POTENTIAL GAIN Risk modelling by Moody's Analytics based on analysis provided May 2021



Quilter Financial Planning

Strategic asset allocation moderate investor

Moderate investors typically have a degree of knowledge about financial matters. They usually have some experience of investment, including investing in products containing higher risk assets such as equities.

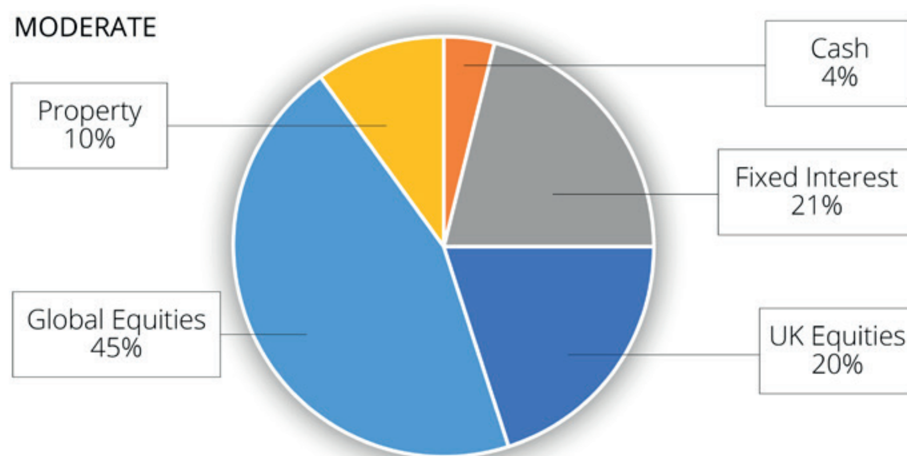
In general, Moderate investors understand that they have to take investment risk in order to be able to meet their long-term goals. They are likely to be willing to take risk with a high proportion of their available assets.

Moderate investors will usually be able to make up their minds on financial matters relatively quickly, but still suffer from some feelings of regret when their decisions turn out badly.

Risk attitude is only one factor in determining a suitable investment strategy. You must also consider your ability to withstand short term losses, and your need to take risk to achieve your financial goals.

You should always discuss appropriate investments with your financial adviser. Your decision to make any investments should have regard to the way your money is to be managed, the impact of inflation and the length of time you wish to invest.

A stochastic model (supplied by Moody's Analytics) has been used to generate thousands of possible future scenarios for this Strategic Asset Allocation. Stochastic modelling is a standard industry tool, and allows us to estimate the measures of risk and return shown in the Potential Returns section.



Quilter Financial Planning

Your attitude to risk
5. Dynamic investor

Potential returns - dynamic investor

When investing, you must accept there will be times when the value of your portfolio will fall. There will be good years and bad years. The important thing is to understand the potential volatility of this investment strategy, what a bad year might look like and be able to cope with it.

As an example only, were you to invest in the illustrative asset allocation then the downside risk in a single bad year is estimated as a loss of 20% or worse of your investment before charges (equivalent to a £20,000 loss or worse on £100,000). The likelihood of this happening is estimated as having odds of 1 in 20 each year. A bad year could occur at any time, including the first year of the investment.

But remember, there are no guarantees. Also, it is important to be aware that your actual investments will be different - Fund Managers will not hold the same investments as the illustrative asset allocation, and so will give rise to different outcomes for potential loss/volatility and potential returns.

There are no guarantees with this investment strategy and actual results achieved may be higher or lower than those shown. As the investment strategies increase in risk and potential reward, so does the amount you may lose in a bad year. Conversely the investment gain in a good year also increases. However, we believe these probable returns are a sensible way of understanding the potential downsides as well as the upsides when saving or investing this way.

Potential gain

The graph below is an example of the potential returns based on an assumed £100,000 invested for a term of 10 years following the illustrative asset allocation, assuming no charges, no active management and with regular rebalancing.

The chart has been simplified, in that it does not show potential daily market fluctuations, or account for your specific financial objectives, but is an illustration of the variability in long term returns before charges that might be experienced with the illustrative asset allocation:

Potential growth

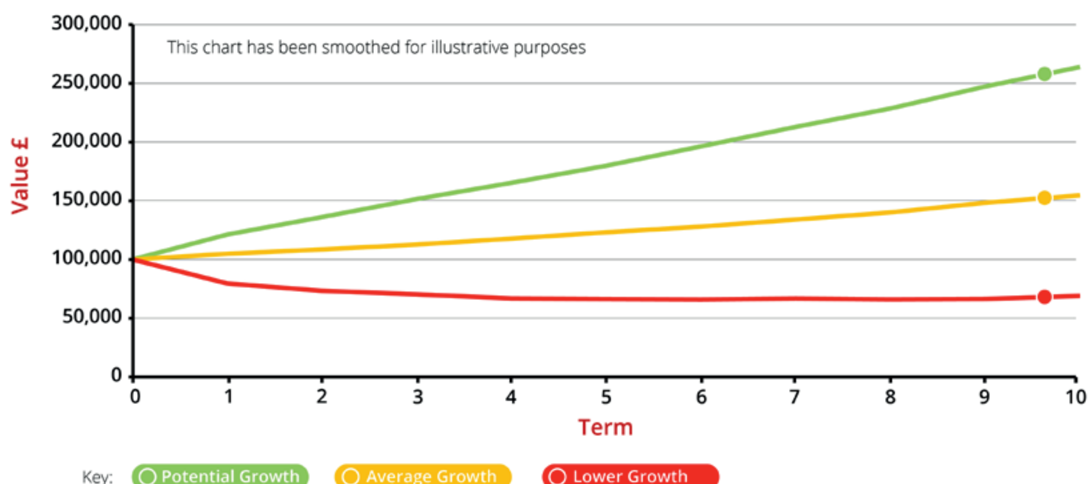
The top line shows there is a 1 in 10 probability of achieving at least £261,233 after 10 years. This is what you might get back from your original investment if market conditions are very good.

Average growth

The middle line shows there is a 1 in 2 probability of achieving at least £153,700 after 10 years. This is what you might get back from your original investment under average market conditions.

Lower growth

The bottom line shows there is a 1 in 20 probability of achieving less than £69,429. This is what you might get back from your original investment if market conditions are poor.



Quilter Financial Planning

Strategic asset allocation dynamic investor

Dynamic investors typically have quite high levels of financial knowledge. They will usually be experienced investors, who have used a range of investment products in the past.

In general, Dynamic investors are happy to take investment risk and understand this is crucial in terms of generating long-term return. They are willing to take risk with most of their available assets.

Dynamic investors will usually be able to make up their minds on financial matters quite quickly. While they can suffer from regret when their decisions turn out badly, they are able to accept that occasional poor returns are a necessary part of long-term investment.

Risk attitude is only one factor in determining a suitable investment strategy. You must also consider your ability to withstand short term losses, and your need to take risk to achieve your financial goals.

You should always discuss appropriate investments with your financial adviser. Your decision to make any investments should have regard to the way your money is to be managed, the impact of inflation and the length of time you wish to invest.

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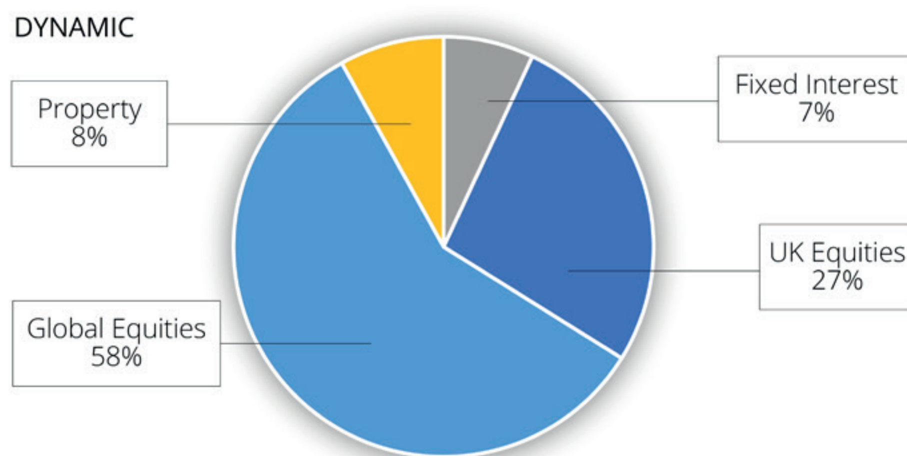

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Quilter Financial Planning

Your attitude to risk
6. Adventurous investor

Potential returns - adventurous investor

When investing, you must accept there will be times when the value of your portfolio will fall. There will be good years and bad years. The important thing is to understand the potential volatility of this investment strategy, what a bad year might look like and be able to cope with it.

As an example only, were you to invest in the illustrative asset allocation then the downside risk in a single bad year is estimated as a loss of 25% or worse of your investment before charges (equivalent to a £25,000 loss or worse on £100,000). The likelihood of this happening is estimated as having odds of 1 in 20 each year. A bad year could occur at any time, including the first year of the investment.

But remember, there are no guarantees. Also, it is important to be aware that your actual investments will be different - Fund Managers will not hold the same investments as the illustrative asset allocation, and so will give rise to different outcomes for potential loss/volatility and potential returns.

There are no guarantees with this investment strategy and actual results achieved may be higher or lower than those shown. As the investment strategies increase in risk and potential reward, so does the amount you may lose in a bad year. Conversely the investment gain in a good year also increases. However, we believe these probable returns are a sensible way of understanding the potential downsides as well as the upsides when saving or investing this way.

Potential gain

The graph below is an example of the potential returns based on an assumed £100,000 invested for a term of 10 years following the illustrative asset allocation, assuming no charges, no active management and with regular rebalancing.

The chart has been simplified, in that it does not show potential daily market fluctuations, or account for your specific financial objectives, but is an illustration of the variability in long term returns before charges that might be experienced with the illustrative asset allocation:

Potential growth

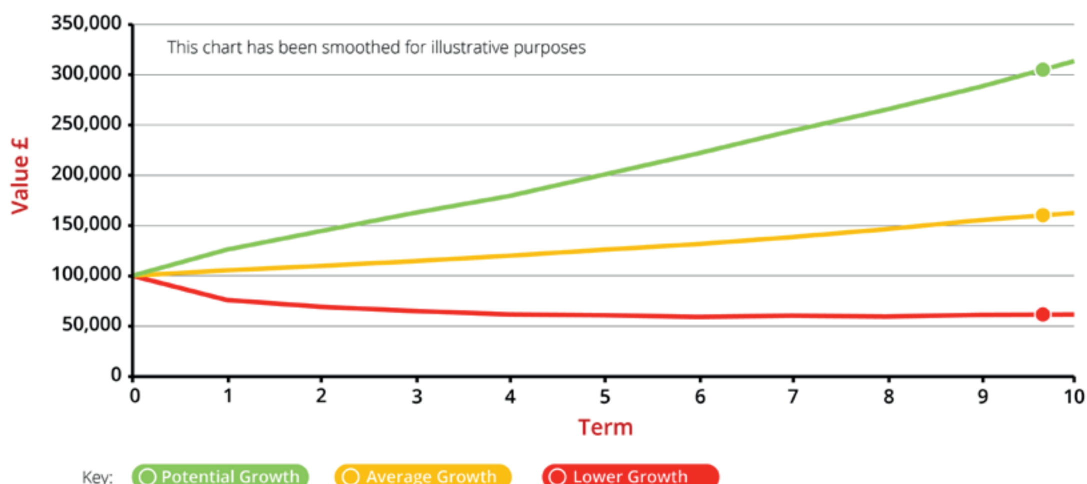
The top line shows there is a 1 in 10 probability of achieving at least £316,919 after 10 years. This is what you might get back from your original investment if market conditions are very good.

Average growth

The middle line shows there is a 1 in 2 probability of achieving at least £163,454 after 10 years. This is what you might get back from your original investment under average market conditions.

Lower growth

The bottom line shows there is a 1 in 20 probability of achieving less than £60,865. This is what you might get back from your original investment if market conditions are poor.



Quilter Financial Planning

Strategic asset allocation adventurous investor

Adventurous investors typically have high levels of financial knowledge. They often have substantial amounts of investment experience and may have been active in managing their investment arrangements.

In general, Adventurous investors are looking for a high return on their capital and are willing to take considerable amounts of risk to achieve this. They are usually willing to take risk with all of their available assets.

Adventurous investors typically will make up their minds on financial matters quickly. They do not suffer from regret to any great extent and can accept occasional poor returns without much difficulty.

Risk attitude is only one factor in determining a suitable investment strategy. You must also consider your ability to withstand short term losses, and your need to take risk to achieve your financial goals.

You should always discuss appropriate investments with your financial adviser. Your decision to make any investments should have regard to the way your money is to be managed, the impact of inflation and the length of time you wish to invest.

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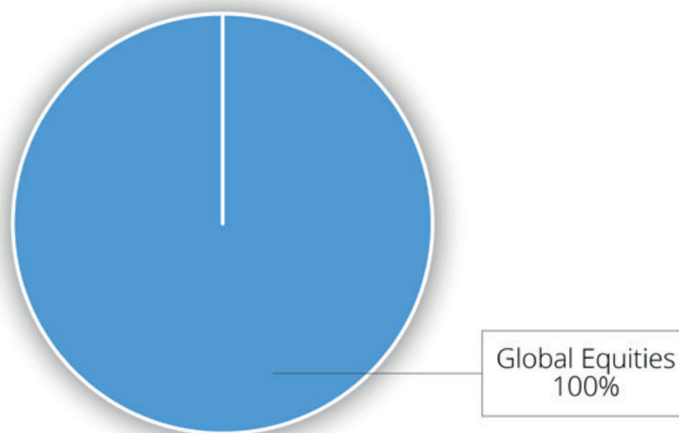
ADVENTUROUS



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