

wesleyan

GUIDE TO INVESTING.



Investing can be an effective way of growing your money. Whether you're looking to pay off your mortgage quicker, boost your retirement funds or provide financial security for your family's future, investing could potentially help you get there.

But before you part with your cash, you need to be prepared for a long-term commitment. If you can't put away your money for at least five years, investing may not be the right choice for you.

It's also vitally important to remember that any investment comes with risk, meaning that any investments can go down as well as up, and you may get back less than you invest.

This guide provides a useful overview of the things you may wish to consider before making any decisions.

Getting Started.

Investing is normally considered to be a long-term commitment of around five years or more. If you can't commit your money for at least this amount of time, you should perhaps think about putting it into a savings account with a bank or building society instead.

We all have different wants, needs and aspirations in life, and it is important to remember that no one size fits all when it comes to investing too.

One thing you will have in common with other investors though, is wanting your money to be invested well, with the aim of getting a good future return.



How to balance your immediate commitments against your short and long-term financial goals.

Before you start to invest your money, it's important to have a financial plan in place to ensure that you can continue to commit for the long term - without it affecting your regular financial commitments.

A little careful planning can ensure that you're not over-stretching yourself financially, which could mean the difference between you taking the money out of your investment prematurely or leaving it invested for the long-term.



We would suggest that any financial plan includes the below:

1

An emergency money fund

This is the amount you have 'just in case'. This will be different for everybody, but we would generally advise that you have at least three months' net income as a starting point.

2

Short-term planned spending

This ensures that you keep money aside for any plans you have within the next five years, such as a new car, home improvements or a big holiday.

Bear in mind that over-committing into this part of your financial plan could have a negative effect on your long-term financial goals.

3

Long-term financial goals

This is the amount you want to set aside for the longer term (at least five years or more).

This should include any financial goals you have set yourself, such as your child's university costs, a future house deposit, retirement planning or maybe a nest egg to help secure your own financial future.

A Specialist Financial Adviser from Wesleyan Financial Services will be happy to talk to you about creating a financial plan if you don't have one. Learn more by visiting wesleyan.co.uk. – *charges may apply. We will not charge you until you have agreed the services you require and the associated cost*

Understanding Risk.

Every decision in life carries a certain amount of risk. When investing, there is no right or wrong answer. How much you invest, and how much risk you decide to take, will depend on your own personal circumstances.

What you can be sure of is that no investment is totally risk free and that there is a chance you may get back less money than you originally invest.



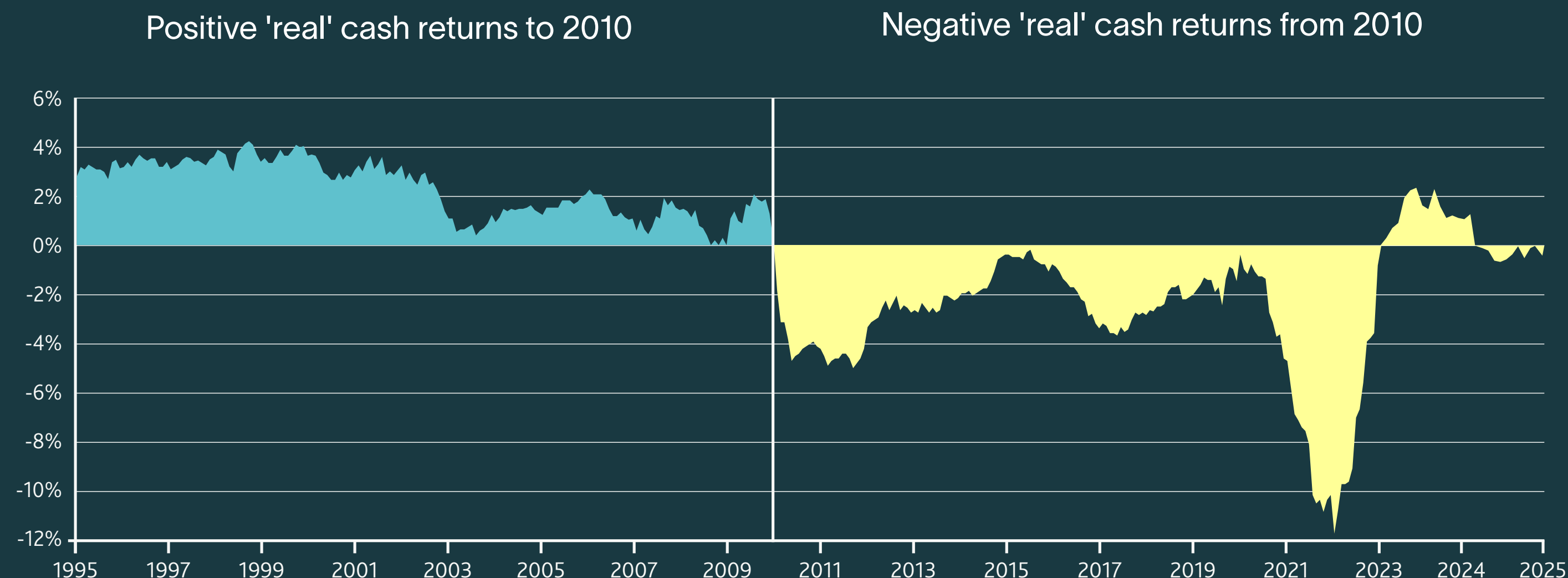
Why some take risk by investing: what inflation does to your cash.

Over time, a pound in your pocket will buy you less. This is known as the 'loss of buying power' caused by inflation.

To make sure your pound can buy you as much tomorrow as it can today, you need to invest and achieve a return above the rate of inflation. This is called a 'real' return.

To try and achieve this, you need to take investment risk. For the vast majority of time since c.2010, cash savings delivered a negative real return. This means even if your bank current account had provided an interest rate as high as the Bank of England base rate, a pound saved would buy you less today than it would have in the past.

As a result, deciding not to invest is a risk in itself. The graph shows how the pattern of positive and negative real returns has unfolded over time by adjusting the Bank of England base rate to account for the Retail Prices Index.



Source: LESG Datastream

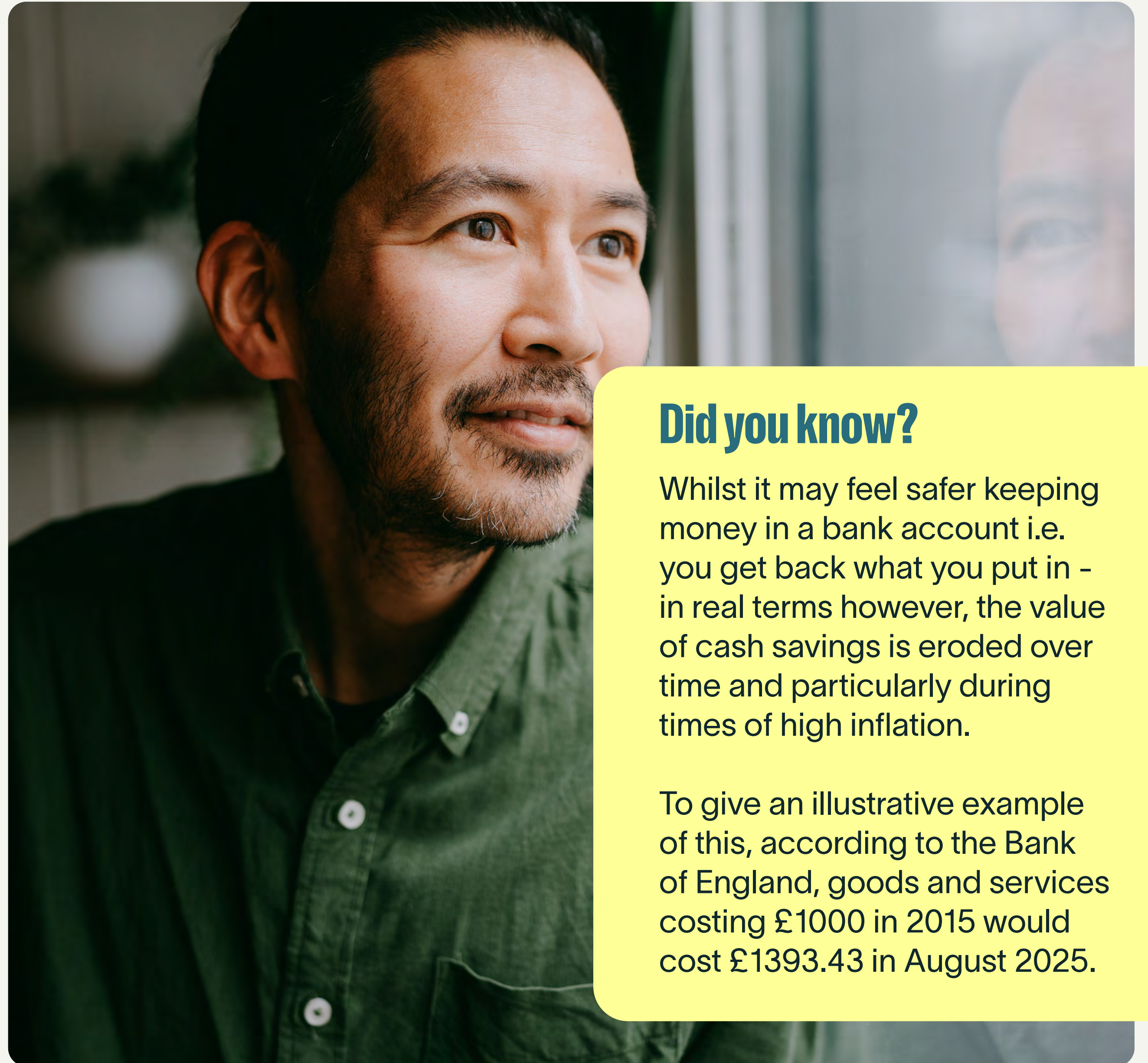
When it's usually best to take the most risk.

There is a 'risk of regret' – of not taking enough risk with your money at a time when you could have afforded to.

When you are relatively young, and in stable employment, you have a long time ahead of you to weather the ups and downs of investment returns, and a future stream of income if you need to save more. You also may have less money saved, so if your investment is not performing so well, the loss will be easier to recover from.

As you near retirement, taking investment risk can have more significant consequences because taking the same level of risk can lead to a greater loss in monetary terms – as you have less future income, and time, to recover.

The window of opportunity to take greater risk – and potentially benefit from greater returns – may have passed.



Did you know?

Whilst it may feel safer keeping money in a bank account i.e. you get back what you put in – in real terms however, the value of cash savings is eroded over time and particularly during times of high inflation.

To give an illustrative example of this, according to the Bank of England, goods and services costing £1000 in 2015 would cost £1393.43 in August 2025.



Understanding asset classes.

Before you decide to invest, it's a good idea to know more about the different asset classes that are available.

We all have different wants, needs and aspirations in life, and it is important to remember that no one size fits all when it comes to investing too.

One thing you will have in common with most investors though, is that you'll want to invest your money well with the aim of getting a good future return.



Cash

Cash as an asset class comes in a variety of forms. This can include money deposited with banks or held by other financial companies, but it can also include holding short-term government or corporate debt.

What you should know

- When interest rates are low, investments held in cash assets will not grow as much as they would have, had interest rates been higher.
- If inflation is higher than the return on your cash investments after charges have been taken, it will reduce the buying power of your money over time.
- Cash assets can be useful if you need quick and easy access to your money, or if you need to keep the value of your savings relatively stable.
- No investment is risk free and it is still possible to lose money invested in cash assets, particularly after fees are included.



Bonds & gilts

A bond is essentially an 'IOU' from a company or government that wishes to raise money, with a promise to pay it back at a later date. A bond issued by the UK Government is called a gilt.

Bonds will typically make regular payments (known as a 'coupon') that reflect a pre-agreed fixed rate of interest. These are called 'fixed interest'.

Some bonds make variable interest payments. A common example is bonds which link payments to a rate of inflation – these are called 'index-linked'.

What you should know

- When interest rates rise, the value of an existing bond typically falls, because it is paying less interest relative to newer bonds issued. It is therefore less attractive to investors. When interest rates fall, the value of an existing bond typically rises.
- Bond prices will also fall if the market believes an issuer has become less likely to be able to repay than previously thought. This is often reported as a fall in credit rating. Bond prices may rise if belief in an issuer strengthens.
- The rises and falls in value will be greater for bonds with longer loan periods than for those with shorter ones.



Commodities

Commodities are goods such as oil, coffee, gold and silver that are in demand and easily traded. Commodity investment can be highly speculative – and therefore highly risky – with investors generally aiming to make money by predicting future changes in supply and demand.

As an example, the price of gold sometimes rises when investors are worried about global economic conditions.

What you should know

- Placing your investment in commodities can be very risky, particularly if only a small number of commodity types is invested in, and if it forms a large portion of your overall savings.
- A benefit of commodities is that prices often move up or down differently to other asset classes. This can make a small allocation to commodities in a diversified fund a good route to achieving better diversification, and lower overall risk.

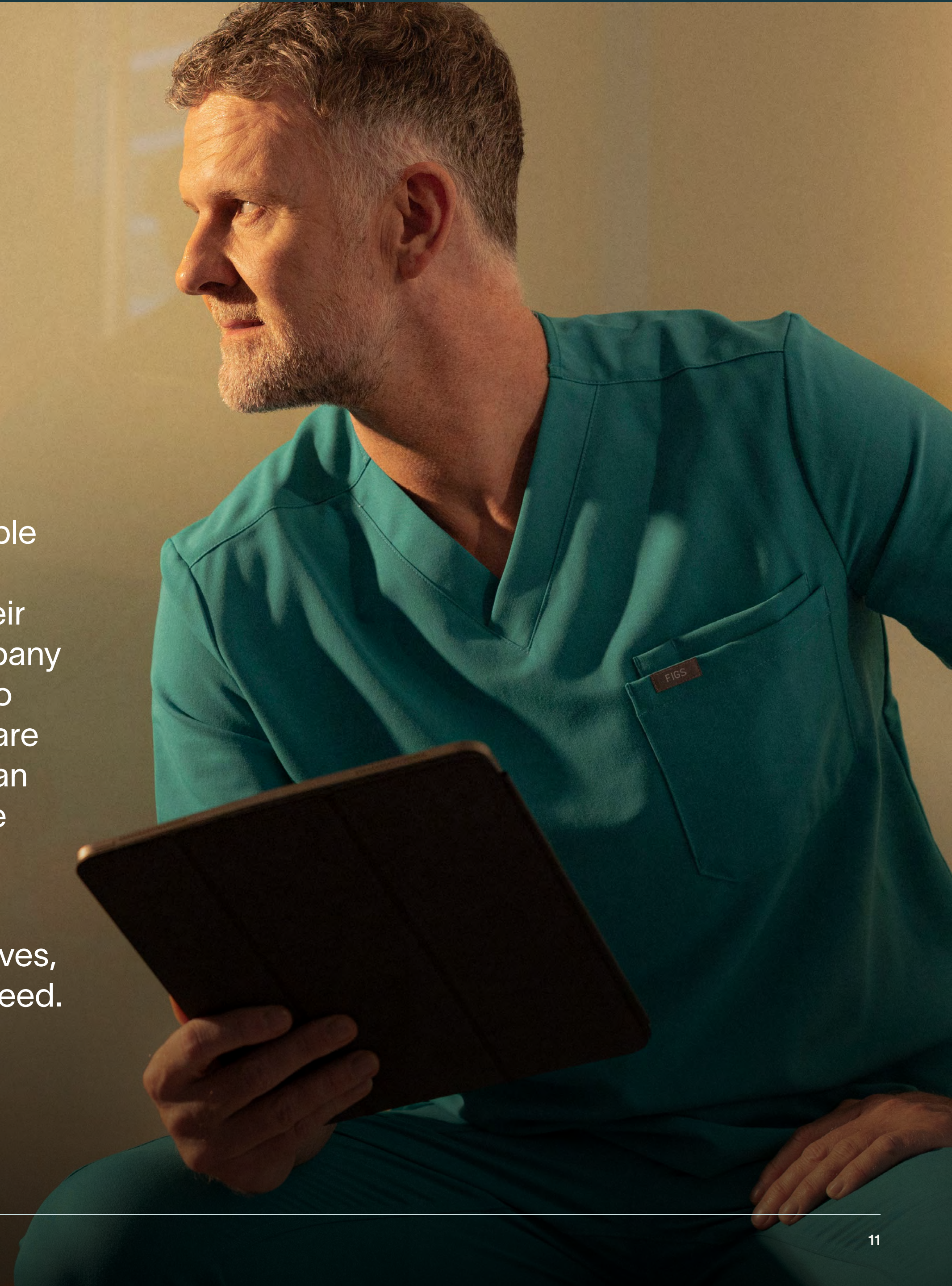
Equities (stocks and shares).

When companies need to raise money, shares are issued which investors can purchase, providing part-ownership. If the company is successful, and the value of their company shares rise, your investment will grow in value. Share prices can rise or fall depending on factors outside the company itself, such as the economy and the stock market.

Company shares can provide you with some income (known as dividend income) which is normally paid twice-yearly and is simply a share in the company's profits. When investing through a fund, dividend income is often reinvested to help with the overall growth of your investment.

What you should know

- Company shares are more suitable for investors who are willing to take a higher level of risk with their money. This is because if a company performs poorly or is expected to perform poorly, the value of a share will usually drop more quickly than the value of a bond issued by the same company.
- Dividend income from company shares, like share prices themselves, can rise or fall and is not guaranteed.





Property.

The type of property you can invest in is broadly split between 'residential' and 'commercial' property. Commercial property, for example, includes office blocks, retail units, factories, warehouses and so on. While it's possible to invest directly in property, it can require a lot of money and time to do so, and so most investment is made through funds – and most funds invest in commercial property.

What you should know

- An advantage of investing in commercial property is that tenants generally sign long-term lease agreements, which means the level of rental income is predictable and more secure.
- The big sums of money and time management involved in property make it difficult to invest in a large number of areas and properties.

This can make a property fund more sensitive to changes in a particular sector, such as retail, or a country, like the UK, for example. For this reason, it may make sense to diversify risky investments between property and equities, rather than just one or the other.

- It can be difficult to sell property quickly and at a fair market price, particularly in times of market uncertainty. Property funds may therefore suspend purchases and sales for a period of time.
- Some property funds, called 'listed' or 'indirect', invest in such things as the shares of building companies, rather than in buildings themselves. The value of these funds can rise and fall much more quickly than with 'direct', or 'bricks and mortar' property funds.

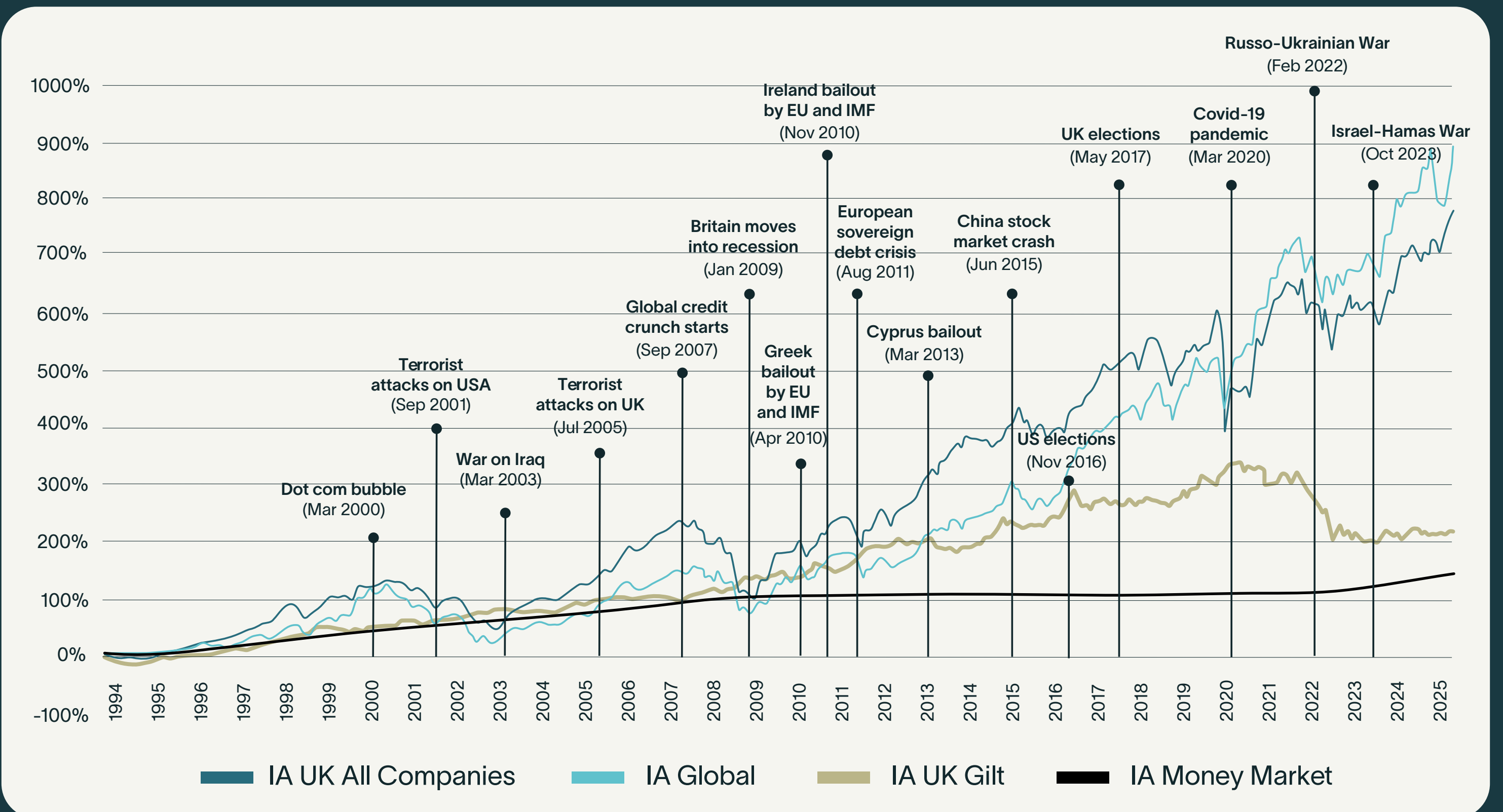
Balancing risk against potential return.

The graph below shows how £10,000 invested in different asset classes would have performed over a particular period of time – 31 years leading to 31 July 2025. One thing to consider is that they may not perform in the future as they have in the past, but it does help visualise how each asset class has different risk and return characteristics.

At times of market stress, the asset classes that are traditionally considered as less risky (gilts) have performed relatively well, whereas all riskier asset classes have seen sharp falls in value. Whilst many people try, few succeed in predicting the ups and downs of investment markets with any consistency.

It is usually wiser to align the risk that you take with your personal circumstances, rather than a prediction of what markets will do in future.

The graph shows how a selection of different asset classes have performed since 1994.



Source: LSEG Data stream/Investment Association.

The Investment Association (IA)

UK All Companies sector comprises funds which invest at least 80% of their assets in UK equities which have a primary objective of achieving capital growth.

The Investment Association (IA)

Global sector comprises funds which invest at least 80% of their assets in global equities and are geographically diversified.

The Investment Association (IA)

Global UK gilt sector comprises funds which invest at least 95% of their assets in sterling denominated (or hedged back to sterling) government backed securities, with a credit rating the same or higher than that of the UK, with at least 80% invested in UK Government securities (gilts).

The Investment Association (IA)

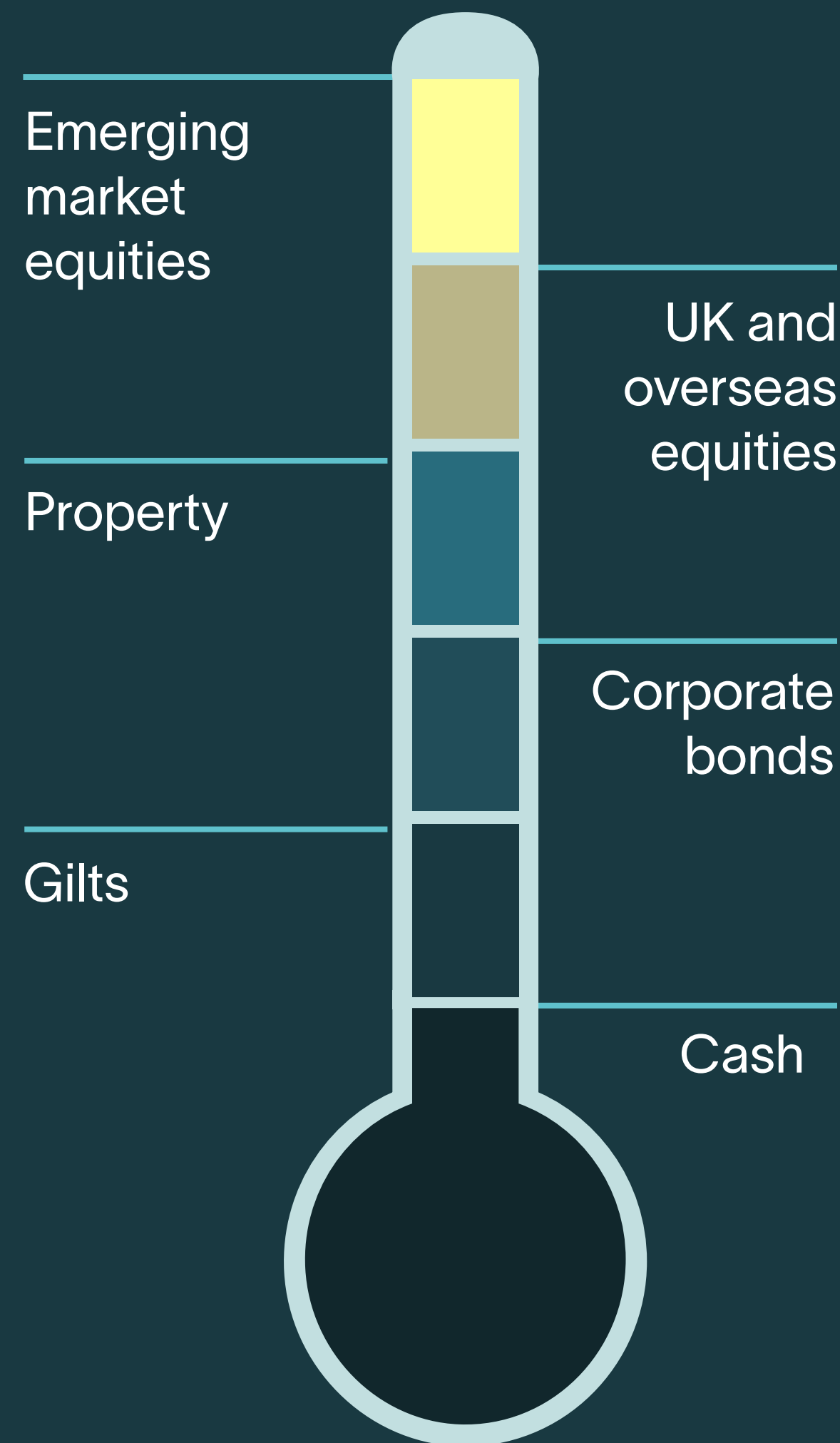
Money Market sector comprises funds which invest their assets in money market instruments and comply with the definition of a short-term money market fund.



How risk is taken when investing in 'asset classes'.

Some asset classes commonly invested in are illustrated in the graphic opposite.

Asset classes at the bottom typically offer the least amount of risk and likewise, potential reward. While those at the top typically offer the greatest risk, and potentially, the greatest reward.



Equities

Also known as stocks or shares.

Property

Including offices, warehouses, hotels, and retail units along with residential property such as buy-to-let.

Fixed interest

This includes bonds issued by companies ('corporate bonds') and governments.

Bonds issued by the UK Government are called gilts.

Cash

This includes cash 'on deposit' as with a bank account, but also other forms such as holding short-term debt.

When it comes to investing, there are certain ‘bad risks’ that should be avoided. Your own personal attitude to risk will also form a key part of any approach you decide to take.

‘Bad’ investment risk

No one can predict the future. The best any of us can do is to take a level of risk appropriate to our personal circumstances, and to avoid bad risks.

- Do not invest in something you do not understand.
- Do not put all your eggs in one basket when investing (see ‘why diversification is important’)
- Do not invest with an entity you do not have good reason to trust. Be cautious with unsolicited calls and search results on the internet.
- If an investment sounds too good to be true – it probably is. Be particularly wary of high returns described as ‘guaranteed’.

Your adviser can help you through the process of understanding investments, and ensure you avoid taking the wrong type of risk in pursuit of your long-term investment goals.

Your attitude to risk

How you feel about risk, and how you will react to loss, is a very important consideration. This is called your ‘attitude to risk’.

- It may be, for example, that your investment goals would be best served, in theory, by taking a high level of risk. However, if doing so results in you feeling anxious, or if you respond to loss by dis-investing and locking in that loss, then it may be better not to take that higher level of risk.
- Instead, adjusting goals, or increasing savings levels, may be more appropriate.

Your adviser can help you navigate the process of identifying your attitude to risk, and how best to account for it in investment decision making.

Why diversification is important.

A golden rule of investing is not to put all your eggs in one basket. This principle is known as ‘diversification’.

If, for example, you put all your money in one share, such as an oil company, you may lose everything if that company unexpectedly loses an oil field during a political crisis.

If you invest the same sum of money across ten oil companies, you would expect a similar level of return, but you won't lose everything with the loss of that one oil field – you're taking less risk.

But, it should also be considered that with less risk comes the potential for less return. If the oil company had, for example, not been lost, your return on your investment could potentially have been much greater.

In the same fashion, you may still lose all of your money in those ten companies if a technological breakthrough reduces our reliance on oil. It therefore makes sense to extend the principle and invest across different areas:

- Asset classes, such as property, bonds and equities.
- Sectors (such as supermarket shares, building companies and financial organisations).

→ Specific financial instruments (for example, Tesco, Sainsbury's or Morrisons' shares).

Investing in a fund is often the easiest way to achieve diversification. A related benefit of diversifying your investments is that you tend to experience a smoother overall journey. When one investment is doing well, another may be doing less well, and the ups and downs can smooth each other out.

It's important to remember, however, that diversification reduces, but does not eliminate, risk. A global economic event in particular is likely to affect all investments at the same time, to some degree.

Findings.

The table is an illustration of how different asset classes have performed on a year-on-year basis between 2011 and 2025. You will see that at different times, some investments do well and others less well – there is not one asset class that consistently performs best year after year.

Rank

We have ranked the performance of the asset classes shown as the 1st rank being the top performance and the 7th being the lowest. The actual performance of the asset class for that year alone is shown in each individual box.

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
UK Cash	0.21	0.29	0.03	0.03	0.12	0.14	0.06	0.33	0.52	0.11	-0.11	1.08	4.22	4.78	4.29
UK Gilts (Fixed Interest)	15.80	1.85	-5.11	14.52	-0.26	11.06	1.72	0.25	700	9.01	-5.38	-23.87	4.01	-3.72	4.96
UK Corporate Bonds	4.36	13.01	0.64	9.83	-0.27	9.08	5.06	-2.22	9.49	777	-1.92	-16.09	9.42	2.57	711
UK Property (Direct)	2.94	1.62	751	11.24	8.35	0.29	785	3.91	0.21	-3.59	8.81	-5.65	0.53	1.19	1.77
UK Equities	-704	15.05	26.21	0.64	4.86	10.82	13.99	-11.19	22.24	-6.01	17.25	-9.06	738	787	15.37
Global	-9.27	9.43	21.65	7.09	2.77	23.33	14.02	-5.72	21.92	15.27	17.68	-11.06	12.68	12.59	11.22
Global Emerging Markets	-19.02	12.89	-3.84	3.19	-10.19	30.84	24.43	-11.78	16.04	13.65	-0.46	-12.21	4.31	8.23	21.91

Rank



Source: FE fundinfo. Total IA sector return bid to bid in sterling

The benefits of pooling your investments.

It's difficult to invest well on your own.

Earlier in this guide, we talked about the importance of diversifying investments across companies, sectors, regions and asset classes.

To do this alone can be challenging; a single share can cost hundreds or thousands of pounds – and an office block substantially more.

It can also be costly to do this alone. Fees charged for buying and selling individual investments tend to be proportionately higher for lower volumes, and there are techniques for managing costs that are not available for an individual investing in some product wrappers (like an ISA).

Inexperienced investors are also less likely to buy and sell at a fair price in the market.

Investing in a fund allows multiple individuals to pool their money together. You can look at a fund as being a basket full

of investments, with each investor holding their fair share of the basket. This makes investing more efficient, and allows for a fund manager to apply their expertise on behalf of investors.

Most funds will perform as well as the investments they hold. Some funds – such as with profits funds – have more complex features such as smoothing, and in some cases, guarantees. It's important to understand these features clearly before investing in such funds.

Management types.

Active vs Passive Funds

When it comes to investing your money, you may choose to do so through Actively Managed Funds or Passive Index Funds. Careful consideration should be taken as to your approach, with both offering different risks, opportunities and potential rewards.

Active managed funds

An actively managed fund is one in which a fund manager or group of fund managers make specific investment decisions with the goal of outperforming a benchmark or index. Because of the active management and research required, these funds often have higher charges compared to passive funds. This may include management fees and operational costs.

While actively managed funds have the potential to outperform the market, not all actively managed funds achieve their goal.

So, where the performance is the same as a passive fund, the return will be less, simply due to higher charges. It is therefore important to consider their funds' strategy, past performance, fees, and the expertise of the fund management team when evaluating investment options.

You can learn more about Wesleyan's in-house investments team and approach to investing here: wesleyan.co.uk/savings-and-investments/investing-with-wesleyan.

Passive index funds

Passive index funds are investment funds designed to mirror the performance of a specific market index or benchmark such as the S&P 500, FTSE, or Nasdaq. Rather than actively selecting individual securities in an attempt to outperform the market, the fund simply replicates the index by holding the same securities in the same proportions and tracks their movements up or down with no fund manager intervention.

Since passive funds require less management effort and no active decision-making, their charges are typically lower than those of actively managed funds. By tracking a broad index, these funds often provide exposure to a wide range of industries and sectors.

Passive funds aim to match the performance of their target index rather than outperform them, providing returns that closely align with the overall market.

ESG funds

ESG (Environmental, Social, and Governance) funds are a category of funds invested primarily in companies that score high on environmental, social, and governance matters.

Investors seeking portfolios well-aligned with their environmental and social values may wish to consider investing in ESG funds, safe in the knowledge that their money is being invested conscientiously.

Becoming a smart investor.

If you are armed with the right information from the start, you'll quickly become a much more knowledgeable investor in your own right. Here are some things that will help you to stay on top of your investment.

Knowing when to ride out the storm

It's very hard to predict how your investment will perform from one year to the next. Knowing how it's performing is an important part of being an investor.

It's easy to panic if you see your investment fall in value and, equally, it's rewarding to see it rise.

Importantly though, it's crucial to keep a level head at all times and understand that this is very much part of the normal ebb and flow of investing, and often the largest rises in the markets follow a large fall.

Time in the market, not 'timing the market'

It's difficult to predict when stock markets are at the right level to buy and sell.

It's important that you stay invested, and not be panicked into taking your money out.

If you are spending a lot of time waiting for the right moment to invest, you may find that you end up missing out on gains, and having the value of your cash eroded by inflation whilst you wait.

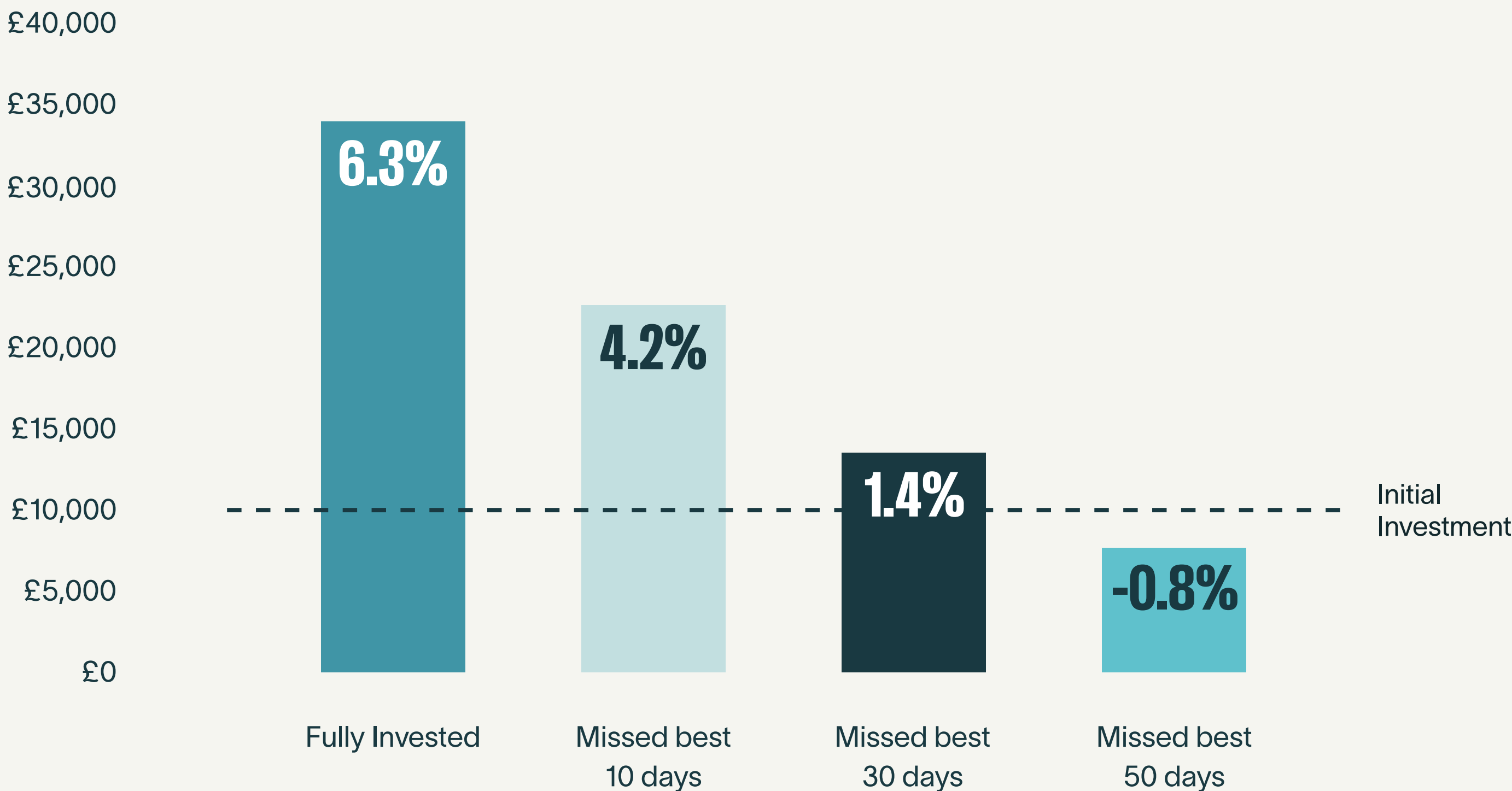
Impact of being out of the market on £10,000 invested for 20 years.

Avoid 'being out of market'

In the world of investing, cashing in your investment is known as 'being out of market'.

It's important to remain invested through the difficult times and to maintain a long-term investment view. This is because you don't know how quickly the good times will follow, and so you may miss out.

Please note that past performance is not a reliable guide to future performance and the value of your investment, and any income can go down as well as up, so you could get back less money than you originally invested.



This graph illustrates how missing a number of 'best days' on a £10,000 investment in the Wesleyan Life Managed Series 1 fund could affect your investment. It shows the 20-year period leading to 31st July 2025. Just missing the best ten days would result in a reduction in return of c. £11,000.

Source: Wesleyan Life Managed Series 1 Fund Data

Pound cost averaging.

You may not know that a combination of regular investing alongside investing a one-off lump sum can help to smooth out the impact of market volatility on your investments over the long term.

This is because with regular investing you're doing it regardless of whether prices are high or low at the time. For savers prepared to wait for prices to rise, pound cost averaging represents an opportunity to buy units more cheaply as markets fall. It also avoids you delaying putting your money to work while you wait for the 'perfect' time to invest.

How does pound cost averaging work?

The return on your money is more likely to be determined by the overall trend in the market than by the price you get if you invest a lump sum on one specific day. The following example shows how pound cost averaging could work over a three-month period, with £1,000 being invested each month, from June, with an initial unit price of 100p.

In July, the price drops to 90p, and, in August, goes back up to 100p again. In the table below, you can see that your £1,000 investment in July enabled you to purchase more units at the lower price of 90p. This means the £3,000 you invested over the three-month period is now worth £3,111, as at August.

The examples shown above are not representative of the current market, and there is no guarantee that investing regularly means your investment will be better off for doing so.

What it does show is that regular investing tends to lead to better outcomes in temporarily falling markets, as pound cost averaging represents the opportunity to buy units more cheaply as markets fall.

It also means that, when markets rise, you buy fewer units, which could also mean that your returns may be lower. Let's now look at how this would work if you invested £50,000 as a one-off lump in June using the same scenario. £50,000 would buy you 50,000 units.

Month	Amount Invested	Unit Price	Units Bought	Value	Total Value
June	£1,000	100p	1,000	£1,000	£1,000
July	£1,000	90p	1,111	£1,000	£1,900
August	£1,000	100p	1,000	£1,000	£3,111

In July, as in the regular investment example shown, the unit price drops to 90p per unit, meaning the 50,000 units you have from the lump sum investment in June, would be worth £45,000 (50,000 x 0.90) – not an issue as long as you don't sell. By August, within this example, the unit price has risen back to 100p, and your lump sum would be worth £50,000 (50,000 x 1.00). It should also be considered that, if you had invested a one-off lump sum of £50,000 in July, when unit prices were lower, it would have bought you more units. As an example, £50,000 at 90p in July would be 5,555 units, which then in August would be worth £55,555.

In summary, pound cost averaging provides you with an opportunity to smooth market volatility on the amount you invest, allowing you to take advantage of lower unit prices when they become available.

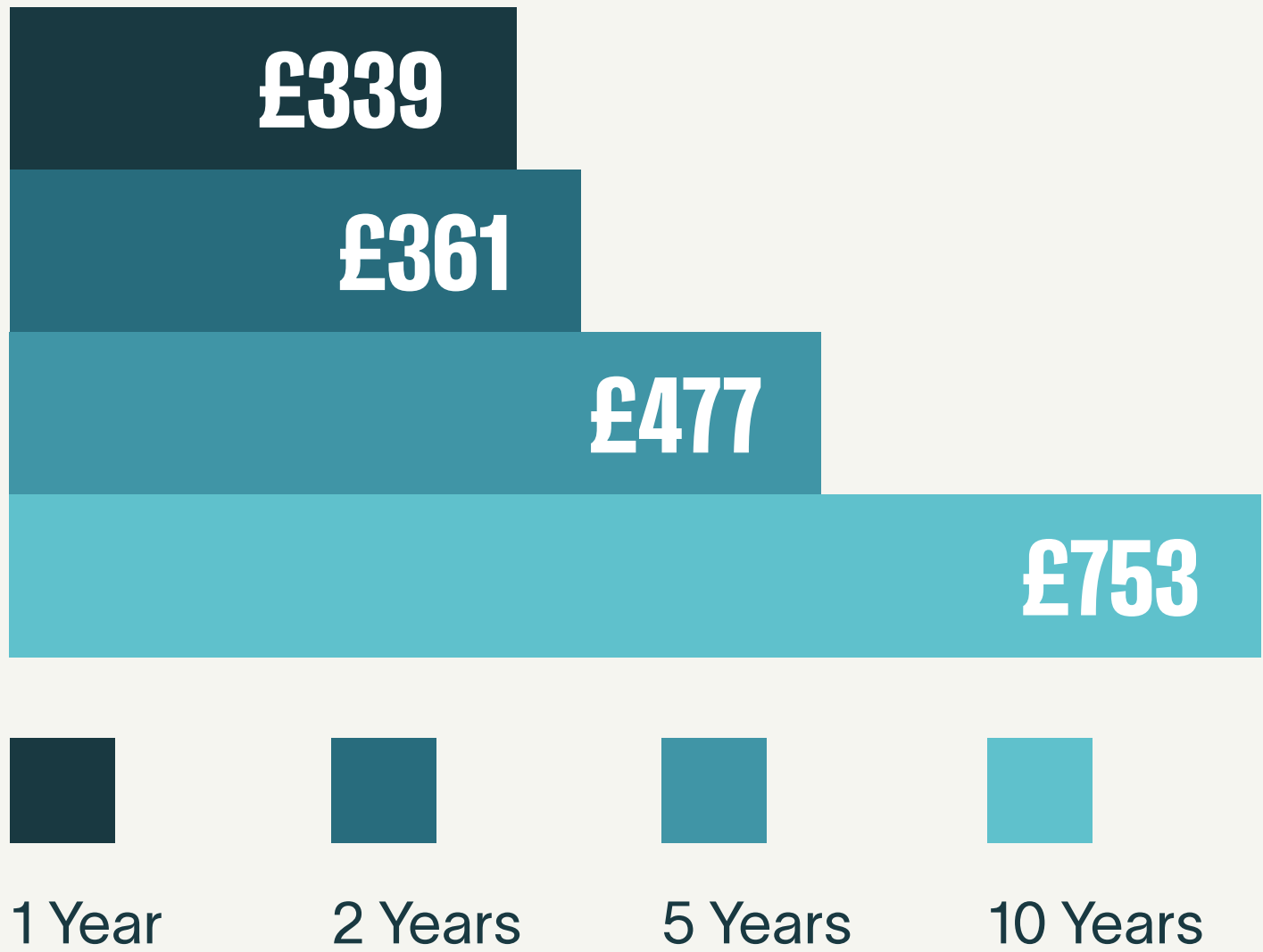
Also, even if you don't have a lump sum to invest up front, or you don't want to, you can invest straight away with a regular amount you feel most comfortable with.

The cost of delay.

When it comes to investing, time is your friend. Putting off your decision to invest could significantly impact the growth of your investment and cost you dearly as you miss out on a vital element of investing – time itself.

If you had an assumed net growth rate on your investment of 5% (after tax and charges), and taking into account an assumed rate of inflation of 2%, to reach an investment goal of £100,000 in 20 years, starting from today, you would need to invest a monthly amount of £339.

If you were to delay starting this investment by one year, your monthly contribution would need to increase to £361 (an extra £22) to reach the same goal. Starting in five years' time would require a £477 monthly contribution (an extra £138 more than if you started today). If you were to wait for 10 years to invest, this would significantly change your requirements as a monthly contribution of £753 would be needed – that's an extra £414 per month on top of your original £339, in order to reach your investment goal.



Compound Growth

Compound growth refers to the process of earning potential returns not only on your original investment but also on any returns that accumulate over time.

Put simply, it is essentially growth upon growth. The longer your money stays invested, the more time it has to grow.

Whilst delaying your investment by one year may be manageable, as you would only need to find an extra £22 per month on top of the £339 you originally needed to invest each month, it is worth remembering however the lost growth on your investment increases year on year.

Therefore, the sooner you start to invest, the more manageable your investment commitments will be over time, and the longer you leave your money invested for, the harder it will work for you.

The calculation shown is an example of the cost of delay is not based on actual performance itself.

Understanding your risk profile and what this means.

Before you take the step to invest, you'll need to know how we classify different levels of risk. We'll work with you to find the risk category that best describes your comfort level.

Accepting that there is always a risk

When thinking about investment risk, the main concern for most investors is often the fear that they may receive back less money than they first invested.

Another concern is the level of volatility associated with investing, such as the rise and fall in the value of their money as it's invested, and how comfortable they feel about that

Risk and reward are often described as going hand-in-hand, as usually the greater

the risk taken, the greater the potential return but equally, the greater potential for loss.

Before you take the step to invest, you'll need to know how we classify different levels of risk. We'll work with you to find the risk category that best describes your comfort level.

How we categorise risk profiles

We grade levels of risk and potential return according to how our customers tell us they want to invest their money. We categorise these risks into five risk profiles as shown to the right.

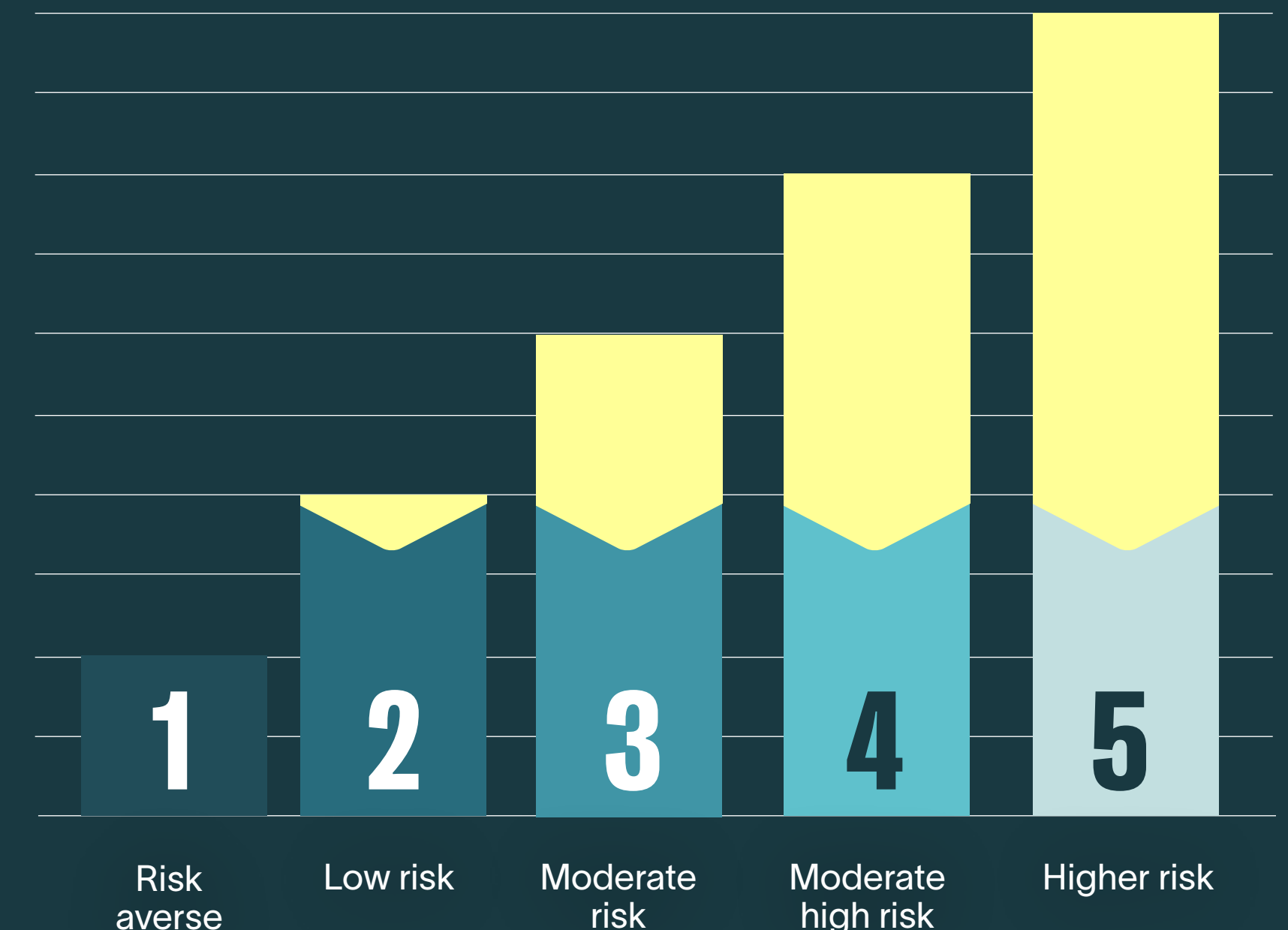
Finding your 'comfort level'

We must first identify where your level of risk sits within these profiles. To help you

with the risk profiles mentioned here and in the following pages, we've provided a description of the type of investor who might be suited to each one.

Your Specialist Financial Adviser will take you through the 'Attitude to Risk Questionnaire'. At the end of it, you'll be able to place yourself within one of the five profiles, which will indicate what level of risk you are comfortable taking.

This is your unique risk profile.



Understanding your risk profile and what this means.

Risk averse

A risk-averse investor does not feel comfortable with any fall in the value of their investment. The security that their money will not fall in value given by cash based investments, such as bank or building society deposit accounts, is of higher priority to them than the prospect of higher returns – which may be available from other types of investments.

Risk Scale



Less risky More risky

An example asset allocation that may be appropriate for a risk-averse investor is:

100% Cash



Low risk

The low-risk investor is usually looking to try and achieve a higher level of return than is available from cash-based investments. They are more likely to spread the risk of investing across different types of investments with the intention of achieving a stable but small return, rather than taking the risk required to achieve significant returns.

Risk Scale



Less risky More risky

An example asset allocation that may be appropriate for a low-risk investor is:

- 34% Corporate bonds
- 33% UK equities
- 33% UK gilts



Moderate risk

Those who have a moderate risk approach generally want to benefit from the potentially higher returns of stock market (share-based) investments but are not comfortable with the fluctuations in value associated with investing entirely in shares. Moderate risk investors tend to view themselves as having a balanced approach to investing. Typically, they do not want to take excessive risk but, equally, they want to know their money is working for them and has the potential to earn more than lower risk investments.

Risk Scale



Less risky More risky

An example asset allocation that may be appropriate for a moderate-risk investor is:

- 50% UK equities
- 30% Corporate bonds
- 15% UK gilts
- 5% US equities



Understanding your risk profile and what this means.

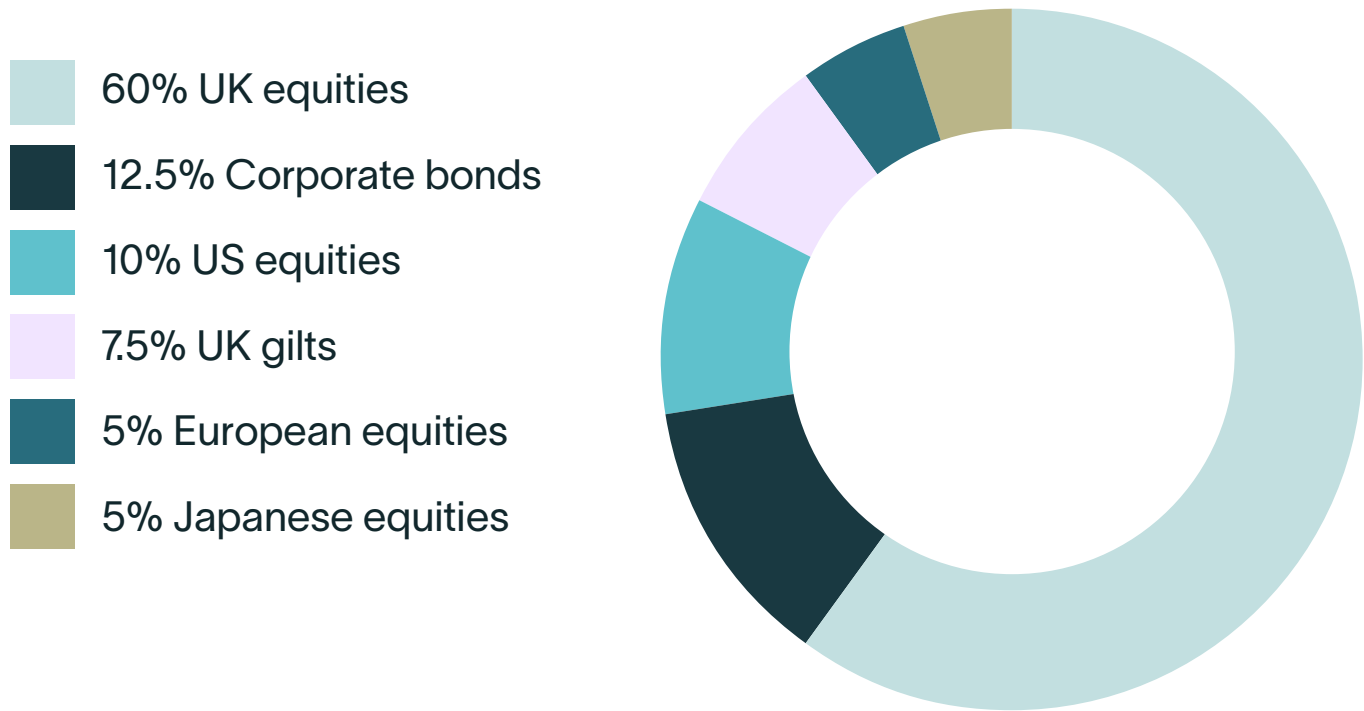
Moderate-high risk

The moderate-high-risk investor has little concern about stock market fluctuations and is excited by the possibility of higher returns in the long term, often holding a high proportion of their investment in share-based assets.

They have few concerns about reports of stock market movements on television and in the press because they understand returns will be variable over the long term. They will often see falls in the stock market as an investment opportunity.



An example asset allocation that may be appropriate for a moderate-high-risk investor is:

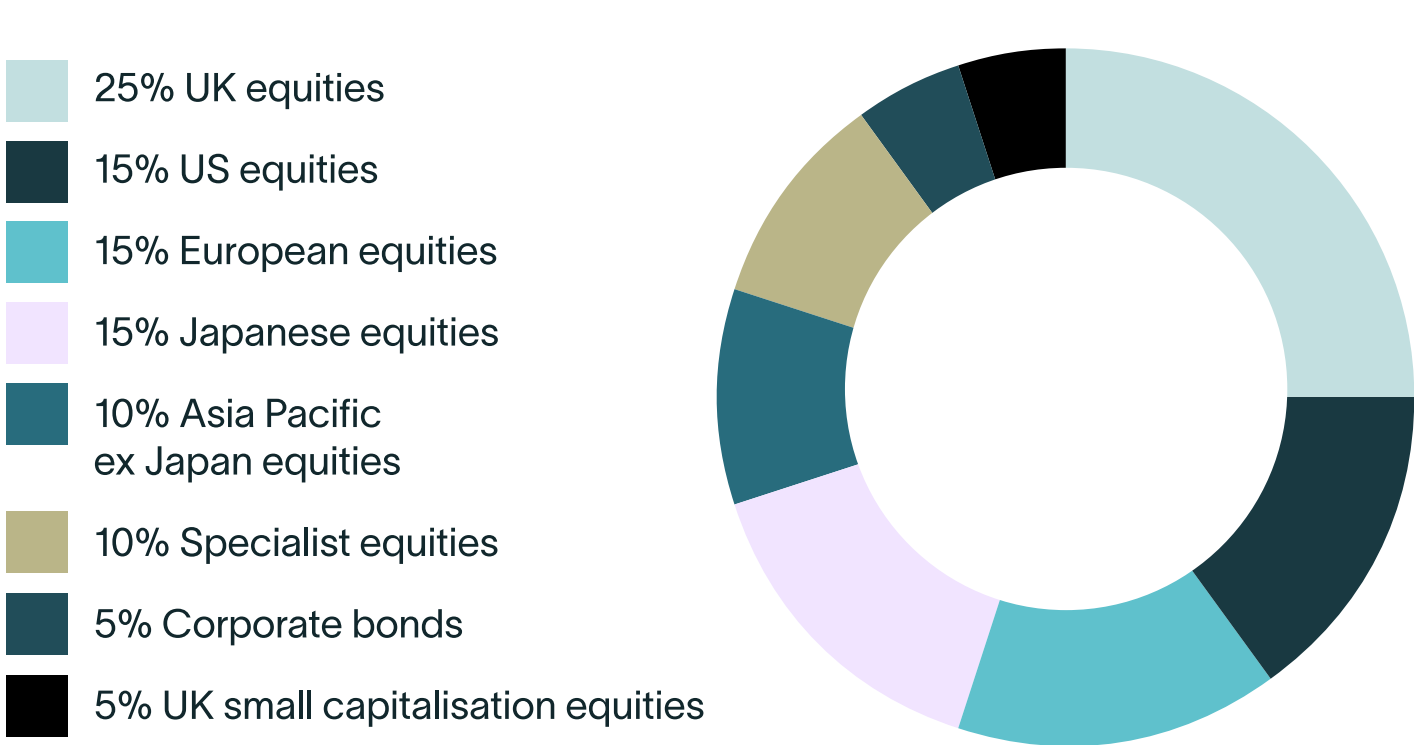


Higher risk

Higher risk investors typically have a good understanding of how financial markets work, gained through investing in different types of investments over a number of years, experiencing both losses and gains. They are unconcerned by stock market fluctuations, completely comfortable with investing entirely in shares and lose no sleep when stock markets fall, often seeing this as an opportunity to invest when markets are low. They are likely to be excited by the prospect of taking higher risks for the potential of higher returns.



An example asset allocation that may be appropriate for a high-risk investor is:



Keeping an eye on your investments and the market.

It is only natural that once you become an investor you will want to keep an eye on how your investment is doing.

It's important to understand that there will undoubtedly be factors beyond your control that may have an impact on your investment.

It's a good idea to keep abreast of changing market conditions and know how and when this might affect the investments you have.

- Interest rates: a change in interest rates, both in the UK and overseas, could affect your investment, as each type of investment is affected by rises and falls in interest rates in different ways.
- Inflation: known as the 'general rise in the price of goods and services over a period of time', means that if you are investing in cash, for example, and inflation is higher than interest rates, what you can buy with your cash will reduce over time.

- Currency: if you're considering investing overseas, there is always the risk of fluctuations in currency exchange rates. An adverse change could reduce or cancel out any gains you make. Likewise, a positive change in exchange rates could increase growth. Changes in exchange rate can also impact UK companies, as many conduct a significant amount of business overseas.

STAYING IN TOUCH.

If you have any questions, your Specialist Financial Adviser from Wesleyan Financial Services will be able to help. If you do not already have an adviser, you can learn more by visiting **wesleyan.co.uk**. Advice charges may apply.

You can also book an appointment over the phone on **0800 980 3810**.
Lines are open from 9am to 5pm, Monday to Friday.

Follow us for regular updates on social media



If you would like this document in Braille, large print or audio format, please contact **0800 975 3710**.

'WESLEYAN' is a trading name of the Wesleyan Group of companies.

Wesleyan Financial Services Ltd (Registered in England and Wales No. 1651212) is authorised and regulated by the Financial Conduct Authority and is wholly owned by Wesleyan Assurance Society. Wesleyan Assurance Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Incorporated in England and Wales by Private Act of Parliament (No. ZC145). Registered Office: Colmore Circus, Birmingham B4 6AR. Telephone: 0121 200 3003. Calls may be recorded to help us to provide, monitor and improve our services to you.