Atkins Bland

Investments • Pensions • Financial Planning

Guide to: Investment Risk

Introduction

'Risk' is an emotive word, normally reflecting danger and peril. That may not be strictly applicable to the risks associated with investment, but it isn't entirely wrong either:

- If you take investment risks beyond your capacity to cope with the possible consequences, you can put your financial security, and that of any dependents, in danger, the implications of which can be daunting.
- On the other hand, if you take too little investment risk, there is a chance that you may find yourself in the same mess, with inadequate resources accumulated and insufficient income to live on when your working life has finished.

Investment risk is, therefore, a topic to be taken very seriously, as getting your approach to it right can make a big difference, as can getting the approach wrong.

Defining investment risk

Investment risk can come in many guises, some obvious and some not so. However, in its simplest form, it is the risk of losing the capital you have, or the income it can generate, or both.

It can also be the risk of not taking enough risk in the first place, by not allowing your savings, investments and pensions the real opportunity to grow, accumulate and compound over years, leaving you with an inadequate amount of money to live on.

Why accept investment risk?

To seek a better reward.

The return you get on investing capital is normally in exchange for:

- Lending it to a financial institution (e.g. a bank) which pays interest to borrow it (e.g. placing it in a savings account).
- Buying something that can generate an income, such as property or most shares (equities).
- Buying something you hope to sell later for a profit, such as gold, crypto currencies or shares that don't pay any dividends.

All these actions can involve some risk to the capital, the degree of which varies considerably but, in normal conditions, the more the risk you take, the higher the potential return over the long term and the more the value of the investment will go up and down along the way.

Introduction

The Risk/Reward Dilemma

Almost any investment with the potential to generate a return above that available from a deposit account will involve risk.

If the potential reward was the same, almost everyone would select the option with the lowest risk.

This creates the 'risk/reward dilemma', where opposing motives clash. In one corner is risk aversion, in the other the desire for a decent return.

Do you prefer zero risk and very limited return or high risk and a potentially high return or, like most of us, something between these extremes?

An investment adviser will help you make a rational decision on this pivotal issue, by looking at your circumstances, considering your needs and discussing your priorities and preferences.

Understanding who you are and how you feel is just as important as understanding your financial position.

What causes investment risk?

Risk has many constituent parts, but here are some of the most important points to focus on:

Risk and time
There is a direct relationship between these two. An investment that is quite high risk over a very short term might be a lot less risky if held for a longer period.

This is because, if your investments take a tumble in value for one reason or another, a short time frame gives less potential for a recovery to come along.

Risk and investor discretion
If you can choose when to sell investments based on relevant market conditions and wait if needed, the risk of loss is much less than if such flexibility is absent. This discretion can be created by holding enough in cash deposits to fund shorter term spending needs.

However, there are situations where discretion cannot be achieved that way, such as the expiry date of an interest only mortgage, which will need to be repaid on or before that date. A planned retirement date and an intention to use a pension fund to buy an annuity can also remove discretion, although for most people delaying an annuity purchase will be an available option.

Introduction

Risk and investor behaviour
Investor behaviour has a big impact on investment risk.

If you invest in something where the value fluctuates, you must be prepared for the fact that values will sometimes fall, possibly dramatically.

If you will be patient when they do and stay invested to allow a recovery to come along, the risks caused by short term volatility are greatly reduced.

However, if you might panic and sell after markets have fallen, that creates a lot of risk of experiencing a real loss.

Only those willing and able to ride through a crisis and await a recovery should invest in assets where values might fall.

Risk and market conditions
Risk is greatly influenced by market conditions. Something out of favour may have already fallen in value, so the risk of a further fall is reduced. Something in favour may already have risen strongly, so the risk of a setback is increased.

It is easy to forget this and be tempted to invest in the things which have done best in the last year or two and avoid those which have done badly, but that can often add a lot of risk.

Just because one area of investment has been the strongest performer in the past, doesn't mean it will continue to be in the future. In fact, a strong run can often take values too high, leading to a weak patch while this is corrected.

Risk and the economic climate
Investment risks can shift quite considerably over time as global or local economic conditions change.

Risk is not a stable thing, but dynamic. This means it is important to keep everything under review. Our *Guide to our Dynamic Risks Classifications* has more on this important issue.

Deconstructing investment risk

Here are some of the main risks you might face when investing capital

Losing your capital completely
This can happen if you invest in the shares of a single company, which subsequently goes bankrupt.

The risk can be reduced or increased depending on the nature of the company. However, even huge household name companies occasionally fail, with a total loss for their shareholders.

Complete loss can also arise because of gearing (borrowing). For example, if you buy a property to rent out for £200,000 and have a £20,000 deposit and fund the rest with a £180,000 mortgage, a 10% fall in the property value, from £200,000 to £180,000, could cause full loss of the money you invested, if you had to sell at a bad time.

Full loss of capital can also arise through buying something with no intrinsic value, such as most crypto currencies.

If an investment can cause the complete loss of your capital, it must be classified as higher risk, however sound it may appear. The risk of complete capital loss may be remote, but the extent of the possible loss needs to be remembered.

This risk can be mitigated by diversification, such as is achieved by collective investment funds or, in the case of gearing, avoidance or limitation of exposure.

It is also important to remember the risk caused by fraud or other financial crime. If something sounds too good to be true, it probably is. Everyone needs to be wary and very careful to only deal with people they are sure they can trust and keep well away from investments promoted through unsolicited emails or telephone calls.

The value falling
This is a far more common situation. It can arise with most investments other than cash This is a far more common situation. It can arise with most investments other than cash deposits or guaranteed products. Most assets will fall and rise in value as part of the normal pattern of their markets.

The scale of a potential fall varies from one asset type to another, as well as between investments within the same broad asset type. It also changes with the passage of time.

In most cases, if an investment falls in value but does not become completely worthless, the value will eventually recover, although this is not always the case.

This means that, for a patient investor, a fall in value will often not cause any loss, as they will not sell but still hold the investment when its value recovers.

However, nothing is ever guaranteed and anyone unprepared to accept some uncertainty over what they will get back when they eventually sell their investment should not invest in something where values can fall.

Deconstructing investment risk

Here are some of the main risks you might face when investing capital

Loss of purchasing power

When prices rise due to inflation, the real value of money falls.

Many investments offer the potential for your capital, and the income it produces, to rise to combat inflation but, unless a value is specifically inflation linked, there is still some risk of loss of real value against rising prices.

Some investments involve a certainty of a loss of real value unless there is no inflation. A deposit account with interest withdrawn as income is the most common example of this.

Failure to consider the risks caused by inflation can have a very damaging impact on your financial security, especially over the longer term.

Failing to achieve what you need from your savings

Often overlooked, this can be a bigger risk than any of the others in terms of damaging your financial security.

A common example is failing to achieve enough real growth on a pension fund or other investment earmarked for retirement.

If you land up without enough to generate the income you need, you may be forced to spend the capital itself. In turn, that runs a risk of the money running out and a truly miserable time in later retirement.

Event risks

There are plenty of unpredictable events which can derail even the best constructed investment planning.

Some are personal, such as poor health forcing you to spend resources earmarked for retirement much earlier than expected and possibly seeing them dwindle away to nothing.

These can often be covered through insurance, and failure to do this can be a high-risk strategy, given the potentially catastrophic consequences. Atkins Bland does not give advice on insurance policies, but if you think you may need insurance to cover risks to your financial planning, we urge to you speak to a specialist insurance adviser.

Most event risks are external and relate to a sudden development that derails the economic equilibrium and causes a sharp and negative impact on asset values. These are normally quite short term but can last a long time, such as occurred in the 1930’s and, to a lesser extent, in the 1970’s.

Deconstructing investment risk

Examples of events that caused markets to “crash” over the last 40 years are:

Event	Global stock market fall – From Peak to Trough*
The 1986 “Big Bang” when electronic share trading was introduced in the UK and the 1987 crash	-29.2%
The 1990/91 Gulf War	-34.8%
The September 1992 “Black Wednesday” exit from the ERM	-11.8%
The 1997 Asian Crisis	-9.0%
The 1998 Russian sovereign debt default	-15.3%
The 1997 to 2000 dot.com boom and bust	-15.3%
The 2001 “9/11” attacks (and a range of other terrorist atrocities since then)	-29.8%
The 2003 Gulf Wars	-10.3%
The 2008 US subprime collapse and the ensuing Financial Crisis	-33.6%
The 2010 European sovereign debt crisis	-14.1%
The 2015 Chinese stock market crash	-13.1%
The 2016 response in the UK to the Brexit referendum result	-6.6%
The 2018 jitters over the US/China trade dispute	-13.5%
The 2020 Coronavirus market collapse	-24.6%
The 2022 falls caused by the invasion of Ukraine and subsequent rapid rise in inflation and global interest rates	-12.1%

**as measured by the MSCI World Index*

Classifying investment risk

This is how we describe the five broad risk categories we use

	Description	The benchmarks we use to compare results	
		Investment Association	ARC Private Client Indices
Low (deposit linked)	No risk to capital values Low income No potential capital growth High risk from inflation	N/A	N/A
Below average	Modest risk to capital values Reasonable income Modest potential for capital growth Fair potential to combat inflation	IA Sector Mixed Investment (0-35% Shares)	ARC Sterling Cautious PCI TR
Average	Larger but not excessive risk to capital values High income Good potential for capital growth Good prospect of combating inflation	IA Sector Mixed Investment (20-60% Shares)	ARC Sterling Balanced Managed Asset PCI TR
Above average	Larger risk to capital values High income Potentially enhanced capital growth Even better prospect of beating inflation	IA Sector Mixed Investment (40-85% Shares)	ARC Sterling Steady Growth PCI TR*
High	High risk to capital values Not well suited to income generation Potentially high growth Very good prospect of beating inflation	IA Sector Flexible Investment	ARC Sterling Equity Risk PCI TR

** Please note that we consider the ARC title "Steady Growth" to be misleading. This is an above average risk portfolio strategy so is expected to experience a bumpy ride, rather than the smooth and steady progress implied by the title.*

A word about the benchmarks
We use two benchmarks rather than just one.

The first is based on the average performance from multi asset collective investment funds and the second the average performance from a wide range of the largest private client portfolio managers.

The IA sectors impose strict parameters on the level of equity exposure allowed for a fund to stay in its allocated category. While we use these traditional benchmarks, we do not attempt to, or wish to, apply the restrictions they are under, so we adopt a less constrained approach.

This means our asset allocations may differ significantly from the construction of the relevant IA benchmark. In particular, we may have more exposure to shares than the top of the benchmark range or less than the bottom of the range.

The ARC sectors allow much wider discretion to the managers than the IA sectors. This is more in line with our own strategy, so we feel including these as well is helpful to our clients in terms of assessing the comparative performance of our asset allocation advice.

For more information on this and the general subject of our approach to benchmarks, our *Guide to Atkins Bland's Use of Benchmarks* is available on request.

The past performance of the benchmarks we use

Although we cannot emphasise enough that past performance cannot be used as an indicator of what may be achieved in the future, we feel it is important from an educational perspective to show how the benchmarks have performed for each level of investment risk and compare this to UK inflation (RPI) and a cash savings equivalent.

The table below shows the annualised returns from each of the different Investment Association (IA) benchmarks we use to compare each level of investment risk in our terminology. These are not an indicator of what you may receive and are not actual returns on the advice we provide our clients but are past averages from funds in the different risk categories.

		Annualised Returns (Total Return In GBP)			**Total Return** (Total Return In GBP)			**Maximum Fall** Between Highest & Lowest Points
Equivalent Risk	**Benchmark**	**5 years**	**10 years**	**20 years**	**5 years**	**10 years**	**20 years**	
High Risk	IA Flexible Investment	6.4%	6.5%	5.8%	36.5%	88.4%	206.2%	-41.0%
Above Average Risk	IA Mixed Investment 40%-85% Shares	6.0%	6.2%	5.6%	34.0%	81.9%	197.9%	-36.2%
Average Risk	IA Mixed Investment 20%-60% Shares	4.3%	4.4%	4.1%	23.3%	53.1%	123.1%	-21.9%
Below Average Risk	IA Mixed Investment 0%-35% Shares	2.0%	2.8%	3.0%	10.1%	32.2%	82.1%	-16.7%
UK Inflation	Retail Price Index (RPI)	6.7%	4.6%	3.8%	38.5%	56.4%	110.9%	-3.8%
Cash Savings	IA Standard Money Market	2.8%	1.6%	1.4%	14.9%	17.2%	31.9%	-0.5%

Source of Data: FE Analytics 15/09/2025

The difference on an investment of £100,000 over 10 years between the 6.5% annualised returns from the high-risk category and the 2.8% from the below average risk category is nearly £60,000.

However, those invested in the high-risk strategy will have experienced a much bumpier ride. At its worst point, they would have seen a fall of 41%. If that happened right at the start, it would take £100,000 down to £59,000, albeit with that then followed by a recovery.

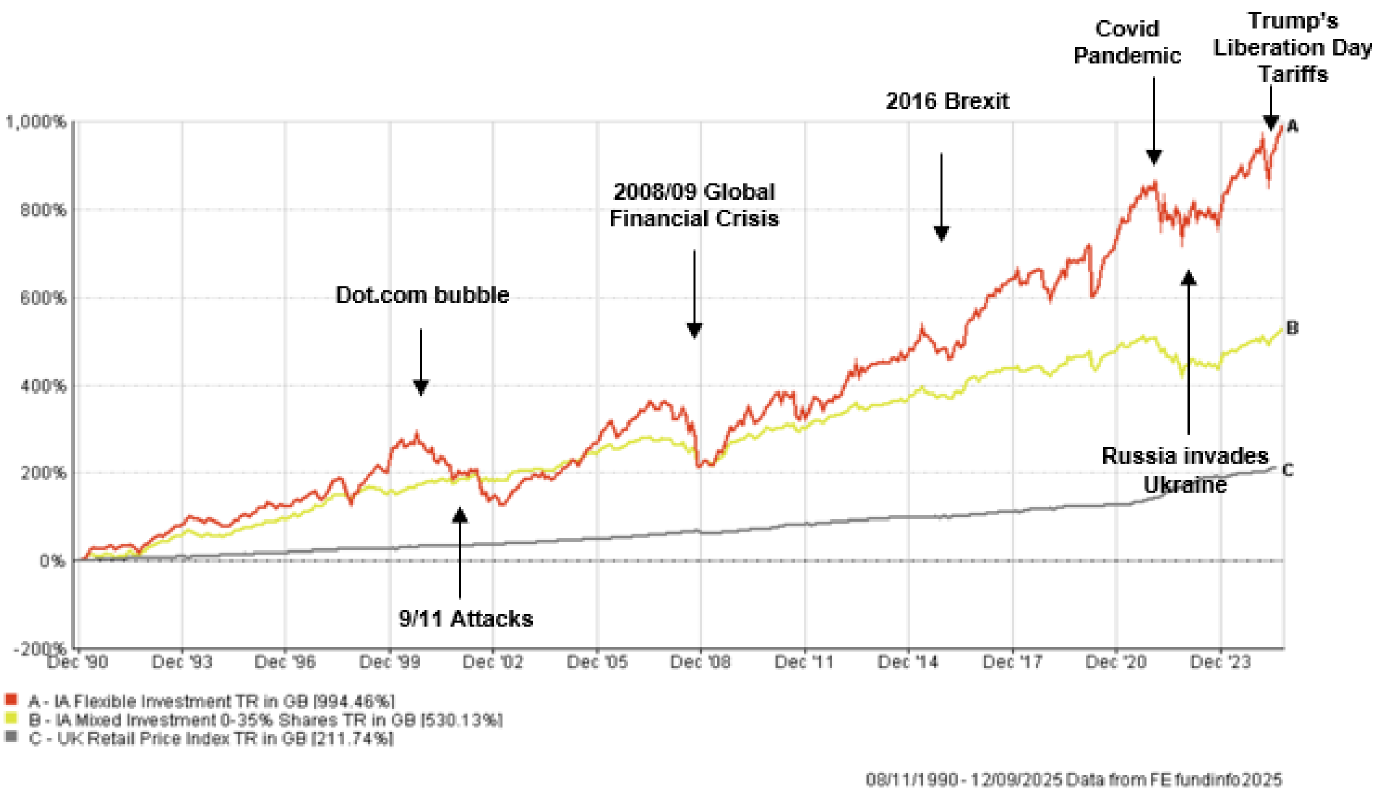
In contrast, those in the below average risk strategy with £100,000 just before the largest fall would have seen their capital drop to £83,300, so a lot less alarming.

The past performance of the benchmarks we use

Falls on this scale is unusual but there will be global events that cause a sudden market decline and anyone exposing their capital to these should be prepared to accept this, and be patient pending a recovery, however long it takes.

The graph below looks at the High risk, Below Average risk & Inflation indicators since 1990 and highlights some of the events that have happened across this timeframe.

As you can see from the graph, the higher risk nature of the orange line shows much greater volatility when compared to the below average risk option.



Risks associated with Individual investments

Table A, below, shows what we estimate as the maximum potential loss over 1 and 5 years from an individual investment in each of the broad risk categories we use.

Table A:

Our risk classification	Estimated maximum potential loss over a 12-month OR 5 year period.	
	Percentage	*Example based on £10,000 invested*
Low (deposit based)	Nil	Nil
Below average	25%	£2,500
Average	40%	£4,000
Above average	75%	£7,500
High	100%	£10,000

To explain the above, our estimated maximum loss for a single investment over a 5-year period is the same as over a 12-month period. This is because we feel that, over a 5-year period, it is very unlikely the overall result could be worse than in a single year during a market crisis.

Please note it is always possible for an investment to fall in value by a larger percentage than the figures we show.

Risks associated with a portfolio of investments

Table B, below, shows the same data but based on a diversified portfolio in each risk classification, rather than a single investment, and also shows estimates based on 10 years.

With a portfolio, the overall risk strategy is achieved through a mixture of investments in different risk categories and geographic and industry sectors, thereby creating a very wide level of diversification and reducing overall expected volatility.

Table B:

Our risk classification	Estimated maximum potential loss over 12 months Example based on £100,000 portfolio	Estimated maximum potential loss over 5 years Example based on £100,000 portfolio	Estimated maximum potential loss over 10 years Example based on £100,000 portfolio
Low (deposit based)	Nil	Nil	Nil
Below average	20% or £20,000	15% or £15,000	Nil
Average	30% or £30,000	20% or £20,000	Nil
Above average	40% or £40,000	30% or £30,000	10% or £10,000
High	60% or £60,000	50% or £50,000	15% or £15,000

Risks associated with Individual investments

As you will see, we believe the risk of loss reduces as time period expands. This is because investment markets are more vulnerable to the impact from extreme events or bad news over short periods, when short term speculators can dominate market movements, than they are over the longer term, when the ups and downs tend to be evened out.

Over 10 years, an overall loss seems extremely unlikely based on past records, but it is still possible, especially further up the risk ladder, so we have entered figures to illustrate this, despite the historic records.

The estimated losses could be higher if the portfolio were less diversified than average, for instance with a smaller portfolio.

Please note it is always possible for a portfolio to fall or rise in value by a larger percentage than the figures we show.

Potential gains

The risk of loss and a willingness and ability to accept it should be the main driver behind the selection of a suitable investment risk strategy. However, as we have mentioned earlier, a lower return than needed to achieve objectives also poses a risk, so it can still be important to consider how much extra gain could be enjoyed by accepting more risk.

The reality is that no one can possibly know this in advance. Although there is a general expectation, supported by past data, that investment returns should increase as you move up the risk ladder, especially over the longer term, any attempt to quantify that will almost certainly prove inaccurate.

However, the figures in Table C below, shows what we feel is a realistic expectation of average yearly total returns over a period of 5 years or longer, using the same gaps as the Financial Conduct Authority (FCA) applies, of 3% between low and average and 3% between average and high.

The estimates in the table are based on total returns (income as well as possible capital growth) on a yearly basis from a portfolio in our different risk classifications and do not take account of inflation, but assume it averages the Bank of England target of 2% pa.

The suggested total returns below are before portfolio administration and advice costs, but after internal fund management costs.

Table C:

Risk category	Fair assumption for average returns 10 year annualised	Realistic range for deviation if inflation is 2%. 10 years annualised
Low risk (deposits)	1.5%	1% to 3.0%
Below average risk	3.0%	1.5% to 4.5% yearly
Average risk	4.5%	3% to 6.0% yearly
Above average risk	6.0%	4.5% to 7.5% yearly
High risk	7.5%	5.0% to 9.0% yearly

These figures are before adjustment for inflation and are annualised, which means they are an average of what an investment portfolio may earn over a period of time.

To keep things straightforward and avoid pretending we can predict the future, when we project future values in today's terms, so after adjusting for inflation, we generally assume the total return from a suitably invested portfolio is 3% above inflation, with the 3% reflecting income generation, whether it is withdrawn or reinvested.

We emphasise that this is unlikely to be achieved from a low-risk strategy, while the potential to achieve or exceed this over the medium to long term increases as you move up the risk ladder.

More information on how we approach this important topic will be found in following guides, available on request.

- *Atkins Bland Guide to Our Assumptions for Future Investment Values*
- *Atkins Bland Guide to Forecasting Future Retirement Income*

Volatility in pictures

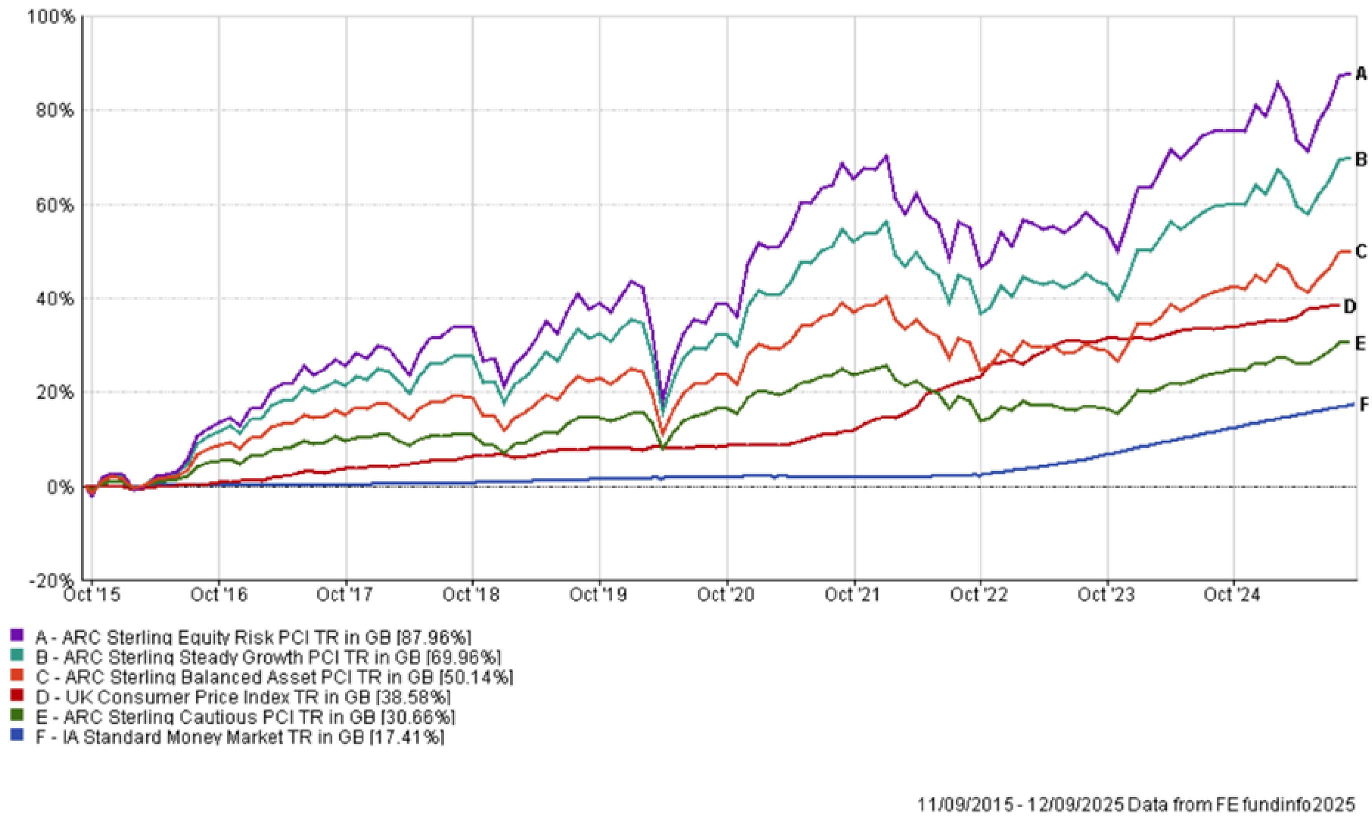
The past is definitely not an accurate guide to the future. However, the graphs below are still helpful in showing the actual past behaviour of the risk graded benchmarks we use. We have used the ARC benchmarks for this, but the same general pattern applies with the IA benchmarks.

As a reminder, the risk categories they represent are:

Below average risk	ARC Sterling Cautious PCI TR
Average risk	ARC Sterling Balanced Managed Asset PCI TR
Above average risk	ARC Sterling Steady Growth PCI TR
High risk	ARC Sterling Equity Risk PCI TR

We have also included the UK Consumer Prices Index as a representation of inflation, as this is helpful to consider.

Cumulative 10-year total return to September 2025 (in GBP)



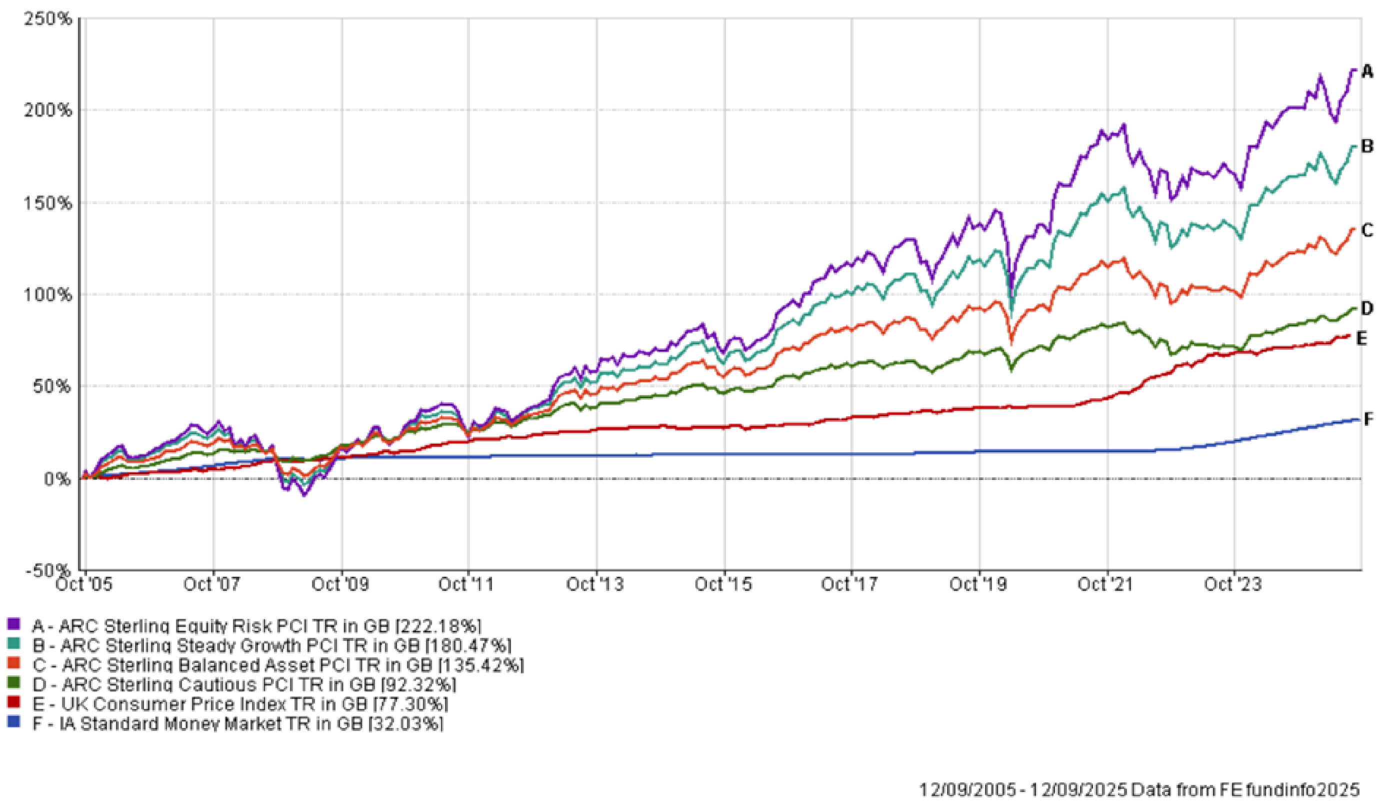
Volatility in pictures

And how this breaks down by discrete year results:

Index	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
ARC Sterling Equity Risk	9.3	8.3	-11.4	12.3	5.8	18.0	-6.5	11.4	13.7	2.1	4.1
ARC Sterling Steady Growth	7.9	7.2	-10.2	10.2	4.6	15.0	-5.6	9.4	11.6	2.3	4.7
ARC Sterling Balanced Asset	6.4	5.8	-9.1	7.6	4.3	11.7	-5.1	6.7	8.6	1.9	4.5
ARC Sterling Cautious	4.6	3.7	-7.6	4.2	4.2	8.1	-3.6	4.5	5.5	1.3	4.0
IA Standard Money Market	5.2	4.7	1.3	-0.1	0.4	0.7	0.5	0.1	0.2	0.1	0.1
UK Consumer Price Index	2.6	3.9	10.5	5.4	0.7	1.3	2.1	2.9	1.6	0.2	0.5

Discrete annual total returns in GBP. Source: FE Analytics 04/09/2024

Cumulative 20-year total return to September 2024 (in GBP)



These tables and charts demonstrate the obvious fact that short term volatility naturally tends to increase as you move up the risk ladder, but so does long term performance.

Further considerations

Does volatility matter?

Only when you are buying or selling.

At any other time, it should make no real difference to you, unless you let it.

If volatility influences your decisions, such as leading you to sell in a panic after markets have fallen and the media is scaring the pants off everybody, then volatility certainly does matter.

If you are investing for the longer term and prepared to sit tight through the inevitable bad patches, then short-term volatility in capital values should not be a problem.

However, it is important to invest in assets where such volatility should remain within your comfort zone, otherwise the stress of a sharp fall might overcome your resolve and force a decision to sell, thereby missing the recovery and creating a loss you could have avoided.

The pros and cons of diversification

Over any time period, one market will outperform all others, and investors holding a large amount in that will naturally benefit. However, the reverse of this is also true.

At Atkins Bland, we believe in diversifying by both sector and geographic region.

It is important to note that, as the US market makes up about 60% of the world market, if the US is the best performing market, a global market tracker fund will outperform any of the portfolios recommended by Atkins Bland.

For those who prefer to track the world market despite the very high weighting to the US, we can, though, accommodate this through the use of tracker funds in place of our asset allocation advice.

As our approach to asset allocation prioritises a wide level of geographic and sector spread, this is not a solution we will proactively recommend, but anyone preferring to use a global tracker to gain high exposure to the US only needs to let us know and we can then discuss this and incorporate it in our advice if we are comfortable that it does not clash with risk tolerance or objectives.

As a word of warning, as at August 2025 about 30% of the US S&P 500 was made up of the “Magnificent 7” Big Tech companies: Alphabet (Google), Amazon, Apple, Meta, Microsoft, Nvidia and Tesla.

Together, due to an extraordinary rise in their share prices, these 7 companies were worth more than all the companies quoted on the stock exchanges of the UK, France and Japan, combined.

Based on any reasonable measure, we feel that makes them high risk.

Further considerations

Some guidance on core points to consider

When selecting your risk strategy, give careful thought to the following questions:

- How long can my money be invested before I'll need it for expenditure?
- Do I have enough on deposit or through insurance cover to cope with emergencies?
- Will I be patient during a crisis, or might I panic and sell after values have fallen?

Keep your answers to these questions under review as a change to any of them could imply you should adjust your investment risk strategy.

Always be aware that your personal capacity for risk may alter, perhaps because of a shift in your circumstances.

If you do need to adjust your risk strategy, you should do so at a sensible time, not during an investment market crisis.

Try to plan your money to make sure your short-term needs are covered. Keep some cash on easy access deposit and take out insurance if your financial security or that of your family is at risk if you suffer a health problem or pass away. If you do this, you or your family should always have a choice over the timing of the sale of your investments.

Getting your investment risk strategy right

For some people the right strategy is simply what suits their preferences, as their circumstances are such that they are safe with no risk, high risk, or anything in between.

For these lucky souls, it's all about working out personal priorities and what makes them feel good.

However, for most of us it's more complex than that, as we do need our capital to achieve something, be it security now or resources for later or a mixture of both.

For many, the low return associated with low risk investments means they are unsuited to their primary objectives and longer-term needs.

For others, their financial position is too precarious and uncertain to tolerate a risk of their capital falling, even if that means they must put up with a very low return.

The degree of investment risk you are comfortable with, and can tolerate, will depend on your specific circumstances and priorities.

Your Atkins Bland adviser will discuss all of this with you and help you assess what is best for you.

Further considerations

How do we help you assess what's best for you?

There are two core issues to consider. One is your capacity to accept risk, and the other your willingness to.

Capacity to accept investment risk

This can be influenced by a wide range of factors, and these can differ substantially between one person and another. However, it is a measure of someone's ability to cope with the consequences of their capital, or the income it generates, falling in value.

Atkins Bland will assess all relevant factors to ensure that the agreed risk strategy fits comfortably with your personal capacity for risk.

Willingness to accept investment risk

For most people (but by no means all) this will be influenced strongly by their capacity to accept risk. However, within any given capacity to accept risk there can be a significant difference between one person and another in terms of their willingness to do so.

This is because we have different personalities, priorities and preferences. Some are by nature extremely cautious while others are risk takers. Most people fall somewhere in between these two ends of the spectrum.

To help us assess your own willingness to accept investment risk and to understand your likely behaviours and decision making in different situations, we use an in-house Risk and Investment Priorities Questionnaire (RIPQ).

The questions are carefully thought out and your answers will be a helpful guide, but this is only part of the process.

There will nearly always be some answers which suggest a different risk category than the majority do, which is natural. After all, we are dealing with a dilemma between conflicting motivators.

When we assess your replies on our RIPQ we will flag any of these that we feel suggest a need for discussion. After we have looked at those, we can let you know our thoughts on what seems best suited to you, and you can then let us know if you agree or not.

Following that, a decision can be reached.

Whatever that decision is, the process we have been through should ensure it is right for you, both in terms of your personal preferences and in terms of allowing your capital every prospect of doing what it needs to.

Glossary of terms used

Term	Description
Collective Investment Funds	These are funds where investors' money is pooled together to enable the fund manager to create a widely spread portfolio. You are not exposed to the fortunes of a single company.
Guaranteed products	Investments which provide a guarantee to return the amount invested under defined circumstances.
Equities	Shares in companies
Bonds and Fixed Income Securities	Loans to companies (also known as 'corporate bonds') or the Government (known as 'Gilts' in the UK) paying interest over a set period and which can be bought and sold during that period.
Inflation	The erosion of the real purchasing power of capital over time due to increasing prices.
Diversification	Investing in a spread of different investments, markets, or types of assets in order to reduce the overall risk.
Portfolio	A collection of different investments to produce an overall investment strategy.
Volatility	The extent to which an investment moves up and down in value over a period.

Important notes

Any opinions expressed on the merits or disadvantages of any options are intended as a general comment only and not as specific advice to the reader.

This document is intended as a supplement to full independent advice and not as a replacement for it and should be read in conjunction with any personalised recommendations provided by Atkins Bland Ltd and with any product brochures supplied.

The value of most investments will fall as well as rise, as can any income produced or generated. An investor may, therefore, get back less than invested.

Inflation can reduce the real value of capital and the income it generates.

Past investment performance is not a reliable guide to the future.

Any reference to taxation, regulation or legislation is based on our current understanding and details should be checked before any reliance is placed upon its accuracy.

The impact of taxation and tax planning depends on individual circumstances and may be subject to change, which can be retrospective.

Errors and omission excepted.

Prepared by Atkins Bland Ltd. September 2025.