



A CHOICE OF INVESTMENT APPROACHES



Investing actively or passively are fundamentally different approaches and we believe that there is no right or wrong answer. However there will be a right answer for you. We cannot tell you which will give you a better return but we can tell you what experience you should expect while invested either way. Being happy with your investment and staying invested has a major effect on you achieving your goals.

ACTIVE MANAGEMENT

- Some clients like the idea of a Fund Manager working on their behalf to try and beat the market.
- The Fund Manager would make a charge for this and the client would be paying more for the chance that they could earn more from the Fund Manager's skill.
- Clients who choose this strategy, may look back at the charges and question what they have paid, particularly if there has been no enhanced performance.
- Clients who choose this strategy must be happy to pay more for the chance of enhanced performance and understand that it is not guaranteed.
- Clients who choose this strategy take comfort from the idea that the Fund Manager will act when markets go down regardless of whether the act affects overall return.

This strategy relies on the Fund Manager making investment decisions and trades that provide more return than the costs of doing so.



PASSIVE MANAGEMENT

- Some clients do not believe that a Fund Manager can beat the market over time.
- These clients are unwilling to pay more for the chance that they could earn more and would rather invest in the right asset allocation at the lowest cost.
- Clients who choose this strategy may look back and see fund managers who have done particularly well and question why they didn't invest with them.
- Clients who choose this strategy will be happy to save charges and avoid the risk of underperformance. They should understand that they will miss out on specific short term investment opportunities.
- Clients who choose this strategy accept that their investment will follow a market when it goes down and nobody will act.

This strategy relies on the investment markets as a whole and low charges systematically providing a better overall return over time.

THE VALUE OF PENSIONS AND INVESTMENTS CAN FALL AS WELL AS RISE AND YOU CAN GET BACK LESS THAN YOU INVESTED