

# Risk Presentation

# MoneyFarm Goal

To help our clients save for a better future

Polly has shown that harnessing risk in life = good

I am here to show you the same applies for your savings

# Agenda

1. Why is investing important?
2. What risks should you be aware of?
  - a. The 'doing nothing' risks
  - b. The 'doing something' risks
  - c. The 'doing too much' risks
3. How can you avoid or embrace them successfully?
4. How do we try to help?

# Why is investing important?

To live off £25k year on retirement at 65, you need £264,834.55

## Investment amount needed to reach this

Age when starting	Each Day	Each Week	Each Month	Each Year
20	£4.83	£33.92	£147.19	£1,804.07
30	£8.36	£58.65	£254.51	£3,119.31
40	£15.49	£108.71	£471.79	£5,782.45
50	£33.62	£236.00	£1,024.18	£12,552.78

# Why is investing important?

0.25% base interest rate and the banks are following.

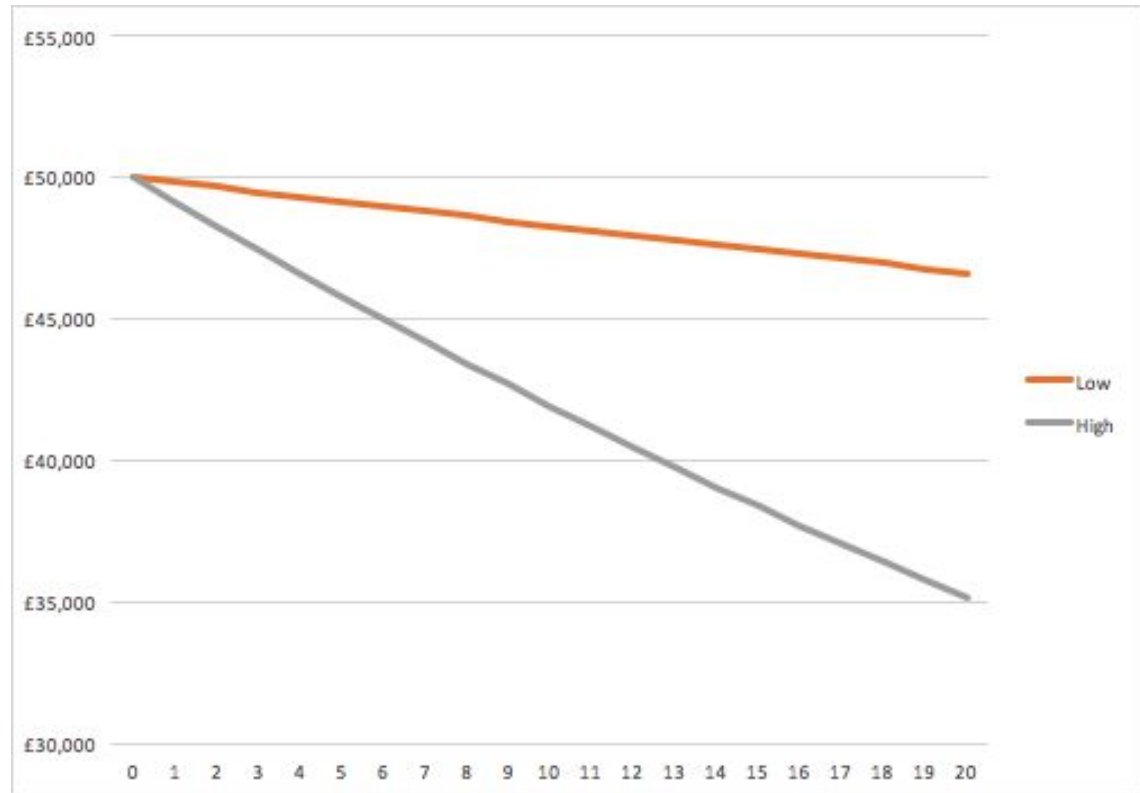
Great for mortgages, terrible for saving and inflation could go up to 4% by mid 2017.

# What risks should you be aware of?

1. The 'doing nothing' risks
2. The 'doing something' risks
3. The 'doing too much' risks

# The 'doing nothing' risks

- Inflation Risk



# The 'doing something' risks

- Investment Risk

Developed  
Market Equities

Global Government  
Bonds

Emerging  
Market Equities

Global High Yield  
Credit

Commodities

Global Investment  
Grade Credit

Global Inflation  
Linked Bonds



# The 'doing something' risks

- Which could lose you the most money?

	Emerging Markets Equities	Commodities	Developed Markets Equities	Global HY	Global Inflation Linked	Global IG	Global Government Bonds	Cash and Short-Term Govies
Drawdown 10Y	-65.13%	-60.56%	-57.41%	-36.09%	-21.39%	-18.82%	-10.30%	-1.36%

# The 'doing something' risks

- Which has the most ups and downs?

	Emerging Markets Equities	Commodities	Developed Markets Equities	Global HY	Global Inflation Linked	Global IG	Global Government Bonds	Cash and Short-Term Govies
Volatility 10Y	21.64%	17.95%	17.60%	7.23%	6.49%	5.71%	5.24%	0.72%

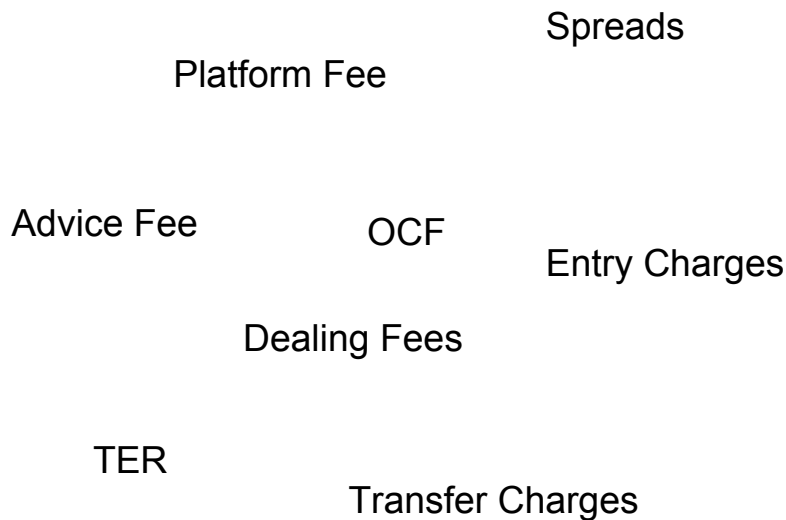
# The 'doing something' risks

- Which could make you the most money?

	Emerging Markets Equities	Commodities	Developed Markets Equities	Global HY	Global Inflation Linked	Global IG	Global Government Bonds	Cash and Short-Term Govies
Performance 10Y	109.36%	67.85%	62.01%	54.92%	54.39%	52.20%	22.09%	-18.84%

# The 'doing something' risks

- Costs - there is a lot of them



WHO	VALUE OF £50K AFTER 20 YEARS
MoneyFarm	£115,387
Financial Adviser *	£96,388
Discretionary Wealth Manager **	£77,873

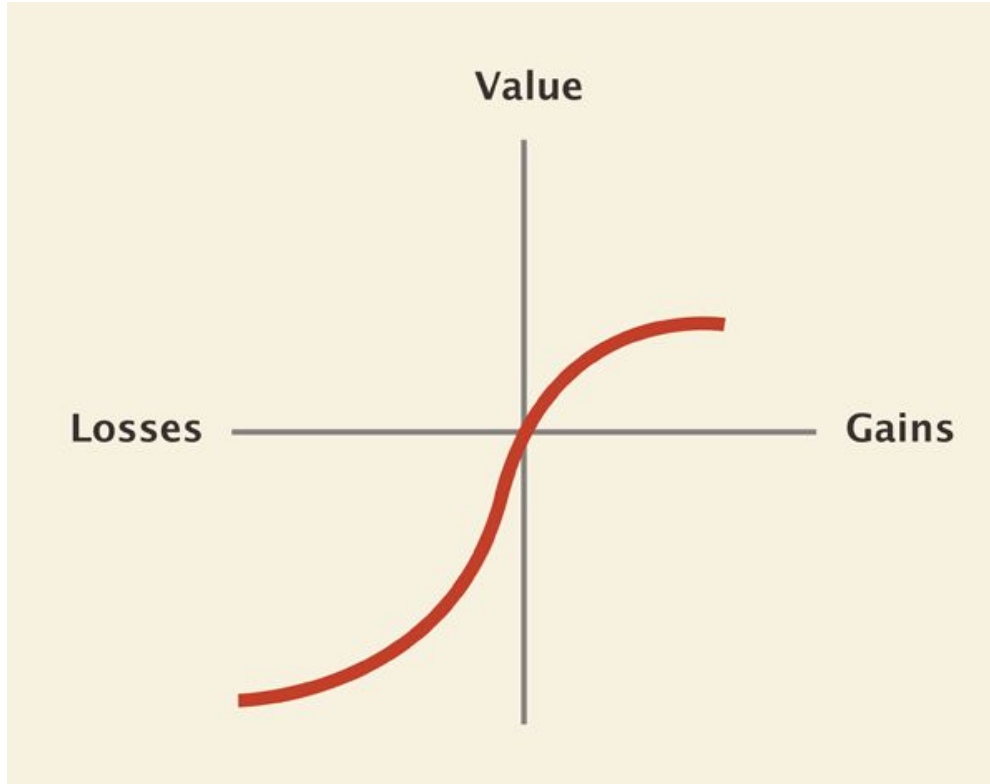
Forecasts are not a reliable indicator of future results. Assumes 5% growth per year. Fund costs \*\*\* included.

\* Source from Unbiased.co.uk - £500 for initial consultation and £1,500 for £50k investment portfolio - <https://www.unbiased.co.uk/cost-of-advice>

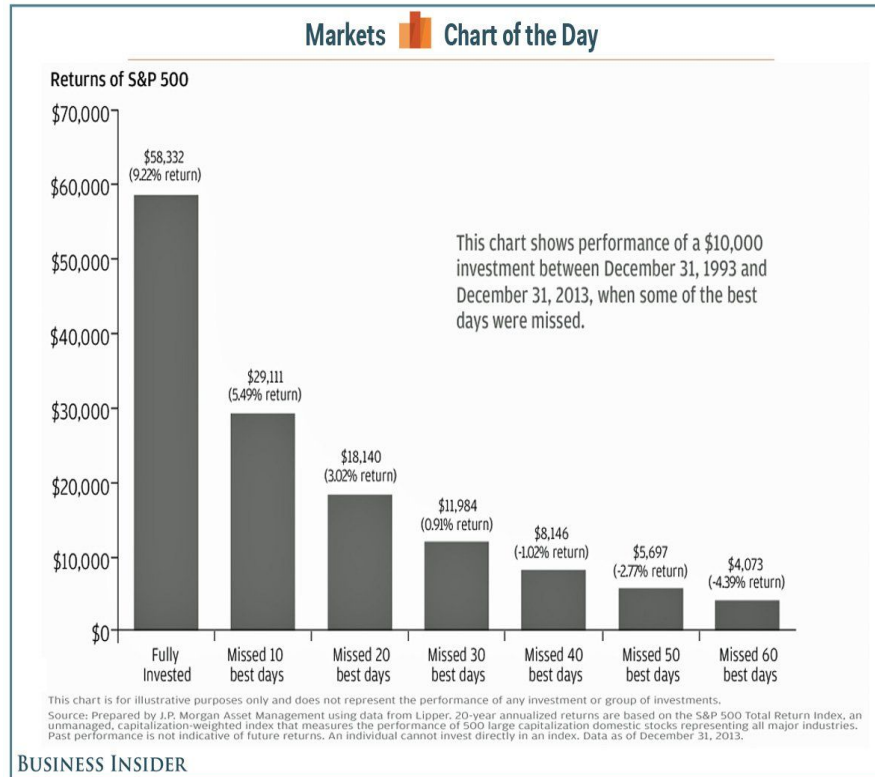
\*\* Sourced from Brewin Dolphin's website for investment management only - <https://www.brewin.co.uk/how-can-we-help-you/fees-and-charges>

\*\*\* Source from Morningstar 2015 - average cost of all UK active funds - <https://www.vanguard.co.uk/documents/portal/company/costs-charges-the-vanguard-way-retail.pdf>

# The 'doing too much' risks



# The 'doing too much' risks



# How to avoid or embrace these risks?

1. Start investing - sooner the better (remember cash is losing you money!)
2. Get help and a portfolio tailored to you
3. Know and avoid high costs
4. Stay invested and hold your nerve

# How can we help?

1. No minimum investment & no obligation
2. Tailor investments to your circumstance - free advice
3. Low cost - high quality
4. We manage it on ongoing basis - if market risk, we will make changes
5. We have an app (but don't check it too much)

(only for Shares live)