Your attitude to risk factsheet – Balanced investor

Quilter Financial Planning

Potential returns

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 £257,808 after 10 years. This is what you might get back from your original investment if market conditions are very good.

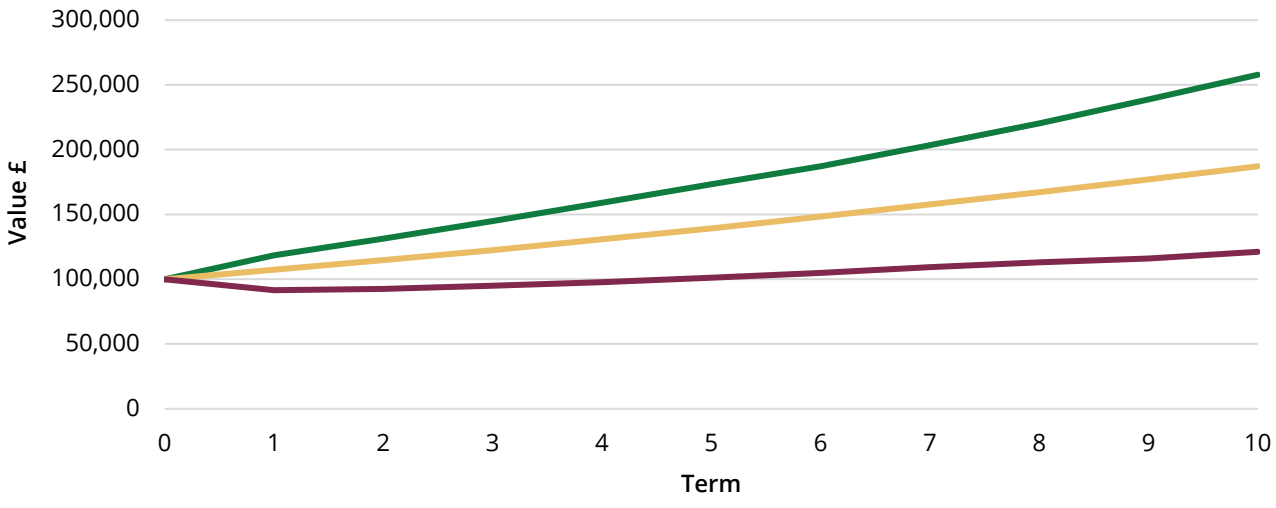
Average growth

The middle line shows there is a 1 in 2 probability of achieving at least £187,228 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 £121,237. 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 Q2 2026



This chart has been smoothed for illustrative purposes

Strategic asset allocation

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.

Balanced

Lower volatility	Cash	10%
	Fixed Interest	35%
	Alternatives	10%
Higher volatility	UK Equities	13%
	Global Equities	32%

Asset classes are displayed from those typically exhibiting lower levels of volatility to those expected to exhibit higher levels of volatility over the long term.

