

- BROCHURE

# Understanding investing

Your guide to getting started

## Getting started

When it comes to planning for your financial future, how you choose to invest will depend entirely on your personal circumstances and what you want to achieve.

For example, if you're investing for your retirement you will need to employ a different strategy than if you're aiming for a shorter term goal. With so many investment options available there are a multitude of products that could help you to achieve your medium and long-term objectives.

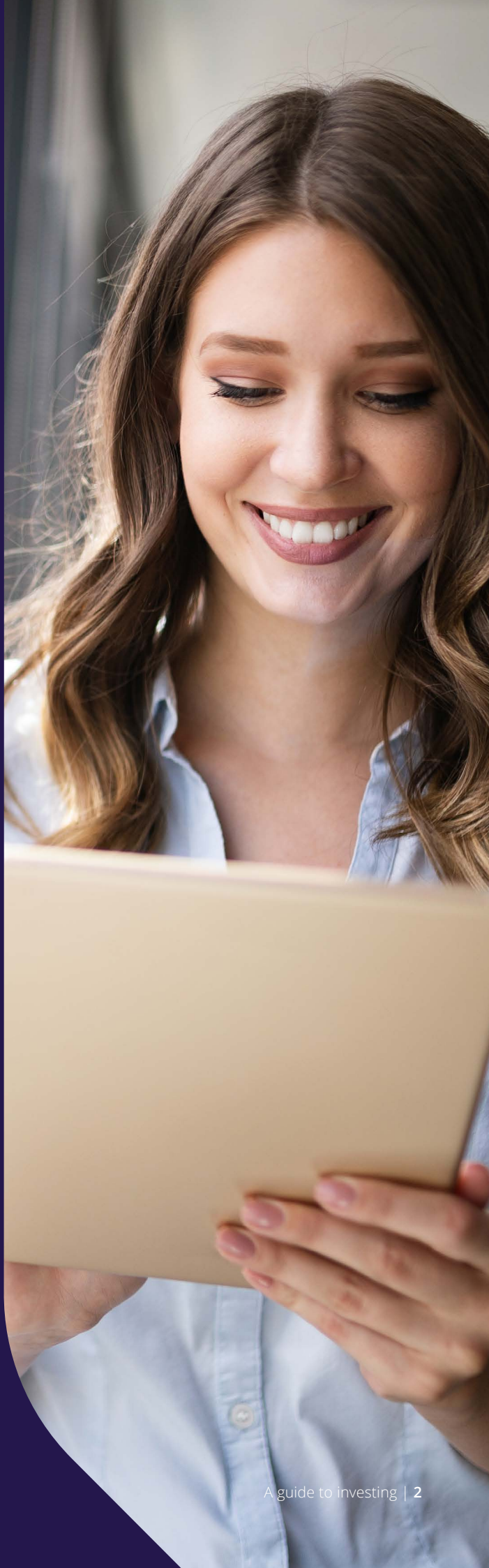
Your Fairstone adviser can then work with you to create an investment plan that balances your key objectives with your attitude to risk, accounting for your current and potential tax position. We will also develop the best investment management plan for you, to help ensure that your money is working as hard as possible to keep you on track to achieving your goals.

Our experienced team of investment advisers are completely independent and can help you access the whole investment market, advising on most circumstances.

### Why invest?

Savings rates are as low as they've ever been. Investing is an alternative way to save for your future that could potentially provide higher long-term growth than leaving your money in a savings account.

Unlike saving, when you invest there is always a risk that you could get back less than you put in.





## **How much do you need to get started?**

Before you start to think about investing it is always a good idea to clear off any outstanding debt and to make sure you have an emergency fund prepared for the unexpected. Investing is for the long-term, so we recommend a buffer savings pot of at least three to six months of your usual living costs to ensure you won't need to access your investments in the event of any short-term surprises.

Once you're ready to get started you can invest a lump sum, a small amount each month or you can take a hybrid approach to your portfolio.

## **How long should I invest for?**

At Fairstone we believe that investments should form part of your long-term strategy and you should aim to invest for at least five years. You may have more immediate savings goals so you may also need a shorter-term solution such as a cash ISA. Your Fairstone adviser can support you in finding the right balance for you and your financial goals.

## **How much risk should I take?**

There is a risk attached to all investments and how much you're comfortable taking depends entirely on you and what you are hoping to achieve. Your Fairstone adviser will work with you to help you determine the right level of risk for you now and will help you in reassessing your attitude, if and when your circumstances change in the future.

# Choosing what to invest in

You can invest in almost anything, the most popular options include:



## Shares

A share is simply a part ownership of a company. When a company is listed on the stock exchange the shares have a market value and can be bought and sold.



## Bonds

Bonds are loans made to a government or company and paid back with interest. They can offer regular income streams and a potential financial cushion during economic downturns.



## Funds

A fund is an investment that pools together money from lots of individuals. The fund manager then invests the money in a wide range of assets e.g. UK shares, overseas shares, bonds etc. Each investor is issued units, which represent a portion of the holdings of a fund.

Whatever your budget your aim should be to maximise gains and minimise losses. Diversifying your portfolio is a great way to do this. Spreading your investments across different products and areas makes you less dependent on the performance of any one element and helps to smooth out returns over the longer term.

Whether you're just getting started by investing small sums, or already have a sizeable investment pot, you can still benefit from diversification.

Investors large or small can choose to diversify their investments through the use of funds, which combine money from many different investors into one pool which can then be invested for them. Some funds invest in a stock market in one single country, others buy a mix of shares in companies from all across the world, some invest only in bonds or in a specific area such as precious metals or property and some include a mix of everything. Your Fairstone adviser can help you find the right mix for you.

### Investing top tips

- 1** The greater return you want, the more risk you'll usually have to accept.
- 2** Don't put all your eggs in one basket. Try to diversify as much as you can to lower your risk exposure.
- 3** Focus on the long-term and aim to invest for at least five years.
- 4** Take control and regularly review your portfolio. Things change and you don't want to be faced with any nasty surprises.
- 5** Don't panic. Investments can go down as well as up and short-term fluctuations to the market are to be expected.

# Fairstone investment framework

If you're looking for additional support with managing your portfolio, Fairstone can help.

As one of the UK's largest wealth management firms we have access to all existing products, as well as unique solutions developed with some of the biggest and most experienced money managers in the world.

Our investment solutions are supported or managed by Fairstone Private Wealth, the group's discretionary fund manager (DFM).



## What is a DFM?

A discretionary fund manager provides portfolio management for clients either on a collective or an individual basis. DFM's have the ability and permission to buy and sell investments on behalf of clients subject to an agreed mandate.

With our investment framework, we offer funds directly or funds and exchange traded securities through an investment solution. If you need fully bespoke investments or specialist products, we can review the whole of the market and find the most suitable solution for your requirements.





# Why choose Fairstone?



## We're local to you

With over 40 locations nationwide we strive to provide local, face to face advice to over 70,000 clients.



## Chartered and Defaqto status

Fairstone is proud to incorporate one of the UK's largest Chartered financial planning firms and our managed investment portfolios have been Defaqto 5-star rated for seven consecutive years.



## Committed to quality

Don't just take our word for it. Our clients have and continue to rate us 5 stars on Trustpilot with over 6,000 reviews.

## Book your no obligation initial consultation

Wealth management or financial planning is about much more than buying financial products such as a pension wrapper or an ISA. It is a holistic long-term plan that aims to ensure you are in the strongest financial position to achieve your life goals. Your Fairstone financial adviser can help you every step of the way.

## Get in touch today to book your first meeting:

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Fairstone is the **#1 rated** wealth management house on Trustpilot



Trustscore **4.9** | 6,343 reviews



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