HARTEY
WEALTH MANAGEMENT LTD

Risk Ladder
understanding risk

0 CASH	1 SAFEGUARD	2 DEFENSIVE	3 CAUTIOUS	4 CONSERVATIVE	5 BALANCED	6 PROGRESSIVE	7 ADVENTUROUS	8 DYNAMIC	9 AGGRESSIVE	10 SPECULATIVE
100%	10%	8%	6%	4%	3%	2%	2%	1%	1%	0.5%*
	18.72%	14.96%	11.60%	8.64%	5.92%	4.20%	2.64%	1.50%	0.56%	0%
	18.72%	14.96%	11.60%	8.64%	5.92%	4.20%	2.64%	1.50%	0.56%	0%
	9.36%	7.48%	5.80%	4.32%	2.96%	2.10%	1.32%	0.75%	0.28%	0%
	13.42%	12.85%	11.89%	10.56%	8.66%	7.41%	5.70%	4.05%	1.96%	0%
	13.42%	12.85%	11.89%	10.56%	8.66%	7.41%	5.70%	4.05%	1.96%	0%
	4.36%	4.90%	5.22%	5.28%	4.88%	4.68%	4%	3.15%	1.68%	0%
	2%	4%	6%	8%	10%	8%	6%	4%	2%	0%
	5.10%	9.52%	13.26%	16.32%	18.70%	20.40%	21.42%	21.76%	21.42%	20.40%
	2.40%	4.48%	6.24%	7.68%	8.80%	9.60%	10.08%	10.24%	10.08%	9.60%
	1.00%	2.15%	3.45%	4.90%	6.50%	8.25%	10.15%	12.20%	14.40%	16.75%
	1.00%	2.15%	3.45%	4.90%	6.50%	8.25%	10.15%	12.20%	14.40%	16.75%
	0.50%	1.70%	3.06%	4.96%	7.12%	9.45%	11.83%	14.16%	16.34%	18.25%
	0%	0%	0.54%	1.24%	2.38%	4.05%	6.37%	9.44%	13.36%	18.25%

*0.5% minimum cash holding

Percentages of equities: 0% | 10% | 20% | 30% | 40% | 50% | 60% | 70% | 80% | 90% | 100%

Money Markets	MM
UK Index Linked Gilts	UK. IL
Sterling Corporate Bonds	SCB
UK Gilts	UK. GI
High Yield Bonds	HYB
Global Fixed Interest	GFI
Other Global Fixed Interest	OGFI
Property	PROP
UK Equities	UK. EQ
Global Equities	G.EQ
European Equities	EU.EQ
North American Equities	NA.EQ
Asian Equities	A.EQ
Other Global Equities	OG.EQ

The value of your investment can go down as well as up and you may get back less than the amount invested. Past performance is not a guide to future performance.

	0	1	2	3	4	5	6	7	8	9	10
CASH	100%	10%	8%	6%	4%	3%	2%	2%	1%	1%	0%
FI	0%	78%	68%	58%	48%	37%	30%	22%	15%	7%	0%
PROP	0%	2%	4%	6%	8%	10%	8%	6%	4%	2%	0%
EQ	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Please note, this risk ladder is an example only. The amounts within each portfolio can fluctuate therefore may be subject to change.

0 CASH
You are not prepared to take any investment risk and it is crucial that your capital is protected. You are prepared to take the inflationary risk this implies with cash investing and accept lower long term returns to meet your risk level.

1 SAFEGUARD
Although a risk averse investor, you are prepared to accept low levels of risk for the prospect of higher returns than cash in the long term. You are not likely to want to invest in equities above a 10% threshold. The vast majority of the portfolio is held in fixed interest with a small property and cash holding to provide some diversification.

2 DEFENSIVE
Although a low risk investor you are comfortable in taking a small amount of investment risk, however capital protection is still fairly important. You are not likely to want to invest in equities above a 20% threshold. The vast majority is held in fixed interest with a small holding in property and cash. The range of assets provides diversification to reduce the overall risk.

3 CAUTIOUS
Although a cautious investor, you are prepared to accept low levels of risk for the prospect of slightly higher returns, but would still like to ensure that capital protection is considered. You are not likely to want to invest in equities above a 30% threshold. The majority is held in fixed interest with a small holding in property and cash. The range of assets provides diversification to reduce the overall risk.

4 CONSERVATIVE
Although a fairly cautious investor, you are prepared to accept a reasonable level of risk for the prospect of more attractive potential returns, but would still like to ensure that capital protection is considered. You are not likely to want to invest in equities above a 40% threshold. Almost half of the portfolio is held in Fixed Interest, with the balanced in property and a small holding in cash. The range of assets provides diversification to reduce the overall risk.

5 BALANCED
You prefer a balanced approach to investment and are willing to accept medium risk in the hope of higher returns. Equities are the majority holding at a 50% threshold with fixed interest representing just in excess of a third of the portfolio with the remainder held in property and a small cash presence. The range of assets provides diversification benefits.

6 PROGRESSIVE
You are comfortable in taking a reasonable amount of risk in order to increase the chance of achieving a better return. Capital protection is less important to you than the return on the investment. Equities are the majority (60%) holding, with Fixed interest, Property representing the remaining balance, with a very small cash holding (2%). The range of assets provides diversification benefits.

7 ADVENTUROUS
You are prepared to take risk with your investment in return for the prospect of the improving longer term investment performance as short term capital protection is not important. You are likely to want to invest in equities as the majority (70%) of your holding, with a fifth of the portfolio held in fixed interest and the remainder in property, with a very small holding (2%). The range of assets provides diversification benefits

8 DYNAMIC
You will accept a higher than average risk for the prospect of high returns. You are not concerned with short term volatility as your investments may fluctuate in value and you may get back less than you invest. You are likely to want to invest in equities as the vast majority (80%) of your holding, with the remainder is held in fixed interest and property with a very small cash holding (1%) to provide some diversification.

9 AGGRESSIVE
This category is reserved for those investors who are prepared to take high levels of risk in order to obtain the potential for substantial returns, although substantial falls in value may be equally as likely and you may get back less than you invest. You are likely to want to invest in equities for the vast majority (90%) of your holding, with the remainder invested in fixed interest and property in equal measures and a very small cash holding (1%).

10 SPECULATIVE
This category is reserved for those investors who are prepared to take the highest of investment risks in order to obtain the potential for substantial returns, although substantial falls in value may be equally as likely and you may get back less than you invest. You are likely to want to solely invest in equities for the full allocation (100%) and concentration risk may also create high level value swings.

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