CHILTERN
CONSULTANCY

INDEPENDENT FINANCIAL ADVISERS

How best to invest your money

CHILTERN
CONSULTANCY
INDEPENDENT FINANCIAL ADVISERS

For expert advice call 01494 451441

The Advisory Portfolio Service

Our investment process

Deciding how best to invest your money can be daunting. With so many options available and so many uncertainties, how do you choose what's right for you?

Our job is to eliminate as much of that uncertainty as possible and to work with you to identify the most appropriate way for you to achieve your financial goals.

The Advisory Portfolio Service is designed with that in mind.
It creates a framework for us to discuss your needs and expectations, to assess and agree your attitude to risk and then to build and manage an investment portfolio to match.

By working through a series of logical steps, you will gain a better understanding of the reasoning behind our recommendations and confidence in the resulting choice of investments.

The flowchart below outlines the Investment Process and this brochure explains how we manage each stage of it together with you.

CHILTERN
CONSULTANCY
INDEPENDENT FINANCIAL ADVISERS

For expert advice call 01494 451441

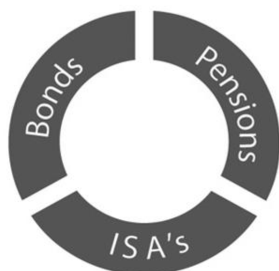
Fact find – getting to know you

The logical starting point of the investment process is for us to get to know you. Our fact find will be wide-ranging to ensure that our subsequent advice is soundly based.
As well as taking account of your personal and financial circumstances, it will cover your broader attitudes and values, and the level of experience and knowledge
you have about investing and its associated risks.

Having established your goals, the results you expect and the timescales involved, we can begin to consider issues such as access to your money and the level of flexibility required in the investment selection. We will also consider your personal circumstances, including your tax position, well before we advise on investments. It is important that any investment recommendation we make is as tax-efficient as possible.

CHILTERN
CONSULTANCY
INDEPENDENT FINANCIAL ADVISERS

For expert advice call 01494 451441



Selection of 'tax wrappers' – ways to hold your investments

A tax wrapper is a financial product, such as a pension, ISA or bond, within which your investments can be held and which usually has certain tax benefits.

Once we have established your financial goals we can begin to determine the most appropriate tax wrapper(s) to meet your needs.

Traditionally, investors might have held a number of tax wrappers from a variety of different companies. The downside of this is that it can create lots of paperwork, arriving at different times of year, in different formats. This can make it difficult for you, the investor, to manage and monitor your portfolio, as a whole, to ensure that your investments are performing as expected and remain in line with your risk profile.

Nowadays it's different, and for many of our clients we recommend investing via an 'investment platform'. This is a way to hold, monitor and manage all of your investments in a single place. It brings personal investing up to date. Just as supermarkets changed the face of shopping, the investment platform offers improved convenience, choice and value for money. It also provides online technology that helps us assess your attitude to investment risk and then put together a portfolio that's most likely to behave as you'd expect.

Our investment partners offer a full range of tax wrappers:

- Individual Savings Account (ISA)
- Unit trusts/Open-ended investment companies
- Personal Pension
- Onshore Investment Bond
- Offshore Investment Bond

These different wrappers have different tax treatment and other characteristics in terms of flexibility, capital availability, availability of guarantees etc. Our solution is tailored to your needs and may utilise a single tax wrapper or a combination to produce the ideal planning outcomes.

Where we recommend an 'investment platform' then we will research the market place and determine which meets your needs, we don't believe in a 'one size fits all' approach.

CHILTERN CONSULTANCY
INDEPENDENT FINANCIAL ADVISERS

For expert advice call 01494 451441

Understanding your attitude to investment risk

Whatever your goals, we want to be sure that the investment strategy we recommend for you is in line with your attitude to investment risk.
To do this we need to consider a number of factors. They include:

- The anticipated length of time you want your investment to last its 'term'
- Cash reserves you want to be available to meet unexpected circumstances
- Your view on the potential for your earnings to grow
- How much money you want to invest
- Whether you have any debts
- Existing savings for retirement
- Your overall view on investing
- Your goals – and whether you really need to take on risk to achieve them
- The impact of short-term falls in the value of your investments
- The importance of protecting your investment from the effects of inflation
- The question of 'liquidity': if you want to cash in your investments, how easy will it be to get your hands on your money?

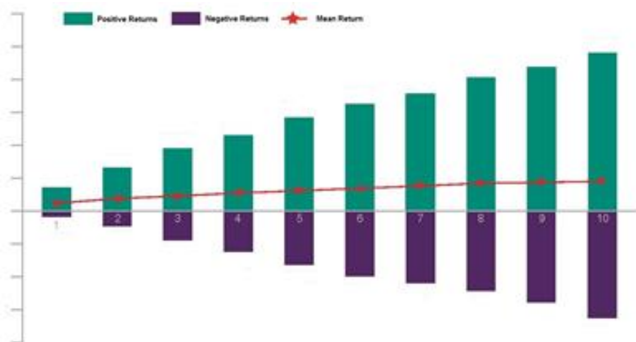
To establish your attitude to investment risk, we use our 'Assessment of Suitability and Risk Profile' questionnaire which contains a series of risk profile questions with multiple choice answers.
Each answer produces a score and these are then aggregated to calculate your specific level of tolerance for risk, from 1 (low) to 10 (high).
We call this your risk profile score. The outcome is based on your circumstances and general views on investment risk and is a measure of your willingness and capacity to accept investment risk.

The risk profiling questions we use were developed by one of our investment partners, Old Mutual, in association with the leading actuarial consultancy Towers Watson, in line with the best industry practice and the guidelines laid down by our regulatory body, the Financial Services Authority.
Many of the terms commonly used to describe attitudes to investment, such as 'cautious', 'balanced' or 'aggressive' can mean different things to different people.
That's why we aim to make our assessment of your attitude to risk as objective as possible.
And that's why the next stage of the process is a discussion about what your risk profile score means.

Discussing your risk profile score

Your resulting risk profile score is an indication of the extent to which you are prepared to accept a short-term fall in the value of your investments
as markets go through their ups and downs. These fluctuations in the value of investments are also known as their volatility.

If your score is 1, then low volatility investments such as cash or bank deposits could be recommended. If your score is 10, then we might recommend a portfolio which includes investments in asset classes such as emerging markets, whose higher expected volatility is matched by greater growth potential.
Volatility is very important as it describes the variability in annual returns
an investor may experience.
The higher the potential volatility of an investment, the wider the range of potential returns over time, i.e. the higher the potential for loss. The following table shows how increasing volatility means greater price rises and falls.



Before proceeding to make recommendations based on your score, we want to be sure that you understand what that score number means and what its implications are. We will discuss with you how investment gains and losses might differ between different risk levels, to give you a better idea of the outcome you could expect at each level.
In this way we can agree with you whether your risk rating accurately matches your true attitude to risk.

We should point out however, that we can't guarantee that the volatility range of a particular asset allocation will not be breached occasionally. There is always the possibility of exceptional market conditions, due to unanticipated external events.

CHILTERN
CONSULTANCY
INDEPENDENT FINANCIAL ADVISERS

For expert advice call 01494 451441

Creating an 'asset allocation' in line with your risk profile score

'Asset allocation' involves getting the balance of assets in your portfolio right. The funds available for you to invest in are categorised under different asset classes depending on their particular focus. These asset classes include cash or money market investments, UK fixed interest, international fixed interest, property, UK equity and international equity.

Different types of assets have different performance characteristics, so our aim is to allocate the right mixture of funds to your portfolio so that, over time, the peaks and troughs of their performance balance each other out in a way that is optimised for your particular risk profile and your expectations for growth.

The theory that underpins these tools is known as Modern Portfolio Theory (MPT). This uses expected rates of return and implied volatility for each asset class. The aim is to optimise the asset allocation so as to achieve the highest expected level of return for a given level of risk.

A fundamental principle of Modern Portfolio Theory is that the risk of the portfolio as a whole must be considered, not the assets in isolation; this is because the price of one asset typically does not move up and down in line with the price of another (e.g. fixed interest and UK and international equity). As such there are significant diversification benefits to be gained by including a range of different asset classes in your portfolio. This diversification reduces risk, essentially because you don't have all your eggs in one basket.

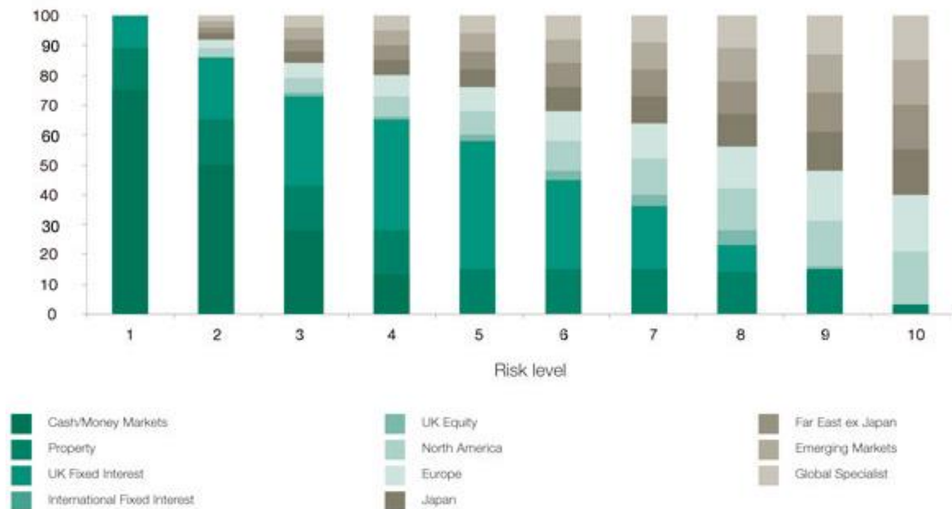
Asset allocation is based on long-established and well-proven mathematical principles. For this this part of the investment process we rely on Towers Watson, the leading firm of Actuarial Consultants.
With 40% of FTSE 100 companies' pension schemes as their clients,
Towers Watson has significant experience in providing such information.

CHILTERN
CONSULTANCY
INDEPENDENT FINANCIAL ADVISERS

For expert advice call 01494 451441

Creating an 'asset allocation' in line with your risk profile score

The overall asset allocation is carefully tailored for each risk profile portfolio in order to optimise return; however, in general the level of higher volatility asset classes increases as risk score increases. This is demonstrated by the table below.



The asset allocations will vary over time as market conditions and historical returns change. There may also be some variation in allocation between different tax wrappers; this is because the total return expected from an asset class will vary depending on how the growth or income is taxed and as such the asset mix varies after optimisation.

Where appropriate we may also recommend investment funds where the investment manager is responsible for determining the asset allocation in accordance with risk objectives that are consistent with your risk profile score.

CHILTERN
CONSULTANCY
INDEPENDENT FINANCIAL ADVISERS

For expert advice call 01494 451441

Selecting investments to match your asset allocation

Once the asset allocation stage is completed, we need to choose appropriate investments to reflect the various asset classes in the right proportions. There are thousands of investment options to choose from, including Unit Trusts and OEICs, Investment Trusts, Exchange Traded Funds (ETFs) and Hedge Funds.

All these options try to achieve different things.
Understanding the reasons for their relative success in doing so helps us to appreciate how they may perform in the future.

One of the first and biggest decisions to make is whether to take an 'active' or a 'passive' approach to investment management.
An active approach is where the fund manager uses their skill to select stocks they think will perform better than average or better than the benchmark in a particular sector.
The passive approach is where funds don't try to beat the index; they just try to match it as closely as possible.
Typically the cost of active funds is greater than that of passive funds.

Given the volatility around stock market investments, we believe that carefully selected active fund managers have the potential to identify opportunities for 'outperformance' – doing better than average.
Equally we see merit in the passive approach because, in theoretical terms, the variability of returns in a portfolio is mostly the result of asset allocation, rather than the specific choice of funds, and a passive approach is typically a cheaper option.
We consider both approaches in relation to your investment objectives and will tailor the portfolio accordingly.

We also decide whether it is better to create your portfolio from a variety of funds representing different asset classes; geographical areas, industry sectors or investment themes; or to select a single 'multi-asset' fund or discretionary managed solution where the manager is responsible for actively managing the asset allocation and investment selection in keeping with your risk profile score and investment objectives.
On occasion we may blend these approaches in order to establish the best solution.

CHILTERN CONSULTANCY

INDEPENDENT FINANCIAL ADVISERS

For expert advice call 01494 451441

Selecting investments to match your asset allocation

There are many ways of judging the performance of fund managers , their past performance is not necessarily a guide to what they might achieve in future. A better way to assess a manager's performance is to understand how and why they achieved that performance – what process did they use?

When selecting a fund for a client's portfolio we look at a detailed set of criteria around the investment which includes not only investment performance but also criteria such as how long has the manager been running the fund, how big is the fund, how much risk has the manager taken to achieve its performance and does it represent the asset class within the portfolio? We also make use of detailed analysis tools provided by Financial Express including their Crown Ratings which are based on many of these criteria.

As well as these quantitative measures, we also utilise qualitative assessments of a fund. For this we use in-house research supported by information from fund rating agencies such as Old Broad Street Research (OBSR) and Citywire. We consider the ratings provided by these groups because, while taking past performance of funds into account, the main focus of their assessment is on those factors which will affect a fund's future performance.

By combining all these selection criteria we can be confident of selecting suitable funds to build a robust portfolio.

In addition, buying any investment fund is a long-term decision; there has to be ongoing monitoring, measurement and evaluation, this is the final phase of the investment process.

CHILTERN
CONSULTANCY
INDEPENDENT FINANCIAL ADVISERS

For expert advice call 01494 451441

Monitoring and Reporting

Having established your portfolio, ongoing review is essential because:

Your circumstances will change over time; in particular the timescale of your investment is likely to decrease. It is imperative that your level of investment risk remains appropriate to avoid the potential for detrimental outcomes.

The performance of the various funds in your portfolio will differ over time. If left for a long period of time the proportions of the different asset classes will almost certainly change and this could result in a divergence from your original risk profile. For example, if equity funds outperform fixed interest, your portfolio left unaltered would move up the risk scale and vice versa. We may establish regular portfolio rebalancing to address this.

The optimal blend of assets for your risk profile can be expected to change over time and without adjustments you may be at risk of achieving lower returns for your level of risk.

Active fund managers do not always perform ahead of their peer group and whilst short term variation is to be expected (based on tactical positioning), longer term underperformance may indicate a need to switch to a different manager, not least so the management fees you are paying provide you with good value.

CHILTERN CONSULTANCY

INDEPENDENT FINANCIAL ADVISERS

A-Z of investment planning

Understanding the jargon

Accumulation units/shares
With this type of unit/share, any income earned on your investment remains accumulated within the price of your units/shares, increasing the value of your holding.

Active Managed Funds
The IMA definition of Active Managed Funds is: Funds which offer investment in a range of assets, with the manager being able to invest up to 100 per cent in equities at their discretion. At least 10 per cent of the total fund must be held in non- UK equities. There is no minimum sterling/ euro balance and equities are deemed to include convertibles. At any one time the asset allocation of these funds may hold a high proportion of non-equity assets such that the asset allocation would by default place the fund in either the Balanced or Cautious sector. These funds would remain in this sector on these occasions since it is the manager's stated intention to retain the right to invest up to 100 per cent in equities.

Annual management charge (AMC)
A fee paid to the fund manager that covers the cost of investment management and administration. It is normally 0.75 per cent - 1.5 per cent p.a. and is charged to the fund on a daily basis. The AMC forms part of the total expense ratio (TER) of a fund.

Asset allocation
A term to describe how your money is invested. In most cases, the fund manager will spread money across a range of different assets and companies in order to diversify your holdings and help to spread risk.

Balanced Funds
The IMA definition of Balanced Funds is: Funds which offer investment in a range of assets, with the maximum equity exposure restricted to 85 per cent of the fund. At least 10 per cent of the total fund must be held in non-UK equities. Assets must be at least 50 % in sterling/euro and equities are deemed to include convertibles.

Bid price
Unit trusts and OE ICs can have separate prices for buying and selling units/shares. Such funds are known as dual-priced. The bid price is the price at which units/shares are sold and are lower than the offer or buying price.

Blue chip
Large, well-established companies that are generally considered to be stable. In the UK, such British companies are usually listed on the FTSE 100 index.

Bonds
Also known as 'fixed interest securities', bonds are investments that pay a fixed rate of interest and have a fixed term. Governments or companies may issue them. Those issued by governments are known as 'gilt's. Not to be confused with investment bonds issued for individual investors, usually by insurance companies.

Capital gains tax
Tax paid to HM Revenue and Customs (HMRC) on any increase in the value of your savings or investments. The tax is payable on the profits you make when you sell your units/shares.

Capital growth
The increase in the value of your investment, excluding any income.

Cash
In savings and investment terms, 'cash' refers to a bank or building society deposit account in which your capital is secure. It can also refer to money market funds.

Cash funds
Alternative name for money market funds.

Cautious Managed Funds
The IMA definition of Cautious Managed Funds is: Funds which invest in a range of assets with the maximum equity exposure restricted to 60 per cent of the fund and with at least 30 per cent invested in fixed interest and cash. There is no specific requirement to hold a minimum per cent of non-UK equity within the equity limits. Assets must be at least 50 per cent in sterling/euro and equities are deemed to include convertibles.

Closed-ended funds
Unlike unit trusts and OE ICs, which are open-ended, these are funds that only have a fixed number of units/ shares in issue at any time. The price of units/shares in such funds, which include Investment Trusts, will fluctuate according to investor demand rather than as a result of changes in the value of their underlying assets.

Collective investment schemes
Funds that pool investors' money and invest on their behalf. This term refers to unit trusts and OE ICs.

Compounding
The process by which your investment grows in value over time with reinvested interest or dividends.

Corporate bonds
Fixed interest securities issued by public companies.

CHILTERN CONSULTANCY

INDEPENDENT FINANCIAL ADVISERS

For expert advice call 01494 451441

Derivatives
A general term for futures and options.

Distributions
Income paid out from a unit trust or OEIC in the form of interest or dividends.

Distribution yield
Reflects the amounts that may be expected to be distributed over the next twelve months as a percentage of the mid-market unit price of the fund as at the date shown. It is based on a snapshot of the portfolio on that
day. It does not include any preliminary charge and investors may be subject to tax on distributions.

Diversification
A term used to describe the spreading of risk by investing in a number of different companies and assets. Doing so will mean that you won't have all of your eggs in one basket.

Dividends
Income paid on shares out of company profits.

Dividend distributions
Income paid out by unit trusts and OEICs that invest mainly in equities.

Dual pricing
Both unit trusts and OE ICs can be dual priced; such funds have an offer price at which you buy, and a lower bid price, at which you sell. The difference between the two prices is known as the bid/offer spread. The buying price is normally higher than the selling price as this includes the initial charge to be paid to the fund manager.

Equities
Shares in a company. (See also 'Stocks and shares'.)

Equity exposure
Usually expressed in percentage form. This illustrates the proportion of a fund that is invested in stocks and shares (equities).

Ethical funds
Also known as 'socially responsible investments' (SRIs). These funds aim to avoid investing in activities that may be harmful to society, such as tobacco production or child labour. Some funds also aim to actively invest in companies that promote ethical policies such as recycling.

Financial Services Compensation Scheme (FSCS)
This scheme exists for claims against an authorised financial services company when it is unable to pay claims against it as it is insolvent or no longer trading. For companies still in business, claims must be referred to the Financial Ombudsman Service.

Fixed interest securities
Assets that provide regular, fixed interest payments and are issued by companies and governments. They include gilts and bonds.

Forward pricing
This is the most popular method of pricing for authorised investment funds. Once the manager has received an instruction to buy or sell units/shares, the price of those units/shares will be determined at the next valuation point of the fund.

FTSE 100 Index
British index on the London Stock Exchange, comprising the leading 100 UK Companies.

FTSE 250 Index
Index on the London Stock Exchange of the largest 250 companies by market capitalisation after those listed on the FTSE 100.

FTSE All-Share Index
British index on the London Stock Exchange of all UK listed companies. Incorporates companies from the FTSE 100, FTSE 250 and FTSE Small Cap indices.

Funds of funds
Fund of funds are designed to increase diversification by investing in other funds.

Futures
Agreement to buy or sell a fixed amount of a particular asset at a fixed future date and a fixed price.

Gilts
Bonds issued by the UK government. Also known as 'gilt-edged securities'. Along with bonds, can be referred to as 'fixed interest securities'.

Gearing
The amount a fund can 'gear' is the amount it can borrow in order to invest. In unit trusts and OEICs, borrowing is limited to 10 per cent of the fund's value and is usually for the purpose of managing cash flow rather than to increase the fund's investment exposure.

Gross income
Distributions such as dividends and interest paid out to you before income tax has been deducted.

Guaranteed funds
The IMA's definition of guaranteed/ protected funds is: Funds, other than money market funds, which principally aim to provide a return of a set amount of capital back to the investor (either explicitly guaranteed or via an investment strategy highly likely to achieve this objective) plus some market upside.

Hedge funds
A fund that uses an assortment of trading techniques and instruments to meet an objective of providing positive investment returns irrespective of
the performance of stock markets.

Historic pricing
Where the price at which you buy or sell your units/shares is calculated at the last valuation point, i.e. the fund manager uses the price set before they received your instructions.

Income units/shares
This type of unit/share pays out to you on set dates each year any interest or dividends your investment makes.

CHILTERN
CONSULTANCY
INDEPENDENT FINANCIAL ADVISERS

Index/indices
A grouping of shares or fixed interest securities on the stock market which are often similar in size or represent similar industries. For example, the FTSE 100 index represents
the largest 100 UK companies by market capitalisation.

Index tracking funds
Funds that aim to mirror the progress of a stock market index, e.g. the FTSE 100, by buying and selling shares in the same proportions as represented on the index.
These are also sometimes called tracker, index or passive managed funds.

Individual Savings Account (ISA)
A tax-efficient means of saving. There are two types of ISA – a Cash ISA and a Stocks and Shares ISA. Cash and a broad range of investments can be held within the arrangement, and there is no restriction on when or how much money can be withdrawn.

Inflation risk
The risk to your savings caused by rising inflation. If inflation rises but interest on your savings doesn't keep up, it can reduce the spending power of your money.
A £1 coin will always be worth £1, but what you can buy with that coin will reduce with increased inflation.

Initial charge
A charge that is paid to the fund manager when you invest to cover their expenses, such as commission, advertising, administration and dealing costs.

Interest
An amount, in percentage form, that a bank or building society will credit to you if you save with it in a deposit account or savings account. The amount paid to you will be a percentage of whatever capital you have in your account. Gilts and bonds also pay income in the form of interest.

Interest distributions
Income paid out by unit trusts and OEICs that invest predominantly in gilts and bonds.

Investment funds
A general term for unit trusts and OEICs.

Investment trusts
Similar to unit trusts and OE ICs in that they provide a means of pooling your investment but with a different structure and governed by different regulations.
They are closed-ended funds and public listed companies whose shares are traded on the London Stock Exchange.

Junk bonds
These bonds have a high risk of the company that issued the bonds being unable to repay them. They are lower rated, with a poor credit rating often as low as D. They are also referred to as 'non-investment grade bonds'.

Key Features Document
A document that must be offered to investors in Non-UC ITS Retail Schemes (NUR S) before or at the point of purchase.
It summarises key information about the fund and provides details on risk and an illustration of the effects of charges both to the investor and the fund.

Life insurance products
Products that guarantee that a sum of money will be paid out to you after a set term or upon death.

Money market funds
Funds that invest in cash investments, such as bank deposits. Often referred to as 'cash funds', they offer higher returns than a building society account but still have the same level of security.

Multi-manager funds
Multi-manager funds are designed to increase diversification by outsourcing a pool of money for investment to a number of appointed managers.

Net income
Dividends and interest paid out to you after income tax has been deducted.

Non-UCITS
Retail Schemes (NURS)
Unit trusts and OEICs that are based in the UK and sold only to UK investors. Such funds differ from UC ITS funds in that they cannot be sold into Europe and they have different investment restrictions.
The fund documentation also differs and at the point of purchase you may be given either a Key Features Document or a Simplified Prospectus.

OEICs
Open-Ended Investment Companies. These are very similar to unit trusts but are constituted as companies rather than trusts. They are the established structure in many other European countries and can be single or dual-priced.

Offer price
Some unit trusts and OEICs have separate prices for buying and selling units/shares. The offer, or buying, price is usually higher than the bid, or selling, price as it includes an initial charge.

Open-ended fund
Funds such as unit trusts and OE ICs that expand and contract by issuing or cancelling units/shares depending upon demand.

Options
Options provide the opportunity (a 'right' rather than an obligation) for the buyer to purchase or sell a certain number of shares at a future date and at a known price.

CHILTERN CONSULTANCY

INDEPENDENT FINANCIAL ADVISERS

For expert advice call 01494 451441

Overseas funds/Offshore funds
Unit trusts and OE ICs that are based outside the UK (but within Europe) and that are authorised by the Financial Services Authority and sold into the UK via distributor status.

Options
Options provide the opportunity (a 'right' rather than an obligation) for the buyer to purchase or sell a certain number of shares at a future date and at a known price.

Overseas funds/Offshore funds
Unit trusts and OE ICs that are based outside the UK (but within Europe) and that are authorised by the Financial Services Authority and sold into the UK via distributor status.

Pound cost averaging
Investing on a regular basis can iron out stock market fluctuations and can help you to avoid investing all of your money when the market is at its peak. Saving regularly enables you to buy more shares when the market and prices are low and fewer when the market and prices are high. Over time the cost of your units will even out and it is likely that you will end up paying below average prices for your units. This is known as 'pound cost averaging'.

Preference shares
These are similar to bonds in that they usually pay a fixed rate of income. However, they pay it as a dividend rather than interest and are subject to the issuing company making sufficient profits.

Redemption date
Usually associated with gilts or bonds, the redemption date is the date set in advance when the gilt or bond will be repaid by the issuing government or company and you will receive your capital back.

Return
The amount of income, capital growth or both that is generated by your investment.

Risk profile
This relates to how much risk you are prepared to take with your money. Generally the more risk you take, the higher the potential gain, but the more likely it is that you could lose some or all of your capital. Your risk profile may depend on your financial circumstances, as some people are able to take more risk than others. If you are unsure of your risk profile, you should contact an independent financial adviser for assistance before making an investment.

Securities
Another name for investments such as stocks, shares and bonds.

Shares
The name given to a part of a company owned by an investor – the investor buys shares in the company. Is also used to describe the OEIC equivalent of a unit.

Single pricing
Some OEICs and unit trusts have a single price at which investors both buy and sell. The initial charge is shown separately and is charged in addition to the unit/share price.

Socially responsible investment funds
See 'Ethical funds'.

Stocks and shares
Also known as 'equities', this is the name given to a part of a company owned by an investor.

Tracker funds
See 'Index tracking funds'.

Underlying Yield
The Underlying Yield reflects the annualised income, net of expenses, of the fund (calculated in accordance with relevant accounting standards) as a percentage of the mid-market unit price of the fund as at the date shown. It is based on a snapshot of the portfolio on that day. It does not include any preliminary charge and investors may be subject to taxon distributions.

Units
Unit trusts are divided into 'units' of equal value; therefore an investor buys units in the unit trust. The OEIC equivalent is known as a 'share'.

Unit-linked policies
These are insurance products where you pay a premium which is then invested in a fund holding a range of assets, usually including equities and fixed interest securities. Part of the premium paid pays for life assurance. Unit-linked policies are similar to with-profits products but do not invest in as many assets.

Unit trust
Private individuals pool their contributions with others, which combine to form a large fund. The fund invests in a spread of different assets to minimise the risk of loss. Also known as 'collective/pooled investments' or 'investment funds'. Unit trusts can be both single and dual-priced.

Valuation point
The time of day when unit trusts or OEICs are valued and then priced.

Warrants
A security that offers the owner the right to purchase the shares of a company at a fixed date, usually at a fixed price.

With-profits fund
A with-profits fund is a pooled insurance product. With-profits funds pool together premiums paid by a number of investors, which the insurance company then invests in a very wide range of assets. (See also 'Unit-linked policies'.)

Yield
The amount of income generated by a fund's investments in relation to the price. Equity funds will normally quote the Historic Yield. Fixed interest funds will normally quote the Underlying Yield and the Distribution Yield.

Zero dividend preference shares
Preference shares that do not pay out dividends but instead pay out a predetermined amount at the end of the investment period.

CHILTERN
CONSULTANCY
INDEPENDENT FINANCIAL ADVISERS

To arrange an informal, no obligation meeting at home, your workplace or at our offices in Stokenchurch, please contact us

T: 01494 451441
E: enquiries@chilternconsultancyltd.com

Chiltern Consultancy Limited
Chiltern House, Unit 5
Stokenchurch Business Park
Ibstone Road
Stokenchurch
Bucks HP14 3FE

PLEASE NOTE:
The information contained within this brochure is intended to provide a general appreciation of the topic and it is not advice.

www.chilternconsultancyltd.com

V2.0 Dec2017