

## Our Investment Beliefs

A set of fundamental beliefs are central to our investment advice -



**Consistency in approach** – you should be able to rely on advice that is delivered by financial planners operating within a systematic & controlled process.

This approach should lead to higher levels of satisfaction, reduced risk of disappointment and a long-term relationship that is based on trust and adding value – a relationship that is not solely dependent on investment performance.



**Access to short term, and 'emergency' funds** - savings are important for short terms needs. Investment is for longer term plans.

We believe that any money you might need in the short term (5 years, or less) should be kept in deposit based 'savings' accounts that provide ease of access and no investment risk.

Money should only be considered for investment in other assets when your short term needs have been met.



**Repayment of debt** – can be a fundamental part of achieving financial security.

Once short term funds have been allocated, we believe that the repayment of debt should next be considered.



**Understanding your objectives** – and what investments are intended to achieve is key to our advice & your decision making.

Understanding how the characteristics of individual investments reflect your needs & objectives is important to ensure decisions can be made for the long term.



**Diversification** – and therefore exposure across all asset types reduces risk. We therefore don't believe in putting too many eggs in the one basket!

A diversified portfolio that invests in the four main asset classes reduces the risk of the overall portfolio fluctuating in value due to the volatility associated with the individual asset types –

- Stocks & shares (often referred to as 'equities')
- Gilts & Bonds (loans to the government & companies)
- Property
- Cash



**Investment styles** – academic theory and expert opinion is inconclusive regarding the most effective approach to portfolio management.

Rather than attempting to solve this ourselves, we will select funds, and fund managers in order to create a well balanced portfolio that combines these different investment styles.



**It's time in the market that counts - not timing the market!**

We believe that investors seeking to chase 'star performance' or 'catch the next wave' of high investment returns are exposed to potentially significant risks and higher transactional costs.

There is no guarantee that today's high flying, and therefore fashionable fund or asset class will continue to produce such performance. Decisions made on this basis today can become 'out of date' tomorrow!

We believe that a well diversified portfolio ensures it is generally unnecessary to try and 'time the market'. Further, the risk and volatility of a portfolio should be reduced by an investor considering longer time frames –

- 5 to 15 years - medium term
- 15 years plus – longer term.



**Risk - there will rarely be a perfect solution when satisfying an investor's needs.**

Financial planning involves the balancing of a number of different 'risks'. Most investors will be all too aware of the risk of investment values suffering during falling markets. This does however need to be balanced with the risk of failing to achieve longer-term growth needed to satisfy financial goals by excluding such risk based assets from a portfolio.

We believe decisions should be taken based on the long term achievement of the investor's needs & objectives and NOT lead by short term fluctuations experienced during market dips. As such, most investors with long-term objectives will need to accept some level of risk associated with the main asset classes.

*Financial planning with integrity, knowledge, systems & controls*

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