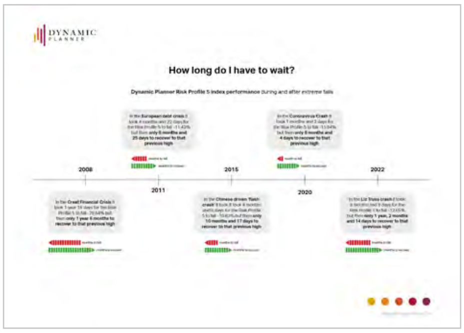
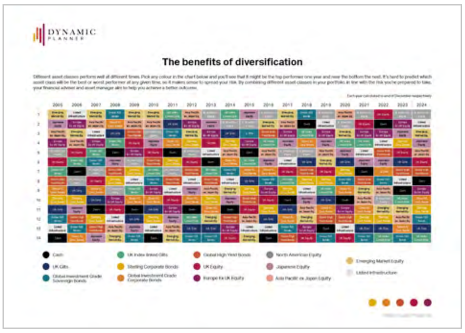
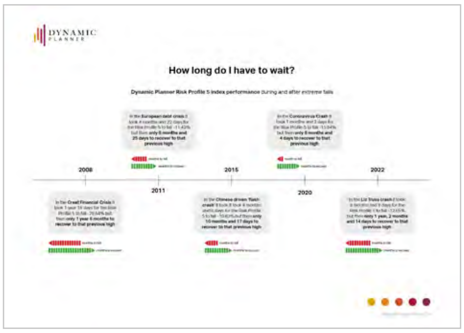
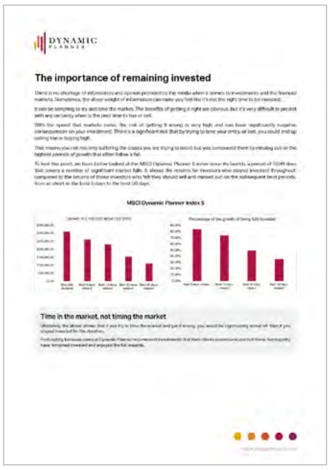
Support material for different Financial Personalities

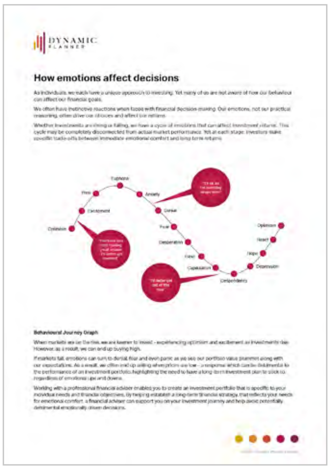
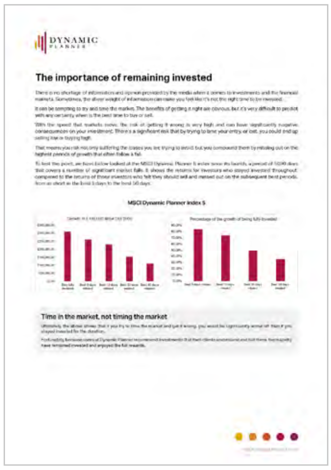
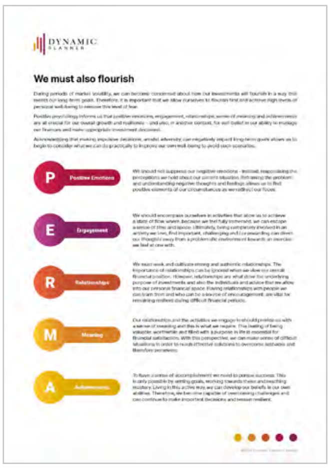
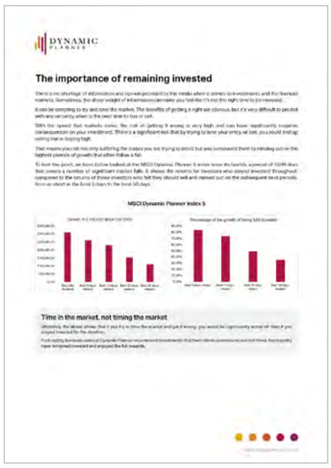
For many years our Risk Profiling tool has organised your clients by their risk profile and set out the return they should expect after inflation, what particularly bad and good times could look like, how much their investments will go up and down, and how big a large annual fall could be. This enables your client to understand the investment risk that they will be taking and thus help you to manage them through good times and bad, make better decisions, and feel at peace with the decisions they have made.

We appreciate that different people with the same risk profile will feel and react differently to events. In addition to identifying the risk profile of a client from their completed Attitude to Risk Questionnaire, in the 'Financial Personality' section of Dynamic Planner you can access detailed information about what drives, prevents and enables each client to take risk. Again, we have organised your clients into groups to make this information useable.

Forewarned may be forearmed, but you may also want tools and interventions to use with a client, perhaps when having a difficult conversation, at outset when explaining concepts for your investment proposition and advice or even as a targeted communication to relevant client groups. We have therefore matched the support material that we produce with the various 'Financial Personality' outputs below.

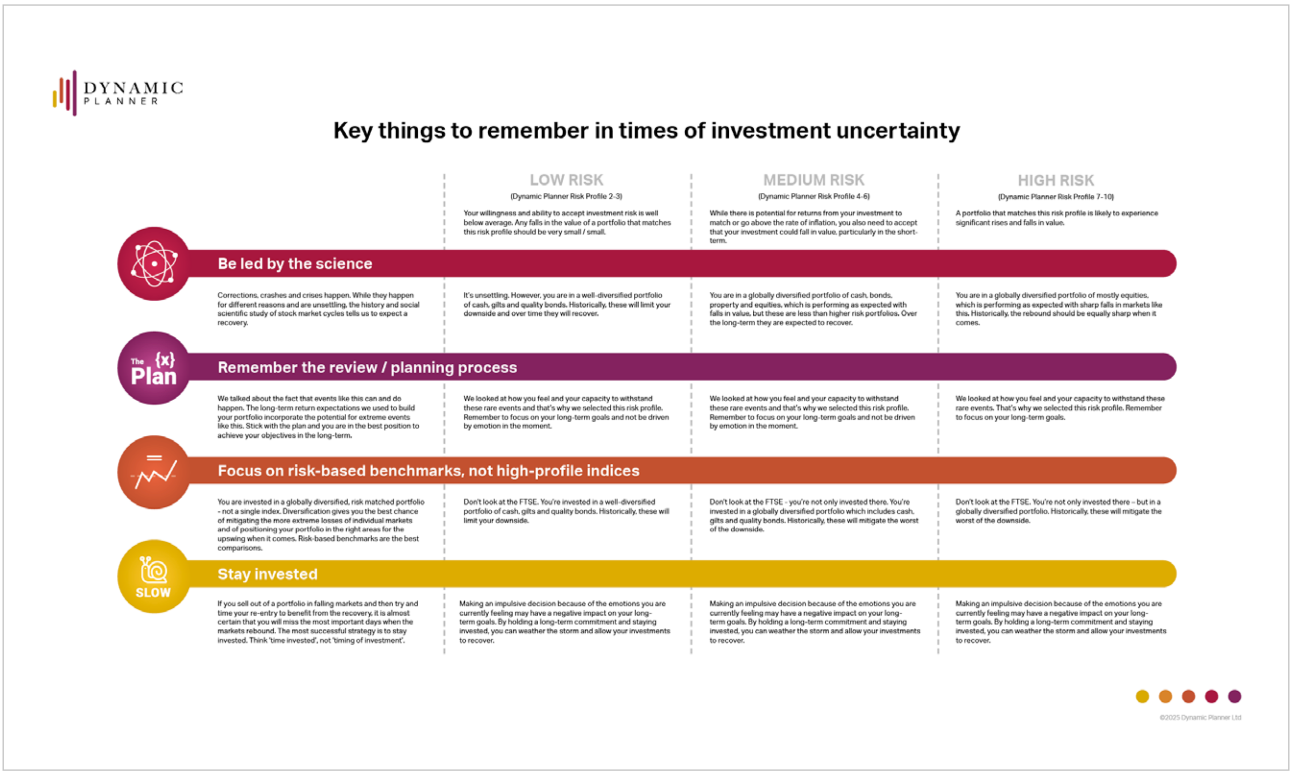
	Risk-averse	Risk-seeking
Risk-taking identity	**Build relationships** with people you can learn good financial behaviours from. Other's experiences may give you the confidence to take additional risk and social support is vital for staying resilient if you face difficult periods. 	**Avoid becoming overconfident.** As you view yourself to be a risk taker you may feel more confident than most to manage the ups and downs of investing. However, do not overestimate your skill to predict the market and control you have over the performance of your investments. 

	Low	**High**
Fear of missing out	**Diversify your portfolio.** Diversification is crucial, particularly if you are someone who is more conservative when it comes to taking risk, it helps spread risk and reduce the impact of any single investment.  The benefits of diversification	**Practice patience and discipline.** Investing is a long-term game, avoid making impulsive decisions based on the fear of missing out. Stick to your investment plan and make adjustments with your adviser only when necessary.  How long do I have to wait?
	Strong	**Low**
Preference for certainty	**Set realistic expectations.** Understand that losses are an inherent part of investing. No investment is completely risk-free and so you may experience temporary declines in your portfolio value.  The route to your goal is not a straight line	**Stick to your plan** and avoid making impulsive decisions based on short-term market fluctuations or emotional reactions. Avoid trying to time the market and instead focus on your long-term investment objectives.  The importance of remaining invested

	Low	High
Tolerance of uncertainty	**Reduce how often you watch the performance of your investments.** Frequent observation encourages short-term thinking where you may base your decisions on what is happening in the moment rather than having a long-term view. 	**Take to time to imagine your future** to prevent fixating on the rewards you can receive today, maintaining a long-term perspective of your investments. 
	Negative	**Positive**
Emotion towards taking risk	**Develop coping strategies.** Identify activities that help you relax and reduce stress, such as deep breathing exercises, meditation, or yoga. Try to incorporate these activities into your daily routine to help you manage stress and build emotional resilience over time. 	**Establish clear, realistic investment goals** that align with your financial objectives. By defining your goals, you can focus on what you want to achieve and develop a plan to reach those milestones. Having a sense of purpose can help alleviate any negative emotions. 

We are sure that you will be familiar with these concepts and messages, either through using Dynamic Planner or from your providers. However, we believe that having them built using the same client information and measures that you use elsewhere in Dynamic Planner, and independent of any investment manager, would be beneficial.

These materials may be helpful for all clients, this guide and our Financial Personality tool is just to help you, it's not a rule or a limitation. The below is a summary document that applies to everyone.



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Key things to remember in times of investment uncertainty

	LOW RISK (Dynamic Planner Risk Profile 2-3)	MEDIUM RISK (Dynamic Planner Risk Profile 4-6)	HIGH RISK (Dynamic Planner Risk Profile 7-10)
	Your willingness and ability to accept investment risk is well below average. Any falls in the value of a portfolio that matches this risk profile should be very small / small.	While there is potential for returns from your investment to match or go above the rate of inflation, you also need to accept that your investment could fall in value, particularly in the short-term.	A portfolio that matches this risk profile is likely to experience significant rises and falls in value.
Be led by the science			
Corrections, crashes and crises happen. While they happen for different reasons and are unsettling, the history and social scientific study of stock market cycles tells us to expect a recovery.	It's unsettling. However, you are in a well-diversified portfolio of cash, gilts and quality bonds. Historically, these will limit your downside and over time they will recover.	You are in a globally diversified portfolio of cash, bonds, property and equities, which is performing as expected with falls in value, but these are less than higher risk portfolios. Over the long-term they are expected to recover.	You are in a globally diversified portfolio of mostly equities, which is performing as expected with sharp falls in markets like this. Historically, the rebound should be equally sharp when it comes.
Remember the review / planning process			
We talked about the fact that events like this can and do happen. The long-term return expectations we used to build your portfolio incorporate the potential for extreme events like this. Stick with the plan and you are in the best position to achieve your objectives in the long-term.	We looked at how you feel and your capacity to withstand these rare events and that's why we selected this risk profile. Remember to focus on your long-term goals and not be driven by emotion in the moment.	We looked at how you feel and your capacity to withstand these rare events and that's why we selected this risk profile. Remember to focus on your long-term goals and not be driven by emotion in the moment.	We looked at how you feel and your capacity to withstand these rare events. That's why we selected this risk profile. Remember to focus on your long-term goals.
Focus on risk-based benchmarks, not high-profile indices			
You are invested in a globally diversified, risk matched portfolio - not a single index. Diversification gives you the best chance of mitigating the more extreme losses of individual markets and of positioning your portfolio in the right areas for the upswing when it comes. Risk-based benchmarks are the best comparisons.	Don't look at the FTSE. You're invested in a well-diversified portfolio of cash, gilts and quality bonds. Historically, these will limit your downside.	Don't look at the FTSE - you're not only invested there. You're invested in a globally diversified portfolio which includes cash, gilts and quality bonds. Historically, these will mitigate the worst of the downside.	Don't look at the FTSE. You're not only invested there – but in a globally diversified portfolio. Historically, these will mitigate the worst of the downside.
Stay invested			
If you sell out of a portfolio in falling markets and then try and time your re-entry to benefit from the recovery, it is almost certain that you will miss the most important days when the markets rebound. The most successful strategy is to stay invested. Think 'time invested', not 'timing of investment'.	Making an impulsive decision because of the emotions you are currently feeling may have a negative impact on your long-term goals. By holding a long-term commitment and staying invested, you can weather the storm and allow your investments to recover.	Making an impulsive decision because of the emotions you are currently feeling may have a negative impact on your long-term goals. By holding a long-term commitment and staying invested, you can weather the storm and allow your investments to recover.	Making an impulsive decision because of the emotions you are currently feeling may have a negative impact on your long-term goals. By holding a long-term commitment and staying invested, you can weather the storm and allow your investments to recover.

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