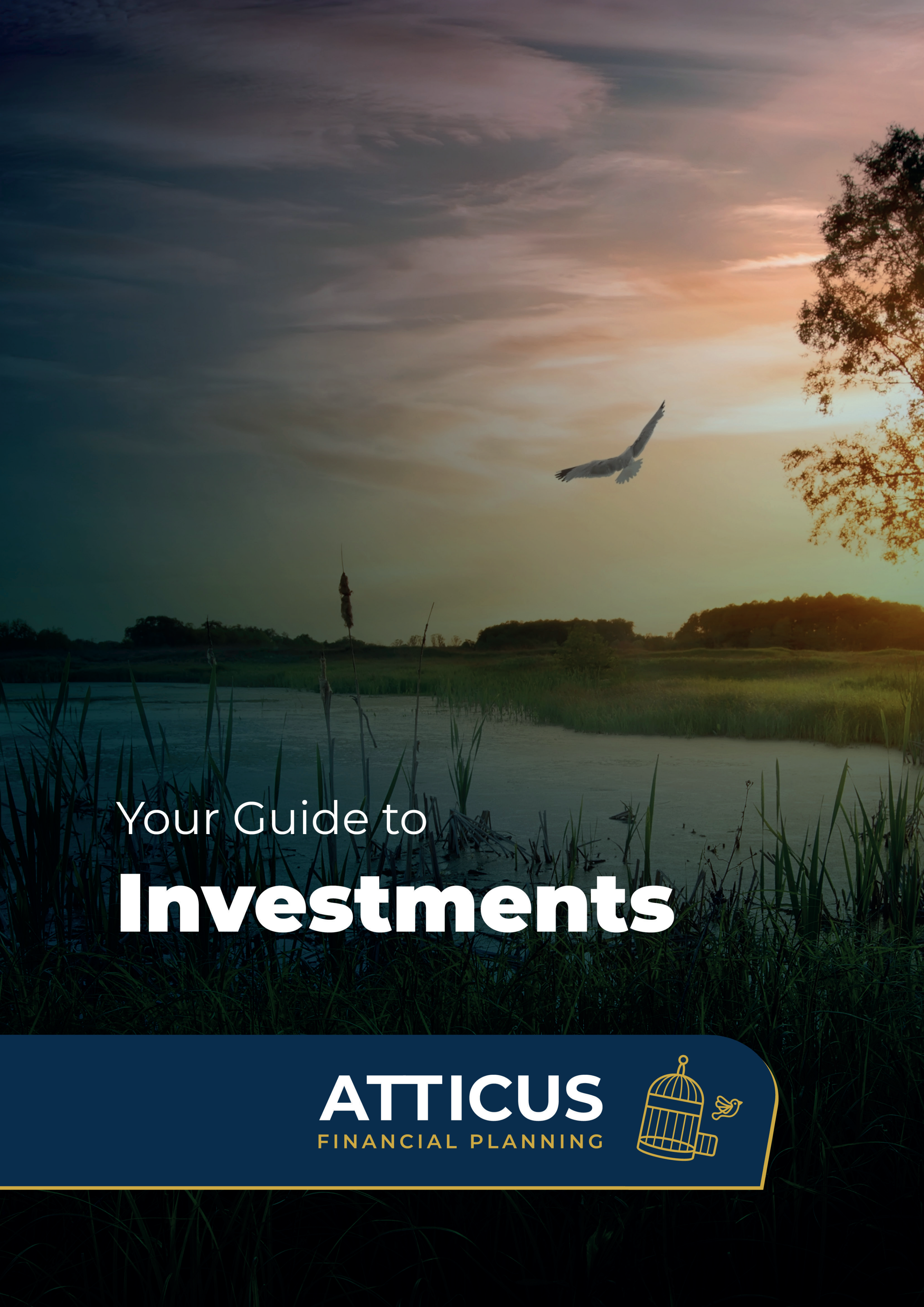

Your Guide to

Investments

ATTICUS
FINANCIAL PLANNING

Table of Contents

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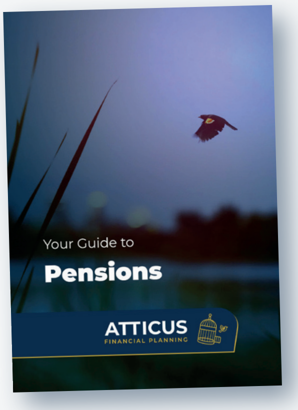
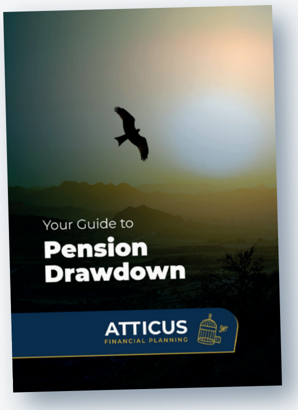
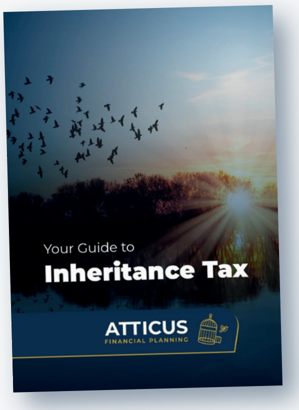






Compliance Statement

The value of investments and any income from them can fall as well as rise and you may not get back the original amount invested.

Liability for tax depends on your personal circumstances and tax rules, which may change over time.

Taxation and Estate Planning are not regulated by the Financial Conduct Authority.

Source: *This guide contains content provided by 2plan wealth management Ltd, approved on 07.01.2026 under reference FP36689 and titled "A Guide to Investments (v2)". It has been restyled for Atticus Financial Planning Ltd.*

Introduction

Investing can feel confusing at first. Especially if you have never done it before. You might worry about getting it wrong, or feel like everyone else understands something you do not. That is completely normal.

The truth is simpler than you think. Investing is just about putting your money to work for your future. It is how most people build the wealth they need to live the life they want. Whether that is paying for education, buying a home, or enjoying a comfortable retirement.

This guide is written in plain English. No jargon. No pretending to be clever. Just honest explanations of how investing works, what you need to know, and why getting help matters.

At Atticus Financial Planning, we believe money is a facilitator of dreams. It should work for you, not stress you. That is what this guide is about.

If you would like to discuss any of the topics covered in this guide in greater detail, please don't hesitate to book a free initial conversation with us here at Atticus Financial Planning.

Email us at **info@atticusfp.co.uk**
or give us a call on **01420 446 777**

Abraham Uys
Director & Chartered Financial Planner

*Let's chat,
find a time
that suits you...*

www.atticusfinancialplanning.co.uk/services#schedule

What Investing Actually Means

The Difference Between Saving and Investing

Let's start with something you probably already do. Saving money.

Saving is putting money aside in a safe place. Your current account. A savings account. Under the mattress, if that is your style. The money sits there. It is safe, but it does not grow much.

Investing is different. You put your money into something that has the potential to grow over time. That might be shares in companies. Bonds. Property funds. The point is, your money is working. It is trying to grow.

Here is why this matters. If you leave money in a savings account earning almost nothing, inflation slowly eats away at it. In other words, your money becomes worth less each year. Investing aims to beat inflation. To make your money work harder.

Why Do People Invest?

Most people invest because they have a goal. Maybe it is a big one. Retiring comfortably. Buying a second home. Maybe it is smaller. Paying for your child's university. Taking a sabbatical. Or perhaps you just want to build wealth so you have choices.

Whatever the reason, investing is the tool people use when they want their money to do more than just sit there.

The catch is this. Investing involves risk. There is no guarantee you will make money. In fact, sometimes you lose it. That is why most people do not put all their money into investments. They keep some as savings. A safety net. Then they invest the rest with a clear goal in mind.

Time Horizon Matters

Here is something crucial that changes everything. How long can you leave your money invested? If you need the money in the next two years, investing is probably not right for you. Markets go up and down. Sometimes they drop sharply. If you have to sell when the market is down, you lose money. That is not acceptable if you need the cash soon.

But if you can leave your money invested for five years, ten years, or longer, that is different. Markets bounce back. History shows that over longer periods, the odds work in your favour.

This is why understanding your time horizon is the first conversation worth having. Not "how much should I invest?" but "when will I actually need this money?"

Risk and Reward

The Basic Relationship

Here is something that took me years to understand properly. Higher potential returns come with higher risk. Full stop.

You cannot get high returns without accepting that your money might go down in value sometimes. It does not work that way. Anyone promising otherwise is not being honest.

This is not meant to scare you. It is meant to be clear.

- **Low-risk investments**, like savings accounts or government bonds, give you small, steady returns. Your money is safe. But it probably will not grow much.
- **Medium-risk investments**, like a mix of shares and bonds, give you bigger potential returns. But your money will wobble around. Some years it goes up. Some years it might go down.
- **High-risk investments**, like pure stock portfolios or individual company shares, could make you lots of money. Or lose you lots. It really depends.

The secret is matching your risk to two things.

1. First, your **time horizon**.
2. Second, what you can **actually stomach emotionally**.

Understanding Volatility

Volatility is just a fancy word for how much your investment value moves around.

Stock markets are volatile. They can jump 10% in a day. That feels scary. But here is the thing. If you are not selling, it does not matter. The value has not changed. It is just a number on a screen.

What matters is where you are at the end. If markets are down when you need your money, that is a problem. If they are up, you are happy. If they are down but you can wait five years for them to come back up, you just take a breath and wait.

This is why time horizon and risk go together. The longer you can wait, the more volatility you can handle.

The Power of Long-Term Thinking

Here is the uncomfortable truth. Markets are unpredictable in the short term. Day traders and people trying to time the market often lose. It is hard to guess when to buy and sell.

But long-term? Markets have consistently gone up over decades. Not every year. But over the long run. This is not a guarantee. But it is what history shows us. If you can ignore the noise and stay invested through the ups and downs, time works in your favour.

Types of Investments Explained Simply

Shares (Equities)

A share is a tiny piece of a company. When you buy a share in Apple, for example, you own a small slice of Apple.

Companies sell shares to raise money to grow their business. You buy shares hoping the company grows, which makes your share worth more.

Sometimes companies also pay dividends. That is a bit of their profit they give back to shareholders. You get actual cash paid out to you.

Shares are volatile. A company's fortunes change. Competition appears. Management changes. News comes out. The share price moves around.

But historically, shares have been the best way to beat inflation and grow wealth over long periods. That is why most long-term investors own at least some shares.

Bonds

A bond is a loan you give to a government or company. In return, they pay you interest.

Think of it this way. You lend the government one thousand pounds. They promise to pay you back that thousand pounds in ten years. Plus, they pay you interest every year. Maybe 4% a year. That is 40 pounds a year in your pocket.

Bonds are less volatile than shares. You know roughly what you will get. The risk is lower. But the returns are usually lower too.

There are different types of bonds. Government bonds (called Gilts in the UK) are very safe because the government is unlikely to go bust. Corporate bonds are bonds from companies. They pay more interest but carry a bit more risk because companies can get into trouble.

Funds

A fund is a pool of money from lots of investors. That money is used to buy a collection of shares, bonds, or other investments.

Why would you want this? Because it gives you instant diversification. One fund might own hundreds of shares in different companies. If you tried to do this yourself, you would need thousands of pounds and hours of research.

Funds are run by managers or follow a simple formula. We will talk about the difference between active and passive funds in a moment. But the key point is this. For most people, funds are easier than picking individual investments.

Exchange-Traded Funds (ETFs)

An ETF is a type of fund that trades on the stock exchange, like shares do.

For most investors, ETFs are brilliant. They give you instant diversification. They are cheap to run. And you can buy them and sell them easily, just like shares.

Many ETFs simply track an index. For example, an index of the top 100 companies in the UK. You own a slice of all 100. If the index goes up, your ETF goes up. If it goes down, so does your investment.

Property and Real Estate Investment Trusts (REITs)

Some people invest in actual property. Rental properties. That requires money, effort, and dealing with tenants.

Others invest in REITs. These are companies that own property and rent it out. You buy shares in the REIT and get a slice of the rental income.

REITs can be a good way to own property without the hassle.

Cash

Yes, cash is an investment too. Or at least, it can be.

Premium savings accounts, money market funds, and short-term bonds are all forms of cash-like investments. They are safe. You can access your money quickly. But the returns are small.

For most people, cash serves a purpose. It is an emergency fund. A safety net. Not the main part of your investment plan.

Building a Balanced Portfolio

What is Asset Allocation?

Asset allocation sounds technical. It is not. It just means deciding how much of your money to put into each type of investment.

For example, you might decide to put 60% into shares, 30% into bonds, and keep 10% in cash. That is your asset allocation.

Different allocations suit different people. A young person with a stable job might be happy with 80% shares and 20% bonds. They have decades to recover from market downturns. A retired person might prefer 40% shares and 60% bonds. They need stability because they are taking money out to live on.

There is no perfect allocation. It depends on your situation.

Why Diversification Matters

Here is a simple rule. Do not put all your eggs in one basket.

If you own shares in just one company and that company goes bust, you lose everything. If you own shares in one hundred companies across different industries, one going bust barely touches you.

Diversification reduces risk. Not the upside, but the downside.

This is why funds are so useful. One fund can give you exposure to hundreds of companies, or countries, or asset types. Your money is spread out.

A good diversified portfolio typically includes shares in different regions. Bonds of different types. Maybe some property exposure. Each piece does something different. Some go up when others go down. Together, they create a smoother ride.

Rebalancing

Over time, your investments will grow at different rates. Your shares might jump 20%. Your bonds might creep up 3%. Now your allocation is out of whack.

Rebalancing means selling some of the winners and buying some of the losers to get back to your target allocation.

This sounds backwards, but it works. You are automatically selling high and buying low. It keeps discipline in your portfolio and stops it drifting too far into risky territory.

A good adviser will help you rebalance. Some funds do it automatically.

Active vs Passive Investing

What is Active Investing?

Active investors try to beat the market. A fund manager or trader picks specific shares they think will outperform. They might sell one stock and buy another. They are trying to be clever.

It sounds good in theory. Pick the winners, avoid the losers, make lots of money.

In practice, it is really hard. Most active fund managers do not beat the market after fees.

What is Passive Investing?

Passive investing is simpler. You buy a fund that tracks an index. The top 100 UK companies, for example. The fund just owns all 100. No picking. No trying to be clever.

When the index goes up, you go up. When it goes down, you go down. You are accepting average returns.

But here is the thing. Average is not bad. Most active managers do not beat average. They do not even match it after fees.

The Evidence

Over the last 20 years, data from the UK shows that passive funds have consistently outperformed active funds. This is true for UK shares, global shares, and bonds.

Why? Mainly because passive funds have lower fees. Active funds pay expensive managers to pick shares. Passive funds just track an index automatically.

Lower fees might not sound important. But over time, 1% a year in extra fees really adds up. It compounds against you.

What Atticus Believes

At Atticus, **we favour passive, diversified approaches** for most investors. Not because active investing is evil. But **because the evidence shows it works**.

For most people, a well-built portfolio of low-cost index funds will serve you better than trying to pick winners or paying high fees to someone else to do it.

This is not about ego or trying to be clever. It is about putting your money to work as efficiently as possible. Toward your goals. Not toward expensive fund managers.

Six Common Mistakes and Emotional Pitfalls

1. Trying to time the market

This is the number one mistake. Waiting for the market to crash before investing. Or selling everything when the market is doing well.

It sounds logical. Sell high, buy low, make money.

In practice, nobody knows when the top or bottom is. If you miss just the ten best days in the market over twenty years, your returns are cut dramatically. Most people miss the best days because they are sitting on the sidelines, worried.

Time in the market beats timing the market. Full stop.

2. Chasing returns

You watch your friend make money on crypto or individual shares. You feel like you are missing out. So you dump money into the same thing.

This usually ends badly. By the time most people hear about something, the early gains are gone. You are buying just before it drops.

Invest based on your plan and goals. Not based on what your friend did last week.

3. Panic selling

The market drops 20%. It is scary. You think “I should sell now, before I lose more.”

Then the market goes back up. You sold low. You missed the recovery. Ouch.

Markets always recover. Sometimes it takes months. Sometimes years. But they do. If you sell in panic, you lock in losses. If you hold, you usually make it back.

This is hard emotionally. That is why having a plan helps. And why talking to an adviser matters.

4. Overdoing It

Some people invest in too many things. Too many funds. Too many individual shares. Too much trading. They create complexity that they do not need.

Simple is better. A well-diversified portfolio of three to five funds is enough for most people. That gives you exposure to thousands of underlying investments. You do not need more.

5. Ignoring fees

Every year, you pay fees to hold your investments. Management fees. Platform fees. Trading costs. These add up.

A portfolio with 1.5% in annual fees versus 0.5% does not sound like much. But over thirty years, it makes a huge difference. Thousands of pounds difference.

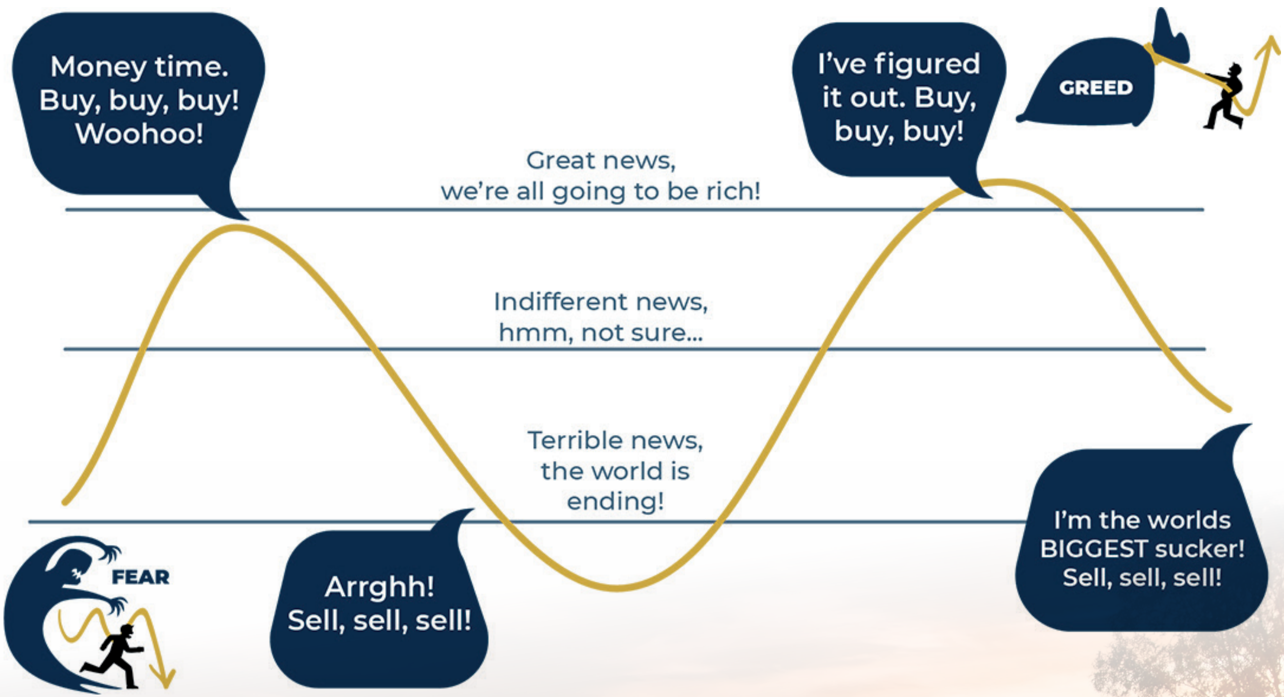
Check what you are paying. Passive funds are usually much cheaper than active funds.

6. Not reviewing your plan

Life changes. Your circumstances change. Your goals change. Your investment plan should too.

Many people set up investments and then forget about them. Years pass. Their situation is completely different but they have not adjusted.

A good adviser reviews your plan regularly. At least once a year. Probably more when life changes (marriage, house purchase, having children, redundancy).



Why Professional Advice Makes a Real Difference

The Cost of Going Alone

You can invest without an adviser. You can buy funds online. But doing this well takes knowledge, discipline, and emotional control.

Most people who try it alone do not do as well as they hoped.

- They make emotional decisions at the wrong times.
- They do not diversify properly.
- They do not rebalance.
- They pay more in fees because they are not buying the cheapest options.

Over a lifetime, these mistakes add up to real money lost.

What an Adviser Actually Does

A good adviser does more than just recommend funds.
Here is what they really do.

1. First, **they listen**. They understand your situation. Your goals. Your fears. Your time horizon. Your other commitments. They do not try to fit you into a template. They build a plan around you.
2. Second, they help you **stay disciplined**. When the market crashes, they remind you of your plan. They stop you making emotional decisions you will regret.
3. Third, they make sure you **do not pay more than you need to**. They know the cheap options. The efficient structures. The tax-efficient ways to invest.
4. Fourth, they **review your plan as life changes.** They make sure you are still on track. They adjust when needed.
5. Fifth, they **handle the admin**. Research. Implementation. Monitoring. Rebalancing. You just get on with your life.

The Value of Understanding Your Adviser

You do not need to understand every detail of how investing works.
But you should understand your plan.

- Why are you invested in this way?
- What is the goal?
- How long is the time horizon?
- What could go wrong?
- What happens then?

A good adviser explains this clearly. Not in jargon. In plain English. You should feel confident. Not confused. If you do not understand it, you will not stick with it when things get scary.

The Atticus Difference

At Atticus, **we start with you**. We want to understand your dreams. What does flourishing look like for you? What is money actually for, in your life?

Then we build a plan. A simple, clear plan that you understand and believe in. We favour passive, diversified approaches because the evidence supports them. Not because they are fashionable.

- We review regularly.
- We communicate clearly.
- We stay calm when markets go crazy.

Most importantly, we treat you as a person, not a portfolio. Your money facilitates your dreams. That is what we focus on.

Key Questions Before You Invest

Before you invest, ask yourself these questions.
If you are working with an adviser, ask them too.

About Your Situation

1. Why do I want to invest? What is the goal?
2. When will I actually need this money?
3. How much can I afford to invest without affecting my daily life?
4. Do I have an emergency fund (three to six months of living costs) outside my investments?
5. What other financial commitments do I have (mortgage, loans, dependents)?
6. How would I feel if my investment dropped 20% in value?

About Your Plan

7. How much of my money should go into shares, bonds, and cash?
8. How will my portfolio be diversified?
9. What are the fees? What am I actually paying?
10. Who is managing this? What is their track record?
11. How often will my plan be reviewed?
12. What happens if my circumstances change?

About Your Adviser

13. Are they regulated by the FCA?
14. Are they independent? or do they push particular products?
15. How do they get paid? By commision or by a fee?
16. Can I understand what they are recommending? Is it explained clearly?
17. Do they ask about my goals? Or just try to sell me investments?
18. Will they review my plan regularly?

Conclusion

Investing does not need to be complicated. It does not require genius-level maths. It requires three things.

- First, **a clear goal**. Why are you investing? When do you need the money?
- Second, **a simple plan**. What goes into shares, bonds, and cash? How is it diversified? What are the fees?
- Third, **discipline**. Stick to the plan. Do not panic when markets wobble. Review when life changes.

Get professional help if you can. A good adviser makes mistakes less likely and keeps you on track when emotions run high.

Money is a tool. It facilitates your dreams. Investing is how you put that tool to work. Done well, with the right advice, it can help you build the life you want.

About Us

We believe in the importance of money, not as an end in itself, but as a **facilitator of dreams**. With true financial planning, money becomes a means by which **lives can become richer** and more fulfilled and individuals can be freed to follow their true purpose.

At Atticus Financial Planning we feel that our clients choose to partner with us in making their dreams a reality. Together we work to create a meaningful and rich future, built upon a sound and robust financial plan. This forms the foundations that allows them to flourish, not just financially, but also mentally, physically and spiritually.

Our aim is to offer simple, effective advice that works and makes a difference in the lives of our clients.

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