



# Weighing It Up

With New Year fast approaching, now is a good time to take a look at your investment portfolio and maybe even consider making some changes.

**Tristan Hartey** explains the best way to do this

Carrying out regular portfolio reviews is crucial when considering the suitability of your investments and ensuring that any changes in your attitude to risk are accurately reflected.

Over time, your attitude to risk is likely to change. If you are approaching retirement, for example, you may want to preserve capital or generate an income, while if you are investing for growth, you may need to take on more risk to potentially boost returns.

There are two key questions that you should ask yourself: firstly, 'How much capital can you afford to lose?', and then, 'How long is your investment horizon?'

## **Reviewing the amount of risk**

These two factors can change considerably over time which is why it is important to regularly review and adjust your portfolio to reflect them. It's key to remember that the value of your investments and the income received from them may go down as well as up, meaning you may not get back the full amount invested.

As well as regularly reviewing the amount of risk taken in your portfolio, it is also important to make sure your portfolio remains as diversified as it can be and that it reflects any changes in your investment objectives. The key to building a diversified portfolio is to take a balanced approach. This means combining a range of investments that can help you meet your investment goals within an appropriate level of risk.

## **Exposure to different markets**

Income-seeking stock market investors may want to diversify away from their home UK

market to take advantage of dividend opportunities globally.

Meanwhile, in fixed income, the current low yield environment means that investors may need to look across a wider range of global bond sectors and markets to maintain attractive future returns. Either way, you need to make sure you have the right levels of exposure to different markets for the outcomes you're looking for. However, please note that diversification does not guarantee investment returns and does not eliminate the risk of loss.

Investing outside of the UK can involve a higher degree of risk and also involves a degree of exchange rate risk.

If you're unsure about any aspects of your investment portfolio we always recommend seeking professional financial advice. ■

*Tristan Hartey is managing director of Hartey Wealth Management who have recently been announced Best For Investment Portfolio Management Shropshire & Cheshire by the Wealth & Money Management Awards ([harteywm.co.uk](http://harteywm.co.uk); 0808 168 5866)*



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