

What's the aim of the Cautious Plan and who is it for?

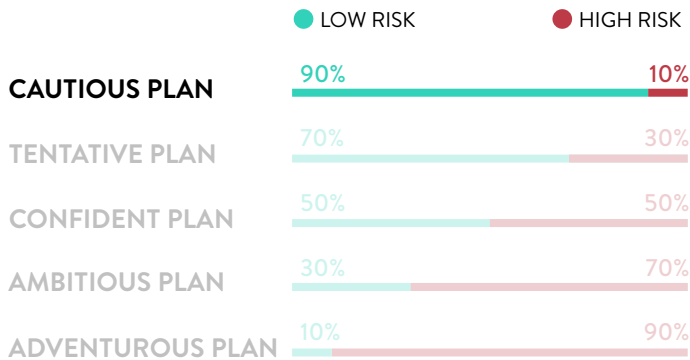
The aim of the Cautious Plan is to achieve returns above the UK inflation rate. Investing always involves some level of risk, and movement up and down in value is to be expected. With the Cautious Plan, our aim is to limit the extent of these movements, but there is still a risk that you may get back less than invested.

The Cautious Plan is suitable for investors who aim to grow their money slowly and steadily, and are happy to take on small amounts of risk, as they are more focused on preventing losses than making large gains.

Investing should be part of a long-term savings strategy and whilst money can be withdrawn at any time, investing for less than 5 years is unlikely to be appropriate.

What makes the Cautious Plan different?

The example below shows a typical mix of investments for a Cautious Plan, but it can hold between 0% and 20% high-risk investments (Commodities, Emerging Market Bonds, Private Equity, Shares and Property), with the remainder in low-risk investments (Bonds, Cash, and Cash Equivalents).



Benchmarking

The Cautious Plan performance is measured against the SONIA interest rate benchmark. This is effectively the base rate set by the Bank of England, but is based on actual transactions and reflects the average of the interest rates that banks pay to borrow money from other financial institutions.

Risk of loss

With investing, there's always a chance that investments can go down in value. In a one-year period, there's a 5% chance you may lose more than 3.09% of the value of a Cautious plan. This is not a maximum loss, and losses in the future may be greater.

(Source: Wealthify Cautious Plan, VaR calculation 29/02/2016 - 30/04/2024)

Typical Investments in a Cautious Plan

This is an example of the typical investments you might see in a Cautious Plan. We mainly use passive investments in our Plans.

Investment	ISIN	% of Plan
Cash	Cash	2%
L&G Money Market Bonds	GB00B0CNHB64	4%
Vanguard US Government Bonds	IE00BFRTDB69	31%
Vanguard European Government Bonds	IE00BFRTD722	3%
Royal London Short Dated Government Bonds	GB00BD050D80	22%
iShares UK Government Bonds	GB00B83HGR24	17%
Vanguard Global Short Term Bonds	IE00BH65QG55	12%
Vanguard US Corporate Bonds	IE00BFRTDC76	1%
Vanguard EU Corporate Bonds	IE00BFRTD839	1%
Vanguard UK Investment Grade Bonds	IE00B1S74Q32	2%
L&G Short Dated UK Corporate Bonds	GB00BKGR3H21	2%
Fidelity Index World	GB00BJS8SJ34	5%

CAUTIOUS PLAN FACTSHEET



Foreign currency

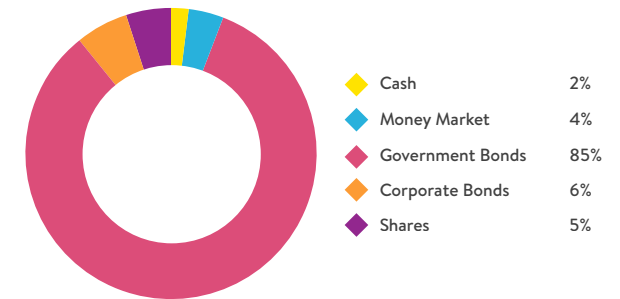
A Cautious Plan could contain up to 25% in overseas investments which are held in a foreign currency.



Typically, the more foreign currency held in a Plan, the greater the risk and potential volatility.

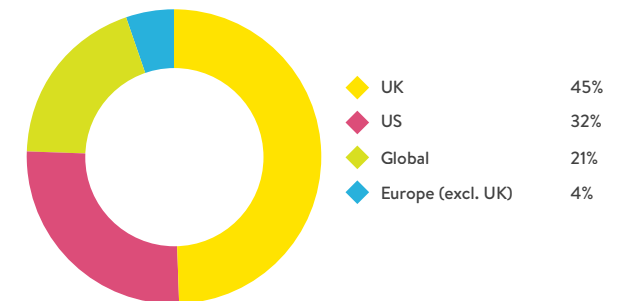
Investment Mix

This is a typical example of the mix of investments in a Cautious Plan.



Regional Mix

This is a typical example of investments by region in a Cautious Plan.



The Investment Team at Wealthify review and adjust the investment and regional mix on an ongoing basis to try to optimise the performance of our Plans.