ReAssure Fund Risk Ratings Guide

So that it's easier to understand the risks of investing in a particular fund, all of ReAssure's funds have been given a risk rating from one to six. The information provided in this guide is designed to help you understand ReAssure's approach to fund risk ratings and does not provide financial advice or a personal recommendation. It is always important to seek a personal recommendation from a Financial Adviser if you are not sure about your appetite to risk or how to invest your money. You can find out the risk rating we've given each fund at **www.reassure.co.uk/funds**, and you should use this guide to help you understand the kind of risks that each fund has.

Remember You should always think about your current finances and future goals when considering the level of risk you are willing to take with your investments. It is important to remember that the values of funds can go down as well as up and are not guaranteed.

In most circumstances, the key to investing is to spread your money across different types of investment funds and across different risk profiles.
MoneyHelper can offer free and impartial guidance about investing and assessing your attitude towards investment risk, for more infomation go to www.moneyhelper.org.uk/en/savings/investing/investing-beginners-guide

Risk Rating	**Explanation**	**Return** (Growth potential)	**Volatility Risk** (How much prices could rise or fall day to day)	**Inflation/ Charges Risk** (Could low growth make you lose money due to inflation or charges)	**Exchange rate Risk** (Is your money invested overseas?)	**Usual investment purpose** (Any timeframes given here are indicative and may not reflect your circumstances or risk appetite. Remember to consider diversifying your investment across different risk categories and asset classes)
1 – Minimal	Minimal risk funds will usually have the most cautious approach to investing. This means that they may be appropriate for reducing the possible loss of value in invested money in the short-term.	Minimal	Minimal	High	None	The most cautious approach to investing for a short time (up to a year), usually before taking your money.
2 – Low	Low risk funds are less cautious than minimal risk funds. They will hold investments where the day-to-day prices go up or down less than shares and so still have a low risk of losing the value of invested money in the short term.	Low	Low	Medium to High	None	A very cautious approach to investing for the short term (up to two years).
3 – Low to medium	Low to Medium risk funds provide some growth opportunity whilst having a cautious approach to long-term capital risk. These funds have a more adventurous approach to investing than low risk funds, as they will normally include shares where the value could go up or down more each day.	Low to medium	Low to Medium	Low to Medium	Possible	A cautious approach to investing for the medium term (three to five years).
4 - Medium	Medium risk funds provide balanced growth opportunities whilst still keeping a cautious approach to long-term capital risk. Medium risk funds are even more adventurous in their approach to investing than low to medium risk funds as they invest in a more balanced way.	Medium	Medium	Low	Some	A balanced approach to investing for the medium term (three to five years).
5 – Medium to high	Medium to High risk funds invest in even more adventurous growth opportunities, but still maintain some diversification and so have a slightly lower risk of losing money than the highest risk funds.	Medium to high	Medium to High – needs careful monitoring	Minimal	Possible depending on the fund	A more adventurous approach to investing towards the long term (five to ten years).
6 - High	Higher risk funds invest in the most risky growth opportunities. The prices for these funds will normally change more on a day-to-day basis than any other fund and must be monitored carefully. Some specialised funds like property also have liquidity risk. This means that in extreme circumstances you may not be able to access your money immediately.	High	High – needs careful monitoring	Minimal	Possible depending on the fund	The highest risk approach to investing, to be held over the long term (ten years or more).

Return is what you might reasonably expect to receive back from your investment.

Inflation/Charges risk is the risk that the expected return on your savings could be less than inflation or the charges on your policy, meaning that your money could be losing value in real terms over time.

Volatility risk is the amount you'd normally expect prices to change on a day to day basis.

Exchange rate risk is where investments are held in currencies other than sterling so may be affected by exchange rate changes.