



Why Candour Should Lie at the Heart of Good Investment Management

When you don't have a financial or economic background, talking about investing money can feel overwhelming. You could be finding yourself wondering why you should be considering investing, or recommending an investment solution to your clients. Isn't putting money in a savings account the same thing anyway? Or what about an ISA? What if some or all of the funds were needed quickly and they couldn't be accessed? And don't investments just fund already wealthy people anyway? Surely I'd like my money to do good?

Those thoughts are a form of "Impostor Syndrome" that I am keen to counteract. Once someone understands why investing is a positive thing and can make an informed decision, the concept of investment starts to become a lot clearer. Having an investment portfolio that meets your financial, ethical and moral needs, is something that is achievable and likely to offer the investor life-long benefits.

So why should you invest, or recommend an investment solution to your clients?

The most obvious answer to that is to grow personal wealth. But that doesn't have to come with a caveat of making risky decisions that put the investor at higher risk of losing the money being invested. It's important to remember that most of us are already investing; pension funds are a form of investing. So if someone has a pension, they're already an investor and it's reasonable to say that most people consider their pensions to be a safe pot of money. Creating the opportunity to have another "pot" that develops wealth outside of a pension is therefore a benefit.

You can also earn a higher rate of return than if money is in a savings account over the medium term. Of course, we've had some attractive interest rates recently that have put this point to the test and as an Investment Manager I have answered many questions about why someone should take their client's money out of Court Funds Office, particularly when it comes to minors.

This is an entirely separate article, but the short version is; the lack of active management and narrow investment and subjective performance analysis doesn't allow the funds to be optimised. The Ascencia investment team created a Money Market Portfolio solution specifically to address the discussion around achieving attractive returns on cash and it has performed incredibly well.

Investment can also help to achieve financial goals; by growing an investment, the money earned can help that house purchase/dream holiday/start up or business investment. Perhaps the most important point of all, is that investing your money can make it last longer. As Ascencia deals with a lot of individuals, whose investment capital comes as a result of an accident or injury, ensuring that the investor has adequate means through the course of their life is vital and we take that seriously.



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Addressing the point about investments just funding wealthy people and making them wealthier...again, that's a misnomer. Of course, there are opportunities on the market to invest in high performing investments that have created significant wealth for some individuals – I wouldn't be doing my job properly if I didn't tell you that some tech companies have experienced phenomenal growth in recent years, but if you were able to invest at the right time, you'd benefit from that too. Perhaps not in the way Jeff Bezos of Amazon has, but they are certainly good investments. However, it's important to understand that you can choose where you'd like to invest funds. If you want to create a purely ethical portfolio, one that supports sustainable and eco-conscious firms, you can do that and be someone that uses investment as a force for good.

So if you're asking yourself what a "good" investment is, that's a matter of perspective – it needs to be "good" for the investor. Does the investor require an investment solution that meets religious needs? Do they want to support sustainable companies? Are they risk averse? Working with an Investment Manager can ensure that the investor's needs are adequately met and a relevant portfolio of investments be suggested. The Investment Manager is failing the investor if they aren't doing this.

My Ascencia colleagues and I never lose sight of the fact that it's the investor's money and our advice isn't provided in isolation from the rest of someone's life – its also provided based on our understanding of what an investor's personal needs are. We have designed a range of portfolios that are either Sharia compliant, have a strong sustainable bias, and of course, the above-mentioned Money Market Solution. These have all been borne out of our recognition that an investor's funds have to meet their personal needs.

I believe you should approach investment with a clear philosophy. Ascencia Investment Management is founded on four principles that we follow across all of our portfolios. We take a multi-asset approach. This means that our portfolios will usually contain some investment in shares, bonds, cash and alternatives, which we explain clearly to every investor at the start of their journey. That allows us to balance risk and reward to provide reduced volatility and a smooth investment journey. We also pay for independent research in order to get timely macro-economic analysis and asset allocation recommendations.

It is clear from listening to investors, it is vital and we make sure that we have them in a portfolio that meets with their ethical, emotional and practical needs. Portfolios are reviewed regularly, and should we identify that something isn't performing, we will make changes.

We were delighted that we were recognised recently with the 2024 ARC 3D award; this is a hallmark of excellence within the Investment industry, only awarded to firms that can clearly evidence a commitment to transparency, engagement and integrity. This is assessed through providing detailed performance data for client investment portfolios, providing due diligence and an active demonstration of the efficacy and integrity of investment philosophy and processes.



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The assessment for this recognition is robust, taking into account our structure, risk management policies, environmental, social and governance practices, and our client servicing standards. Retaining the award means committing to continued performance; a commitment we are proud to make. Whilst the Ascencia team believe we are able to offer our clients some of the best solutions on the market, the ARC 3D Award is tangible evidence of our candour.

I hope I've given you some clear insight into the benefits of investing that will convince you to consider investing with us, and to recommend Ascencia as a solution to your clients. Along with the rest of the Ascencia team, I welcome robust conversation around our approach, whether that's direct from our investors or those making recommendations on their behalf. If you would like to engage with us or invest with Ascencia, you can contact me at enquiries@ascenciaim.co.uk.

Simon Callow

Chief Investment Officer

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