

No Risk – No Such Thing



Would you be attracted to a risk free investment that guarantees a higher return than a deposit account? Not by a vast amount but just enough to make it worthwhile.

If you said yes to this question then I am sorry to say I have got some bad news for you, it doesn't exist. It may be possible to achieve this goal with a very low risk investment but nothing is totally risk free

In fact not even the deposit account is risk free. Yes you have protection of up to £50,000 but often the only thing you can be sure of with a deposit accounts is that you will lose money. Why, because more often than not inflation is higher than the rate of interest you will receive.

All savings and investment carry some form of risk, it is just some are higher and / or different than others. At the other end of the scale to deposit accounts, investing in a Brazilian tin mine could make you a lot of money or you could lose your shirt.

There are three main risks you need to consider:

1. That your money won't make as much as you want
2. You will lose some or all of your capital
3. The value will rise and fall

As so often in life it is striking the right balance that is needed and yet so difficult to do.

So if anyone tells you about a risk free investment, tell them it doesn't exist.

For help and advice on money matters contact us

Wensum Financial Planning
2c Oval Road New Costessey Norwich NR5 0DE
01603 731170 - enquiries@wensumifa.com
www.wensumifa.com