

We are always aiming to support our clients with their understanding of complicated financial terms and continue to build our list of helpful explanations - please let us know if you have any suggestions or if you need further assistance.

Any links provided in the explanations below will take you to a separate website, for which we are not responsible. The websites we have linked to are usually those belonging to the [Financial Conduct Authority \(FCA\)](#), [MoneyHelper](#) or other independent, free services.

### **Asset allocation**

Asset allocation refers to the implementation of an investment strategy that allocates the different assets in an investment portfolio to categories such as stocks, bonds and cash, balancing risk versus reward.

### **Asset management**

Asset management is the day-to-day management of an investment portfolio, which involves balancing costs, risks and opportunities to generate as much value as possible.

### **Collective investment scheme (CIS)**

A collective investment scheme (CIS), sometimes known as a 'pooled investment', is a fund that usually has several people contributing to it. The fund manager of a CIS will invest investors' money into assets, such as stocks, bonds or property. A CIS may be authorised UK schemes or 'recognised' schemes from other countries. If a CIS is not authorised or recognised it is considered an [unregulated collective investment scheme \(UCIS\)](#).

### **Defined benefit (DB) pension**

A defined benefit (DB) pension, sometimes called a final salary pension, gives you a guaranteed lifetime income that usually increases each year to protect you against inflation. It may also continue being paid to your partner at a reduced rate when you die. See more about [defined benefit pensions](#).

### **Defined contribution (DC) pension**

These types of pensions can be either workplace pensions or private pension schemes. The amount of money individuals get when they retire depends on their contributions and their employers (if applicable), as well as investment returns and tax relief. See more on [DC pension schemes](#) at MoneyHelper.

If you are over 50 you can also use MoneyHelper's [Pension Wise](#) service.

### **Discretionary investment management**

This is where buy and sell decisions are made by a portfolio manager, in this case Mattioli Woods, for your account. The term 'discretionary' refers to the fact that investment decisions are made at the portfolio manager's discretion.

### **Financial adviser**

Makes recommendations on what you should do with your finances. This may include investments, pensions, mortgages, insurance or planning for the future. You may also get advice if you are looking to manage any debt you have. A financial adviser should be authorised by the FCA through the financial services firm they work for. Read more about [financial advice on MoneyHelper](#).

### **Financial Conduct Authority (FCA)**

The Financial Conduct Authority (FCA) regulates the financial services industry in the UK. Its role includes protecting consumers, keeping the industry stable, and promoting healthy competition between financial service providers.\*

### **Financial Ombudsman Service**

The Financial Ombudsman Service is a free service that settles complaints between financial businesses and their customers. Visit the [Financial Ombudsman](#).

### **Financial Services Compensation Scheme (FSCS)**

The FSCS is an independent, free service that can step in to pay compensation if the financial firm you have used has gone out of business and cannot pay your claim. Visit the [FSCS website for](#) some information.

### **Financial Services Register (FS/FS Register)**

The Financial Services Register is a record of the firms and individuals we authorise and the activities they have permissions for. This also includes any limitations. Find out more about the [FS Register](#) here.

### **Firm reference number (FRN)**

The FCA use a 6-digit or 7-digit number to uniquely identify firms, and 6-digit Product Reference Numbers (PRNs) to identify funds. Use this number to search the [Financial Services Register](#).

### **Government bonds (gilts)**

Government bonds are a type of debt instrument where an investor lends money to the Government. Most pay a fixed level of interest for the duration of the bond and repay the

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initial lump sum to the investor when the bond matures. UK Government bonds are also known as gilts.

### **High-net-worth individuals (HNWI)**

An individual who has either an annual income in excess of £100,000 or has net assets in excess of £250,000 beyond their pension fund assets and private residence.

### **Individual Savings Account (ISA)**

Individual Savings Accounts are savings accounts that allow you to save or invest without paying tax on any interest, dividends or profits.

### **Interest rate**

Interest rate refers to the amount you earn on your savings, or the amount you pay back when you borrow money.

### **Investment risk**

Investment risk is the risk of an investment falling in value, or that returns on that investment will differ from your expectations.

### **Junior Investment Savings Accounts (JISA)**

Junior Investment Savings accounts are savings accounts opened by a parent or guardian in a child's name, which work in the same way as normal ISAs. These savings can only be accessed by the child once they turn 18. There are two main types of JISAs - Junior Cash ISAs and Junior Stocks and Shares ISAs.

### **MoneyHelper**

[MoneyHelper](#) is a free service provided by the Money and Pensions Service. It offers impartial money and pensions guidance that is backed by government.

### **Pension review or release scams**

You should be very wary of any scheme offering to help you release cash from your pension before you are 55, as it is almost certainly a scam. Find out how to [protect yourself from pension scams](#).

### **Pension unlocking**

Pension unlocking or pension liberation is a way of accessing money in your pension fund before you retire. Early access to a pension is rarely in your long-term financial interests and is often a scam. See more about the [risks of pension unlocking](#) on MoneyHelper, guidance that is backed by the Government.

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### **Phishing**

Phishing is when attackers attempt to trick you into doing 'the wrong thing', such as clicking a bad link in a text or email that will download malware, or direct you to a dodgy website. Read more about [how to protect yourself from malicious communications](#).

### **Redress**

Sometimes things can go wrong, and we do not meet our usual high standards. In those instances, redress is the act of putting you back in the position you would have been had things not gone wrong. For example, if you have been given inappropriate advice about transferring out of a pension.

### **Regulated**

In the UK, firms must be authorised and have permission to carry out financial activities. These activities are regulated by the Financial Conduct Authority. Read more about how the [FCA regulates financial services](#).

### **ScamSmart**

ScamSmart is an FCA campaign to help you avoid investment and pension scams. [Visit ScamSmart](#) to find out more.

### **Trustee**

A trustee is an individual who is responsible for managing the assets that have been placed in a trust by a beneficiary. Learn more at [MoneyHelper](#).

### **Unit trust**

A unit trust works by pooling your money with other investors into one single fund. A unit trust has a fund manager whose job is to create a portfolio of investments in different asset classes.

### **Volatility**

Volatility is a measure of how much something fluctuates. In the investing world, volatility is a measure of an investment's risk level. The higher the volatility, the higher the risk and the likelihood you could get back less than you invested.

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### **Wealth management**

Wealth management is a financial service provided to customers who have signed an agreement with a wealth management firm to have their money or investments managed. This is done on either a discretionary or advisory basis.

### **Workplace pension**

A workplace pension is a way of saving for your retirement that is arranged by your employer. They can also be known as 'occupational', 'works', 'company' or 'work-based' pensions. Learn more at [MoneyHelper](#).

\* content quoted from [gov.uk](#).