



Our Investment Philosophy



Peace of mind today, Financial freedom tomorrow.

Welcome

While great financial planning touches many aspects of financial life, investment management is undeniably a core foundation of every investor's financial independence.

Helping clients to make great investment decisions is, therefore, a responsibility we take very seriously.

The guide that follows outlines our core investment beliefs. To avoid the complexity that has befallen much of the investment industry, we have intentionally summarised our beliefs as simply as possible. However, we would be more than happy to dive deeper into the details, research, data and evidence which has helped shape our investment principles here at New Path.

We look forward to discussing these essential investment truths with you.

Sincerely,



Paul Dovey
Founder of New Path Financial



“

Peace of mind Today,
Financial freedom Tomorrow.

”

1. Starting with the end in mind

Our investment philosophy is founded on a simple belief:

A personalised financial plan is the cornerstone of every investment decision, ensuring your financial journey is uniquely designed for you.

Only when we've considered your unique circumstances and goals can we determine how best to invest your money. This means there is no one-size-fits-all answer to the age-old question: "How should I invest?".

As you do not set off on a journey before deciding on the destination, we will only make investment recommendations after understanding your needs.

The primary goal for most investors is to have a dignified and independent retirement. Once we understand what your money needs to do to achieve this result, we can start making investment recommendations.



Any investment portfolio decisions must be made based on a personal financial plan, and any financial plan must be based on your unique circumstances and life goals.

“—————

A goal without a plan is just a wish

—Antoine de Saint-Exupéry

—————”

2. Understanding Risk

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Risk comes from not knowing what you're doing

-Warren Buffett

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It's impossible to talk about investing without considering risk. Unfortunately, the word "risk" means different things to different people, and a misunderstanding could result in poor investment decisions or wrong investor expectations.

Investment risk comes in four distinct flavours, each with its own set of challenges that successful investors must navigate.

Capital Risk

The risk that all the invested capital will be lost.

Inflation Risk

The risk that your money will not keep up with the inflation rate, reducing your purchasing power over time.

Volatility Risk

The risk that your money will fluctuate in value when the market experiences a period of "temporary decline."

Low Returns Risk

The greatest risk for investors is falling short of the returns needed to meet their goals- realising when it's too late to recover.

Every investment option can be evaluated according to these risks. For example, money in the bank has a low risk of capital loss and will experience no volatility, but in most market cycles, you are almost guaranteed to lose purchasing power. This investment has a high inflation risk.

An investment in a long-term focused, diversified portfolio has a low capital risk. Based on historical returns, it also has a low inflation risk. However, it has a very real risk of volatility. The investor needs to expect frequent periods of decline and high volatility, which is the price of admission for the opportunity to gain above inflation long term investment returns.

We believe that the only sane definition of money is purchasing power. Money is only useful to the extent that it helps you fund the life you want to live. We therefore see inflation as the real enemy facing long-term investors.

3. Diversification is key

At New Path Financial, we believe that successful investing isn't about trying to pick winners or time the market. It's about building a resilient, globally diversified portfolio — one designed to weather storms, reduce risk, and position you to capture long-term growth wherever it may occur.

Diversification is more than simply owning lots of different investments. True diversification involves spreading your money across a wide range of, sectors, industries and geographies. Why? Because no single company, country, or market consistently outperforms year after year. What leads in one year may lag in the next.

By diversifying properly, you reduce your exposure to any one area — meaning your portfolio is less vulnerable to unexpected shocks or downturns in one part of the market. At the same time, you remain positioned to benefit when different parts of the global economy perform well.

Diversification doesn't guarantee profits or prevent losses, but it is one of the few strategies backed by decades of research for reducing risk without necessarily reducing long-term returns. It gives your plan stability, especially during uncertain times, and it helps smooth the investment journey.

At New Path, we use sophisticated tools and academically driven research to construct well-diversified portfolios tailored to your goals, risk tolerance, and time horizon. Always with careful attention to cost, structure, and quality.

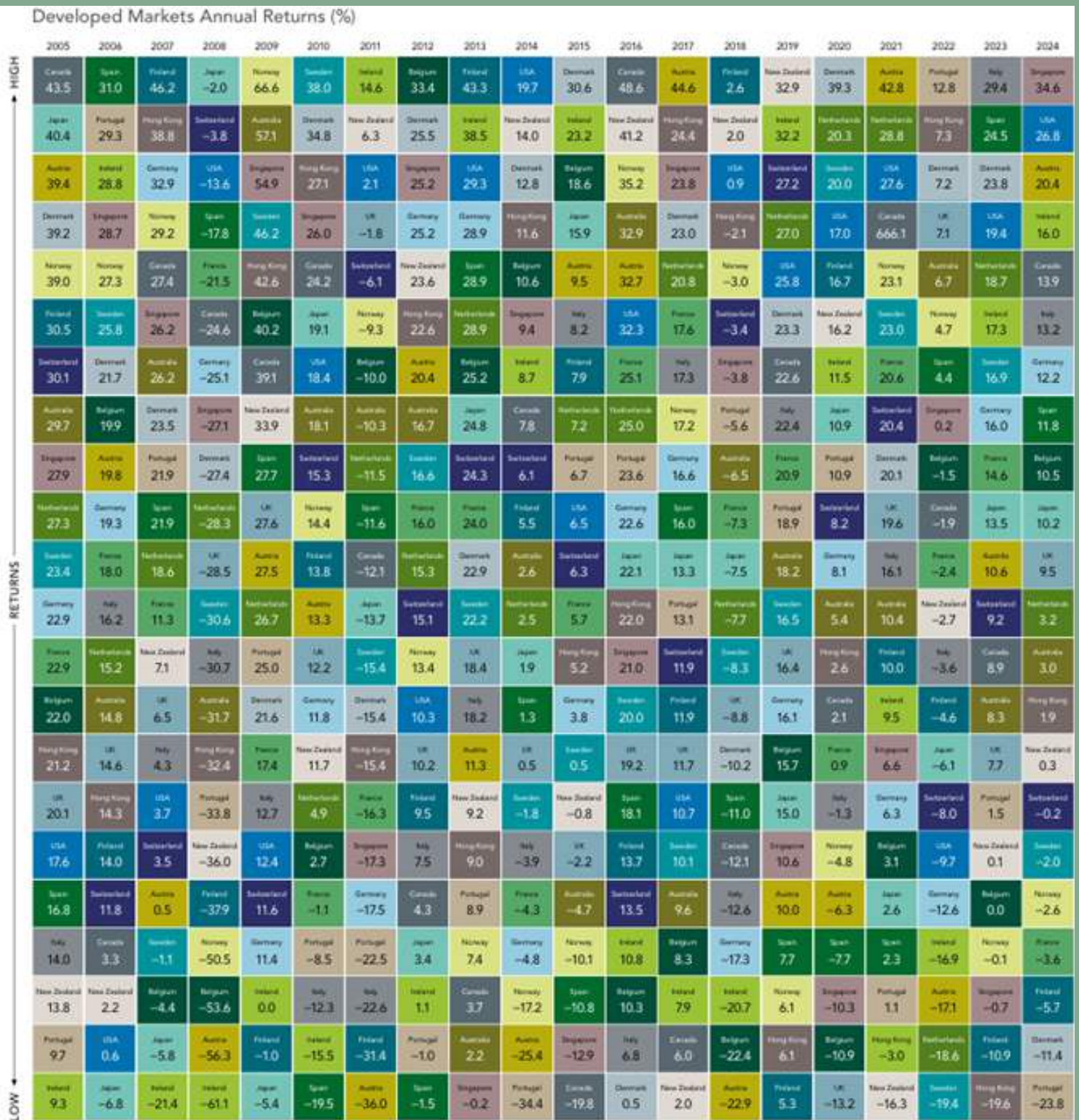
Put simply, diversification is your financial safety net — and a critical part of staying on the path toward long-term success.

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Don't look for the needle in the haystack.
Just buy the haystack.

— Jack Bogle

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Source: IIF MSCI country indices (not dividendized) based on country listed. Data not available for Ireland, which MSCI classified as an emerging market prior to May 2010

The randomness of global returns

The above table ranks historical annual stock market performance for different countries in each year. The patchwork dispersion of colours shows no predictable pattern. Investors who follow a structured, diversified strategy are therefore more likely to capture the returns wherever they happen to occur in any given year.

Applying a diversified strategy also reduces the risk of being too heavily invested in any one country that happens to perform particularly badly in any given year.

4. Science and evidence based

Portfolios built on data, not guesswork is what we believe in.

The investment world is full of noise — headlines, opinions, forecasts, and “hot tips” that can distract, mislead, and cause costly mistakes. At New Path Financial, we take a different approach: one grounded in decades of academic research, real-world evidence, and tested principles, to help filter and turn off the noise.

We don't speculate or chase trends. Instead, we build portfolios around what we know works over time, based on rigorous financial science. Our approach draws on insights from Nobel Prize-winning research, including modern portfolio theory, efficient markets, and the drivers of long-term returns.

Studies show that markets are generally efficient — meaning prices reflect available information. Rather than trying to outguess the market, we aim to harness its power. We focus on areas that research has shown offer long-term rewards, like exposure to small companies, value stocks, and profitability factors — in a cost-effective, well-diversified manner.

Importantly, we also believe in discipline over prediction. No one can consistently forecast market movements — not even the so-called experts. But by focusing on the evidence, having a long-term mindset, and avoiding emotional decisions, we give you the best chance of long-term success.



Working closely with a select number of leading global investments providers, we apply this evidence-based philosophy through thoughtfully structured portfolios designed to maximise returns while managing risk.

In a world full of uncertainty, a scientific approach brings clarity. It means your investments aren't built on opinions — they're built on evidence, aligned with your goals, and structured for long-term success.

5. Asset allocation & time management

While nothing about the future is ever certain, we believe (based on factual data and market history) that equities (ownership of the great companies of the world) are the asset class that can provide the best opportunity to deliver positive (inflation adjusted) returns over a multi- decade investment period.

We are owners, not speculators.

When we invest in global equities, we do so as long-term owners of businesses, not as short-term stock market speculators.

We firmly believe that any portfolio aimed at long-term returns should be predominantly allocated to this asset class. Enlightened investors understand that when allocating money to equities, their portfolio will frequently experience a "temporary decline" and this is to be expected.

To combat this risk, money needed in the short to medium term can be allocated to "income assets" such as bonds and cash. Investors who allocate money to these asset classes understand they are trading returns for certainty.

When deciding how to invest money, we will always consider, your views on risk and importantly when the money will be needed. By ensuring we have a good understanding of your investment timeline, we can aim to match your plan to your needs and help you work towards achieving your goals.



“The big money is not in the buying and selling ... but in the waiting.

-Charlie Munger

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6. The perfect portfolio for you

The best portfolio for you is the one you stick with during all investment market cycles.

For this reason, we will partner with you to explore which portfolio will give you the best chance of achieving your goals while still giving you the peace of mind to sleep well at night.



“

Investment performance doesn't determine real life returns; investor behaviour does.

—Nick Murray

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7. Your guide on the journey



The investing journey is filled with potential pitfalls that can derail even the best of plans.

Temporary market declines are guaranteed and cannot be timed. Equity markets undergo frequent, temporary declines that cannot be predicted or timed. The only way to earn the market's full return has been to remain invested at all times.

Our financial planning process is designed to help clients form realistic expectations of what their portfolios can achieve, ignore the media noise along the way, and stay disciplined through all market cycles.

We have guided many families to a dignified and independent retirement, and we believe we can do the same for you!



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Financial freedom tomorrow*

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 Website

www.newpathfinancial.co.uk

 Phone

01905 928200

 Email

hello@newpathfinancial.co.uk

 Head Office

New Path Financial
40 Foregate Street
Worcester
WR1 1EE

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