

When you open a Saga Investments product, the way your money's invested will depend on the investment portfolio you have selected.

Each investment portfolio sets a mix of funds that's designed to achieve a specific investment objective and provide a particular level of risk. When your money's first invested, it'll be put into the funds in line with this target fund mix.

The table below provides an example. This is just for illustrative purposes – you can find the actual target fund mix for each Saga investment portfolio in the portfolio fact sheets.

Fund mix when your money's initially invested

Fund 1	25%
Fund 2	25%
Fund 3	25%
Fund 4	25%
Total	100%

Over time each fund will rise or fall in value differently based on the underlying investments it holds. For example, if Fund 1 performs better than the others, it may become more than 25% of your portfolio. The diagram below shows how the fund mix in your portfolio may change over time.

Fund mix when your money's initially invested

Fund 1	25%
Fund 2	25%
Fund 3	25%
Fund 4	25%
Total	100%

Funds perform differently over time



Fund mix in your portfolio changes over time

Fund 1	30%
Fund 2	24%
Fund 3	23%
Fund 4	23%
Total	100%

It's important to ensure the mix of funds in your portfolio doesn't differ too much from the target fund mix. This is to help your investments achieve the growth objective of the portfolio and stay within the set level of risk.

If Fund 1 is the highest-risk fund and has performed better than the others to become 30% of your portfolio, the overall risk profile of your investments could be higher than the portfolio's set level of risk. This might mean your portfolio could be at risk of greater losses if investment markets were to fall.

Your portfolio will therefore be 'rebalanced' every three months. A rebalance determines whether buying or selling funds is necessary to ensure your investments stay close to the target fund mix of the investment portfolio.

The diagram below shows the fund mix in your portfolio after it has been rebalanced.

Fund mix when your money's initially invested

Fund 1	25%
Fund 2	25%
Fund 3	25%
Fund 4	25%
Total	100%

Funds perform differently over time



Fund mix in your portfolio changes over time

Fund 1	30%
Fund 2	24%
Fund 3	23%
Fund 4	23%
Total	100%

Portfolio rebalanced



Fund mix after rebalancing

Fund 1	25%
Fund 2	25%
Fund 3	25%
Fund 4	25%
Total	100%

You'll be able to see which funds have been bought and sold by going into your online account a few days after the rebalance has taken place. But please be aware you may not see buying or selling on all your funds. This is because the rebalance will only arrange deals where at least a £10 holding in the fund is being bought or sold.