



Insights, Tacit Thought | Weekly Investment Insights

The difference between investment management and investment advice

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At Tacit, our role is two-fold: firstly, our strategies must meet the inflation-plus benchmarks we commit to and perform at least in line with our peers over time; secondly, maybe more importantly, is to advise our clients on how much risk to take to meet their longer-term needs and aspirations. We call this the difference between investment management and investment advice.

Investment advice is a significant, but often, overlooked element of the investment professionals' function, but it is vital to enabling UK investors to navigate a political and economic landscape which is so often presented in very negative terms.

Investors often feel anxious because decisions about money combine uncertainty, loss aversion, and a lack of control. For a UK audience, that anxiety is amplified by market volatility, confusing jargon, and the fear that a poor decision could damage long-term goals such as retirement, house purchase plans, or family finances. Research suggests that financial language itself can trigger stress. A separate UK survey conducted by Barclays found that 46% of investors were discouraged from investing by the stress of managing investments, while 34% said that fear of losing money was their biggest source of financial anxiety.

Investing is emotionally difficult because losses tend to feel more powerful than gains of the same magnitude. That means a falling portfolio can provoke a much stronger reaction than a rising one, even when the long-term plan remains intact. In practice, this can lead investors to check markets too often, react impulsively to headlines, or delay decisions altogether.

UK investors also face domestic pressures such as policy uncertainty, inflation, interest-rate changes, and budget-related speculation, all of which can make markets feel unpredictable. When clients see constant commentary on taxes, gilt yields, or economic slowdown, it can create the sense that investment outcomes are being driven by forces they cannot control. This is especially stressful for people who already feel underconfident or underinformed about investing.

Anxiety is not a sign of weakness. It is a perfectly normal response to uncertain outcomes involving real money. The role of good advice is to reduce that uncertainty with clear goals, simple language, and a process that helps people stay invested through volatility.

To us, Tacit's investment advice has been as important as the strong performance of each of our strategies over the past 15 years in helping our clients to achieve and often outperform their objectives even as anxieties have risen in the UK.

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