Robo Adviser Returns

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We averaged the annual returns from 8 robo advisers who represent over 95% of UK assets with robo advisers today. As a group, here's how they fared over the last 12 months compared to a leading easy access cash ISA and a mix of 100 UK shares (the FTSE 100).

Robo advisers let you invest online into a ready-made basket of investments which is managed for you by an expert. It's an easy way to get going in the markets.

Mild portfolios are like souped-up cash. Cash-like but with a few riskier assets in the mix. *The least risky option.*

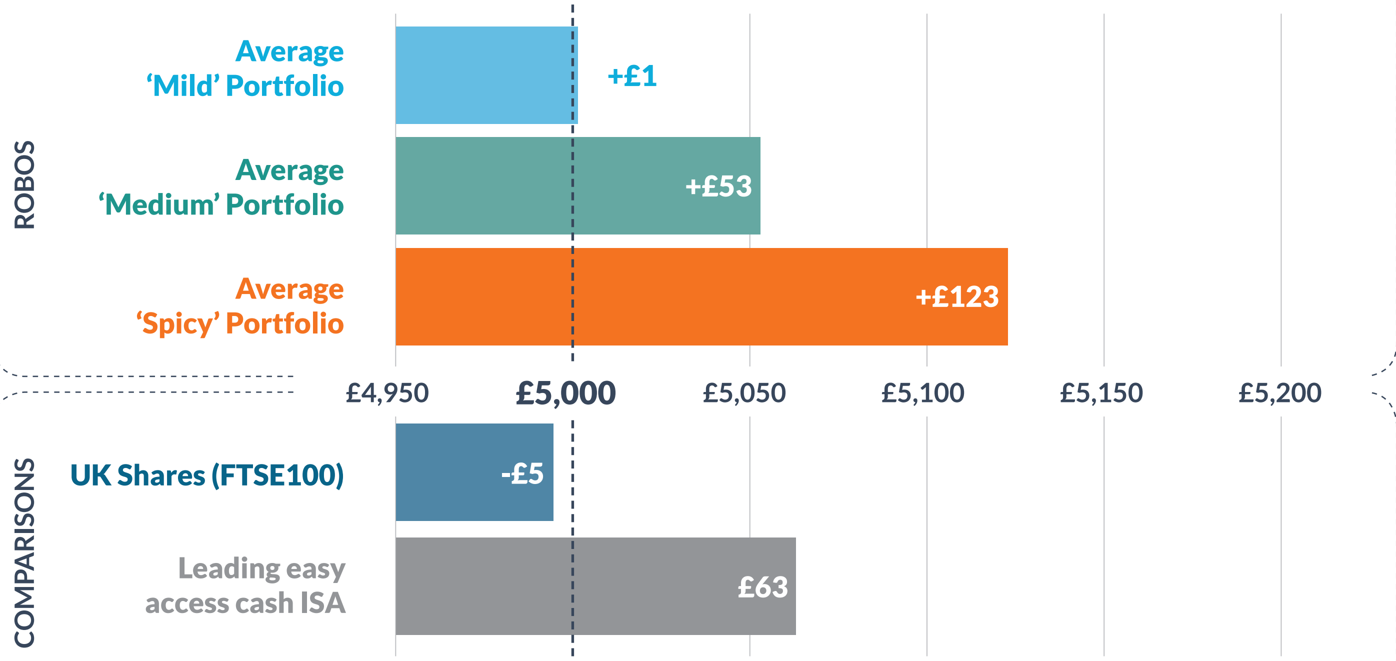
Medium portfolios are half-half. A blend which most closely mirrors keeping half in cash and half in shares. *Has a bit of a kick.*

Spicy portfolios most closely match a basket of investments which is fully invested in the top 100 UK shares. *The most bumpy ride.*

How did they do with a £5,000 investment over the last 12 months?

These are the average returns of these 8 big players over the last year . . .

exestor, IG, netwealth, nutmeg, moneyfarm, scalable CAPITAL, true potential investor, wealthify



... in comparison, if you had invested in a mix of 100 UK shares (the FTSE 100), you would have lost £5 over the same 12 months.

* From 1st April 2017 - 31st March 2018. After robo adviser charges.
** Returns shown after robo adviser fees. For the FTSE 100 we have used a total return index and subtracted a 0.25% platform fee and 0.06% investment fee.
*** We have shown a leading easy access cash ISA and the FTSE 100 for comparison.

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Want to learn more? Check out our Robo Advice pages at www.boringmoney.co.uk

Robo Adviser Returns

‘Mild’ Portfolios

The least risky option

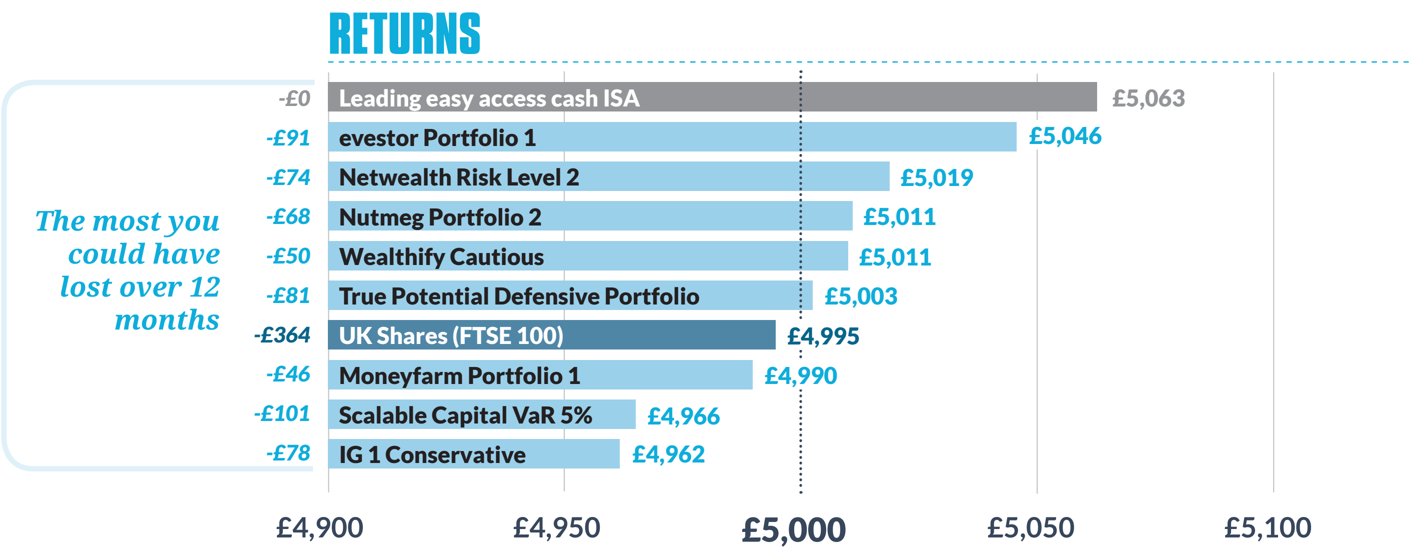
Highest returns
+0.92%

Lowest returns
-0.76%

We’ve looked at the mildest portfolios on offer from 8 of the UK’s robo advisers. These are like ‘souped-up cash’, adding a little spice with just a few shares and bonds. Best for those who want the minimum risk possible or people who aren’t investing with a very long timeframe.

How did they do?

What would have happened to £5,000 from April 2017 to April 2018



* Returns shown after robo adviser fees. For the FTSE 100 we have used a total return index and subtracted a charge of 0.31%.
** We have shown a leading easy access cash ISA and the FTSE 100 for comparison.
*** These guys took different amounts of risk to make these returns – so it’s not as simple as saying that the top one is best.

What’s the most I could have lost?

Most of these portfolios increased in value over the year, but some have fallen in value. In both scenarios there were some ups and downs along the way. If you had invested £5,000 at the end of the month where the portfolios were at their highest, and taken your money out when they were lowest, then the most you would have lost in one of these ‘mild’ portfolios would have been £101.

Where is it invested?

These portfolios won’t shoot the lights out, but they’re the least risky available.
They tend to invest mostly in cash and bonds.

Not sure who to choose?

See what customers have to say about these providers at www.boringmoney.co.uk/best-buys/

From 1st April 2017 - 31st March 2018.

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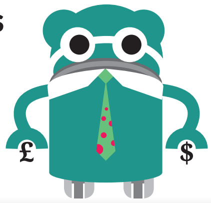
Robo Adviser Returns

‘Medium’ Portfolios

Has a bit of a kick

Highest returns
+1.86%

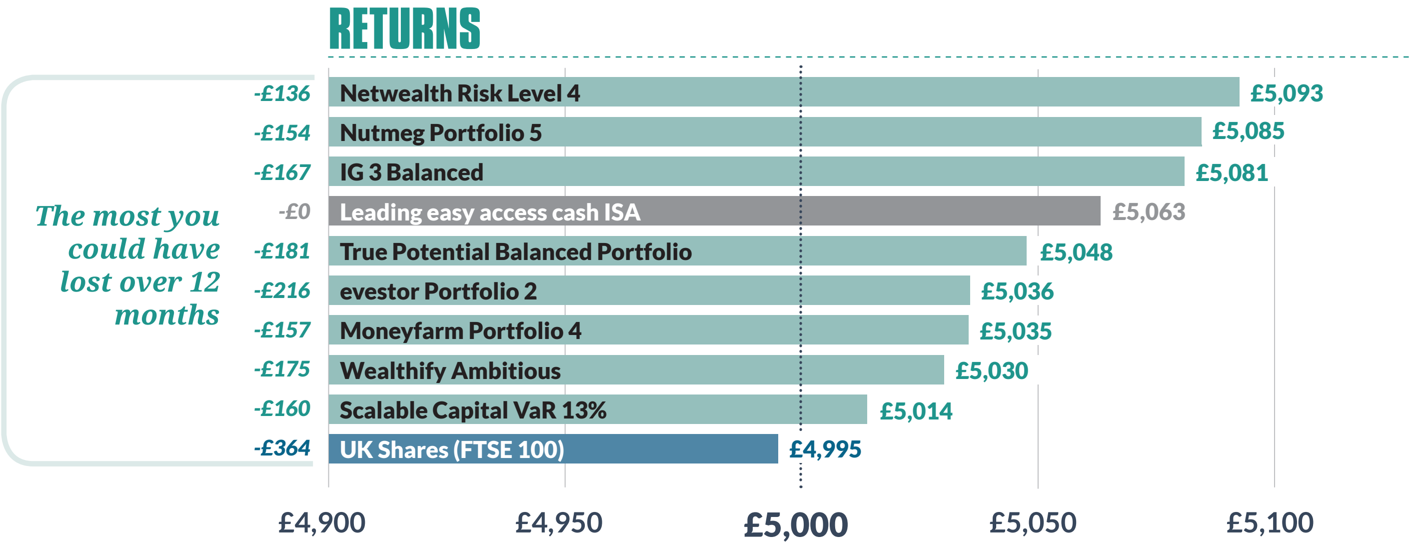
Lowest returns
+0.27%



We’ve looked at the medium portfolios on offer from 8 of the UK’s robo advisers. These portfolios most closely map to you investing half in cash, and putting half into UK shares. Best for those who are prepared to take a bit of risk in the hope of better returns. But without anything too dramatic on the journey!

How did they do?

What would have happened to £5,000 from April 2017 to April 2018



* Returns shown after robo adviser fees. For the FTSE 100 we have used a total return index and subtracted a charge of 0.31%.
** We have shown a leading easy access cash ISA and the FTSE 100 for comparison.
*** These guys took different amounts of risk to make these returns – so it’s not as simple as saying that the top one is best.

What’s the most I could have lost?

All of these portfolios increased in value over the year. However, there were some ups and downs along the way. If you had invested £5,000 at the end of the month where the portfolios were at their highest, and taken your money out when they were lowest, then the most you would have lost in one of these ‘medium’ portfolios would be £216.

Where is it invested?

These portfolios are most like having half your money in shares, half in cash.
You’re in the stock market, with some padding.

Not sure who to choose?

See what customers have to say about these providers at www.boringmoney.co.uk/best-buys/

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Robo Adviser Returns

‘Spicy’ Portfolios

The most bumpy ride

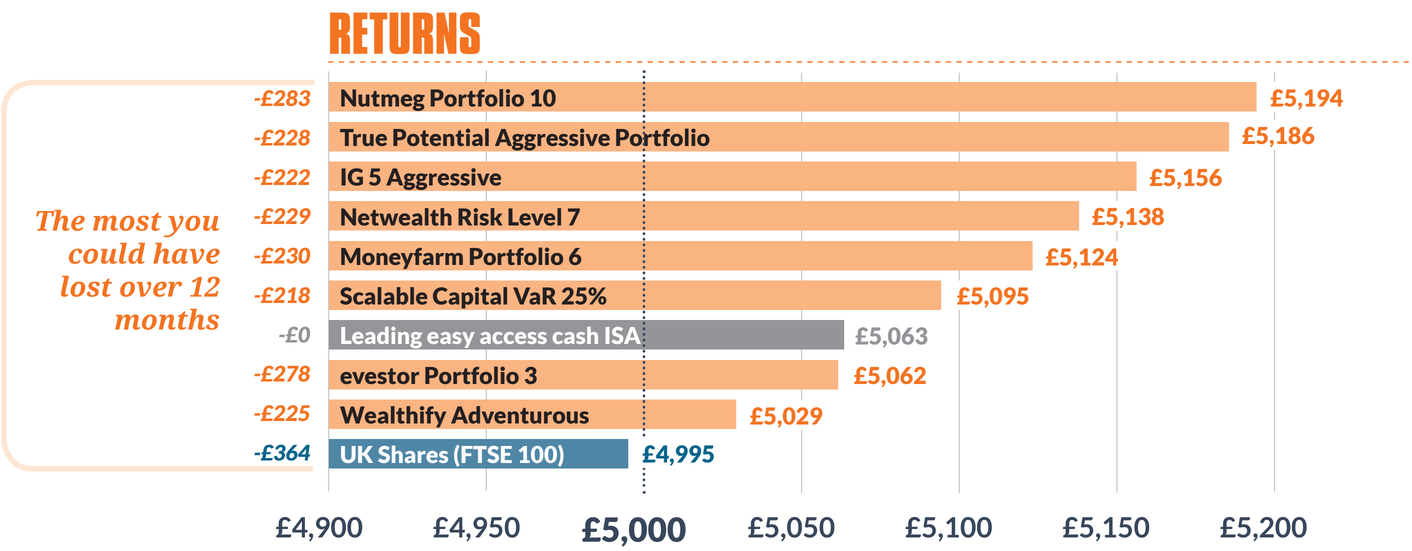
Highest returns
+3.88%

Lowest returns
+0.56%

We’ve looked at the spiciest portfolios on offer from 8 of the UK’s robo advisers. These portfolios most closely map to you investing your money in the UK stock market. Best for those who want to max returns over a 7 year + timeframe. Who won’t have a hernia if one year goes pear-shaped!

How did they do?

What would have happened to £5,000 from April 2017 to April 2018



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** We have shown a leading easy access cash ISA and the FTSE 100 for comparison.
*** These guys took different amounts of risk to make these returns – so it’s not as simple as saying that the top one is best.

What’s the most I could have lost?

All of these portfolios increased in value over the year. However, there were some ups and downs along the way. If you had invested £5,000 at the end of the month where the portfolios were at their highest, and taken your money out when they were lowest, then the most you would have lost in one of these ‘spicy’ portfolios would be £283.

Where is it invested?

These portfolios are most like putting everything into UK shares. However, they invest around the world, spreading your money to reduce risk. It’s a bumpy ride but the theory is that they should do better over the long-term.

Not sure who to choose?

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Robo Adviser Returns Across 2017

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The small print

We have tried to keep this guide to robo returns simple. You tell us you want to know how much you could make. And how much you could lose. And who is any good.

Unfortunately investments are a bit more complex than cash. So we'd just add four things to consider.

1. **Cash is pretty easy to assess and compare. What's the rate. Is it with a credible provider? Job done.** Investments are a bit trickier. Simply picking the group with the highest returns takes no account of how they have achieved those returns. Let's give a really extreme example. Say we set up a scheme and invested 100% in a new tech firm which made cloud stuff which no-one understood. And that stock doubled. If you bought on returns alone you would think we were very smart. If you looked at the stratospheric risk we had taken with your money – if that one firm had gone belly-up you'd have lost everything – you wouldn't go near us. Investing is a game of balancing risk with returns.
2. **So how to look at risk. Each of these groups takes on different levels of risk to get their returns.** As most of these robo advisers are relatively new, we only have data for a couple of years for most. So it's still a bit early to draw robust conclusions. We can tell you the most that you would have lost in any one year which we hope helps to quantify the risk involved. As track records increase we can get more specific.
3. **When investment bods talk about risk, they're not talking about the risk of losing it all. They are talking about the volatility of your investment.** About how much the value jumps around and up and down. A risky asset, or a spicy portfolio, could jump from £100 to £70 to £120 over the course of a year (just as an example). So the risk is volatility, not the risk that you could lose it all. A massive benefit of robo advisers is that they spread your money around loads of different investments and regions so you're putting your investment eggs in loads of different baskets. No-one can guarantee things won't head south but the chances of losing it all are absolutely minute.
4. **Costs. Unlike with most savings accounts, you do pay a fee for having your money invested.** This is not often as simple to calculate as it should be. You will pay the robo adviser a fee for administration and their calculations/number-crunching. And you'll also pay a fee for the investments they buy on your behalf. Less than 1% a year is pretty decent value for a managed passive portfolio.