Can AI help you understand your investments?

An illustrative conversation about investment performance, fees and asking better questions.

A 62-year-old investor with approximately £1 million invested through a wealth manager asks Claude AI for help understanding whether their investments have performed well. The conversation develops into questions about charges, value and retirement planning — and ends with a practical email to their existing wealth manager.

About this transcript. This is a fictional demonstration using illustrative figures, not a real client case. The exchanges below are taken from the supplied conversation. One early Claude response was not available and is identified as omitted. The final email was recovered from the original recording. Claude's assertions are reproduced as part of the demonstration; they have not been independently verified and should not be treated as personal financial advice.

1. A simple question

INVESTOR

> I'm 62 and have about £1 million invested through a wealth manager.
>
> My investments have increased in value over the years, but I don't really know whether they've performed well.
>
> How can I find out?

CLAUDE

Rising value on its own doesn't tell you much, because markets in general have risen over the years. What matters is how much of the growth came from your wealth manager's decisions, what you paid for it, and how it compares with sensible alternatives. Here's how to find out.

1. Work out your actual return

Ask your wealth manager for a **performance report** showing your *money-weighted* return (which reflects the timing of your deposits and withdrawals) and *time-weighted* return (which isolates the manager's decisions). Ask for it **net of all fees**, annualised, over 1, 3, 5 and 10 years or since inception. Regulated firms should be able to produce this routinely.

If you've added or withdrawn money along the way, don't just compare the starting and current value, as that will mislead you.

2. Compare it with a benchmark

A return figure means little without context. Ask what benchmark they measure against and whether it suits your portfolio. Then check it yourself against:

• **A comparable index mix.** If you hold roughly 60% shares and 40% bonds, compare against a blend of global equity and bond index funds.

• **Peer group indices.** The ARC Private Client Indices and the Asset Risk Consultants' wealth manager benchmarks show how typical discretionary managers perform at different risk levels.

• **A simple passive alternative,** such as a low-cost multi-asset fund at a similar risk level. This is a useful reality check: could you have got similar results for a fraction of the cost?

Also compare like for like on risk. A manager who took less risk may legitimately have lower returns.

3. Add up the total cost

This is often where the biggest difference lies. Ask for a full **cost and charges disclosure**, which firms are required to provide annually. It should cover:

• The manager's own fee

• Platform or custody charges

• Underlying fund charges (OCFs)

• Dealing and transaction costs

Total costs of 1.5% to 2.5% a year are common, and on £1 million that's £15,000 to £25,000 annually. Over a decade, that compounds into a very large sum. A low-cost approach could be well under 1%.

4. Check it suits you at 62

Performance should be judged against your goals, not just the market. Ask yourself:

• Is the risk level appropriate for someone potentially retiring in the next few years?

• Does the portfolio match what you originally agreed (your risk profile and objectives)?

• Is it tax-efficient, using ISAs and pension allowances where possible?

• Is it concentrated in a few holdings or well diversified?

5. Get an independent view

You can pay an independent financial adviser for a one-off portfolio review. Look for a fee-only adviser (via Unbiased or the Personal Finance Society's directory) and confirm on the FCA register that they're authorised. Some will review costs and performance for a fixed fee, and they don't earn anything from moving your money.

Questions to put to your wealth manager

• What's my annualised return, net of all fees, over 3, 5 and 10 years?

• Which benchmark do you use, and why?

• What are my total all-in costs, in pounds and as a percentage?

• Has my portfolio stayed within the risk level we agreed?

A good manager will answer these clearly and without defensiveness. If the answers are vague, or the returns lag a fair benchmark after fees, that's a sign to look more closely.

I'm not a financial adviser, so this is general information rather than advice on your situation. If you can share your annualised return, fee level and rough asset mix, I can help you interpret the figures.

2. One question at a time

INVESTOR

> That's quite a lot to take in. I'm not sure I understand all the technical terms.
>
> I receive an investment statement from my wealth manager every year.
>
> Could you help me work through it, one question at a time, to see whether my investments have performed well?
>
> I'd rather not upload the statement because it contains personal information.

[Claude's immediate reply to this request was not included in the supplied transcript.]

INVESTOR

> My statement covers 1 January to 31 December 2025.
>
> It says my investments were worth £920,000 at the beginning and £985,000 at the end.
>
> I don't think I paid any money in or took anything out during the year.

CLAUDE

Thank you, that's a clear starting point.

If nothing went in or out, your investments grew by £65,000 over the year (£985,000 minus £920,000). As a percentage, that's about **7.1%** (£65,000 divided by £920,000).

One important catch: I don't yet know whether that £65,000 is before or after the wealth manager's fees. Some statements show growth with fees already taken out, and others show it before fees, with the fees listed separately.

Question 2: Does your statement show any fees or charges for the year, and if so, how much? Look for words like "management fee", "advisory fee", "charges" or "costs", and tell me the amount in pounds (or the percentage, if that's all it gives).

If you can't find any fees listed, just say so. That's useful to know too, and we can work out what to ask your wealth manager.

3. The cost of the investments

INVESTOR

> Yes, I've found a section called Costs and Charges.
>
> It shows: Wealth management fee: £9,200 Platform charges: £2,300 Investment fund charges: £4,600 Transaction costs: £900
>
> That seems like an awful lot of money. Is that normal?

CLAUDE

Let's add them up: £9,200 + £2,300 + £4,600 + £900 = **£17,000**, which is about **1.8%** of your opening £920,000 (or roughly 1.7% of the average value over the year).

Is that normal? Yes, it's fairly typical for a UK wealth manager, and it sits in the middle of the usual 1.5–2.5% range. It's not unusually high, but it's not cheap either. For comparison, a do-it-yourself portfolio of low-cost index funds can cost around 0.2–0.5% a year all-in, which on your portfolio would be roughly £2,000–£4,500.

Here's what each line means:

• **Wealth management fee (£9,200, 1.0%):** what you pay the firm for managing your money and advising you.

• **Platform charges (£2,300, 0.25%):** the cost of the “account” your investments sit in, like a storage and admin fee.

• **Investment fund charges (£4,600, 0.5%):** the fees built into the funds your money is invested in. You never see a bill for this because it’s taken inside the fund.

• **Transaction costs (£900, 0.1%):** the cost of buying and selling investments during the year.

The key point: fees on their own aren’t the problem. What matters is whether you got enough in return to justify them. That’s why the next figure matters.

Question 3: Does your statement say whether the £65,000 growth is **before** or **after** these costs have been taken out? Look near the performance or valuation section for wording such as “net of fees”, “after charges” or “gross”. If it doesn’t say, tell me and we’ll work out how to find out.

4. Fifteen years of fees

INVESTOR

> I can't see anything that says whether the performance is before or after charges.
>
> But something is bothering me. I've paid £17,000 in one year, and I've been with this wealth manager for about 15 years.
>
> How do I know whether I've been getting value for that money?

CLAUDE

That's the right question, and one year's statement can't answer it. Value for money has to be judged over the whole 15 years, and I'd split it into two parts.

1. Have the returns justified the costs?

For this you need your return **after all charges**, over a longer period, compared with a simple alternative of similar risk. A 7.1% year sounds good, but we can't judge it without knowing what a plain, low-cost portfolio would have returned in 2025 and over the longer run. Your wealth manager should be able to give you a performance report covering 5 and 10 years, or since you joined, with a comparison to a benchmark (a standard yardstick, such as a market index, that's meant to represent a similar level of risk).

2. What else have you been paying for?

At 62, a good wealth manager should be doing more than picking investments. For example:

• A written plan for how you'll draw an income in retirement

• Advice on pensions and tax (ISAs, capital gains, inheritance tax)

• Regular reviews where they check your plans and goals

If you can't remember the last time they did any of that, the fee is mostly buying investment management, which can be done much more cheaply.

Your charges question

Some of these costs, such as the fund charges and transaction costs, are usually taken inside the investments, so they've already reduced your value. The management and platform fees are often billed separately, so it depends on how your firm does it. The simplest way to find out is to ask them in writing: *"Is the £985,000 closing value after all my fees were deducted, and is the 2025 return shown after all costs?"* They should be able to answer plainly.

I also wouldn't worry yet about the 15-year total. A rough guess is that you've paid well over £100,000 in fees across that time, but the early years would have been lower while the pot was smaller. A statement of fees since you joined would give the actual figure, and you're entitled to ask for one.

Question 4: Do you have an older statement, say from December 2020, and if so, what was the closing value on it? Also, can you recall whether you paid in or took out any significant money between then and now? That will let us work out roughly how your money has grown over five years.

5. Asking without changing advisers

INVESTOR

> I probably have some older statements somewhere, but I'd have to find them.
>
> I'm beginning to wonder whether I've just been accepting everything my wealth manager tells me for the last 15 years.

I don't necessarily want to change wealth managers. I've known them for years and they've always been very pleasant.

But how do I find out whether I should be doing something differently?

CLAUDE

Asking questions after 15 years isn't disloyal, and it doesn't mean you have to leave. Liking your wealth manager and checking you're getting good value are separate things, and a good firm will welcome the questions. Many long-standing clients never ask, so you're far from alone.

You don't have to decide anything yet. You just need a few facts, and I'd get them in this order:

1. Ask your wealth manager for a few things in writing. Ask for your returns after all charges over 1, 5 and 10 years (or since you joined), compared with the benchmark they use. Ask whether the 2025 figures are after all fees. And ask for a total of what you've paid in fees since you started. They already hold all of this, and it also saves you hunting for old statements.

2. Ask for a review meeting. Ask them to walk you through your plan for retirement income, how you'll draw money from your investments, and the tax side of things. If there's a written plan, they can show you. If there isn't, that's worth knowing at 62.

3. Then decide whether you want a second opinion. If the answers are clear and the returns look reasonable for the risk you've taken, you may be perfectly happy to stay. If they're vague, or you're not sure how to judge them, an independent adviser who charges a flat fee (not a percentage of your money) can review everything for a one-off cost, usually a few hundred to a couple of thousand pounds. That's small next to £17,000 a year, and you'd stay free to remain where you are.

Staying put is a perfectly good outcome if the answers hold up. The aim is to move from trusting by default to trusting because you've checked.

If it would help, I can draft a short, friendly email to your wealth manager asking for these things, worded so it doesn't sound like a complaint. Would you like that?

6. A practical next step

INVESTOR

Yes, please. I'd like to ask the questions without making it sound as though I'm unhappy with them.

And one other thing. If they send me the information, could I come back here and ask you to help me understand their answers?

CLAUDE — ORIGINAL DRAFT EMAIL

Subject: Request for a portfolio review and some figures

Dear [Name],

THE PRACTICAL OUTCOME

The email to his wealth manager

Subject: Request for a portfolio review and some figures

Dear [Name],

I hope you're well. I've been with you for about 15 years now, and I've realised I've never sat down and looked properly at how my investments have performed over the long term. I'd like to understand things better, particularly as I'm now 62 and starting to think more about retirement.

Could you please send me the following in writing:

1. My investment returns after all charges, over 1, 5 and 10 years (or since I joined, if shorter), shown alongside the benchmark you use for my portfolio, and a note on why that benchmark was chosen.

2. Confirmation of whether the closing value on my 2025 statement (£985,000) and the return for that year are shown after all fees and charges have been deducted.

3. A summary of the total I have paid in fees and charges since I joined, if you're able to provide it, or at least for the last 5 years.

4. A copy of my current written financial plan, if I have one, including how you expect me to draw income from my investments and pensions in retirement.

This is Claude's original draft, recovered from the screen recording. It ends after question four, without a sign-off.

THE CONVERSATION CONTINUES

And when the adviser replies?

CLAUDE — FINAL RESPONSE

I've written the email above. It's friendly and asks only for information, so it shouldn't read as a complaint. Fill in their name and yours, and change anything that doesn't sound like you.

And yes, please do come back. When their reply arrives, you can type in the key figures, such as the returns, the benchmark, the total fees and what they say about your retirement plan. I'll explain what each one means in plain English, and we'll go through them one at a time, just as we have today. You won't need to share your name or account numbers, only the figures.

Two small suggestions while you wait:

• Keep a copy of the email and their reply, so you have a record.

• If you do find those older statements, the closing values would give us a useful cross-check on whatever they send.

Good luck, and well done for asking.

The question worth taking away

You don’t need to know the answers. You just need to start asking questions.

This demonstration illustrates how AI can help someone organise their thoughts and prepare questions. AI can make mistakes, including about investment comparisons, costs and regulatory entitlements. Check important figures against original statements and seek appropriately qualified advice before acting.