# Cornelian


Investment Managers for

Private Clients

Charities

Trusts

Pension Funds

defaqto 2016 Risk Targeted Fund Family

defaqto 2016 DFM Bespoke

# About Cornelian Asset Managers

**We are an independent company**
We are owned and controlled by our directors and employees and our commitment to the business ensures that our interests are closely aligned with those of our clients. Indeed, many of our employees have their own savings and investments with Cornelian.

**Our sole focus is on investment management**
As investment specialists, we don’t offer financial planning services or financial advice. Our aim is to achieve investment performance that delivers a real return over time that exceeds the expectations of your clients when exposed to an appropriate and agreed level of risk.

**We have a highly qualified investment team**
Our investment team is recruited predominantly from the world of institutional investment.  We pride ourselves on bringing institutional quality investment disciplines to the construction of diversified portfolios covering many types of assets. Our goal is to ensure that all clients, irrespective of the size of their investment have access to our high quality investment process.

**We value our relationships**
Whether your clients’ needs can be met through our multi-asset funds, or through a discretionary service, we will work in partnership with you to ensure that you are kept fully informed of investment decisions, and well-briefed for your client meetings.

**We offer you a quality, personal service**
Beyond the quality of investment professionalism and care that we offer, we regard effective communication as a crucial element in building and maintaining a long-term relationship with you. Depending on your particular needs, we will provide you with regular investment updates, comprehensive and timely investment reports, quarterly teleconferences with our investment team and invitations to investment seminars and events.

> “For us, success is adding real value to your clients’ investments over time and developing a relationship with you through the delivery of a personal and professional investment service.”

Jeremy Richardson
CHIEF EXECUTIVE OFFICER

# Our Approach

**Active management and constant monitoring**

We believe markets are inefficient and that we can exploit those inefficiencies to the advantage of your clients. We use active management at all levels of the investment process from asset allocation through to the selection of individual investments. Our highly experienced investment managers monitor and, where necessary, adjust asset allocations to add value to the portfolios by positioning them for prevailing market conditions.

**Diversified, multi-asset portfolios**

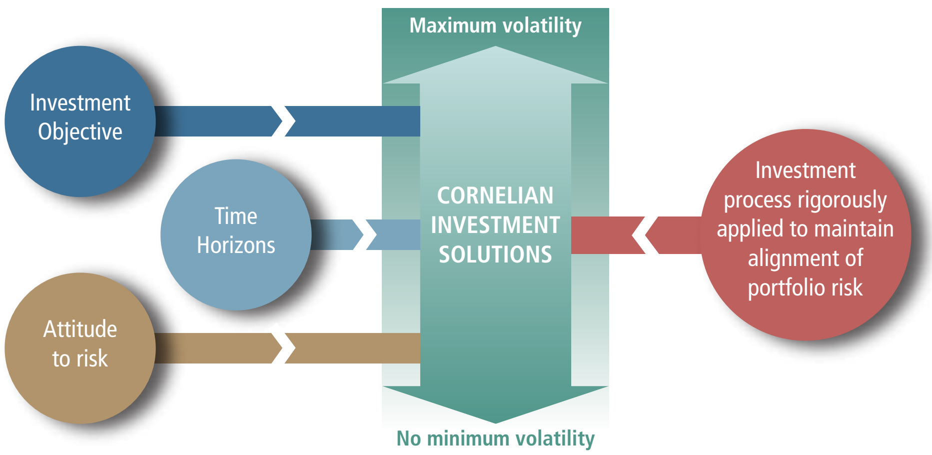
We ensure that we achieve wide diversification across geography, sector and type of asset. We invest directly in UK equities and through our robust research process our fund managers identify and select the best of breed investment managers to gain access to a wide range of geographic markets as well as traditional and alternative asset classes.

**Risk management**

We believe that managing risk is a critical element of successful investment for your clients. Each of our investment solutions has set investment guidelines based on an assessment of the volatility of each of the underlying asset classes. Our active risk management process ensures that their portfolios remain below their specified risk ceiling and aligned to their investment objectives.

**Investment solutions unconstrained by either Investment Association (IA) sector or risk 'band'**

Many offerings are placed within Investment Association (IA) sectors and must comply with various requirements relating to investments and asset classes. Our multi-asset funds sit within the IA Unclassified Sector, so whichever of our investment solutions your clients choose, our managers are free to invest with a clear focus on the investment and risk objectives of each offering. Our only constraint is your client's upper risk tolerance which gives our managers the flexibility to position investments more defensively if required.



# Our Range of Services

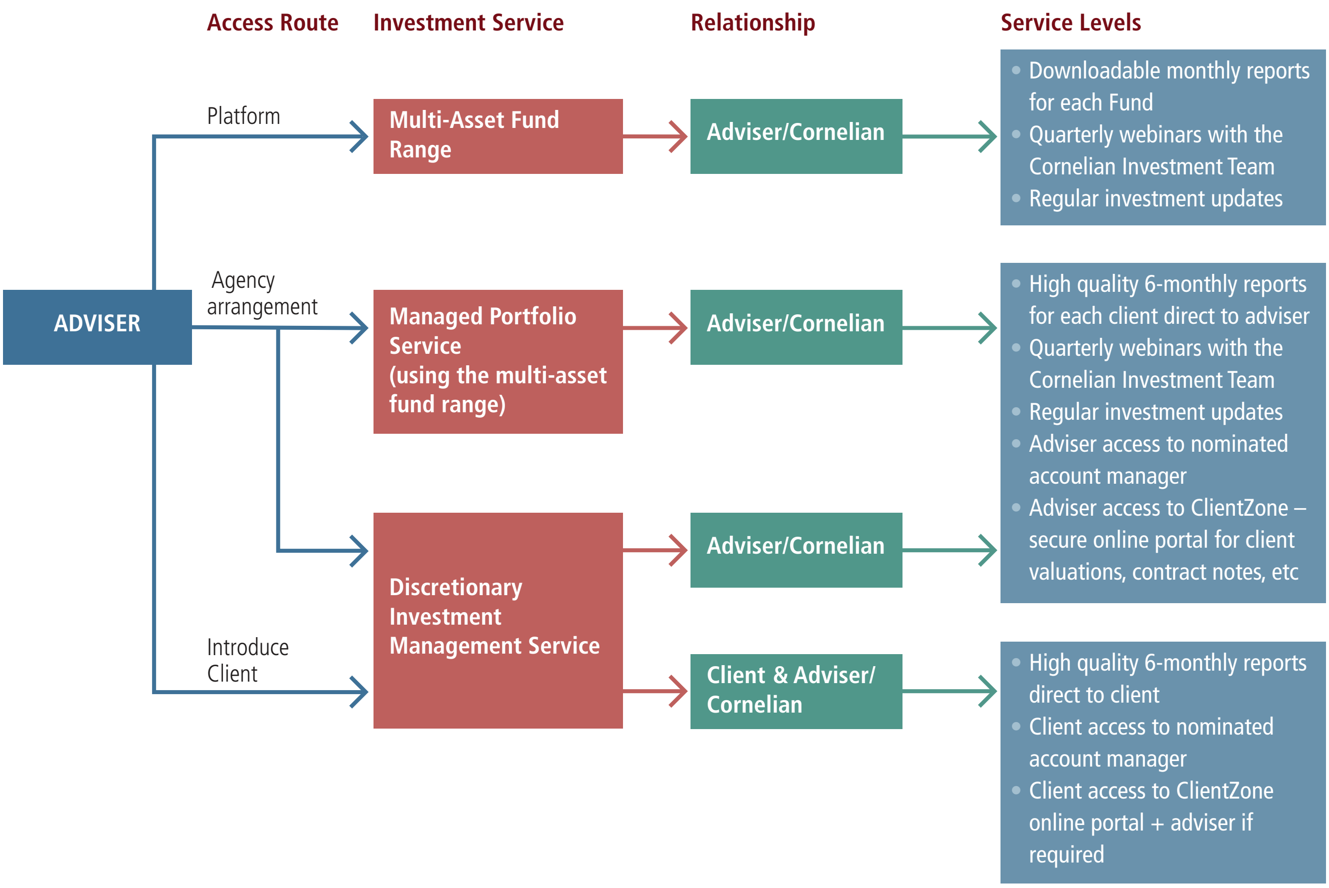
At Cornelian we specialise in the construction and management of global multi-asset, diversified investment solutions to suit your clients. Depending on your business requirements we offer a variety of ways for you to access our investment expertise.

Whether your clients' needs can be met through our multi-asset fund range, our Managed Portfolio Service or through our Discretionary Investment Management Service, we do not compromise on the quality of our investment processes, or the level of service we offer you. This includes:

- Close alignment between your clients' specified risk level and the underlying investments
- Active, institutional quality investment management
- High quality support, including reporting and regular investment updates

**The Cornelian services**

- Cornelian multi-asset fund range
- Managed Portfolio Service
- Discretionary Investment Management Service



# The multi-asset fund range

The Cornelian fund range comprises six SVS Cornelian funds which offer your clients a multi-asset, diversified investment solution with each designed to meet a different investment objective and risk tolerance. They are available on a wide range of platforms, and are risk-rated by Distribution Technology, Finametrica and Defaqto Engage. They can be mapped to other risk profiling tools if required. Please note that the SVS Cornelian Managed Income Fund is not yet risk-rated.

### Focus on adding real value

Our investment team manages each fund below an upper expected volatility limit, whilst also aiming to outperform the Retail Price Index (RPI). In order to reflect the fact that greater risk must be taken for potentially greater returns, the RPI target also increases with the ability to take higher levels of risk, as shown in the table below.

| SVS Cornelian Fund | Annual Target<br>(net of fees over the medium to long-term) |
|---|---|
| **Defensive** | RPI+1.0% |
| **Cautious** | RPI + 1.5% |
| **Managed Income** | RPI + 2.0% |
| **Managed Growth** | RPI + 2.0% |
| **Growth** | RPI + 2.5% |
| **Progressive** | RPI + 3.0% |

### Managing Risk

We believe that managing risk is a crucial element of successful investment.

The six Cornelian Funds sit within the IA Unclassified Sector. Although maximum expected volatility levels are set for each fund, no minimum volatility is set, so our investment team have the flexibility to adjust asset allocation in the funds if they feel it is prudent to reduce risk.

The active risk management process employed by the Cornelian Investment Team ensures that the funds remain aligned to their investment objectives, and under their expected volatility limit.

### By investing in the SVS Cornelian Funds your clients will benefit from:

- Active investment management and constant monitoring by a team of highly experienced investment professionals
- Expectation of investment performance that delivers a real return over time
- Unconstrained investment, allowing our investment team the freedom to de-risk the funds at any time
- Investments diversified across a broad range of geographical areas and asset types including direct UK equities

# Managed Portfolio Service

The Cornelian Managed Portfolio Service offers your clients the flexibility and benefits of the Cornelian multi-asset fund range, accessed directly from us and held under a discretionary investment management agreement.

Under this arrangement you act as Agent for your client. All communication and instructions are taken from you as the adviser and Agent.

The client holds an individual account that will hold a modest amount of cash with the remaining balance invested in one of our six Funds. The individual account for the client enables us to undertake payment of income and, subject to the client's instructions, make payments of fees to advisers.

The minimum investment for this service is £100,000

**In addition to the full benefits of the multi-asset fund range, the Managed Portfolio Service also offers:**

On behalf of your client, you will receive comprehensive six-monthly reports (with an option of quarterly reports at an additional cost) which contain:

- Overview of Market Performance and Market Outlook
- Detailed explanation and commentary by the Investment Manager on performance of investments and comparison with the Retail Price Index (RPI)
- Individual Portfolio Summary
- Portfolio Valuation
- Statement of Capital and Income Accounts
- Transaction Details
- Details of fees and charges

The reports are prepared and issued as at June and December each year. An example report is available upon request. In addition you will receive your client's annual tax booklet.

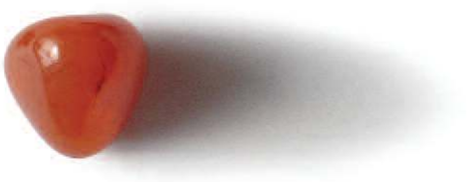
**Capital Gains Tax Management**

This is an optional service, and incurs an additional charge of £150 per annum. Should your clients opt for this service, we review and adjust the holding within the portfolio with the objective of utilising as much of their annual capital gains tax allowance (CGT Allowance) as is reasonably practicable.

**ClientZone – online valuation service**

The Cornelian ClientZone secure on-line service provides you with comprehensive information on your client's portfolio. This includes the value of their portfolio as at the previous day's prices, Portfolio Statements, Contract Notes, Statement of Accounts, Reports and Tax Packs.

Should you elect to use this service, you will be provided with a password allowing access to the ClientZone through a secure section of our website (www.cornelianam.com).



*A Cornelian is a semi-precious gemstone to which is attributed the power to improve analytic ability and clarify perception: two qualities upon which we pride ourselves.*

# Discretionary Investment Management Service

Our Discretionary Investment Management Service offers you and your client the greatest flexibility.

Whether you introduce your client to us, or take advantage of the Agency option, the Discretionary Investment Management service offers you a wide range of benefits. Under the Agency option, all communication and instructions are taken from you, as adviser and Agent for the client.

The minimum investment for portfolios introduced to us is £500,000. For business under the Agency option the minimum is £300,000.

## The Discretionary Investment Management Service offers:

**A bespoke portfolio**
A bespoke portfolio is created in outline by our Investment Team and tailored to your client's individual requirements by their nominated Investment Manager. If required, treasured assets or investment restrictions may be accommodated within this service.

**A nominated investment manager**
Your client's portfolio is managed by a nominated investment manager. Active investment management and portfolio monitoring is undertaken by a team of highly experienced investment professionals. Your client will have the opportunity to work with the investment manager to utilise their CGT allowances.

**Diversification of investment across a wide range of asset classes**
Whether your client's portfolio is invested in collectives only, or with the addition of individual stock selection of UK equities, the Cornelian investment team ensure that your client's portfolio is diversified across a wide range of geographies and asset classes and remains below their expected volatility limit.

**High quality reporting**
Your client will receive annual tax packs and comprehensive six-monthly reports as at end of June and December which contain:

- Overview of Market Performance and Market Outlook
- Detailed explanation and commentary by the Investment Manager on performance of investments and comparison with the relevant benchmark.
- Individual Portfolio Summary
- Portfolio Valuation
- Statement of Capital and Income Accounts
- Transaction Details
- Details of fees and charges

An example discretionary investment management service report is available upon request.

# Further Information

Downloadable versions of our literature as well as full biographies of our investment team are available on our website www.cornelianam.com

For further information on our services please telephone 0131 240 2770 or email: advisersupport@cornelianam.com

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**Risk Warning**

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