

The Cornelian Risk Managed Portfolios

Multi-asset risk managed portfolios designed to meet the personal investment objectives of your clients

The Cornelian Risk Managed Portfolios are a range of actively managed, unconstrained portfolios designed to align with your client's personal investment objectives and the amount of risk they feel comfortable with.

Cornelian Risk Managed Portfolios are created by investing in funds that are actively managed to align with different risk profiles and invest in a wide range of different assets.

We have extensive experience in creating portfolios to meet the needs of clients and use a wide range of underlying investments to provide the broad diversification across geography and type of investment required to fulfill the objectives of the portfolios.

Overview

Why are these portfolios unconstrained?

Many funds are placed within the Investment Management Association sectors. To be included within these sectors funds must comply with various requirements relating to investments and asset classes which act as restrictions on an investment team. The Cornelian Risk Managed Portfolios are not constrained in this way, and our fund managers are free to invest with a clear focus on the investment and risk objectives of each portfolio.

What does the Cornelian Risk Managed Portfolio service offer?

- Investments diversified across a broad range of assets held within the funds
- Multi-asset portfolios unconstrained by investment benchmarks
- Investment portfolios designed to meet a comprehensive range of personal investment objectives and risk tolerances
- Investment management by a team of highly experienced investment professionals
- Active management of investments held within the funds
- TER no higher than 2.05% (Defensive Portfolio), 2.00% on other portfolios. (2.00% on **all** portfolios from May 2011)

Benefits to the Financial Adviser

- Ability to deliver a quality investment solution across your client base or to client segments
- Delivery of institutional quality investment process
- Reduction in investment risk and increases consistency of process within your business
- Reduction in investment research to enable more time to spend with your clients
- Comprehensive service and support

Structure of the Risk Managed Portfolios

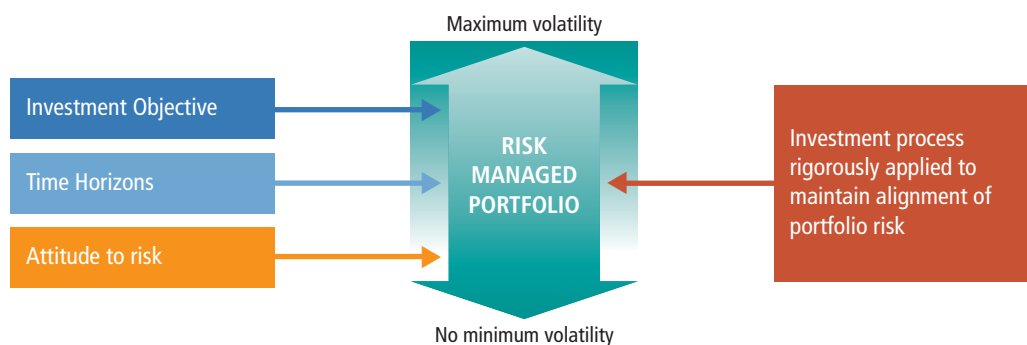
On a typical risk scale of 1 to 10, the five Cornelian Risk Managed Portfolios are designed to cover risk ratings 3 through to 7, although they can be easily calibrated to other risk scales. As the Portfolios cover the most common risk ratings, we believe that they address the needs of over 90% of clients.

The five Risk Managed Portfolios offer a multi-asset, diversified solution which are actively managed in underlying funds designed to align with your client's specified risk tolerance.

The structure of the underlying funds is shown below:

Risk Rating	3	4	5	6	7
Band Descriptor	Low Risk Investor	Low/Medium Risk Investor	Medium Risk Investor	Medium/High Risk Investor	High Risk Investor
Cornelian Portfolio	RM Defensive Portfolio	RM Cautious Portfolio	RM Balanced Portfolio	RM Growth Portfolio	RM Moderately Aggressive Portfolio
Underlying CF Cornelian Fund	CF Cornelian Defensive Fund	CF Cornelian Cautious Fund	CF Cornelian Managed Growth Fund	CF Cornelian Growth Fund	CF Cornelian Progressive Fund

Maintaining risk alignment within the Risk Managed Portfolios

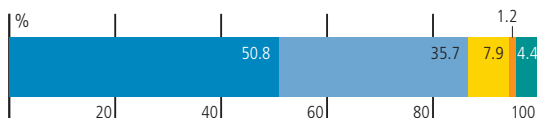


Within each Risk Managed Portfolio the asset classes that we select and the weightings given to each asset class produce an expected level of volatility.

The underlying funds are ascribed a maximum volatility level under normal market conditions. No minimum level is set. As all the funds are unconstrained, and do not adhere to any IMA sector benchmarks, they can be positioned more defensively at any time should the fund manager deem it prudent to do so.

Construction of the Risk Managed Portfolios

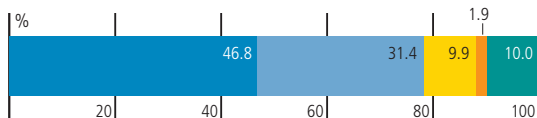
RM Moderately Aggressive Portfolio



Objective

To achieve long term capital growth by investing mainly in UK and International equity markets. This portfolio has the highest level of risk of the five portfolios, with low exposure to fixed interest assets, but also the greatest potential for capital growth, and is suitable for a high risk investor.

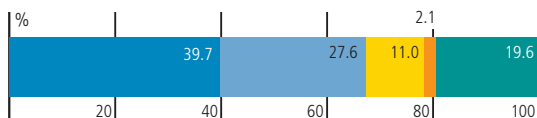
RM Growth Portfolio



Objective

To achieve long term capital growth by investing across a range of assets including UK and International equity markets. This portfolio has a larger proportion of equity exposure than the RM Balanced Portfolio and is suitable for a medium/high risk investor.

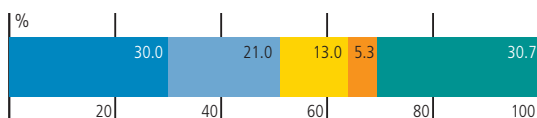
RM Balanced Portfolio



Objective

To achieve long term capital growth and income by investing across a range of assets including UK and International equities, fixed interest funds and alternative investments. This portfolio is suitable for a medium risk investor.

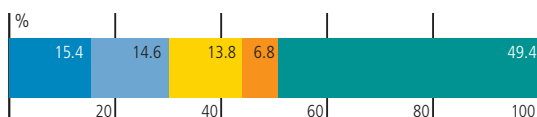
RM Cautious Portfolio



Objective

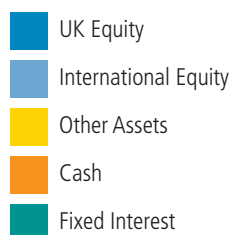
To achieve long term capital growth and income by investing in a smaller proportion of UK and International equities as well as fixed interest funds and alternative assets. This portfolio is suitable for a low/medium risk investor.

RM Defensive Portfolio



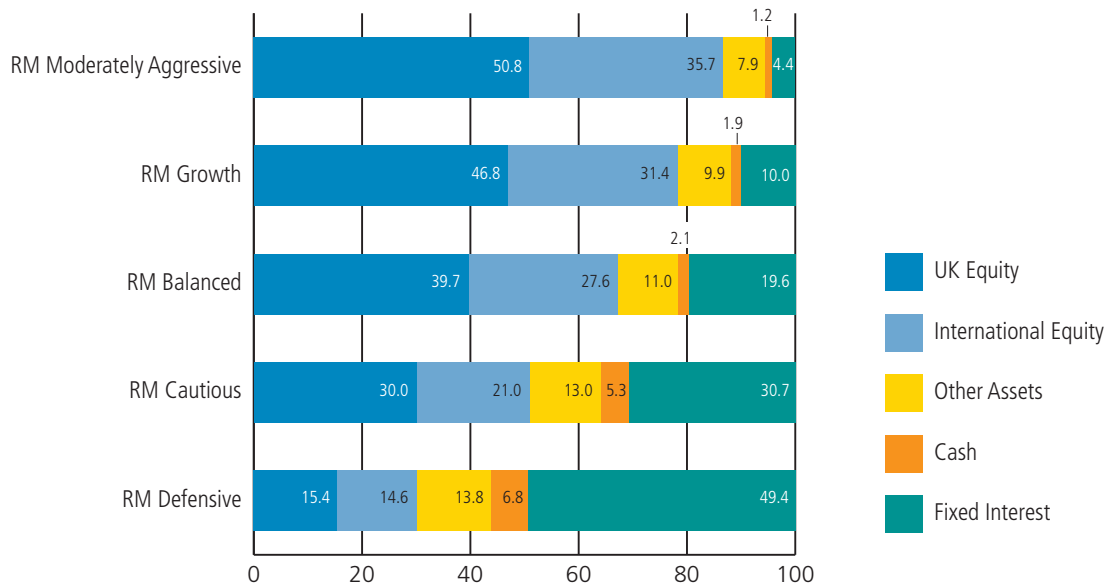
Objective

To achieve long term capital growth and income by investing the majority of the assets in fixed interest funds, cash and alternative assets. UK and International equities are also held to a lesser extent than in the other portfolios. This portfolio is suitable for a low risk investor.



Illustrative Asset Allocation of the Risk Managed Portfolios (%)

The chart below illustrates the asset class diversification across the five risk graded portfolios. Although UK and International equities may offer the best returns, they can prove to be more volatile than the more traditional fixed interest assets which can protect the portfolio in falling markets. Our investment team use a blend of underlying assets within each portfolio to align to clients' investment objectives and risk tolerances.



Source: Internal

Contact Us

For further information on the Investment Service Solution for financial advisers, please email adviser.support@cornelianam.com

Alternatively, please phone our Adviser Support Line: 0131 240 2770