

The Cornelian Risk Managed Portfolios

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

The Cornelian Risk Managed Portfolios are a range of actively managed, unconstrained portfolios designed to align with your personal investment objectives and the amount of risk you 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, helping you and your adviser to select the most appropriate investment for your requirements.

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. We believe our fund managers should be free to invest with a clear focus on the investment and risk objectives of each portfolio, and therefore the Cornelian Risk Managed Portfolios are not constrained in this way.

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

Benefits to you

- Access to institutional quality investment – currently only available to our private clients
- Tax efficient investing – the portfolio structure ensures that when the underlying investments are changed, you are not subject to Capital Gains Tax
- Quality reporting – this includes our Market Outlook, performance information and details of the underlying investments
- Alignment to your risk tolerance – through experienced, active management unconstrained by benchmarks

Structure of the Risk Managed Portfolios

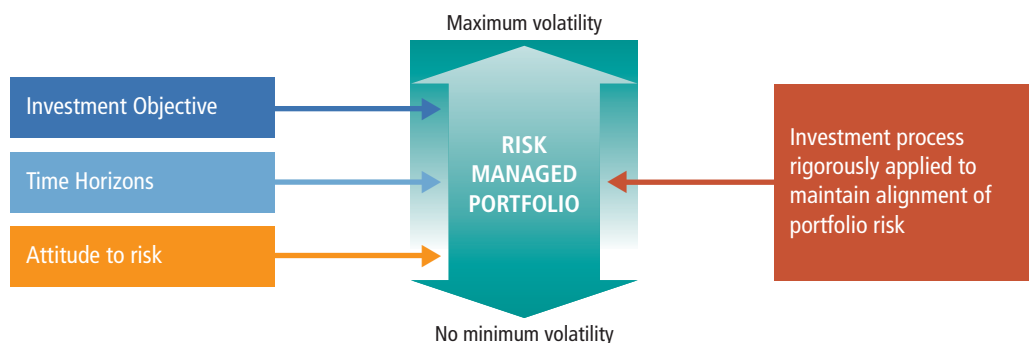
After consultation with your financial adviser, the most appropriate Risk Managed Portfolio – aligned to suit your personal investment objectives and risk tolerance – can be determined.

The five Cornelian Risk Managed Portfolios are constructed using underlying funds designed to cover almost the full risk ratings range.

They offer a multi-asset, diversified solution and are actively managed to remain consistent with your specified risk tolerance.

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 Managed Growth Portfolio	RM Growth Portfolio	RM Progressive 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

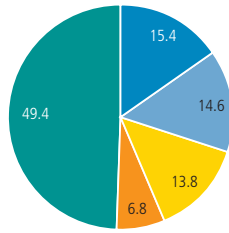


Within each Risk Managed Portfolio the asset classes that we select and the weightings given to each asset class produce an expected level of volatility.

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 (%)

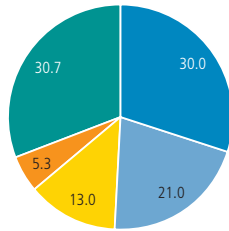
RM Defensive Portfolio



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.

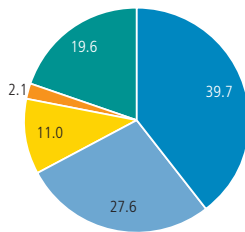
RM Cautious Portfolio



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.

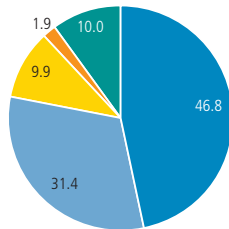
RM Managed Growth Portfolio



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.

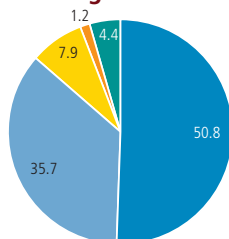
RM Growth Portfolio



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 Managed Growth Portfolio and is suitable for a medium/high risk investor.

RM Progressive 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.



Asset Allocation

Risk Managed Portfolios

We offer a range of five risk managed portfolios. These have been developed using the portfolio construction skills that we have applied to private clients and charities for many years. Each of the portfolios is designed to align to one of five different levels of risk that covers the needs of around 90% of clients. Within the portfolios, the underlying investments are managed efficiently in fund structures with the investment managers automatically carrying out the refinement and adjustment necessary.

Risk Managed Portfolios – Illustrative Construction

	Defensive Portfolio	Cautious Portfolio	Managed Growth Portfolio	Growth Portfolio	Progressive Portfolio
Cash	6.8%	5.3%	2.1%	1.9%	1.2%
Fixed Interest	49.4%	30.7%	19.6%	10.0%	4.4%
Govt Securities – Gilts	4.9%	3.0%	3.0%	1.5%	-
Govt Securities – Index-linked	4.8%	2.7%	3.0%	3.0%	-
Corporate/Convertibles	39.7%	25.0%	13.6%	5.5%	4.4%
UK Equity	15.4%	30.0%	39.7%	46.8%	50.8%
International Equity	14.6%	21.0%	27.6%	31.4%	35.7%
Europe (ex UK)	4.0%	4.0%	4.8%	5.0%	5.3%
US	2.8%	3.0%	3.9%	4.8%	5.6%
Japan	-	1.6%	1.9%	2.0%	2.7%
Far East (ex Japan)	3.8%	4.9%	5.0%	6.5%	8.0%
Emerging Markets	1.0%	2.0%	4.0%	5.0%	6.0%
Global/Thematic Funds	3.0%	5.5%	8.0%	8.1%	8.1%
Other Assets	13.8%	13.0%	11.0%	9.9%	7.9%
Commercial Property	3.0%	3.0%	2.9%	2.9%	2.7%
Absolute Return Funds	6.8%	6.3%	4.9%	4.0%	2.5%
Infrastructure Funds	4.0%	3.0%	1.9%	1.5%	0.8%
Private Equity	-	0.7%	1.3%	1.5%	1.9%