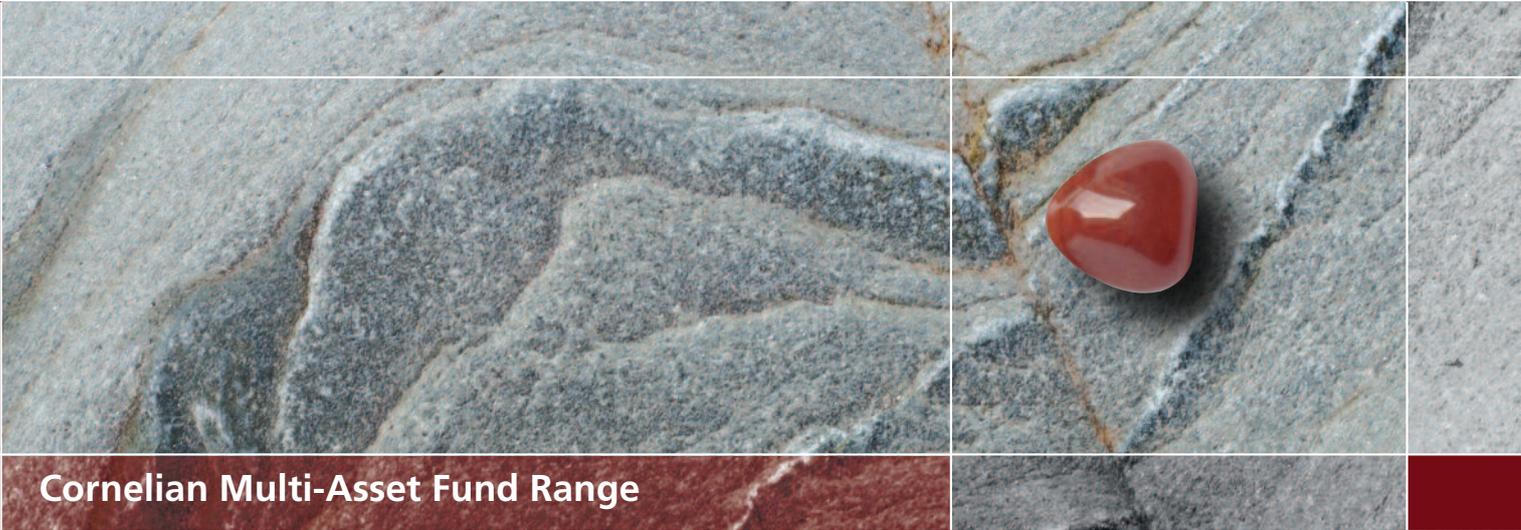


Cornelian



Cornelian Multi-Asset Fund Range

Working with your adviser
to bring you a high quality,
personal investment service



About Cornelian Asset Managers

We are a privately-owned 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

We specialise in investment management. Our sole focus is to preserve and enhance your real wealth over time, in line with your own investment objectives, and agreed level of risk through the active management of multi-asset, diversified portfolios. As investment specialists, we don't offer financial planning services or financial advice.

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 investment management 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.

The Cornelian Investment Team



Hector Kilpatrick MSc MBA ASIP

CHIEF INVESTMENT OFFICER

Hector leads the global, multi-asset investment team and is responsible for investment performance of all our mandates. He manages and develops our investment process and promotes our active investment philosophy.



Richard Stark MSc CFA

SENIOR INVESTMENT MANAGER

Richard researches and manages the collective investments within Cornelian's private client portfolios and risk managed fund ranges as well as contributing to asset allocation decisions.



David Appleton MSc MCSI Chartered FCSI

INVESTMENT DIRECTOR

David manages UK equity investments and contributes to fund selection and asset allocation decisions for Cornelian's multi-asset funds and client portfolios.



Ewan Millar MA(Hons) CFA

SENIOR INVESTMENT MANAGER

Ewan supports investment decision making across UK equities and funds. He contributes to asset allocation decisions for client portfolios as well as Cornelian's risk managed funds.



Marcus Brooks MA ASIP

DIRECTOR

Marcus has considerable institutional fund management experience. In addition to his client responsibilities, Marcus contributes to asset allocation decisions for Cornelian's multi-asset funds and client portfolios.



David Whytock MA(Hons) ACSI

INVESTMENT ANALYST

David assists with the analysis of stocks and funds, as well as providing back up dealing support.



Richard Alexander BSc(Hons) Msc

ASSOCIATE DIRECTOR, HEAD OF DEALING

Richard brings a very broad experience to Cornelian covering leading edge technology and processes for dealing and for the management of risk in portfolio construction processes.

Full details of the Cornelian team are on our website:
www.cornelianam.com



A range of funds to suit your personal objectives

Through partnership with your adviser, you have access to Cornelian's ranges of risk-managed funds. These funds are managed by the experienced Cornelian investment team and are designed to meet your personal investment objectives.

Our multi-asset funds include two fund ranges:

Risk Managed Fund Range

This is our core range. The funds' assets are widely diversified across geography and sector. Adopting our value for money approach, these funds invest in our widest range of asset classes using the best selections available to our investment team. Within this range the Managed Income Fund has a particular focus on generation of income.

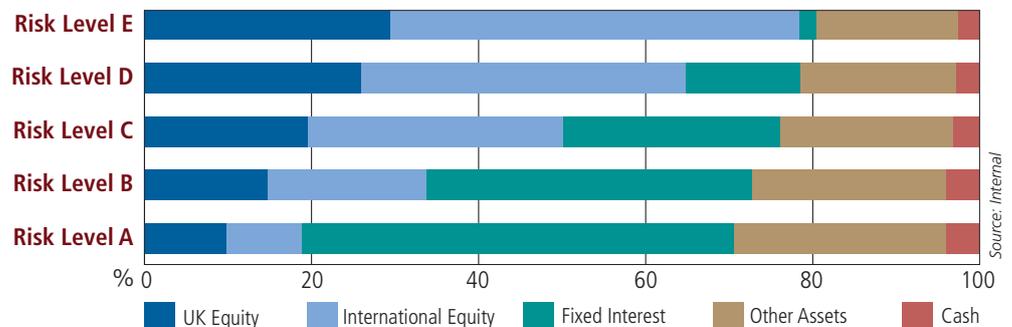
RMP Fund Range

Our Risk Managed Passive (RMP) range retains our approach to active selection of investments across asset classes. However, the underlying investments are selected for the more cost conscious investor who is prepared to compromise some of the richness of the asset allocation and invest into predominantly passive funds.

Each of our multi-asset funds has its own Retail Price Index (RPI) target. In order to reflect the fact that greater risk must be taken for potentially greater returns, the RPI targets also increase with the greater ability to take higher levels of risk. Each of the funds is aligned to a Cornelian risk level with their expected volatility managed below an upper risk limit. The Cornelian risk scale ranges from A to E, with A being the lowest risk and E the highest.

Cornelian Risk Level	SVS Cornelian Funds	
A	Defensive	Defensive RMP
B	Cautious	Cautious RMP
C	Managed Growth, Managed Income	Managed Growth RMP
D	Growth	Growth RMP
E	Progressive	Progressive RMP

The chart below illustrates the asset class diversification across the multi-asset funds. Please note that the illustration may not show our current asset allocation.



Managing Risk within the Funds

Managing risk is a crucial element of successful investment.

Your adviser will ascertain your personal investment objectives and the amount of risk that you are comfortable with.

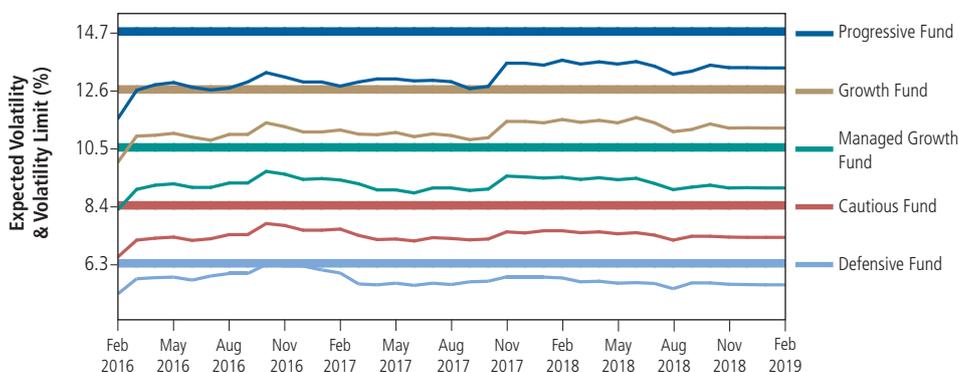
Each of our multi-asset funds is actively managed to correspond to different risk ratings and is managed to remain under its specified upper expected volatility level.

Cornelian Risk Level	A	B	C	D	E
Upper Expected Volatility Limit (%)	6.30	8.40	10.50	12.60	14.70
Expected Volatility (%)	5.52	7.24	9.03	11.20	13.38

Source: Distribution Technology, CAM, 31 January 2019

We use Distribution Technology in the assessment of risk in our funds. Within each fund, the asset classes that we select and the weightings given to each asset class produce an expected level of volatility. The expected volatility of each fund is expressed as a range of returns which may be expected from each fund under normal market conditions. The wider the range of likely returns, the higher the level of expected volatility.

Although maximum expected volatility levels are set for each fund, no minimum expected volatility is set, which means that our investment team can de-risk at any time. If we believe that investor sentiment or market conditions present a high level of uncertainty, we can adjust the asset allocation accordingly to reduce the near term risks.



Source: Distribution Technology, CAM, 31 January 2019

Please note: these funds are constructed to ensure that the calculated expected volatility remains below the maximum level ascribed. The expected volatility measure is not the same as a fund's actual (or historic) unit price volatility.



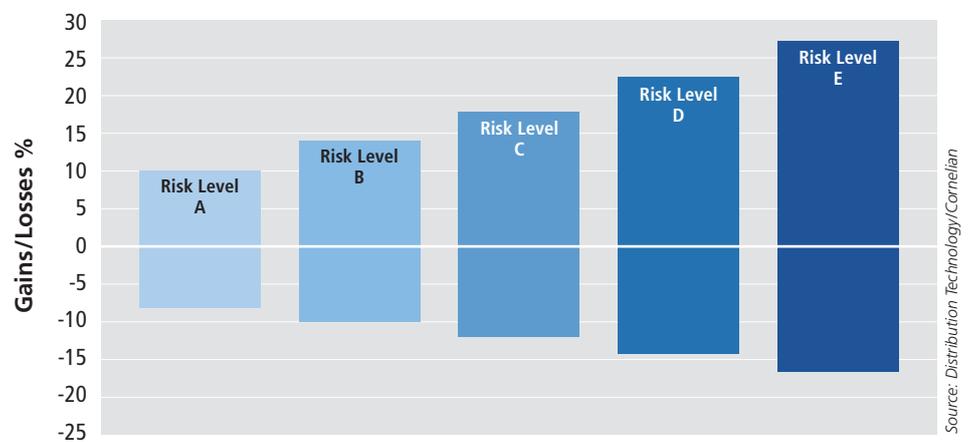
Estimated potential gains and losses

Although equities may offer the best returns over the longer term, they can prove to be more volatile in the shorter term than fixed interest assets which can protect the portfolio when equity markets are falling.

The potential return from a fund with a larger proportion of investments in higher risk assets is theoretically greater, however potential losses are also higher. The SVS Cornelian funds are risk graded from A-E, where A has the lowest risk level to E having the highest.

We have used Distribution Technology's Dynamic Planner system to generate an estimate of the likely range of future returns over a one-year time horizon based upon a typical asset allocation for each of our risk-managed funds.

As shown in the chart below, the respective potential gains and losses increase as the level of risk increases:



Please note: the graph above shows forecasts of potential 5th percentile and 95th percentile returns and there is, therefore a 1 in 20 chance that actual returns could be higher or lower than these estimates. Figures in the chart above have been calculated as at 31 January 2019 on our risk-managed fund range and are for illustrative purposes only. Figures for the SVS Cornelian RMP range and the SVS Cornelian Managed Income Fund may differ slightly.

Focus on adding real value

The Cornelian investment team actively manage 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 targets also increase with the greater ability to take higher levels of risk as shown in the table below:

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



Our approach to Active management

Active management is a key part of our investment philosophy. Markets do not run to timetables and each asset class has its own cycle. We believe that in order to optimise the return from investment, investors have to be prepared to shift their asset allocation to reflect changing circumstances. For this reason, we do not set rigid 'strategic' asset allocation models or rebalance to historical asset allocation models. We actively manage the asset allocation of all our funds to ensure that they are correctly positioned.

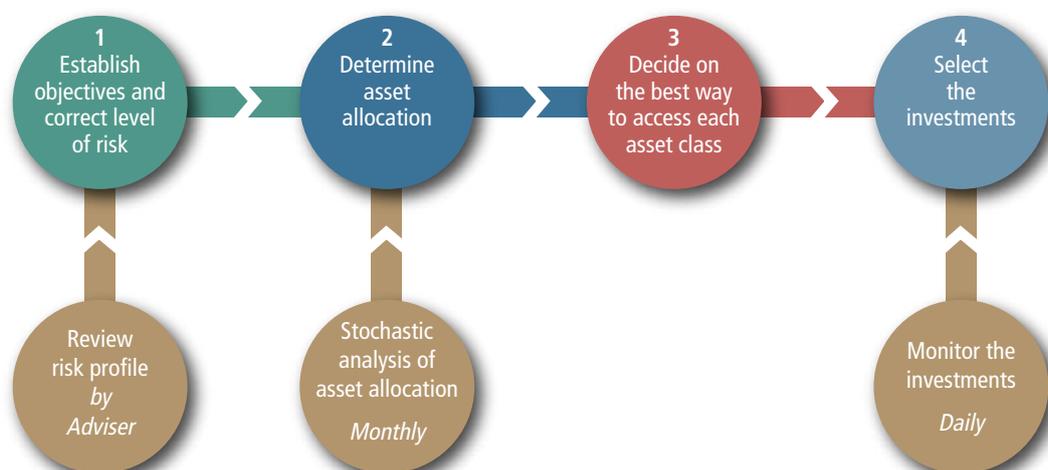
Within the funds we offer two different approaches to the selection of the underlying assets:

For our core Risk Managed Fund range we use a very broad selection of underlying investments, often providing access to asset classes such as Infrastructure or Private Equity that supplement and enrich the diversification of the portfolio. Within this range, although we are always cost conscious, our search for investment is broad and we will utilise active funds where we believe they will deliver value for money for investors.

In our RMP Fund range we restrict the selection of investments to those that are mainly passive in style, accepting that this may mean that we are unable to access as many asset classes as in our core range. This approach is designed to produce a fund that is still actively managed across the asset classes but in which the underlying assets are concentrated in lower cost investments.

In order to achieve this, a number of key principles underpin the Cornelian funds:

- **Determining Asset Allocation** – We undertake extensive research in order to determine the optimal mix of asset classes. It is this analysis which helps shape the decision of our Investment Committee which includes all of our most experienced investment managers.
- **The optimum way to access each asset class** – We research the best approach to gain the desired level of exposure. This might be through investments or funds that offer geographic or thematic opportunities.
- **The specific investments** – The selection of the individual investments involves substantial research activity and our investment team uses its long experience of investing to focus this search on the most promising potential investments.





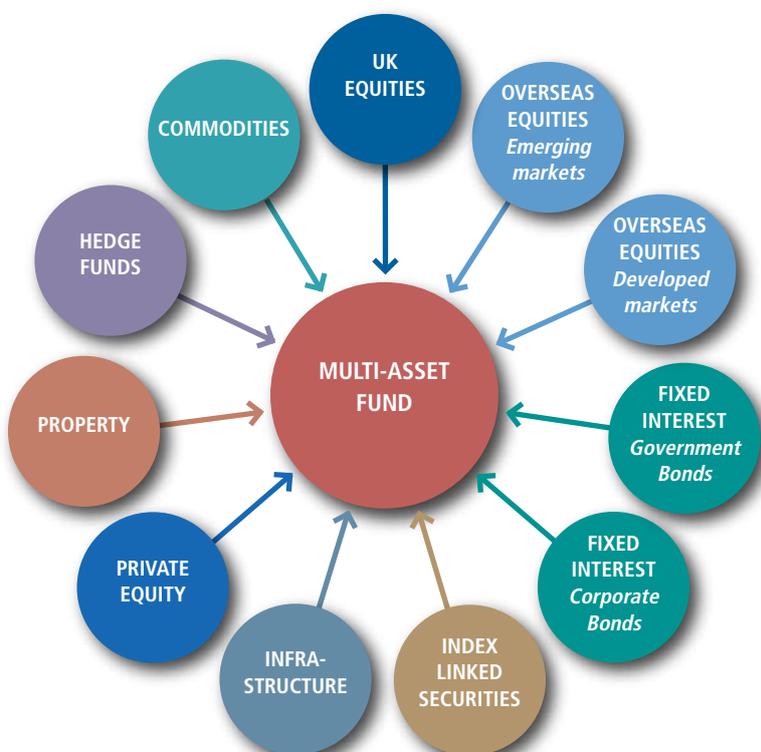
Multi-Asset diversification

We believe that well-managed multi-asset portfolios deliver superior returns for a given level of risk over the medium to long term.

We focus our efforts in the areas in which we believe we can add greatest real value to clients: asset allocation and the selection of individual stocks where we have specialist expertise, such as direct UK equity selection.

By their nature, multi-asset portfolios are diversified, so we take great care to ensure that we achieve appropriate diversification across geography, sector and type of asset for each of the funds.

For our RMP Fund range, there may be fewer types of asset and access to them will predominantly be via passive funds.



... and finally

It is through active asset allocation positioning and appropriate fund and stock selection that we aim to outperform our Retail Price Index targets and deliver real returns on your investments within the constraints of your specified risk tolerance.



“ 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. ”

Cornelian

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Risk Warning

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