Skill, Care & Diligence

Invest In Your Future with the Margetts Risk Rated Portfolio Management

Margetts Fund Management

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Welcome to Margetts Fund Management. We specialise in managing risk rated multi-manager funds. Our active management techniques are designed to provide superior returns for the level of risk undertaken and allowing you to choose exactly the level of risk exposure based on your client's situation and the amount of time that you expect them to hold the investment. Investment values may go up or down and your client may not get back everything they initially invest.

Our core product, the funds can be blended together; or used independently to build a risk rated portfolio.

www.margetts.com

How It All **Started**

The Margetts name originates from Herbert Margetts who was Chairman of the Birmingham Stock Exchange between 1892 and 1902. In modern times the company has been controlled and managed by the Ricketts family from 1985 providing stability and long-term strategy. During this period much has changed in financial services and Margetts has continually innovated and adapted to market conditions with a constant aim of providing excellent client service, performance and value for money.

Margetts launched the first risk rated fund in 1992 and added a further three funds to complete the range by 1995. Risk Rated funds have now become a standard tool for financial planners and the innovative nature of Margetts is evidenced by our pioneering work in this area. The Margetts Risk Rated funds have the longest track record of any risk rated fund range available to UK investors and the investment process and team have provided continuity over three decades so far. Over the years the performance of the Margetts team has attracted numerous awards and industry acknowledgement.

The innovative nature of Margetts continues today as we continue to embrace the benefits of technological advancements within our investment process and client services.

We are also conscious of the impact of our activities on the environment and our community. We set high standards and lead by example using our influence to improve the behaviour of other firms with whom we interact.

> *Our aim is to provide clients with investments that will achieve their objectives, service which will exceed their expectations and value for money. The Margetts active management techniques are designed to manage risk effectively and provide a commensurate level of return so that investors can select a level of risk appropriate for their circumstances. We aim to influence outcomes of our staff, clients, other stakeholders and community positively and this is linked to our core values and strategic objectives set by the Margetts Board of Directors.*
>
> — **Toby Ricketts** | *Chief Executive Officer*

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The Margetts Risk Rated Actively Managed Fund of Funds

As a professional adviser, you will be looking to advise your clients on how to plan, in the most tax-efficient manner, to meet their future financial goals. Your client's goals may be to provide for retirement, school fees, grow or preserve wealth or simply to have some money for a rainy day. Part of the overall strategy is likely to involve ISA portfolios, a pension fund and General Investment Account. In order to meet their goals, it is important that they have a coherent strategy for their investments, which is matched to the level of risk exposure and potential loss your clients are able and willing to accept. Investments should be reviewed regularly to ensure that they are on target to achieve the intended goals.

Using collective investment schemes can be a great way of consolidating investments within a tax-efficient framework. Most collective investment schemes are restricted to one particular asset class or geographical location, such as UK Corporate Bonds or European Smaller Companies. A problem for many investors is that they accumulate investments based on economic conditions at the time of investment. Although a portfolio may have been constructed with a strategy at initiation, many investors find it difficult to find the time to manage their portfolio with regular reviews to ensure that it is still on track to meet their future goals.

The time required to collect necessary information and an overwhelming amount of data can cause even sophisticated investors to put their heads in the sand and hope that in time their current portfolio will be fine!

Margetts funds offer your clients the ability to make new investments or consolidate existing holdings into one portfolio of up to four funds with a coherent investment strategy that allocates across different assets and geographical locations, to suit the changing economic and investment conditions. Using the Margetts funds means that your client's investments are all in one place and our reporting systems allow you to track the progress of the investments easily to ensure that they are on course to meeting their objectives.

Our experienced team of fund managers and analysts constantly monitor the Margetts funds and will actively manage the asset allocation and selection of underlying investments according to a set level of risk.

Why Take Risk?

Investment risk is the possibility of losing some or all of your original investment. Most investments will fall as well as rise in value through time. The higher the risk of an investment the more you should expect it to swing in value. Each type of investment (e.g. cash, bonds, shares) will have a slightly different level of risk.

Investors are generally risk averse, meaning that greater returns are expected for taking additional risk. Intuitively this makes sense - why would you take more risk unless there is potential for greater gain?

Historical evidence supports the theory that higher risk assets have generated higher returns over time. However, they have also provided periods where the value fell considerably more than lower risk investments. When investments are combined, risk can be reduced through a process known as diversification. As investments respond differently to each other at any one time, the swing in value from a portfolio of investments is often less than the swing of the individual investments.

When we talk about risk, we are referring to a portfolio of many investments. Although individual investments may provide the opportunity of a lifetime, they could also become worthless with no chance of recovering any value if things go wrong.

A portfolio of investments, like the Margetts Risk Rated funds, reduces the risk of a single investment having this effect through diversification, which allows more certain expectations for future value.

How much risk to take will depend on your client's time frame for investment and their personal circumstances. Higher risk investments are only suitable for investors with a longer time frame as losses from these investments may not be recovered in the short term.

Our Approach

Margetts' Investment Process is built in layers, creating depth to ensure objectivity, greater understanding and better analysis.

Our investment process centres around a team approach, to combine different skills and experience to increase overall capability. We believe that a team approach reduces certain risks and provides for more balanced research.

Our investment philosophy creates an overarching framework that guides the investment team. The philosophy is based on independence and focuses on long only, diversified and rational investments.

Analysis centres on understanding structure, process, performance and the costs of an investment. The application of the investment philosophy creates a high level filter that drives our selections. Research will tend to focus on regulated on-shore UK retail collective investment schemes. Our investment approach has led to award-winning fund performance.

Margetts construct a long term strategic model which defines the risk and return profile of each portfolio. This is the first step of creating a portfolio that may be suitable for an investor to meet their objectives. We have set out the strategic allocation for each risk category, measured on a scale of one to ten. This is based on the different risk levels of different investments.

A Process Built In **Layers**

The team then adjust the strategic allocation to create a tactical asset allocation by identifying trends through a pragmatic and flexible approach. By adapting portfolios through the economic and investment cycles, we believe that value can be added for investors over the long run. This style of management is known as "top down". Our views will affect our choice of underlying investments to find the right assets, managers and style of funds in relation to the current investment cycle.

Analysis of funds forms the basis of all the investment decisions made. Both quantitative and qualitative analysis is used to ensure a thorough understanding of all the funds in which Margetts invests.

Quantitative research involves screening the available universe of collective investment schemes to short list funds that may be of interest. It also helps to identify underperforming assets.

Qualitative research is aimed at understanding the structure and processes employed by a manager. The team investigates how the structure and processes lead to performance and where the style is more likely to add value or potential risks.

This approach allows asset allocation to be carefully considered and continually adjusted in line with the relevant risk profiles.

The Margetts Risk Rated Portfolio System

The Margetts Risk Rated Portfolio System comprises of four funds, each of which is a portfolio of collective investment schemes chosen and monitored by the Margetts Fund Management team. Each of the Margetts funds has a different risk rating and minimum recommended timescale for investment. These funds cover the risk spectrum from cautious to adventurous.

By combining the Margetts funds, it is possible to create any risk rating between Providence and Venture. A lower risk portfolio will have a larger weighting in the Providence fund and higher risk portfolios will have a higher allocation to Venture. Financial advisers are able to establish their client's risk profile and recommend an appropriate blend of the Margetts Risk Rated funds.

The Margetts funds are designed to build a risk rated portfolio which matches a client's ability and willingness to accept risk by combining the below four funds in one portfolio. Investors are able to easily monitor their progress through consolidated reporting and online services.

The Risk Rated Portfolio system is designed so that the risk rating of each fund is the recommended minimum number of years that fund is held for.

The Margetts funds are illustrated below on a scale of 1 to 10.

Lower Risk

Higher Risk

Margetts Providence

"look after the pennies and the pounds look after themselves"

Risk 2-3

Lower volatility through a diversified portfolio

Margetts Select

"a fund for all seasons"

Risk 3-4

Prospects for medium to long term growth

Margetts International

"the world is our oyster"

Risk 5-6

Growth from worldwide opportunities

Margetts Venture

"who dares, wins"

Risk 7-8

Prospects for adventurous growth

Greater Diversification

The old adage of "don't put all your eggs in one basket" is an important element in building a portfolio. The Margetts fund of funds allow investors to make a single investment, which is then professionally managed by Margetts. Each portfolio will be allocated over several asset classes and geographical locations, utilising the expertise of numerous top fund management groups around the world to gain optimal performance within a well diversified portfolio for a given level of risk.

The Margetts team consider the benefit of each underlying holding included in the risk rated portfolios as individual assets and also consider how that holding will interact within the portfolio. By understanding the correlation between assets, Margetts aim to create well diversified portfolios which produce superior returns for the level of risk taken.

> *"The Margetts fund of funds allow investors to make a single investment, which is then professionally managed by Margetts."*

The pie charts to the right show the long term breakdown of a portfolio with a risk rating of 4 - 5. The short term allocation may differ slightly, but this is the framework that the portfolio is built on. There is diversification in the geographical allocation, the asset allocation and the Margetts funds the portfolio is invested in.

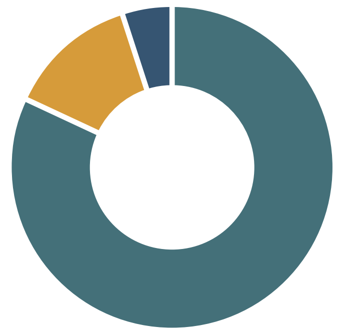
This aims to generate smoother, more consistent returns and minimise the effect of market falls etc. on the portfolio.

Fund Allocation

Providence	10%
Select	45%
International	35%
Venture	10%

Asset Allocation

Shares	82%
Bonds	13%
Cash/Money Markets	5%



Geographical Allocation

UK	30%
USA	25%
Europe	9%
Asia Pacific	7%
Emerging Markets	6%
Japan	5%
Cash/Money Markets	5%
Bond	13%

Margetts Providence Fund

Risk Level **2-3** on a scale of 1 to 10

Lower Volatility Through A Diversified Portfolio

A key advantage of the Providence fund is the lower volatility of returns achieved by combining debt securities with shares securities in roughly equal proportions. Historically the correlation between the asset classes has been low, which creates greater diversification and reduces the volatility of the portfolio.

Investment Objective and Policy Summary

The objective of the Margetts Providence Strategy Fund is to provide a balance of long term (more than 5 years) capital growth and increasing income (measured by annual monetary distribution per unit).

A minimum of 70% of the portfolio will be invested in collective investment schemes (which may include schemes operated by the manager, associates, or controllers of the manager) to provide a minimum of 30% and a maximum of 60% exposure to shares. Usually, the allocation to shares will be close to the upper limit. A minimum of 50% of the portfolio will be invested in assets which are denominated in Sterling or hedged back to Sterling

Strategic Asset Allocation for Providence

Absolute Return	8%
Asia Pacific	7%
Bond	32%
UK Equity Income	49%
Cash	4%

Strategic allocation as at 30.04.2022 - current asset allocation can be found at **www.margetts.com**

Margetts Select Fund

Risk Level **3-4** on a scale of 1 to 10

Prospects For Medium To Long Term Growth

A significant strength of the fund is the range of opportunities in which it can invest. The portfolio aims to select from a range of collective investment schemes offering capital growth and income.

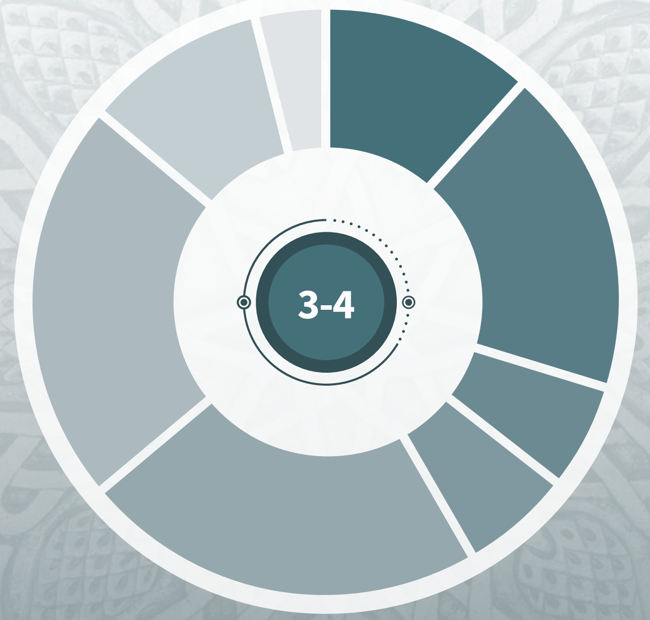
The fund's ability to access equities, fixed interest stock and currency exposure from across world markets provides a high degree of flexibility which increases the likelihood of achieving the investment objective.

Investment Objective and Policy Summary

The objective of the Margetts Select Strategy Fund is to provide long term (more than 5 years) capital growth.

A minimum of 70% of the portfolio will be invested in collective investment schemes (which may include schemes operated by the manager, associates, or controllers of the manager) to provide a minimum of 40% and a maximum of 85% exposure to shares. Usually, the allocation to shares will be close to the upper limit. A minimum of 30% of the portfolio will be invested in assets which are denominated in Sterling or hedged back to Sterling.

Strategic Asset Allocation for Select



Asia Pacific	11.75%
Bond	18%
Emerging Markets	6%
Europe	6%
UK	22.25%
UK Equity Income	22.25%
USA	10%
Cash	3.75%

Strategic allocation as at 30.04.2022 - current asset allocation can be found at **www.margetts.com**

Margetts International Fund

Risk Level **5-6** on a scale of 1 to 10

Growth From Worldwide Opportunities

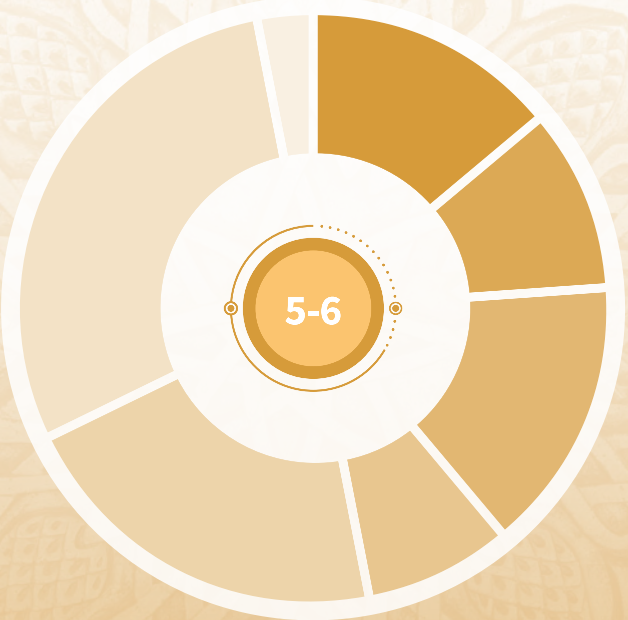
The fund has considerable flexibility and can invest in a range of collective investments which provide exposure to any global markets providing the opportunity to benefit from economic growth in many different markets.

Investment Objective and Policy Summary

The objective of the Margetts International Strategy Fund is to provide long term (more than 5 years) capital growth through a portfolio investing in global assets.

A minimum of 70% of the portfolio will be invested in collective investment schemes (which may include schemes operated by the manager, associates, or controllers of the manager) to provide a minimum of 60% and maximum of 100% exposure to shares. Usually, the allocation to shares will be close to the upper limit.

Strategic Asset Allocation for International



Asia Pacific	14%
Emerging Markets	10%
Europe	15%
Japan	8%
UK	21%
USA	29%
Cash	3%

Strategic allocation as at 30.04.2022 - current asset allocation can be found at **www.margetts.com**

Margetts Venture Fund

Risk Level **7-8** on a scale of 1 to 10

Prospects For Adventurous Capital Growth

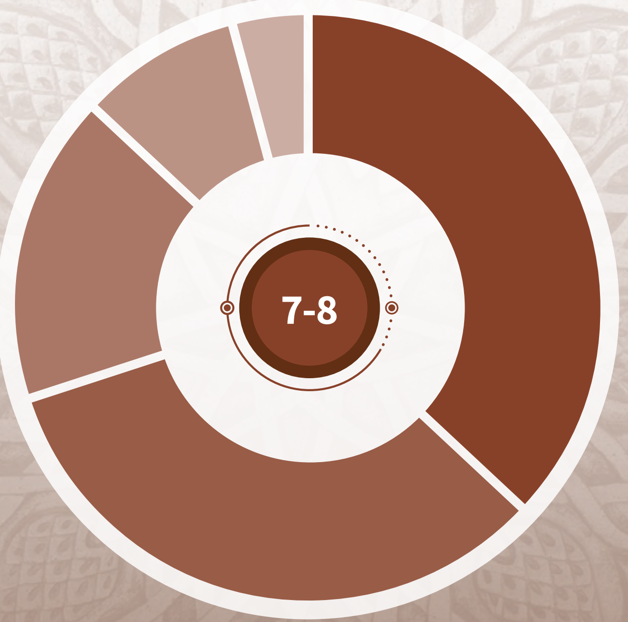
The Far East, emerging economies and other specialist areas offer prospects to provide substantial growth. The opportunities are selectively positioned alongside more traditional investments to provide an aggressively managed portfolio, aiming to achieve impressive long term capital appreciation. The speed of change in these areas inevitably leads to higher volatility within the markets, but this volatility can be reduced via a diversified portfolio with active management.

Investment Objective and Policy Summary

The objective of the Margetts Venture Strategy Fund is to provide long term (more than 5 years) capital growth through a portfolio that focuses on shares in high growth geographical areas.

A minimum of 70% of the portfolio will be invested in collective investment schemes (which may include schemes operated by the manager, associates, or controllers of the manager) to provide a minimum of 40% and a maximum of 100% exposure to shares. Usually, the allocation to shares will be close to the upper limit

Startegic Asset Allocation for Venture



Asia Pacific	37%
Emerging Markets	33%
UK	17%
USA	9%
Cash	4%

Strategic allocation as at 30.04.2022 - current asset allocation can be found at **www.margetts.com**

How To Invest Into The Risk Rated Funds

Your client should read both the SID and the Key Investor Information (KII) documents carefully before making any investment decisions.

Ways To Invest	Wrappers	Services
Lump Sum Deal A one-off instruction to purchase units in a specified fund by completing the required documents.	**General Investment Account (non-ISA)** A way to continue investing outside of a tax free wrapper once the annual ISA allowance has been met.	**APS ISA** An additional tax free investment allowance granted on the death of a spouse or civil partner to the value of their ISA holdings either as at their date of death or estate completion.
Regular Investment An instruction to purchase units in specified fund automatically each month by way of direct debit.	**ISA** A tax free investment with an annual allowance set annually by HMRC.	**Auto ISA** The automatic utilisation of your client's annual tax free allowance by moving funds from a General Investment Account into an ISA.
ISA Transfer The transfer of an existing ISA with another provider over to Margetts without losing the ISA wrapper or using any further ISA allowance.	**Junior ISA** (for under 18s) A tax free investment with an annual allowance set annually by HMRC.	**Regular Withdrawal** An instruction to sell units automatically on a monthly, quarterly, biannual or annual baisis.
		Adviser Charging An agreement between you and your client to pay fees via their investment.

Documents can be found at **www.margetts.com**. For additional information, please contact our Client Services Team on **0345 607 6808**.

For An Indirect Investment:

For an investment via a platform:	For an investment via a self invested personal pension:
The Platform will be able to provide information on the wrappers and services they offer.	The SIPP provider will be able to provide information on how to invest and the pension services they offer.

Investment and service instructions cannot be accepted without the required documentation, if you are unsure what is required to enable us to process your client's request, please contact our offices on 0345 607 6808.

For Any of The Investments:

The regular investment facility allows your client to invest on a regular basis into the funds. If you would like to use this, the direct debit mandate form (within the application form) should be completed to provide bank details.

If your client wishes to pay your adviser fees using Margetts' adviser charging facility, they should also read the terms and conditions in the Adviser Charge Facilitation Consent Form (also within the application form) and then complete that form.

The name and address entered on the form should be legally correct for identity verification purposes. We may run electronic checks to verify your client's identity.

Important Information

These investments are not suitable for everyone and investors should obtain expert advice from a professional financial adviser. Investments are intended to be held for the medium to long term timescale, taking into account the minimum period of time designated by the risk rating of the particular fund, although this does not provide any guarantee that investment objectives will be met.

Please note that the contents are based on the author's opinion and are not intended as investment advice. Any research is for information only, does not constitute financial advice or necessarily reflect the views of the author and is subject to change.

It remains the responsibility of the financial adviser to verify the accuracy of the information and assess whether the fund is suitable and appropriate for their customer.

Past performance is not a reliable indicator of future performance.

The value of investments and the income derived from them can fall as well as rise and investors may get back less than they invested.

Important information about the funds can be found in the Supplementary Information Document and NURS-KII Document which are available on our website or on request. All potential investors in the Margetts funds should read fully these documents before reaching any decision.

Margetts
Fund Management

Antecedents

The Margetts name has been a feature of Birmingham business life going back to the early years following the formation of the Birmingham Stock Exchange in 1845. Margetts Fund Management Ltd is particularly proud to be able to continue this association, with our roots having been established from the Margetts & Addenbrooke stock broking partnership.

1845
James Pearson, banker and stock broker, is an established trader in Birmingham and is elected the first Chairman of the newly constituted Birmingham Stock Exchange

1853
James Pearson dies and is succeeded by his sons, Charles and Richard, and the name is changed to James Pearson & Sons

1865
James Pearson & Sons, were sole brokers to the original public issue of capital made by Lloyds Banking Co Ltd, Birmingham - now Lloyds Bank

1875
Herbert Margetts is elected as a member of the Birmingham Stock Exchange. Herbert Margetts also succeeds as proprietor of James Pearson & Sons and the firm is renamed Herbert Margetts Late James Pearson & Sons

1881
T. Jervis Addenbrooke is elected a member of the Birmingham Stock Exchange

1886
Margetts & Addenbrooke form a partnership, naming the company Margetts & Addenbrooke

1895
A private wire is installed from the offices direct to the London Stock Exchange. This is the first ever direct telephone from Birmingham to the London market

1901
Herbert Margetts is elected Chairman of the Birmingham Stock Exchange for the last time

1909
Herbert Margetts dies and T. Jervis Addenbrooke becomes sole partner

1932
T. Jervis Addenbrooke completes 50 years of membership of the Birmingham Stock Exchange

1937
T. Jervis Addenbrooke retires completing nearly 56 years membership of the Birmingham Stock Exchange

1938
G. S. Howarth and W.O. Mills form a partnership and continue as Margetts & Addenbrooke

1944
Pilot officer G.S. Howarth dies on active service and Reginald Welham is sole proprietor

1946
The business of T. H. Evans & Co amalgamates with Margetts & Addenbrooke. Harold W. Oakley and Reginald Welham continue in partnership

1965
Under new Federation rules, Margetts & Addenbrooke become a dual capacity firm acting as jobbers and brokers

1972
Dual capacity is no longer permitted and Margetts & Addenbrooke expand private client stock broking

1986
Margetts & Addenbrooke plays a leading role in the formation of the National Investment Group.

Following further acquisitions by Capel Cure Myers, Old Mutual and Barclays Wealth Management, this resulted in the demise of the Margetts & Addenbrooke name as stock brokers in Birmingham

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