

Managed Portfolio
Service



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What is Throgmorton's Managed Portfolio Service?

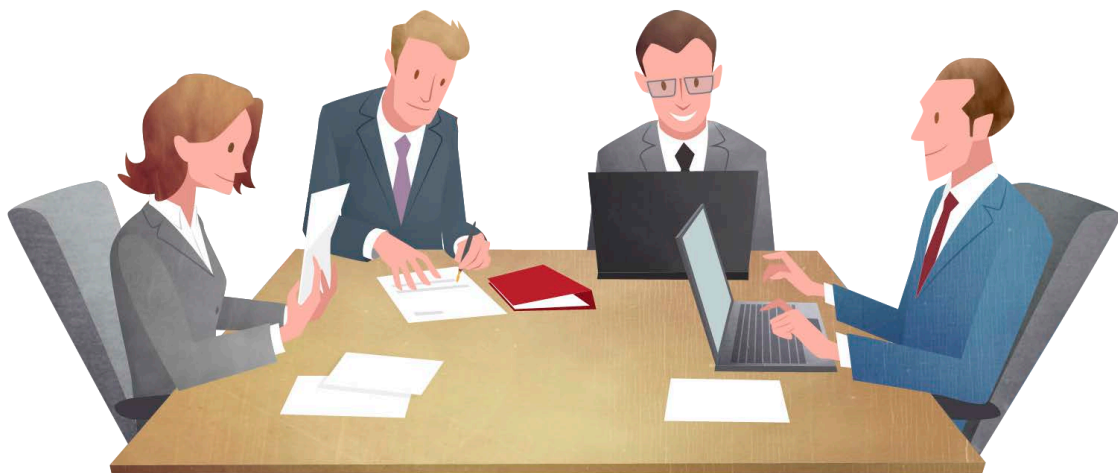
Our Managed Portfolio Service is an investment management service consisting of five portfolios. Each of the portfolios is run to a risk target and actively managed to try to achieve the best return for that level of risk through tactical asset allocation decisions and fund selection.

Your financial adviser will work with you to establish which of the portfolios that we manage is suitable for you given your objectives and attitude to risk.

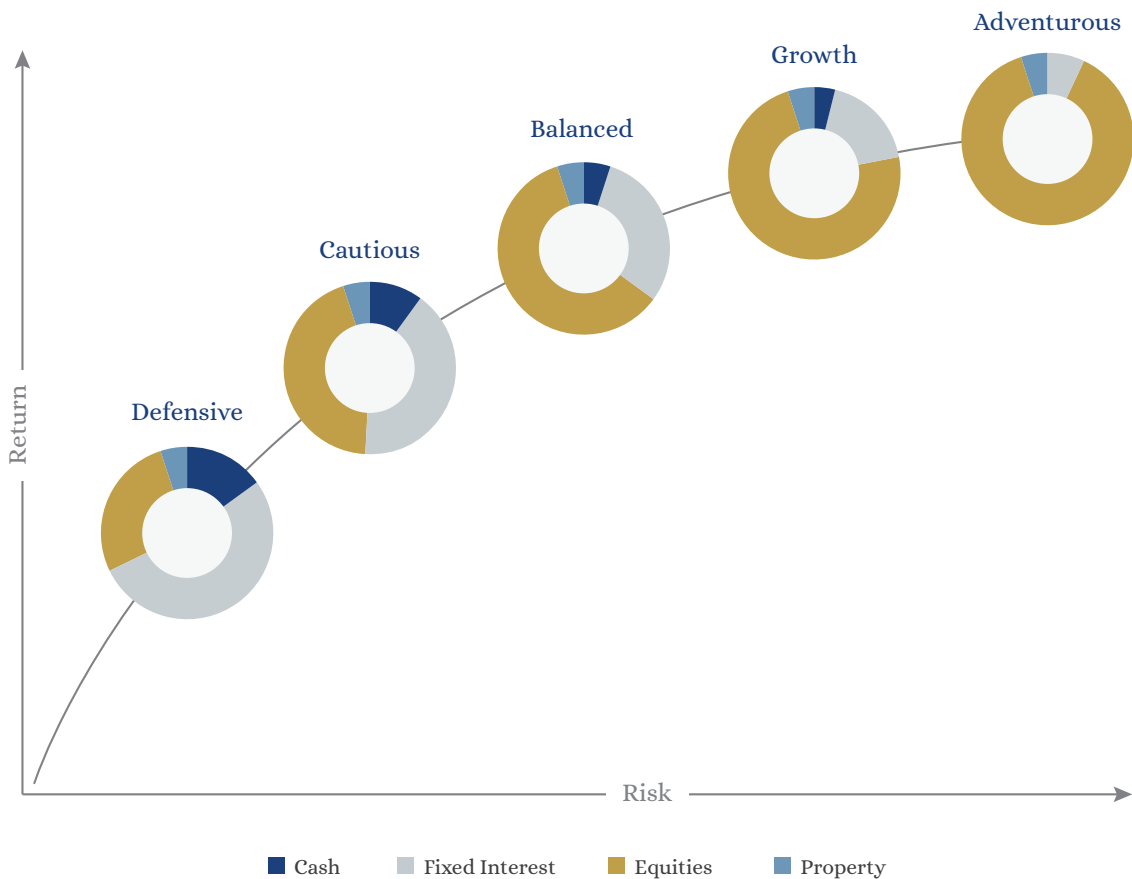
The Team Behind the Service

The portfolios are managed by Throgmorton's investment committee which is led by Peter Botham.

Peter has over 30 years' experience managing investments and has managed unit trusts and portfolios for pension funds, charities and private clients. He was lead fund manager for UK equities at Tilney Investment Management and most recently Chief Investment Officer at Brown Shipley.



Our Five Portfolios



Throgmorton's five portfolios are: **Defensive**, **Cautious**, **Balanced**, **Growth** and **Adventurous**. These portfolios cover the spectrum of investors needs from lowest to highest appetite for investment risk.

The chart above illustrates the relationship between risk and return in investing. As the risk taken in a portfolio increases, so too does the expected investment return over the medium to long-term (five years or more).

This chart also illustrates how the composition of a portfolio relates to the investment risk being taken. A low-risk portfolio will consist mainly of low-risk investments such as government bonds. As the risk of the portfolio increases the proportion invested in higher-risk investments such as equities increases.

Each portfolio is invested across a range of asset classes and geographies so is highly diversified. The portfolios are constantly monitored as we try to maximise our clients' returns at each risk level.

Our Investment Philosophy and Process

For each portfolio we have a strategic asset allocation, determined using historical data, which should meet the portfolios risk target over the long-term and maximise the return for that level of risk. Our strategic asset allocations are relatively stable and change infrequently.

On an ongoing basis the investment committee assesses the risks associated with each asset class and geography and adjusts the portfolios to favour those which appear relatively undervalued.

The investment committee also determines the best way of investing in each asset class and geography. There is now a large body of evidence demonstrating that it is difficult for fund managers in developed, efficient markets to consistently deliver outperformance above their fees. Our preference is therefore to use index trackers in these markets. In less efficient markets, such as the emerging markets, we will select active fund managers using a robust quantitative and qualitative process.

The portfolio holdings and asset allocation decisions are reviewed and debated at the investment committee's monthly meetings.



Our Portfolios in More Detail

Defensive

Your willingness and ability to accept investment risk is below average. You want to preserve the real value of your investments and are willing to accept a small amount of investment risk to do so. Any falls in the value of a portfolio that matches this risk profile should be small but in turn returns are also likely to be modest.

Your portfolio will contain mainly lower risk investments such as government bonds and high-grade corporate bonds. Only a relatively small amount will be in higher risk investments such as equities.

Cautious

Your willingness and ability to accept investment risk is just below average. You would like to achieve investment returns above inflation and whilst avoiding large falls in the value of your investment remains important you are willing to accept some volatility.

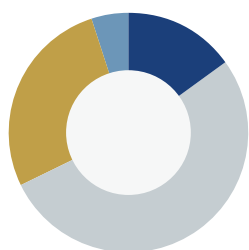
A portfolio for this risk profile will be split roughly equally between lower risk investments such as government bonds and high-grade corporate bonds and higher risk investments such as equities.

Balanced

Your willingness and ability to accept investment risk is about average. You are willing to have more of your portfolio invested in equities and accept the rises and falls in the value of your investments which comes with this, for the prospect of achieving a higher investment return over the long-term.

A portfolio for this risk profile will be invested roughly two-thirds in higher risk investments such as equities and roughly one-third in lower risk investments such as government bonds and high-grade corporate bonds.

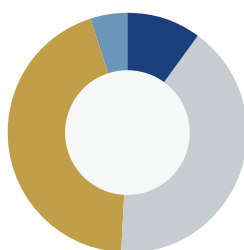
Defensive



Strategic Asset Allocation

■ Cash	15.0%
■ Fixed Interest	53.0%
■ Equities	27.0%
■ Property	5.0%

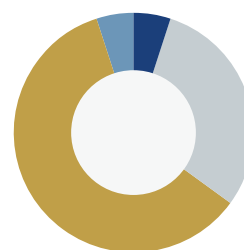
Cautious



Strategic Asset Allocation

■ Cash	10.0%
■ Fixed Interest	41.0%
■ Equities	44.0%
■ Property	5.0%

Balanced



Strategic Asset Allocation

■ Cash	5.0%
■ Fixed Interest	30.0%
■ Equities	60.0%
■ Property	5.0%

Growth

Your willingness and ability to accept investment risk is slightly above average. You are looking to grow your investment in real terms and to achieve this are willing to have a high proportion of your portfolio invested in equities. You accept that over time your portfolio is likely to experience some significant rises and falls in value.

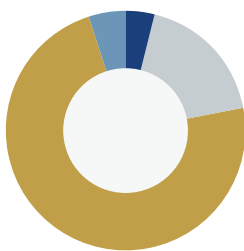
A portfolio for this risk profile will be invested roughly three-quarters in higher risk investments such as equities. The remaining quarter will be invested in lower risk investments such as property and bonds.

Adventurous

Your willingness and ability to accept investment risk is well above average. You are looking to maximise your investment returns and to achieve this are willing to have your portfolio invested almost entirely in equities. You accept that over time your portfolio will experience some significant rises and falls in value.

A portfolio for this risk profile will be invested almost entirely in equities.

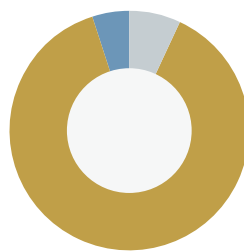
Growth



Strategic Asset Allocation

■ Cash	4.0%
■ Fixed Interest	18.0%
■ Equities	73.0%
■ Property	5.0%

Adventurous



Strategic Asset Allocation

■ Cash	0.0%
■ Fixed Interest	7.0%
■ Equities	88.0%
■ Property	5.0%

The value of investments and any income from them can fall and you may get back less than you invested. Past performance is not a guide to future performance. No investment is suitable in all cases and if you have any doubts as to an investment's suitability then you should contact us. If you invest in currencies other than your own, fluctuations in currency value will mean that the value of your investment will move independently of the underlying asset.

