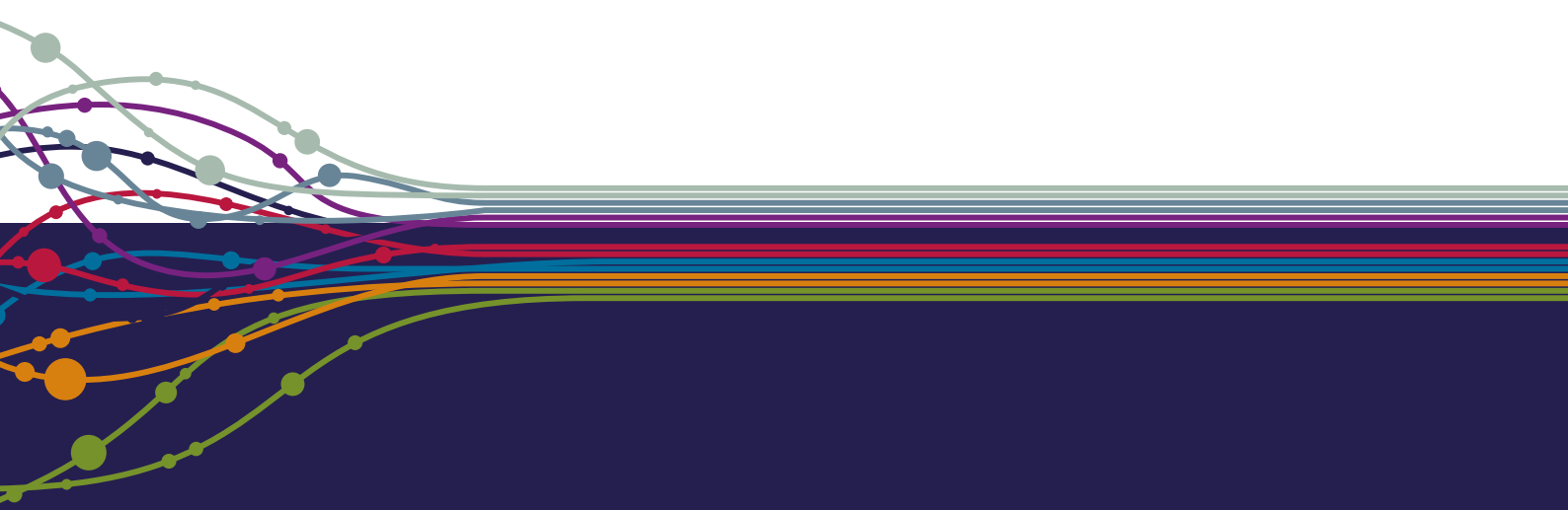


# Mamucium Capital Investment Committee

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### The Role of The Committee

#### The Investment Committee provides :

- Expert investment oversight and due diligence to complement our advice processes.
- A clear structure to evidence the processes followed in making our investment recommendations.
- Quarterly minutes and action plans to help with the adoption of the Investment Committee output.

### The Responsibilities

#### The Investment Committee will:

- Design and monitor the Strategic Asset Allocation. The committee will work to the best of its ability to help ensure the asset allocation is appropriate to deliver the expected client outcomes of the risk profiling and goals based planning process.
- Provide a governance framework within which suitable investment solutions are screened from the whole of the relevant market, consistent with our investment philosophy.
- Provide quarterly oversight of the funds and model portfolios selected as part of our Complete CIP.
- The committee will maintain the appointment of individuals with appropriate knowledge, experience and skills to carry out the following functions:
  - Chair of the Investment Committee
  - Compliance and Due Diligence
  - Investment Performance Analysis
  - Alignment of Asset Allocation with Risk Profiling.

#### Each member of the committee will abide by the general 'principles for approved persons' and ensure in the role they are:

- prepared to challenge
- open-minded
- open to compromise
- considering carefully the appropriate investment horizons
- prepared to carry out relevant levels of research
- acting in the best interests of the clients of advisers who utilise the Investment Committee as part of their Centralised Investment Process.

### How the Committee Works

- The Committee will meet every quarter or as required under exceptional circumstances. The dates of these meetings will be arranged in advance for the year ahead.
- Minutes will be taken at each meeting, together with any presentation material supporting the decisions made. These will all be maintained in a permanent file.
- Minutes will be made available to all. This will include an action plan for identifying any steps to take in order to implement the latest decisions of the committee.
- The committee members will receive all material ahead of the meeting, so they may be reviewed in preparation for discussion at the meeting. The Committee will review each of the areas listed below:
  - Appropriateness of the long term Strategic Asset Allocation
  - Recent performance of investment solutions vs expected client outcomes of the risk profiles
  - Current asset allocation of investment solutions vs strategic asset allocation and potential impacts on alignment with risk profiles
  - A review of material actions implemented since the last quarterly report
  - Identifying potential issues or actions for future meetings.

## Our Investment Philosophy

- We believe that best practice should include having a robust process in place for understanding, establishing and agreeing client risk and capacity for loss. We believe the financial planning process should result in a clear, unambiguous, quantifiable and qualifiable definition of risk.
- We believe that an optimum, long term, strategic asset allocation should be created for each risk category. This is based on the expertise of the Investment Committee and Hymans Robertson.
- We believe in reviewing the whole of the market to find funds and portfolios that fit within the following categories:

### Risk Controlled Solutions

Multi-asset Portfolios and Discretionary Model Portfolios that adhere to both the volatility and Strategic Asset Allocation (SAA) parameters of the Oxford Risk Profiles. This will include active, passive and blended solutions.

### Risk Mapped Solutions

Multi-asset Portfolios and Discretionary Model Portfolios that have their own volatility and asset allocation parameters but which can be regularly assessed against the Oxford Risk Profiles and demonstrate the ability to deliver the appropriate outcome for clients. This will include active, passive and blended solutions.

### Income Solutions

Funds and Portfolios that adhere to the volatility parameters of each Oxford risk profile and demonstrate the consistent delivery of a target income yield.

## Our Strategic Asset Allocation Methodology

The Strategic Asset Allocation is created specifically for the challenges of generating capital growth, and providing income.

The SAA is reviewed by the Investment Committee to ensure long term adherence to the expected client outcomes. Short term, tactical considerations are not within the remit of the investment committee.

The SAA model is created by Independent Investment Consultants Hymans Robertson and used for advice across their institutional investment clients. We bring this level of institutional investment expertise to the retail market for the first time.

The SAA model is supported by Hymans Robertsons wider Insights & Analytics team of 99 people, with a dedicated team of 8 people comprising actuaries, financial economists, model architects and developers. The calibration is suitable to meet the Institute and Faculty of Actuaries professional standards and this modeling is compliant with Technical Actuarial Standard 100 (TAS 100).

### Asset Allocation Process

- We conduct stochastic modelling of robust capital markets assumptions to test that our Strategic Asset Allocations are appropriate to meet clients' expectations of risk and return
- Asset class returns are generated from the Hymans Economic Scenario Service (ESS) which provides a collection of mathematical models used to generate thousands of random, but plausible, scenarios of economic and financial variables (such as interest rates and stock market returns) at future time horizons.
- ESS outputs underpins Hymans' work in assessing and advising outcomes and risk associated with different SAA's and to inform strategic decisions. There are a number of factors that have been identified in academic research as being significant drivers of market returns over the long term, and can be used to deliver higher risk-adjusted returns.
- The output of the stochastic modelling is scrutinised and optimised by the investment committee for approval before implementation, taking into account issues such as liquidity, availability of asset classes and practical application within investment solutions.
- The capital market assumptions are updated quarterly and a report on any significant trends is submitted for review by the investment committee
- A full review of the Strategic Asset Allocations takes place at least annually, with the investment committee making changes in order to maintain the optimal client outcome for each risk profile.

## Our Investment Review Methodology

The different investment solution sets will be reviewed against the following criteria:

### Risk Controlled Solutions

- Performance over 1, 3 & 5 years compared against the benchmark performance of the Centra risk profiles
- Annualised volatility versus the expectation of the risk profile
- Tactical asset allocation tilts away from the SAA.
- Costs and charges of the fund
- Fund manager – tenure, experience, philosophy, objectives and approach

### Risk Mapped Solutions

- Performance (including tracking error) over 1, 3 & 5 years compared against the benchmark performance of the risk profiles
- Annualised volatility versus the expectation of the risk profile
- Costs and charges of the fund
- Fund manager – tenure, experience, philosophy, objectives and approach

### Income Funds and Model Portfolios

- Performance over 1, 3 & 5 years compared against the benchmark performance of the risk profiles
- Yield delivered versus stated target of the fund/portfolio
- Annualised volatility versus the expectation of the risk profile
- Costs and charges of the fund
- Fund manager – tenure, experience, philosophy, objectives and approach

## Investment Committee Tasks and Frequency

### Every Quarter

- Capital markets review and discussion of any impacts upon SAA
- Performance review of investment solutions
- Review of investment manager watch list
- Educational presentations on topics of interest
- Administrative requirements (minutes, project plans, etc.)

### Every Year

- Full Strategic Asset Allocation review
- Review of investment objectives and constraints for Complete CIP
- Review and re-evaluation of investment philosophy
- Review of investment committee effectiveness
- Analysis of investment manager fees
- Review and selection of new investment solutions



### RORY PERCIVAL

Rory Percival was 'the face of the FCA' to advisory firms for many years. He worked at the regulator for 10 years and was involved with many high profile projects such as risk profiling, centralised investment propositions, the RDR, research and due diligence, and the assessing suitability review as well as speaking regularly at conferences. Prior to joining the regulator, Rory worked in the advisory sector for 20 years mainly in compliance and training roles. He has Chartered Financial Planner status. In November 2016, he launched his own firm - Rory Percival Training and Consultancy Ltd to help support professionalism in the advisory sector. He is a director of the Personal Finance Society.



### KEN RAYNER

Ken has been involved with researching investment funds for over twenty years, working on behalf of IFAs throughout that period. After graduating from Leeds University with a Degree in Economics and Economic History, Ken joined Sun Life, which provided an excellent grounding in the life, pension and investment industry. He joined Bradford & Bingley in 1990, where he held a number of product and marketing roles and latterly had responsibility for all financial services product development and pricing. In addition he was Investment Fund Manager for Bradford & Bingley's PEP and ISA Discretionary Management business, where he controlled in excess of £700m of clients' funds.



### PAN ANDREAS

As Head of Insight and Consulting (Funds and DFM), Pan leads an expert team of insight analysts who are responsible for Defaqto's Ratings, Risk Ratings and authoring thought leadership articles and publications. The team also provide consultancy services to fund houses, DFMs and intermediary clients.

Pan has held senior management and leadership roles in Allied Dunbar, Towry, Intrinsic and Sesame Bankhall Group (SBG) - gaining experience in tied, multi-tied, independent and network business models. Most recently, Pan has specialised in the design, development and delivery of advisory investment propositions and technology solutions. Whilst at SBG, Pan was responsible for the launch of the Optimum Investment Management.



### DAN RUSSELL (CHAIR)

Dan began his career with IBM before holding senior distribution roles within The Hartford in the UK and Germany. He ran a successful consulting business working with leading asset management firms, life companies and advisory practices before joining Verbatim Asset Management in 2012. Having worked with the business since launch, he took over as Managing Director in 2015, overseeing significant growth in assets under management.



### GARY KERSHAW (GROUP COMPLIANCE DIRECTOR)

Gary came from a compliance consultancy background to join SimplyBiz at launch in 2002. He has responsibility for all compliance policy and implementations throughout the Group.

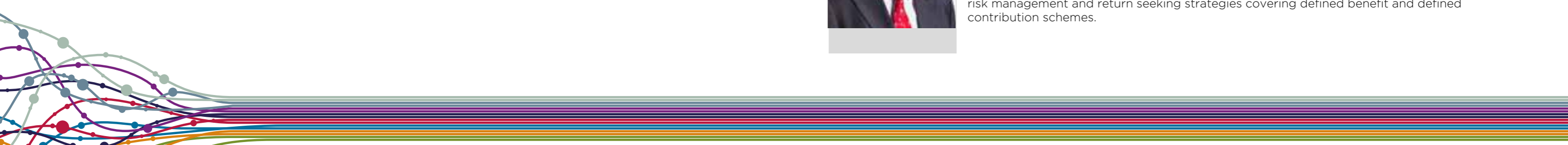
Gary has over 20 years' experience in financial services, including running his own successful IFA firm for the past 15 years.



### ANDY GREEN

Andy joined Hymans Robertson in 2012 as a partner in our investment practice and is now Chief Investment Officer. Prior to joining Hymans Robertson, Andy led the investment consulting team at Deloitte, prior to which he spent 22 years at Mercer as a Worldwide Partner in the investment consulting business.

His investment experience includes extensive knowledge of the design and implementation of risk management and return seeking strategies covering defined benefit and defined contribution schemes.





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IT'S ALL ABOUT YOU

## For more information

To find out more about Mamucium Capital Investment Services, please call **03301131003** or email **[enquiries@mamuciumcapital.co.uk](mailto:enquiries@mamuciumcapital.co.uk)**

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