Rockhold Asset Management

Take **hold** of your future.

ROCK**HOLD**

About Rock**hold**

We, Rockhold Asset Management, are owned by Adviser Services Holdings Ltd (ASHL). ASHL own financial-advice businesses which advise on assets with a value of over £5 billion.

We work with partners who are specialists in their field and who follow our approach to successful investing.

To make sure portfolios are made up of the most appropriate assets (for example, stocks and bonds), we've teamed up with:

- **Alpha Beta Partners**, who are specialists in dynamic asset allocation (an investment strategy that involves regularly evaluating and adjusting the assets in a portfolio to increase returns and manage risk, based on changing market conditions); and
- **The Adviser Centre**, who are experts in research into fund management and have strong relationships with investment companies and individual fund managers.

This partnership helps us provide positive risk-adjusted returns for clients over the medium to long term.

The Rockhold Investment Committee, made up of experienced industry professionals, regularly reviews portfolios to make sure they are performing as expected.

The committee has the power to appoint and replace portfolio managers.

Our portfolios offer:

- risk-managed investments in a mix of assets with different levels of risk;
- dynamic asset allocation, with a global and forward-looking perspective; and
- fund selections based on sound analysis.

Our Investment Approach

Investments can be turbulent. And when financial markets around the world crash, it can be frightening.

However, a carefully planned investment strategy, put in place with your adviser and administered by us, provides reassurance if this happens.

It is entirely normal for the value of investments to go up and down, and investing money always carries the risk that you may not get back the same amount as you put in.

The key to successful investment is keeping these normal fluctuations within acceptable limits, so that over the medium to long term (usually five years or more), the markets have time to recover and grow.

Our approach to successful investment is based on four principles.

- **Control:** understanding your risk
- **Strength:** dynamic asset allocation
- **Agility:** investing in a range of assets
- **Balance:** a choice of 'passive' and 'active' investments

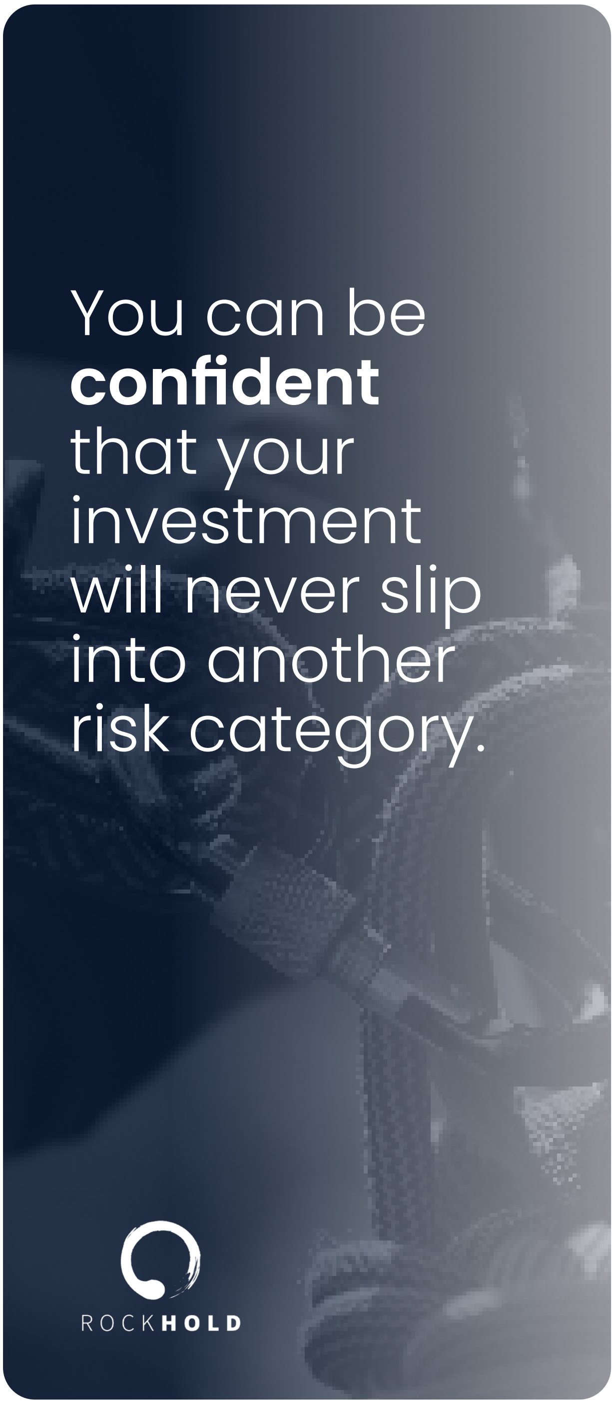
Control:
Understanding your risk

All financial investments carry an element of risk. Riskier investment strategies can result in greater returns, but they can also result in greater losses. Less-risky investments are likely to remain more constant, so although they do not have the same growth potential as riskier strategies, they are less likely to result in big falls.

What is crucial is that we correctly identify your risk profile – the amount of risk you are willing and able to take – and keep your investments in line with this.

To do this, your adviser will carry out a full assessment of how long you want to invest for, your goals for the future and your attitude to risk. They will consider things such as how you would feel if the value of your investments fell by, for example, 10%. The full assessment will shape a Rockhold portfolio best suited to you.

Our portfolios are designed to keep within the risk category agreed with you. They are carefully monitored and adjusted to make sure they stay within the limits of that category. So, once we've identified your risk profile and chosen a portfolio to match, you can be confident that your investment will never slip into another risk category.



Strength:
Dynamic asset allocation

The biggest factor in determining returns on your investment is asset allocation (that is, the way your portfolio is split between stocks, bonds, property and other types of asset).

Getting asset allocation right needs expert knowledge and judgement. We use our understanding of economics and analysis of financial markets to determine the best mix of assets for each portfolio.

Our portfolios are invested across a wide range of assets, including UK and international stocks and shares, government and corporate bonds, infrastructure and cash.

Asset allocation is a dynamic process, which means that we keep a close eye on economic conditions and market performance.

We review our portfolios every three months. If we think a different mix of assets would better achieve the investment objectives, we make appropriate adjustments. The mix of assets for all portfolios is shown in the latest fact sheet provided to you by your adviser.

Agility:
Investing in a range of assets

A diverse portfolio (one with a mix of assets) held over the medium to long term is the best way to achieve positive, risk-adjusted returns. Our managed portfolios offer flexibility and allow us to tailor investment solutions in the most cost-effective way.

Our portfolios are designed to meet a range of needs and objectives, and your adviser will help you choose what is right for you.

To achieve your investment objectives, when selecting investments we use 'quantitative and qualitative' techniques (that is, we consider the available information and evaluate the likely outcomes). We also carry out extensive research to shape our view on the world economy.

Our active portfolios and our blended portfolios (which have a mix of active and passive investments) also invest in our own multi-asset managed funds, which helps to control risk, mainly through the funds' ability to hold a wider range of asset types and funds.

Balance:
A choice of ‘active’ and ‘passive’ funds

Passive funds aim to track the performance of an index (for example, the S&P500 or FTSE250), typically by investing proportionately in the stocks and shares of the index. Because these funds follow performance, they are typically lower cost.

Active funds aim to beat the standard indexes by choosing investments that will perform well over the medium to long term, keeping within specified volatility limits (that is, limits on the amount of uncertainty or risk related to changes in an asset’s value).

Active portfolios offer the potential for better returns, but they require more expertise and research, and come with the risk of greater losses. For active portfolios, the investment manager will aim to choose funds that will outperform the equivalent index (after charges) over the long term.

We offer active, passive and blended portfolios to meet a range of investment objectives. Your adviser or financial planner will explain the difference and help you decide which is most appropriate for you.

Our Investment Process

Asset allocation

It is widely recognised that the choice of assets is the main factor affecting investment returns. When building our portfolios we take a dynamic and global approach to asset allocation.

Key features of this approach include the following.

- Putting 'risk first' to make sure portfolios achieve their specified risk level, and this is maintained over time by regular review and adjustment.
- Including our own multi-asset managed funds in our active and blended portfolios. This helps to spread and control risk, mainly by investing in a wider range of assets and funds. Alpha Beta apply their investment processes on the remaining assets.
- Having a global outlook to asset allocation removes the risk of any bias towards UK assets, which in practice make up a small proportion of the global economy.
- Adjusting asset allocation using the Black-Litterman model, which incorporates views on the macro-economic outlook, investment basics, technical data, and worldwide politics.
- Carrying out quarterly reviews of the asset allocation, and making any necessary adjustments.

Fund selection

Once we have made a decision on the asset allocation for each portfolio, we choose funds that invest in each type of asset.

For passive funds, Alpha Beta carry out research and appropriate checks to track major stock-market indexes. These checks consider the index to be tracked, the associated costs, the method the fund uses to track the index, how effective that method is, and any associated risks.

The Adviser Centre carry out research and appropriate checks for active funds. They start by considering investment funds in the UK, before taking the following steps.

- Carrying out desk-based research to scrutinise performance, risk and investment ratios
- Assessing how funds have performed against their investment objectives
- Interpreting results, taking account of market conditions
- Using knowledge of the market and contacts to identify new opportunities
- Holding meetings with fund managers

Investment risk and target market

Rockhold Investment Committee

The Rockhold Investment Committee meets every three months to make sure the portfolios are performing as they should. Made up of senior managers and investment experts, the committee can choose the investment managers and partners to run our portfolios.

The committee also reviews the choice of portfolios to make sure we offer the best investment for you.

Investment Risk

Past performance is not a reliable indicator of future results. Investments should be considered over the long term and should fit in with your overall attitude to risk and your financial circumstances.

The value of investments, as well as the income from them, can go down as well as up and you may not get back the amount of your original investment.

Target Market

Our portfolios are suitable for all types of retail and professional customers who are receiving advice from a financial adviser. As you will be investing in assets on the stock market, you should be prepared to invest for at least five years.

Our portfolios are designed to generate growth but do not provide any guarantee to produce returns.

If you invest in our portfolios, you should be in a financial position where a fall in the value of your investment would not reduce your standard of living. Your financial adviser will decide on the most appropriate portfolio for you, based on your risk profile.

We do not offer any investments that come with no investment risk, or that are very high risk.

Our sustainable portfolios are specifically designed for investors who want their portfolio to concentrate on sustainable investments. This may result in a different outcome in terms of risk and reward when compared against a similar portfolio taking a non-sustainable approach.

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rockholdam.co.uk

enquiries@rockholdinvest.co.uk