

# Nevis

F U N D R A N G E

The Planned  
Portfolio Solution

# Why use our Planned Portfolio Solution?



At Johnston Financial we plan to provide you with the investment service that you might design for yourself. We believe the key to you being well served by your investment arrangements is a thorough understanding of your risk tolerances, expert construction of your investment portfolio and continuous monitoring. The Planned Portfolio Solution is designed to be expert, relevant to you, under constant review and providing regular feedback on performance and investment activity.

Johnston Financial has many years' experience in building investment portfolios and our approach is designed to help us identify the right level of investment risk for you and to build and monitor a diversified portfolio of investment funds, that we expect will produce above average performance.

In 2002 we launched our highly successful Executive Portfolio Service (EPS) and by July 2007 our clients had committed over £36 million to management through the service. With the launch in 2008 of our portfolio funds, the "Nevis Funds", we created The Planned Portfolio Solution as a way to improve upon and then replace the EPS.

## What is involved?

### The Planned Portfolio Solution aims to:

- Correctly identify and agree with you your attitude to investment risk
- Recommend a portfolio of investment funds with a profile that matches your attitude to risk
- Hold all or at least the core of that portfolio through our "Nevis Portfolio Funds" for maximum tax and investment efficiency.
- Create portfolios through a three stage process of:
  1. asset allocation benchmarks
  2. quarterly asset allocation reviews
  3. quarterly fund selection reviews

- Constantly monitor fund manager changes and other factors that may require asset allocation and funds to be reviewed outside the quarterly review process
- Make timely changes to the portfolio to reflect our views on asset allocation and fund selection
- Provide a quarterly report and valuation of your portfolio advising you what changes have taken place and why.

## Who is this aimed at?

### Personal assets

To manage your accumulated wealth in a diversified portfolio of funds kept under continual review with an asset allocation that reflects your attitude to investment risk

### Accumulated personal pension funds

A pension plan is simply an investment arrangement with highly favourable tax benefits. The investment of your accumulated pension funds will be one of the most important factors in the success of your pension investment.

### Trust and Guardianship assets

The Planned Portfolio Solution is tailor made to help trustees and Guardians meet their statutory requirements of "duty of care" in the proper investment of the funds under their control.

# Introducing the Nevis Funds



The Nevis Funds are a unique range of investment portfolios and services available exclusively to clients of Johnston Financial.

They have been designed around our investment process and philosophy to offer a natural extension to our existing services and provide a cost-effective and tax-efficient way of accessing professional investment management expertise.

Each of the Nevis Funds utilises a 'MultiManager' investment structure. This means that the portfolios are themselves made up of a blend of other investment funds carefully selected from the universe of over 2,000 funds available to UK investors.

The Nevis Funds are the core of our 'Planned Portfolio Solution' service for clients investing at least £50,000. They are also available for sums over £1,000 and offer a natural home for your annual ISA allowance.

## **The benefits of the MultiManager approach**

The MultiManager method of investing provides many benefits. Firstly, as the Nevis Funds are managed on a day-to-day basis, by a team of investment professionals, you can rest assured your investment is in safe hands. They constantly monitor the marketplace to uncover the best equity, fixed income and property funds. If any important changes happen to the underlying funds in the portfolio, such as a manager leaving, they are

among the first to know and can make changes to portfolios quickly and efficiently. Secondly, by its very nature, MultiManager investing can also offer a high level of diversification by spreading your money over a wide range of different funds.

MultiManager investing ensures your portfolio has the right balance at all times. The nature of investments is that they do not all grow at the same rate, so a portfolio's asset allocation can shift over time and take on the characteristics of something of far higher (or lower) risk than you originally expected. We ensure that the Funds remain at their target asset allocations by rebalancing the portfolio regularly to bring it back in line with the Fund objectives.

As the Nevis Funds are effectively buying in bulk, they will benefit from significant purchasing power and will usually access underlying funds at a discount to their initial price. This means you get a cost effective way into some of the leading funds in the marketplace.

This way of investing is also tax-efficient. When the underlying funds are bought and sold there are no tax implications for the individual investor.

“The Nevis Funds enable us to offer an exclusive investment service to our clients. As we have designed them from scratch, the portfolios embody the principles we hold dear and are a logical extension to our own investment process.”

# Nevis Fund Range



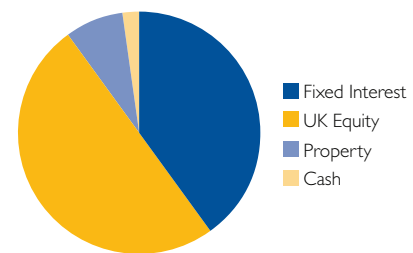
The Nevis Conservative Portfolio is aimed at the more cautious investor looking for either regular income or low risk growth.

## Nevis Conservative Portfolio

This Fund aims to provide a yield in excess of that offered by the FTSE All Share Index whilst, at the same time, offering the potential for capital growth over the medium to long term.

It is designed for the more cautious or income seeking investor looking for a core portfolio holding. Around half the Fund's target benchmark is invested in cash, fixed income and property, whilst the remainder is invested in well-managed UK equity funds, with a bias to those that generate dividends.

## Conservative Portfolio - typical asset breakdown



The Fund is thus diversified not only across the asset class spectrum, but also by type of fund and fund management company. In this way the Fund should enjoy smoother returns over the long term.

“Whether you are a more cautious investor, or searching for higher levels of growth, the Nevis Fund Range offers an option to suit. Due to the strong emphasis on selecting the best funds in the market and monitoring them constantly, both are suitable as long-term core holdings.”

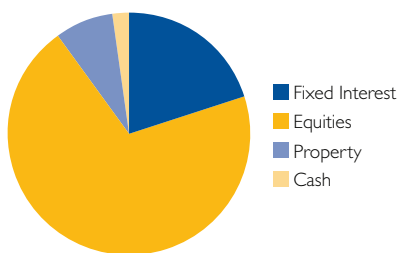


The Nevis Growth Portfolio is aimed at investors seeking long term capital growth.

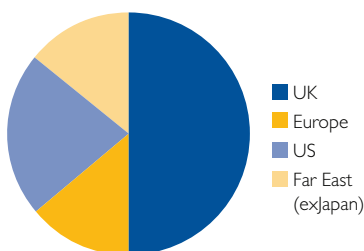
### Nevis Growth Portfolio

This Fund is suitable for those investors who require a more growth orientated portfolio, or those with a longer investment horizon. The Fund has allocations to cash, fixed interest and property but this portion of the fund is far smaller than in the Conservative Portfolio. Equities, both UK and international, constitute around 70% of the fund.

### Growth Portfolio - typical asset breakdown



### Growth Portfolio - typical equities breakdown



### Investment strategy

The Investment Adviser for both Funds is North Investment Partners. Each of the portfolios within the Nevis Fund Range will be managed by North to reflect Johnston Financial's investment philosophy and strategy, which has been developed over a number of years.

We have set target asset allocation benchmarks which we believe are appropriate to the Funds' aims. Each quarter, in both the Nevis Conservative and the Nevis Growth Portfolios, the Investment Advisers will adjust the asset allocation breakdowns depending on the prevailing economic outlook and their views on the potential offered by different countries and asset classes. Each asset class can vary from the benchmark by up to 10% on either side. In this way the Nevis Funds should always be positioned to profit from the best investment opportunities.

The Investment Advisers look to select the most suitable funds within each geographic region, using a proven investment process that involves both in-depth fund analysis and regular one-to-one fund manager meetings. Their aim is to create an appropriate blend of funds to deliver consistently superior levels of investment performance. They will conduct formal reviews of the Nevis Fund portfolios each quarter and are constantly reviewing the market for fund manager changes and any other factors that might require more immediate action. Johnston Financial will hold frequent discussions with the Investment Advisers concerning the investment process. No matter which option you pick, you can be assured that it will contain a well-balanced mix of handpicked funds, selected using a rigorous and proven fund selection process.

# About North Investment Partners



We have chosen North Investment Partners as Investment Adviser to the Nevis Funds, with responsibility for day-to-day fund management.

North are an independent investment management company who specialise in MultiManager investing.

They combine sophisticated analysis of all the funds in the market with in-depth interviews with fund managers to build up a picture of their ability to produce performance in the future.

Their wealth of experience in this particular arena allows them to provide unrivalled levels of insight, ability and expertise to our clients and adds considerably to the experience and expertise of Johnston Financial.

North will also sit on our regular investment committee meetings where we consider our high-level views and the overall strategy and asset allocation for each portfolio.

**John Husselbee - Fund Manager, Nevis Funds and Chief Executive, North Investment Partners**

John has been involved in MultiManager investment for over 20 years. He started his investment career at Rothschilds in 1986. Ten years later, after launching and managing their portfolio management service, he joined Henderson Global Investors as Director of MultiManager Investment. Whilst at Henderson he managed a complete range of MultiManager mutual fund portfolios and products.

# How to invest



If you have any questions about the application process or suitability of the investment please do not hesitate to contact us on 0845 166 7095. More application forms can be ordered by telephoning the same number.

There are a variety of ways to invest in the Nevis Funds:

- Directly into the fund
- Through an Individual Savings Account
- By transferring a PEP
- As part of our Planned Portfolio Solution for clients with at least £50,000 to invest

Please complete the relevant application form when making your investment, ensuring you have read through the Simplified Prospectus. If you are in any doubt about the suitability of your investment please call us.

## About Johnston Financial

Johnston Financial was established in 1987 and is now one of Scotland's leading financial services businesses. We exist to consistently deliver the highest quality of advice and service in the fields of investment, financial planning, pension planning and property funding.

We believe that no matter how large or small the firm you deal with, advice is only as good as the people giving it. This is true for any profession and ours is no exception. We have sought to bring together a team of the highest possible calibre. All of our advisers have a wealth of experience and hold as a minimum the qualifications required by the regulators. Our programme of training and development ensures that our staff continue to progress with advanced qualifications, enabling them to consistently provide the best possible advice.

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“Johnston Financial have been awarded the internationally recognised, ISO 9001 quality standard for the entire range of our financial planning, investment and mortgage solutions. We offer you comprehensive planning of your financial life, utilising products offered by the whole of the financial market and our expert high quality service.”

The Funds' investments are subject to normal market fluctuations and other risks inherent in investing in securities. There can be no assurance that any appreciation in the value of units will occur. The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount they invest in the Funds. There is no certainty that the investment objectives of the Funds will actually be achieved and no warranty or representation is given to this effect. The units therefore should be viewed as medium to long term investments. Past performance is not indicative of future performance.

Johnston Financial Ltd is an appointed representative of Johnston Financial Services Ltd who are authorised and regulated by the Financial Services Authority.