

JM FINN

Coleman Street Investments

A discretionary portfolio
management service

**Frequently
Asked Questions**

Coleman Street Investments - FAQs



How does the CSI Service differ from the JM Finn tailored approach to discretionary portfolio management?

The CSI service is a discretionary portfolio management service that offers three investment funds, each with a distinct investment objective. As an investor you will purchase units in the fund(s) which in turn invest in a broad range of direct UK stocks and bonds as well as a variety of collective investment funds. This is different to our core discretionary service whereby you would have an individually managed account, which your investment manager would tailor to your investment objectives.

Although different, the key element is our unstinting focus on providing a high quality service to our clients and therefore the CSI service, like our tailored approach, provides an investment manager as your primary point of contact.

What are the benefits of this kind of approach?

This is a unitised, or pooled, approach, which is often more cost effective for smaller portfolios, with the added benefit that, regardless of portfolio size, you will be invested in a portfolio that is diversified which can help reduce volatility. Investing in a fund has the added benefit of being unencumbered by individual tax constraints; often an individually tailored portfolio might have a large capital gain which can reduce the appetite for selling a stock. This scenario does not exist within a fund, although there are tax implications with investing and you should consult a tax adviser if you have any queries on this.

Finally, the CSI service is distinct from other unitised discretionary services as it invests primarily into direct stocks and bonds, in addition to third party funds; whereas many other services exclusively invest in funds. This ensures that the investors within the CSI service benefit from the long-standing experience of direct investing that is a key attribute of JM Finn's investment expertise.

Who is the CSI service for?

Thanks to the diversification it offers, the CSI service can be particularly attractive to those investors who have smaller portfolios, where it might normally be more difficult to achieve a diversified range of investments. Additionally, a unitised approach can often be more cost effective than the tailored approach due to the pooling of all the investors' assets, which can result in achieving an economy of scale, increasing the attraction to portfolios that might not be large enough to warrant an individually tailored service.

The CSI service could therefore be appropriate for, amongst others, your children's investment portfolios, including ISAs and other long term investment portfolios, which you wish to be managed in line with a medium risk profile.

Can I invest my ISA in the CSI?

Yes you can. In fact we believe the CSI might be very appropriate for those clients who have their savings in an ISA. Equally, if you have a JISA for your children or grandchildren, JM Finn offers an execution only JISA service which invests exclusively in the CSI Growth fund.

How do I decide which of the three funds to invest in?

The CSI service is a discretionary portfolio management service therefore, as your investment manager has discretion over your account, he or she will select the most appropriate fund(s) to invest in, to meet your specific investment objectives.

Is there someone I will be able to talk to if I invest in the CSI?

The hallmark of JM Finn's success to date is our unstinting focus on providing a quality client service, which is achieved by placing an investment manager as the primary point of contact. This is no different for the CSI service, as although your assets will be managed by a dedicated fund manager on a pooled basis, you will have an individual investment manager as your main contact.

If I'm already a client, will I have to deal with a new investment manager for these accounts?

No – continuity is very important to us as we seek to develop long term relationships with our clients. You and your family will maintain the same investment manager regardless of the service you are invested in, unless you have requested otherwise.

Can I view my account online?

Online reporting is a key aspect of this service. We send you quarterly periodic statements, but should you wish to view your holdings or an interim valuation, our secure client website provides a comprehensive breakdown of the underlying securities and currency exposure, and a current valuation of your portfolio, as at the previous night's close. You can also download your periodic statement via your personal library, which is also available via our secure client website.

Will I be able to see the underlying holdings in the fund?

Yes. Although your investment purchases units in a fund, we have developed an online functionality which allows you to view the underlying holdings of your portfolio. This can be accessed at www.jmfinn.com.

How are the funds managed?

The CSI funds are managed by an in-house fund manager via a consistent and disciplined approach. By drawing upon the wider, long-established investment expertise honed over the 70 years since the firm's foundation, the funds are focused on delivering superior, risk-adjusted returns over the long term.

The manager uses a dynamic approach to asset allocation, using the view of the in-house asset allocation committee as a guide, while drawing inspiration for investment ideas from the core stock list, which is monitored by the in-house research team.

The funds, generally unrestricted by sector and market capitalisation, will typically invest via direct equities for UK exposure and direct bonds for fixed interest exposure. This draws upon our core expertise whilst helping to keep costs down, as direct investments are often cheaper than funds. To access more specialist sectors, such as infrastructure or absolute return, or geographical exposure to the US or Japan, for example, the manager will use our preferred investment funds, across both the passive and active fund universes.

Why do you use direct UK equities?

The CSI funds are distinct from other discretionary portfolio management services that adopt a unitised approach, such as some multi-asset funds, as they do not solely invest in third party collective investment funds. Investing in direct UK equities and bonds has the advantage of keeping costs down, as investing directly into stocks or bonds can often be cheaper than investing via a third party fund. It also draws upon JM Finn’s core expertise. For exposure to foreign markets and niche asset classes, such as infrastructure and commodities, we do use collective investment funds as it is often the easiest way to gain access in addition to the benefits of the specialist expertise of these managers. Increasingly we use passive investment funds, or index funds, to gain exposure to international stockmarkets; this is both for ease of access and as passive funds, such as index tracking funds, are typically cheaper than actively managed funds, which can help keep the total costs of the CSI funds down.



What does it cost?

For clients who already have existing investments with JM Finn – and wish to invest through the CSI Service, after an initial consultation (for which there is, for regulatory reasons, a small one-off charge), we shall sell these investments free of any JM Finn commission so that the proceeds can be invested in the CSI Service.

There will be no fund entry charges and the various share classes will be charged as follows:

	Class A Shares	Class C Shares
Minimum investment amount	<£5m	>£5m & charities
Maximum annual management fee	1.00%	0.60%

JM Finn's only remuneration for managing investments is through the charge it levies within the Coleman Street Investments SICAV.

Further information on this charge can be found in the Key Investor Information Documents (KIIDs) available from your investment manager or at www.jmfinn.com.

How much is the initial advice fee?

We will charge an initial advice fee of 0.25% of your investment in the CSI service, with a minimum of £50, and a maximum of £250.

Are there any other fees?

Each fund is subject to an administration fee, which is made up of a variety of charges and expenses, including, but not limited to: taxes, legal and auditing expenses, brokerage, governmental duties and charges, bank charges and stock exchange listed expenses. This administration fee is charged directly to the fund and is different for each class of share. As a guide, for 2016 the administration charge for the Income & Growth fund, A class share was 0.27%; this generated an Ongoing Charges Figure (OCF) of 1.27%. For further details of the fees for each share class, please refer to the KIIDs which can be found at www.jmfinn.com.

How do I sign up?

Contact your investment manager, or if you are not already a client contact JM Finn at:

marketing@jmfinn.com
020 7600 1660
www.jmfinn.com

Important Notice

Please note that the value of securities and their income can fall as well as rise.

Follow us on:



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