

**JM FINN**

# **Services for professional advisers**





# Working with you

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When looking to find a suitable partner to support your proposition there are a number of key attributes you might consider including:

- **Flexibility of offering:** does the investment manager have the right solutions for my clients?
- **Ease of use:** are they available on platforms and/or have their own platform?
- **Investment management credentials:** is there a robust process?
- **Reputation:** is the firm a suitable long term partner?

We appreciate these questions are not to be taken lightly, but with careful due diligence and a thorough understanding of the business, successful partnerships can be developed to ensure your clients' goals are met in line with your existing business model.

# Flexible investment solutions

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Flexibility to find the appropriate solution is paramount when looking to deliver added value to your client. Whether looking to match your risk assessment tools, offer a vehicle for younger clients starting their investment journey or helping others mitigate a looming inheritance tax burden, JM Finn has a range of options to help you.

## **Multi-Asset Portfolios**

An investment solution that takes away some of the tax complexities of having a portfolio of individual stocks. Investing in a fund pools your clients' assets with others and gives the fund manager full discretion to manage that fund in accordance with the stated investment objective.

## **Bespoke Discretionary Portfolio Management**

Often clients will want an individual portfolio of stocks or funds, tailored to their specific investment objectives. This might be because they hold some cherished stocks that they are unwilling to sell or are sitting on large taxable gains. An individually tailored portfolio can be a solution for those clients looking for a more bespoke approach.

## **Inheritance Tax (IHT) Portfolio Service**

Investors looking to pass on more of their wealth can do so via a discretionary investment portfolio that invests in AIM stocks which, as well as looking to benefit from the growth of the AIM market, can also be held outside of one's estate if held for two years or more.

## **Managed Portfolio Service (MPS)**

For a lower-cost option to investing, via a risk rated approach, the MPS could be an appropriate solution that allows you to keep on top of your clients' investments safe in the knowledge that there is a robust investment process that aims to maintain the risk rating.

## **Tailored Platform Solution (TPS)**

Many advisers recognise the value of outsourcing the investment management function allowing them to focus solely on giving advice. The TPS allows for wholesale outsourcing where portfolios are managed via your chosen platform to your specific asset allocations, ensuring they are suitable for your in-house risk mapping.

# Why JM Finn?

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JM Finn has been managing investment portfolios for investors since 1945 when our founder, a successful commodities trader, had the foresight to predict the collapse of the commodities market following the Second World War.

With his money market experience he sought out and bought Kenneth Carr Stockbrokers, who had a history going back to the mid-19th century. From this point on JM Finn set in motion an investment firm that put the service it gives to his clients above all else.

Since that time the firm has grown, expanding its services from private clients to financial advisers and evolving from a specialist stockbroking firm to an award-winning discretionary portfolio manager.



## Award-winning services

JM Finn draws upon a wealth of experience to provide a straightforward solution to managing client portfolios and we are incredibly proud of the awards and nominations that we have achieved to date.

### Gold Standard Awards

- Discretionary Fund Management 2018: Winner

### City of London Wealth Management Awards

- Wealth Management Company of the Year 2019: Nominee
- Discretionary Wealth Management Award 2019: Nominee
- Best Discretionary Service 2018: Nominee
- Best Discretionary Service 2017: Winner
- Best Discretionary Service 2016: Winner

### Goodacre Systems in the City Awards

- Best Online Development: Winner 2017 for JM Finn's client portal

### Professional Adviser Awards

- Best Discretionary Fund Manager Award 2017: Shortlisted

# Uncomplicated Administration

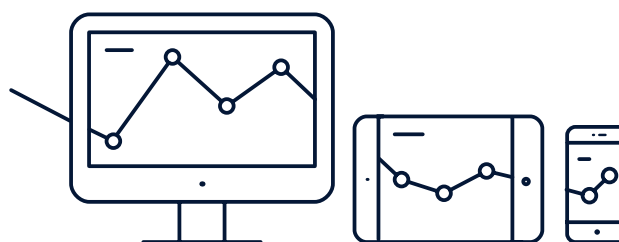
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When looking to outsource to a specialist investment manager, you will need the peace of mind that their systems, tools and resources are up to speed in order to provide a seamless and straightforward service so you can focus on your client.

## Platforms

Some of our discretionary portfolio management solutions are available via external platforms, however, where you are looking to change platform or you have not committed to one, you are able to draw on the long-standing experience of our own in-house administrative capability.

We manage and administer assets worth over £9bn on behalf of more than 30,000 client accounts on our internal platform, which comprises a fully integrated investment administration function, including an ISA provider, as well as in-house compliance and broader support functions. We work hard to ensure our systems incorporate the latest controls, with procedures in place to ensure your clients' assets are ring-fenced away from the firm's balance sheet via our own nominee account.



## Online access

Advisers will be provided with access to our secure, award-winning client portal allowing you and your staff to view all your client portfolios across our range of services. Importantly we have a library function that ensures that client documentation is available online.



# Multi-Asset Portfolios

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**Our multi-asset portfolios are three funds within a fund family called Coleman Street Investments (CSI). Investing via a fund, as opposed to an individually tailored portfolio, allows for diversification across a broad range of asset classes which can help reduce volatility, even for smaller portfolios.**

A pooled approach can also be a cost effective means of ensuring your investments are managed by a professional investor, and what makes JM Finn's CSI funds different are their holdings in direct stocks, as well as collective funds.

## Coleman Street Investments

With three portfolios you can choose to invest your client's assets for Growth, Income or Income & Growth.

As investors in CSI, your clients will be invested in one of the above funds, which are Luxembourg based SICAVs (a collective investment scheme similar to a unit trust), which is recognised by the UK Financial Conduct Authority (FCA) and has HMRC reporting status.

## Consistent investing

The funds are managed via a consistent and disciplined approach. By drawing upon the wider, long-established investment expertise, the funds are focused on delivering superior, risk-adjusted returns over the long term.

Using a dynamic approach to asset allocation, inspiration for investment ideas is drawn from the core stock list, which is monitored by the in-house research team. The funds, unrestricted by sector and market capitalisation, will typically invest via direct equities for UK exposure and use third party funds, for overseas and specialist sector exposure.



### Key features:

- ✓ Three distinct investment objectives
- ✓ Managed to a medium risk profile
- ✓ Long term investment horizon
- ✓ Bottom-up stock picking approach
- ✓ Exposure to a broad range of asset classes
- ✓ Eligible for ISAs
- ✓ Direct investing helps keep costs down
- ✓ Risk mapped to Dynamic Planner and eValue



# Bespoke Discretionary Portfolio Management

**Whatever your client's investment goals, be it growth, income or a combination of the two, our Discretionary Portfolio Management service can make investing in the stockmarket simpler.**

Using our expertise, we will manage a portfolio with the individual investment objectives in mind, allowing you to focus on the other aspects of your client's wealth.

Our portfolio management services can be used to manage a wide range of investment vehicles, including:

- Personal pensions, such as a SIPP or a SSAS
- ISAs
- Trusts
- Bonds and other tax wrappers

## Investment approach

At JM Finn our investment philosophy has been shaped by our long term experience of investing on behalf of private clients, leading us to adopt a long term, conservative attitude to investing.

Many of our clients see long term capital preservation as an important investment objective, with the aspiration that investment in stock markets could provide returns in excess of bank rates and/or inflation but in the knowledge that returns cannot be guaranteed in an uncertain world.

## Direct investing

Our portfolio management services are built primarily around a selection of direct stocks and funds designed to meet your client's individual investment requirements, underpinned by a focus on first-hand and detailed research of the underlying investments.

## Focused research

In addition to third party research, each year we meet with an extensive range of well-established UK PLCs which allows us to appraise the individual company in addition to giving an invaluable insight into the industry, sector and wider economic picture. This first-hand information fosters a better level of understanding and assists our investment managers in managing portfolios.



### Key features:

- Direct investing
- Long term approach
- Tailored to client's specific goals or constraints
- Supported by focused research
- Flexible and reactive investing
- Suitable for ISAs, SIPPS, Bonds and other tax wrappers

# Inheritance Tax Portfolio Service

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**It is possible to mitigate the effects of Inheritance Tax via a number of solutions, one of which is an Inheritance Tax Portfolio Service which invests to achieve Business Relief.**

## Business Relief

Investments qualifying for Business Relief (BR) have two key criteria: they must be trading companies, thus excluding investment companies and shell, or dormant, companies and they must be unquoted, which for the purposes of BR includes shares listed on AIM and the NEX Exchange Growth Market.

## Inheritance Tax Portfolio Service

The service comprises an individually tailored portfolio of qualifying investments that, under current legislation, falls outside a taxable estate if held at death, and as long as they have been held for a minimum of two years.

## Established investment approach

The approach employed in purchasing AIM stocks is to buy at attractive valuations, with a specific focus on not overpaying for shares at any given time. To do this on a consistent basis we constantly review the market to ensure we have sufficient breadth of opportunities to invest in.

## Benefits

There are three key benefits to trying to reduce an estate's IHT burden via the BR route:

- **Simplicity** - there is no need to set up a trust, or engage with any complex legal structures.
- **Speed** - unlike other IHT mitigation schemes, there is no need to wait seven years for the tax relief to take effect.
- **Flexibility** - thanks to the ease of access, should circumstances change, the holdings can be sold, subject to liquidity, whenever necessary.

## Risks

Because of the nature of the markets in which the portfolio invests, the shares are deemed to be high risk investments, and the possibility of losing money is therefore also high.



### Key features:

- ✓ IHT mitigation a primary focus
- ✓ Simpler than setting up a trust
- ✓ Flexible should circumstances change
- ✓ A founding contributor to the ARC IHT Portfolio Indices
- ✓ Long-standing investment process

# Managed Portfolio Service (MPS)

**The MPS comprises five model portfolios which each use one of the five WMA Private Investor Indices as their comparator.**

In order to achieve its objective, each portfolio will invest across the range of asset classes that make up the relevant WMA Private Investor Index through the use of regulated, UCITS-compliant collective funds only. Asset classes that may be included in a portfolio are: UK equities, international equities, bonds, commercial property, alternatives (commodities, absolute return, private equity, infrastructure) and cash.

## Rebalancing

Each portfolio will be rebalanced back to our chosen asset allocation at least twice a year. At our discretion rebalancing may be more frequent than this.

## Core-Satellite Investing Approach

The five portfolios are managed via a blend of active and passive investment strategies designed to meet a specific investment objective.

Core holdings take the form of passive investment products such as Index funds and Exchange Traded Funds (ETFs). The Satellite holdings are more specialised, actively managed investment products where the manager aims to outperform a benchmark on a relative basis.

Integrating passive strategies into the Core of the portfolio enables broad diversification delivered at an affordable cost. By adding some more actively managed Satellites to the mix, the aim is to seek to deliver outperformance relative to the index over the longer term.



### Key features:

- ✓ A range of five portfolios that blend both passive (Core) and active (Satellite) investment strategies
- ✓ The five WMA Private Investor Indices have been chosen as the comparator indices
- ✓ The portfolios have been mapped to both Dynamic Planner and eValue
- ✓ Only UCITS compliant, regulated collectives are used in the portfolio construction
- ✓ Disciplined rebalancing policy manages risk, responds to shifts in global markets and guards against portfolio drift



# Tailored Platform Solution (TPS)

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The Tailored Platform Solution leverages our managed portfolio service infrastructure and is aimed at intermediary firms looking to complement their advisory proposition by insourcing a discretionary fund manager to build and run a centralised investment proposition on their behalf, via a wrap platform.

## Central investment proposition (CIP)

The CIP is built to the remit of the Intermediary firm on one of the platforms with whom JM Finn have a DFM agreement. The Intermediary is treated as our client, acting as agent on behalf of the underlying investor – this tripartite arrangement allows the Intermediary to retain control of the client relationship, and custody of the assets via their chosen platform.

## Integrating a low-cost, scalable solution into your proposition

Once built on platform, the CIP can be used both for new business as well as any legacy business that could be migrated from existing Advisory portfolios to the new Discretionary option.

We can help transition an asset migration by taking into consideration existing Advisory fund holdings during the initial portfolio construction phase. We currently have DFM arrangements in place with Ascentric, Transact, 7IM and Praemium.



### Key features:

- ✓ Model Portfolios built to Intermediary's remit
- ✓ Portfolios blend passive and active funds
- ✓ A disciplined fund selection process
- ✓ Custody of assets via Intermediary's platform
- ✓ Intermediary retains client relationship

# Overview of Services

On the basis that investors are individual, having a range of investment services allows advisers to find suitable options for different investment profiles.

Discretionary					
	Unitised	Bespoke		Models	
	CSI	Bespoke	IHT Portfolio Service	Managed Portfolio Service	Tailored Platform Solution
Minimum Investment	£20,000	£100,000	£100,000	£100,000	£15m-20m over 3 years
Investment Approach	Direct stocks and collectives	Direct stocks and collectives	Direct AIM stocks	Collectives only, Core-Satellite approach	Collectives only, Core-Satellite approach
Risk Mapped	✓	x	x	✓	x
Account Structure	Pooled (SICAV)	Segregated	Segregated	Segregated	Segregated
ISA Available	✓	✓	x	✓	x
Available on 3rd Party Platform	✓	x	x	x	✓
Online Reporting	✓	✓	✓	✓	Platform dependent
Paperless Reporting Option	✓	✓	✓	✓	Platform dependent



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# Important Notes

**This document is intended for professional advisers only and not to be passed on to retail clients.**

Investment involves risk. The investments discussed in this document may not be suitable for all investors.

The value of investments and the income from them can go down as well as up and investors may not get back the amount originally invested. This document is for information purposes only and has no regard for the specific investment objectives, financial situation or needs of any specific investor.

# JM FINN

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GA-SPA-01-0719