



P1 Investment management fact sheet



What is your corporate background?

P1 Investment Management Limited is an investment management firm directly authorised by the Financial Conduct Authority. It allows financial advisers and their clients to access the investment management expertise and portfolio track records established and operated since 2012.

P1 has spun out of an established Chartered Financial Planning firm with its roots established in 1991. P1 is now independently owned and controlled, and operates as an entirely distinct entity.

P1's main office is in Exeter but we operate across the country.

Why should I consider using your discretionary fund management service?

P1 provides a highly efficient and low-cost managed portfolio service designed for the 21st century financial adviser and their clients. We do not have any financial advisers of our own and seek to enhance and protect the trusted adviser-client relationship. We allow co-branding of factsheets and other marketing material should it be desired.

P1 is an adviser-led proposition and will continue to develop in line with adviser requirements. The adviser remains the central focus and retains full control of the client relationship whilst outsourcing the investment management workload.

In an industry that is often backward-looking and rooted in the past, we embrace technology where possible to improve our service, reduce costs, and ultimately enhance client returns.

What is your approach to discretionary fund management?

Our investment process is divided into the following key areas:

1. Understanding client objectives, attitude to risk and capacity for loss;
2. Establishing an appropriate asset allocation framework;
3. Selecting specific investments;
4. Implementing the portfolio strategy;
5. Quarterly rebalancing/monitoring to ensure the portfolio remains diversified and in line with risk profile.

With the client outcome in mind, our investment process combines our strategic and tactical asset allocation with stock selection and portfolio construction to add further value. Our portfolios are built around core holdings with satellite tactical investments aiming to take advantage of shorter term themes. We use both active and passive investments, creating blended portfolios. Passive investments are used where we believe active managers are not able to add value sufficiently to justify the higher charges. As a result we believe that our portfolios have the ability to outperform while having a lower overall cost. We source investments from the whole of the market using our in-house research team and Investment Committee. Therefore, we invest based only on suitability for clients and are not influenced by other factors.

Investment changes, Rebalancing and Ongoing Monitoring: Sales of a fund will be made if it is removed from the panel or if the rationale for the fund being held within a portfolio is no longer true. Furthermore, if there is a more attractive opportunity or a change in the asset allocation that requires a reduction these will also result in the selling of a fund. Quarterly rebalancing ensures that a portfolio does not become over concentrated in areas that have done well and realigns the portfolio fully with our most recent asset allocation decision. Performance contribution analysis of the portfolio enables us to identify areas that require addressing as well as furthering our understanding of the interaction of funds' returns and their implications on a portfolio level. All the model portfolios are subjected to a comprehensive quantitative risk analysis on a six monthly basis to highlight areas which could present an unforeseen risk.

Strategic Asset Allocation (SAA): We analyse long term real returns of different asset classes and geographic areas as well as the ability of active fund managers to add value in those sectors. By tilting portfolios towards areas where we believe active managers can add greater value portfolios receive a greater benefit from this expertise. The SAA is generated on a long term view, being longer than 5 years.

Tactical Asset Allocation: Our Tactical Asset Allocation (TAA) is a shorter term view and is a result of our outlook on the global economy, monetary and fiscal policies, valuations and currency. There is ongoing idea generation and changes are formally discussed at quarterly investment committee meetings. We will look to move the level of risk borne by a portfolio, within the bounds of the risk profile, when we see opportunities or concerns. Overweight and underweight positions will be limited to ensure that diversification is maintained and there is no concentration of risk. We will look to tilt the portfolios towards areas which we believe represent the best opportunities, yet are not fully appreciated by the market. In the shorter term we will look to identify catalysts for positive change.

Stock Selection: A panel of researched, approved and monitored investments is maintained. Our panel of approved investments includes a range of potential holdings that can be used in different scenarios and which can be used to exploit a range of opportunities. Typically 25% of a portfolio will be invested through passives, however, this will vary dependent on asset allocation, availability of appropriate passive investments and portfolio objective.

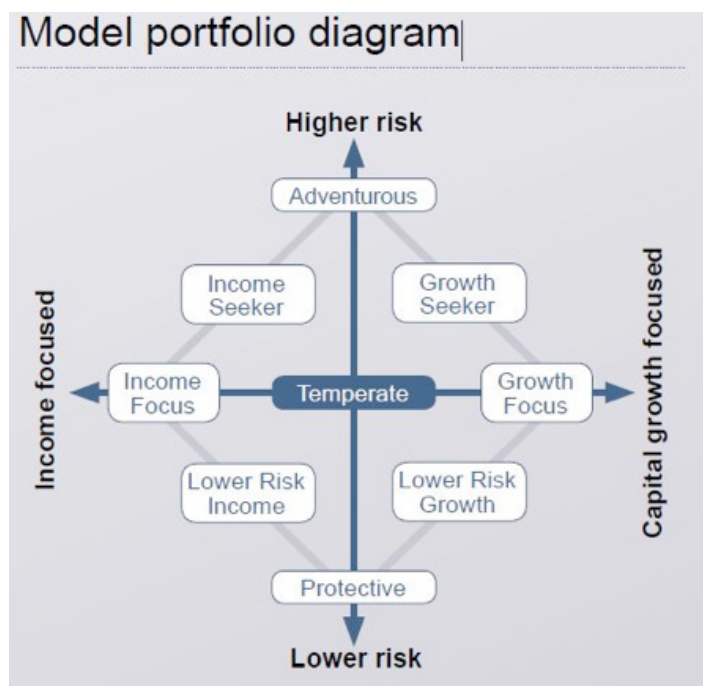
Portfolio Construction: Appropriate investments are selected from a fund panel to meet the tactical asset allocation determined by the portfolio's risk profile and the portfolio objective. Core holdings are used to build the bulk of the portfolio. Such holdings are likely to have a long time horizon and are investments we expect to outperform consistently. Tactical holdings are used when there is a perceived opportunity in the market. Where portfolios have higher income objectives, the tactical asset allocation may be slightly adjusted to ensure that the income target is met. The changes will not affect the overall risk level of the portfolio and are only done to the satisfaction of the investment committee.

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What investment solutions can you offer through the Nucleus platform?

P1 will initially offer a range of nine model portfolios spanning five risk levels and three primary objectives – income, capital growth and balanced (please see diagram below). Most portfolios have a track record approaching five years.

Each model portfolio has a Synaptic risk rating and is mapped to an equivalent Oxford Risk level.



What are your fees?

The cost of P1's Managed Portfolio Services is 0.25%, dropping to 0.1% for funds over £1million. Following a recent European Union Court of Justice ruling, P1 Investment Management does not charge VAT on the management of Model Portfolios.

Who should I contact to discuss the service further?

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