



Marketstar Investment Management fact sheet

What is your corporate background?

Marketstar Investment Management Ltd. is a discretionary fund manager specialising in risk-controlled investment management through our highly acclaimed range of risk progressive model portfolios.

We offer professional portfolio solutions that aim to deliver consistent returns with no nasty shocks. Since our formation in 2006 we have managed our client's funds with special emphasis on capital preservation and consistent returns by focusing on downside risk management.

Marketstar Investment Management is part of Moneygate Group Ltd, a private limited company specialising in retail financial services. Marketstar is authorised and regulated by the Financial Conduct Authority – FRN 457558.

We service the investment needs of private clients, family offices, corporate accounts, trustees and charities and work closely with their financial advisers to offer a holistic service.

Why should I consider using your discretionary fund management service?

We believe our focus makes us different and our ethos resonates with financial advisers and their clients.

We stand for:

- Risk controlled investment management with a focus on capital preservation.
- Clearly stated risk parameters on each portfolio with volatility control so that you and your clients can sleep at night with no nasty shocks.
- Meaningful benchmarks – maximum expected loss parameters and inflation plus returns represent unambiguous benchmarks that clients understand i.e. how much can I lose and what is my expected return for that level of risk.

Controls & Processes

We believe in strong controls and processes to deliver robust architecture within which our portfolio managers can still exercise a level of freedom and flair. Every aspect of our portfolio management is scrutinised by our Investment Committee on which we procure independent representation. The activities of our Investment Committee are routinely audited by an external independent body.

Portfolio Management & Integrity

Our model portfolio management team and analysts have very different roles. Our model portfolio managers work on top down asset allocation seeking to establish which markets or assets are likely to deliver the best relative returns and desired risk attributes over various time frames. Our analysts work constantly on reviewing the whole of markets range of funds and instruments. This involves regular quantitative screening and a qualitative process that involves hundreds of meetings with fund management groups to produce a buy list. The portfolio managers

then use the buy list to populate the asset allocation. We believe that separating out the qualitative analysis leads to complete objectivity when our portfolio managers choose buy list funds because they do not have one to one relationships with fund houses and their teams that may 'cloud' judgement. To add further integrity to our process, we cover all travel, accommodation and subsistence costs for our portfolio managers and analysts during research and fact finding, and neither can accept any corporate hospitality. We can obtain any information from fund houses without attending a sporting event or lavishly expensed conference with hospitality.

Cost Control – Actives & Passives

We do not subscribe totally to either the active or passive arguments. There are times when passives offer a viable solution, particularly in highly efficient developed markets or when we require "risk on - risk off", but a good active manager can beat an index decisively over the long term. We hold a blend of active and passive funds in our portfolios; the passive strategies help us reduce costs and the active help us deliver enhanced returns and risk control.

Size matters

Finally, we believe our relatively small size will deliver significant competitive advantages over the coming years. Independent research has already demonstrated that Marketstar has delivered some of the best risk adjusted returns in the DFM model portfolio sector. It is what we do well and represents around 90% of our activity.

What is your approach to discretionary fund management?

Our approach is based on logical processes and prudence.

High Level Strategic Asset Allocation

It is apparent that many managers are too simplistic in their approach to asset allocation. We supplement the three traditional asset classes of equities, bonds and cash with a range of alternative non-correlated assets to deliver lower volatility and broaden diversity in our portfolios.

Our research team looks at the relative performance of sub-asset classes to focus on those which are suited to the expected economic environment. Our fund research focuses on the performance and volatility of funds under different market conditions which allows us to separate them into lower and higher risk instruments – irrespective of their traditional labels.

In simple terms we control portfolio risk with this mix of lower risk and higher risk assets. With additional tactical asset allocation overlay and good underlying fund and instrument selection, we are able to deliver excellent risk adjusted returns and much greater risk control.

Sensitising Asset Allocation

We focus on controlling portfolio risk, preserving capital and delivering performance with no nasty shocks. To achieve this we continually sensitise our portfolio asset allocation to withstand greater volatility. This process enables us to determine how close we 'could' come to our stated portfolio drawdown parameters in the event of a near term 'shock' and facilitates the decision-making process for our managers and asset allocation team.



Marketstar Investment Management fact sheet

What investment solutions can you offer through the Nucleus platform?

Marketstar offers the following model portfolios:

Model Portfolios on Platform – Active (MPP-A):

- Positive Return Portfolio – RR2
- Defensive Growth Portfolio – RR3
- Conservative Growth Portfolio – RR4
- Conservative Income Portfolio – RR4
- Diversified Growth Portfolio – RR5
- Diversified Growth Portfolio – RR5
- Dynamic Growth Portfolio – RR6
- Speculative Growth Portfolio – RR7

Intelligent Passive Portfolios (IPP):

- Defensive Growth Portfolio – RR3
- Conservative Growth Portfolio – RR4
- Diversified Growth Portfolio – RR5
- Dynamic Growth Portfolio – RR6
- Speculative Growth Portfolio – RR7

These solutions are available within the GIA, ISA, SIPP, Onshore and Offshore Investment Bonds on the Nucleus platform for individual, joint and trustee accounts.

What are your fees?

Active model portfolios: 0.40% + VAT.

Intelligent Passive model portfolios: 0.24 + VAT.

Bespoke portfolios: 0.95% + VAT balance up to £1m - 0.50% balance over £1m - 0.25% balance over £3m.

Who should I contact to discuss the service further?

For more information please contact:

Client Services

t: 01278 773 552

e: info@marketstar.co.uk

Mark Woods

e: mark.woods@marketstar.co.uk

Oliver Stone

e: oliver.stone@marketstar.co.uk