

Our Investment Philosophy and Methodology



Our approach to investment and fund selection is based on a considered and carefully studied process which pulls together what we consider to be the leading investments across the main geographical sectors and asset classes. We analyse funds on many levels and this includes the following criteria:

- Fund Ratings from the Independent ratings agencies (S&P, OBSR, FE Crown Rating). We are looking for high ratings here, showing consistency
- Quartile Rankings of the funds over 3 and 5 years. We look for 1st or 2nd quartile performers, not only on a cumulative basis, but that they achieve this in at least 3 of the last 5 years on a discrete basis
- Fund Manager's tenure and ranking (Trustnet, Lipper). A longstanding manager will be more favourable
- The fund volatility relative to the likely returns. Here we are looking at funds that are able to achieve results without undue volatility

Our research takes into account at the full range of funds available in the retail market and this will then have been narrowed down using the above criteria to a panel of around 4 to 5 funds for each sector which we believe would be suitable for our clients as appropriate to their agreed risk profile.

As past performance is not an indication of future performance and only really tells us how successful the fund was when compared to their peers, it is therefore just as important that we review our panel of selected investments every 4 months. If any fund falls into the 3rd or 4th quartile in it's peer group we will then put them onto a "watch list".

With our 3 strikes and out policy, any fund that does not move into at least the second quartile by the time of the third review will be given a cold review and either removed and replaced, or given the chance to improve for a further agreed period, if there is a compelling reason for doing so. Clients in that fund will then be contacted and offered the opportunity to transfer their investment to the new fund. We will also keep an eye on the fund market in general should any adverse events arise that should jeopardise the position of a fund on our panel. We therefore believe that this process, which is in itself constantly reviewed and evolving, ensures we maintain our high standards and quality control and demonstrates our commitment to looking after our clients monies.

www.blackstonemoregate.com

Barbican House 26-34 Old Street London EC1V 9QR United Kingdom
Tel: 020 7549 4463 Fax: 020 7250 1402 Email: info@blackstonemoregate.com