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# PK WEALTH

Multi-Asset Services

- ❖ Bespoke Portfolio Service
- ❖ Managed Portfolio Service
- ❖ Sustainable Portfolio Service

Discretionary Multi-Asset Portfolio Management

Investment Philosophy, Strategies, Process and Risk Management

PK Wealth works with the following adviser platforms:



## PK Group and PK Wealth Background

PK Group was founded in 2003 and provides accountancy, tax planning, financial planning and investment management services to corporate and individual clients. PK Wealth (a member of PK Group) provides discretionary investment management services to a range of clients. The team works with private individuals, companies, trusts and charities in conjunction with their advisers.

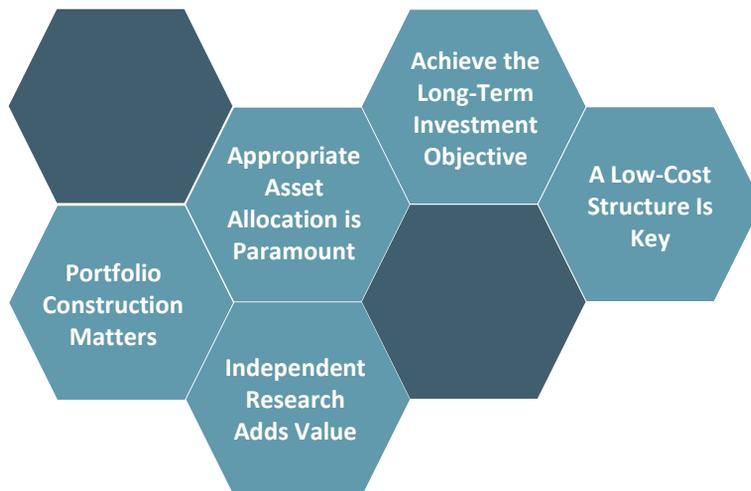
### Summary of Multi-Asset Portfolio Services

	Bespoke (PKW BPS)	Managed (PKW MPS)	Sustainable (PKW SPS)
Number of risk profiles	Five	Five	Five
Personalised risk profile	Yes	No	No
Minimum investment	£200,000	£50,000 (per individual a/c)	£50,000 (per individual a/c)
Number of underlying investments	20-25	20-25	20-25
Rebalancing activity	As appropriate	As appropriate	As appropriate

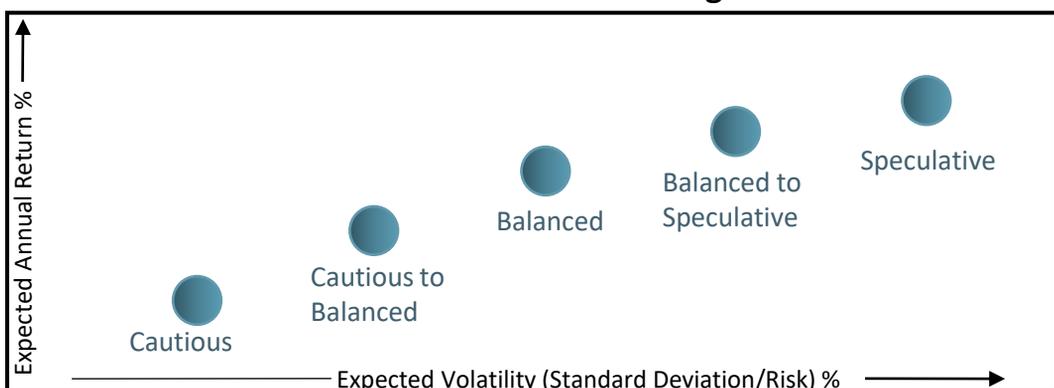
### Investment Suitability

A financial adviser will discuss each investor's requirements and suitability so they can invest in the most appropriate product. The discussion will cover investment objectives, financial situation, attitude to risk and capacity for loss.

### PK Wealth Investment Philosophy



### Five Core Portfolio Strategies

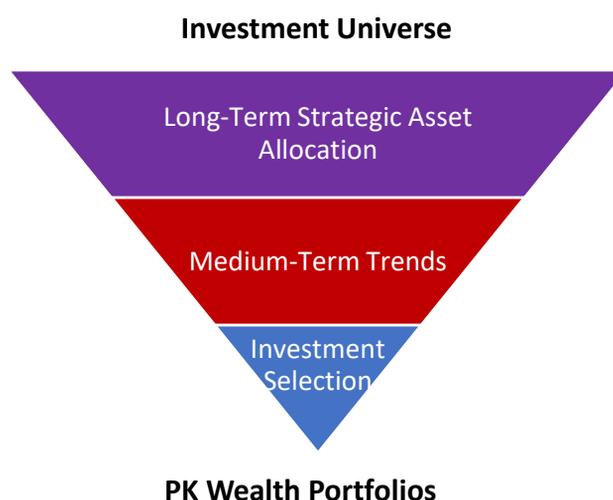


PK Wealth manages both active and passive portfolios for each strategy using a clearly defined investment process.

## PK Wealth Investment Process

➤ Asset Allocation Ranges
➤ Risk Boundaries
➤ Portfolio Optimisation Testing
➤ Proprietary Research & Investment Selection Process
➤ Blend of Different Investment Styles
➤ Regular Portfolio Reviews

- **Long-Term Strategic Asset Allocation** Asset allocation effectively sets a framework for the long-term management of a portfolio. Our aim is to find a group of assets that have the potential to generate a target rate of return over the long term (ten years plus) adopting a sensible level of risk. We look at long-term historic returns, volatility and correlation characteristics of a range of different asset classes represented by underlying market indices. We then factor in forward market assumptions to come up with a balanced and risk-adjusted allocation to selected assets which collectively have the potential to deliver a future rate of portfolio return.
- **Medium-Term Trends** Portfolio positioning is based on a two to three-year investment outlook and facilitates identification of short/medium-term investment opportunities. In-house research focuses on different factors including style (value/quality), size (market capitalization), and market themes.
- **Investment Selection** Our process combines Morningstar screens with proprietary research including a detailed Fund Manager Questionnaire and Fund Manager meetings. Our research analyses market returns, volatility (risk) and correlations across global asset classes. The investment universe includes OEICs, Unit Trusts, Investment Trusts and Exchange Traded Funds.
- **The PK Wealth buy list** confirms all assets reviewed by our due diligence process and proprietary scoring system. Portfolios generally consist of 20-25 holdings to ensure global multi-asset diversification.



## PK Wealth Estimated Future Returns and Portfolio Volatility

Risk Profile	Cautious	Cautious to Balanced	Balanced	Balanced to Speculative	Speculative
Estimated Future Average Return	3.1%	3.9%	4.6%	5.2%	5.9%
Expected Volatility	5.9%	7.6%	9.4%	11.1%	13.4%

## **Risk Management**

- We set guideline volatility ranges for each risk profile based on long-term data. Asset allocation ranges are also established for each risk profile.
- Portfolio analysis provides a better understanding of investment return profiles over the long-term, forecasting the maximum potential gain or loss in any calendar year.
- Liquidity constraints are a key consideration for initial investment selection.
- A market cap filter is applied, diversifying exposure across a range of companies as appropriate.
- Gearing (the level of debt relative to equity) is monitored closely across all investment vehicles.

## **How is Portfolio Performance Measured?**

Performance is measured net of all costs against three metrics:

1. Each portfolio's long-term return objective
2. A range of relevant market indices (eg FTSE 100, S&P 500)
3. Peer group indices (ARC Private Client Indices, IA sectors)

## **Fees**

- Each portfolio service has an annual management fee, adviser platform custody, dealing and administration fees, and an underlying investment fee. In addition there may be an adviser charge.

## **Custody Services and Security**

- Client assets are administrated by third-party FCA-regulated custodians. All assets are held electronically in segregated nominee accounts for security purposes and all stock and cash reconciliations are carried out in accordance with FCA rules. In the unlikely event of a default by the custodian, your assets would be allocated to you as the beneficial owner. You may also be entitled to make a claim from the Financial Services Compensation Scheme (FSCS) if appropriate.

## **Agent of the Client**

- PK Wealth operates on an Agent of the Client basis (Reliance on Others), managing the suitability of each underlying investment within portfolios. Each adviser has responsibility for the suitability of the mandate and appointing the Discretionary Manager. PK Wealth has responsibility for managing the portfolio assets. PK Wealth accepts responsibility for investment management compliance and MiFID notifications and importantly does not abdicate this responsibility back to the platform or introducing IFA.

### **IMPORTANT INFORMATION**

Past performance is not a reliable indicator of future returns. The value of investments and the income derived from them can go down as well as up and you may not get back the amount invested. PK Wealth is responsible for managing the model portfolios and the professional adviser is responsible for advising the client on portfolio selection and for assessing the suitability of the selected portfolio for each client on an ongoing basis. Each strategy rebalance will simultaneously impact all clients linked to that risk portfolio.

The information in this document does not constitute advice or a recommendation and is for the information of the recipient only.

Investment management and portfolio services are provided by PK Wealth Limited which is authorised and regulated by the Financial Conduct Authority. PK Wealth Limited is registered in England (number 08991126).