



PLATINUM FINANCIAL

NURTURING YOUR FINANCIAL FUTURE

Wealth Management
Our Investment Process

So, what is wealth management?

The difficulty with answering this question is that wealth management means different things to different people. Banks, building societies and insurance companies all offer 'wealth management' but all of their propositions differ greatly.

At Platinum Financial Planning Limited we believe there are two fundamental elements to successful wealth management.

These are:

Financial Planning – identifying your financial goals and objectives for a sustainable financial future.

Investment Management – identifying the most appropriate investment and constructing a diversified portfolio of investments to match your appetite for risk and capacity for loss.

It is this blend of financial planning and investment management, all under one roof, that forms the heart of our Wealth Management service. This brochure focuses on the latter of the two, offering an insight into our Investment Process and what this means for you.



Our Investment Process

Deciding how best to invest your money can be daunting. With so many options available and so many uncertainties, how do you choose what's right for you?

Our job is to eliminate as much of that uncertainty as possible and to work with you to identify the most appropriate way for you to achieve your financial goals.

The Platinum Financial Investment Process is designed with that in mind. It creates a framework for us to assess and agree your attitude to risk, your capacity for loss and then to build and manage an investment portfolio to match.

By working through a series of logical steps, you will gain a better understanding of the reasoning behind our recommendations and be confident in the resulting choice of investments.

The stages of our Investment Process are shown below. This document explains how we manage each stage of the process together.





TAX WRAPPER SELECTION

Selection of Tax Wrappers (ways to hold your investments)

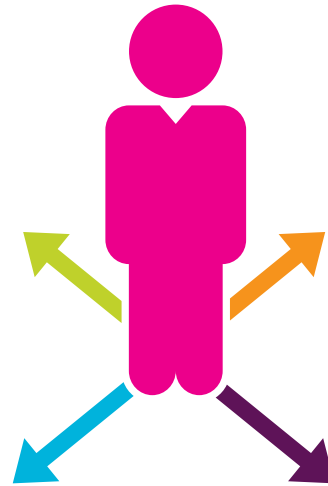
A tax wrapper is a financial product, such as a pension, ISA or bond, within which your investments can be held and which usually has certain tax benefits. Once we have established your financial goals we can begin to determine the most appropriate tax wrapper(s) to meet your needs.

Platinum Financial Planning offers advice on a full range of tax wrappers;

- Individual Savings Accounts (ISA)
- Unit Trusts
- Open Ended Investment Companies (OEICs)
- Personal Pensions
- Investment Bonds
- Investment Trusts
- Venture Capital Trusts (VCT)
- Enterprise Investment Schemes (EIS)
- Exchange Traded Funds (ETF)

If appropriate, we may recommend investing via an investment platform. This is a way to hold, monitor and manage all of your tax wrappers in a single place.

Using an investment platform makes it easy to manage and monitor your portfolio, ensuring that your investments are performing as expected and remain in line with your risk profile.



TAX TREATMENT IS BASED ON INDIVIDUAL CIRCUMSTANCES AND MAY BE SUBJECT TO CHANGE IN THE FUTURE.

INFORMATION IS BASED ON OUR CURRENT UNDERSTANDING OF TAXATION LEGISLATION AND REGULATIONS. ANY LEVELS AND BASES OF AND RELIEFS FROM TAXATION, ARE SUBJECT TO CHANGE.

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RISK
ASSESSMENT

Understanding your Attitude to Investment Risk

Whatever your goals, we want to be sure that the investment strategy we recommend for you is in line with your attitude to investment risk. To do this we need to consider a number of factors. These include:

- The anticipated length of time you want your investment to last- its 'term'
- Cash reserves you want to be available to meet unexpected circumstances
- Your view of the potential for your earnings to grow
- How much money you want to invest
- Whether you have any debts
- Existing savings for retirement
- Your overall view on investing
- Your goals - and whether you really need to take on risk to achieve them
- The impact of short-term falls in the value of your investments
- The importance of protecting your investment from the effects of inflation
- The question of liquidity: How easy is it for you to access your capital?

To establish your attitude to risk we will ask you a series of questions. Each answer produces a score which is aggregated to calculate your specific level of tolerance for risk. We call this your risk profile score. Our risk profiling questionnaire has been developed in association with a leading Actuarial Consultancy, in line with the best industry practice and guidelines laid down by our regulatory body, the Financial Conduct Authority (FCA).

Many of the terms commonly used to describe attitudes to investment risk such as 'cautious', 'balanced' or 'aggressive' can mean different things to different people. That's why we aim to make our assessment of your attitude to risk as objective as possible. The next stage of the process is a discussion about what your risk profile score means.



Platinum Financial
were a fantastic help to me!
Very patient and
understanding - have already
recommended to so many
people and will continue to do
so. Thank you for everything.
(D. Milligan)



RISK DISCUSSION

Discussing Your Risk Profile Score

Your resulting risk profile score is an indication of the extent to which you are prepared to accept a short-term fall in the value of your investments as markets go through their ups and downs. These fluctuations in the value of investments are also known as their 'volatility'.

If your score is low, then low volatility investments such as cash or bank deposits could be the resulting investment recommendation. If your score is high, then we might recommend a portfolio which includes investments in asset classes such as emerging markets, whose expected higher volatility is matched by greater growth potential.

Before making recommendations based on your Risk Profile Score we want to be sure that you understand what that means and what its implications are.

We will discuss with you how investment gains and losses might vary between different risk levels, to give you a better idea of the outcome you could expect at each level. In this way we can agree with you whether your Risk Profile Score accurately matches your true attitude to risk.

We want to ensure that your circumstances have not changed and that your attitude to risk remains the same. We can assess your attitude to risk at regular intervals as part of our Review Service.



THE VALUE OF INVESTMENTS AND INCOME FROM THEM CAN GO DOWN. YOU MAY NOT GET BACK THE ORIGINAL AMOUNT INVESTED.
PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE PERFORMANCE.



ASSET ALLOCATION

Creating an Asset Allocation (in line with your risk profile score)


Asset allocation involves getting the balance of assets in your portfolio right. The funds available for you to invest in are categorised under different asset classes depending on their particular focus.

These main asset classes include;

- Cash or money market investment
- UK fixed interest
- International fixed interest
- Property
- UK equity
- International equity

Different types of assets have different performance characteristics, so our aim is to allocate the right mixture of funds to your portfolio. Over time, the peaks and troughs of their performance balance each other out in a way that is optimised for your particular risk profile score and your expectations for growth.

Asset allocation is based on long-established and well-proven mathematical principals. We use a leading Actuarial Consultancy for this part of the investment process. We should point out however, that even with this level of expertise behind us, we still can't guarantee that the volatility range of a particular asset allocation will not be breached occasionally. There is always the possibility of exceptional market conditions due to unanticipated external events.



I have been a client of Platinum's for quite sometime. During this time I have found their advice to be consistently reliable and impartial.

(A. Garrett)

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FUND SELECTION

Selecting Investments to Match Your Asset Allocation

Once the asset allocation stage is complete we need to choose appropriate funds to reflect the various asset classes within your portfolio.

When selecting funds within an asset class we can take an active or passive approach to our fund selection. An active approach is when a fund manager uses their skill to select stocks that will perform better than average. Passive funds don't try to outperform the index; they just try to match it as closely as possible.

The cost of active fund management is typically greater than passives. We believe that carefully selected active fund managers will typically be able to identify opportunities for 'outperformance' - doing better than average. However, there may be cases where we don't feel an active approach can offer the outperformance required to justify the increased costs, in this case we may adopt a passive approach to our fund selection.

There are many ways of judging the performance of fund managers - their past performance is not necessarily a guide to what they might achieve in the future.

The first thing we will do when selecting a fund is look at a detailed set of criteria such as the size of the fund, how long the manager has been running the fund, how much risk the manager has taken and whether it is representative of the asset class within the portfolio.

As well as these quantitative measures, we also require a qualitative assessment of a fund. For this we use a fund rating agency called Old Broad Street Research (OBSR). OBSR evaluate the qualitative factors which will affect a fund's future performance.

By combining all these selection criteria we can be confident of selecting suitable funds in order to construct a robust portfolio.



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PROVIDER SELECTION


Provider Selection

The final step in the Platinum Financial Investment Process is to identify the most suitable provider with whom to place your investment. Using state-of-the-art comparison software we can identify the most appropriate provider for you, taking into account the following:

- How much money you want to invest
- Cost, charging structure and transparency of charges
- Range of funds and tax wrappers
- Reputation and financial standing
- Range of asset classes
- Functionality
- Accessibility
- Service Standards

Having successfully followed each stage of the Platinum Financial Investment Process, our focus turns to the on-going management of your portfolio.

Investment is a long-term commitment that requires on-going monitoring, measurement and evaluation. With this in mind, Platinum Financial offer a number of Review Services to suit a wide range of investment needs.



Platinum Financial were extremely professional and easy to communicate with. Thank you.
(J. Cooke)



REVIEW AND REBALANCE

Review and Rebalancing

Reviewing your investment is an important part of the Platinum Financial Investment Process. Your adviser will discuss the most appropriate service for you.

At three month intervals, our Investment Committee meets to assess the performance of our portfolios and their component funds. They look for any outperformance - or underperformance - that might need further investigation. Funds are assessed using the same criteria as in the initial fund selection process. If the committee feels it is necessary to change a fund within your portfolio before our next meeting with you, we will contact you and ask you to authorise this. Minutes of our Investment Committee Meetings are available on request.

Portfolio rebalancing forms an integral part of the on-going review process. If left for a long period of time, asset allocation will change and this could result in a divergence from your original risk profile.

We therefore rebalance portfolios as part of our review process. We will also periodically ask you to complete a further risk-profiling questionnaire so that if your risk profile has changed, we can realign the asset allocation of your portfolio accordingly.

Portfolio valuations are available at any time by request but otherwise we will provide them at your review meetings as part of your chosen Review Service. These meetings also present an opportunity to review your existing investment provider selection and your broader financial position.



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