Investment Process

Last reviewed: April 2018

Contents

Investment Process……………………………………………………………………..3

Overview…………………………………………………………………………………….4

Engagement………………………………………………………………………………..5

Investment Options……………………………………………………………………..9

Client Segmentation…………………………………………………………………..12

Client Agreement ……………………………………………………………………….13

Discovery……………………………………………………………………………………13

Risk ……………………………………………………………………………………………14

TNW Risk Definitions………………………………………………………………….18

Analysis……………………………………………………………………………………..19

Monitoring ……………………………………………………………………………….20

Conclusion ………………………………………………………………………………..22

Investment Process

Introduction

This document is a reference point for understanding how we provide investment advice to our clients. It is used and understood by everyone within our business, not just those responsible for the provision of advice, as it summarises not only our processes but our core beliefs and philosophy.

Each client is different, so we understand that following pre-defined processes and criteria is not suitable in circumstances where a better outcome could be achieved by alternative means. Conversely there is a distinct advantage to both the client and our business in providing some guidelines and controls around investment advice, as this ensures that advice is given in a consistent, controlled and efficient manner. This is the purpose of a written Investment Process.

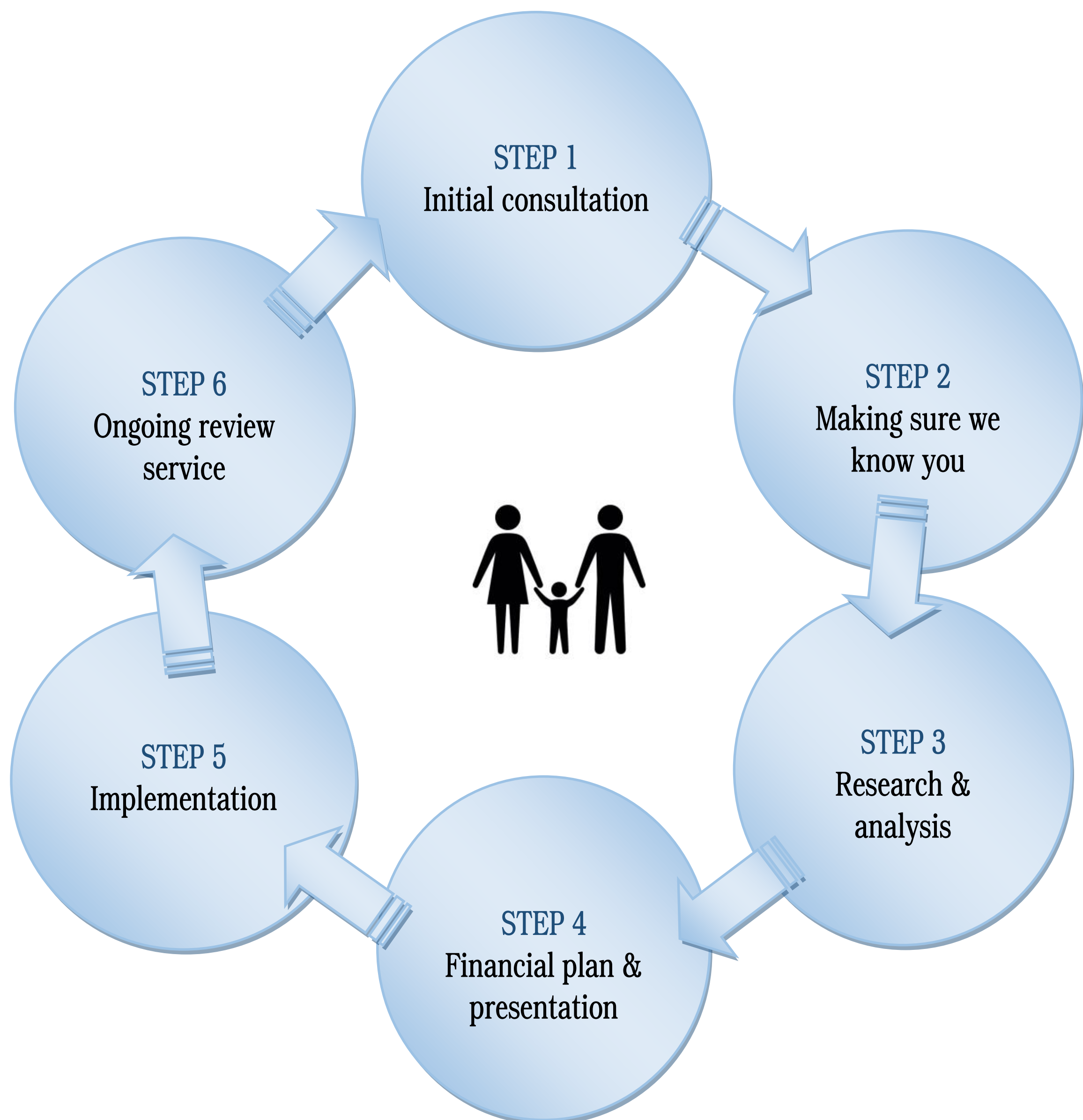
The Investment Process itself is controlled by the Investment Committee which meets every 6 months and reports to the Board of Directors. Changes to this process can only be made by the Investment Committee when approved by the board.

The key to our investment process is that we constantly review and monitor what we do to continually ensure that your investments match your attitude to risk and are on target to achieve your objectives. It is also important that we remain aware of developments and new propositions within the industry.

Overview

The following pages provide more detail about how we implement the 6 step process outlined below. Our Investment proposition is at the very core of our client service and it is crucial that all parties have a full understanding of it before we produce any client recommendations.

At TNW we believe that one size does not fit all and we will take into consideration your investment preferences and our own experience to tailor a solution that meets with your objectives and attitude to investment risk.



Engagement

Investment Philosophy

An investment philosophy is the overall set of principles or strategies that guides and steers our investment decisions. It helps us focus a large, sophisticated and complex market into a solution that allows us to concentrate on our relationships with our clients, safe in the knowledge that we are doing our best to protect and grow their assets.

While investment performance hinges on many factors out of our control, most notably the return on markets, we can control other factors. These are the ones we deem the most important in creating and managing a portfolio such as the types of funds you invest in, the cost of the investments you choose and what you look for when choosing the investment companies you do business with. It is important we can justify investment decisions to clients and make it clear why we have invested their money in a particular way. Our philosophy summarises our approach.

We provide independent advice

We chose to remain independent because we believe that it is important that we are not restricted in any way at the point we recommend a product or fund to clients. Whilst we may not believe certain types of investment are suitable for clients, because of their structure or inherent risks, it is important that we are fully aware of them, understand the circumstances where they may be relevant and can advise you appropriately if you already hold such investments. We have committed to maintaining our knowledge in all product areas and this forms part of our Continuing Professional Development (CPD) programme. It is also important to us that we do not have any contractual relationships in place which require us to place business with any particular provider of products or funds, as this would compromise our independence and create a conflict of interest when providing advice.

We believe in diversification

One of the most important views to arise from Modern Portfolio Theory (MPT) is that investors should avoid concentrated sources of risk by holding a diversified portfolio. There are three primary factors which influence portfolio performance; asset allocation, stock selection and market timing.

Diversification of an investment portfolio across a variety of different low correlated asset classes should help to reduce the overall level of risk compared with, say, a portfolio which only includes UK bonds. For example, the inclusion of a small investment in a higher risk area, in a portfolio comprising solely of UK bonds, can

actually serve to reduce the overall level of risk in the portfolio when viewed as a whole. This is because the behaviour of the higher risk holding differs to that of UK bonds in how it reacts to varying economic events. An effective combination of different asset classes can reduce the risk of a portfolio without reducing its potential for growth.

We believe that asset allocation is the key driver behind performance

The reason why we emphasise asset allocation so much is Modern Portfolio Theory is a mathematical quantification of the benefits of diversification. It states that by combining different types of assets the portfolio will have a lower level of risk (defined as variance of return) than if the money was held in a single investment. This works through the assumption that the risks of different assets are not perfectly positively correlated and therefore returns may move independently from each other. For example, during a recession, equities usually fall in value, but bonds often rise; therefore a diversified portfolio will be less volatile than one made up exclusively of equity securities.

The importance of this theory for our firm is that it states that the vast majority of the behaviour of a portfolio is due to the asset allocation. Various studies and analysis has concluded that asset allocation explained 90% of the variance in returns.

Our asset allocation is overseen by our Investment Committee and governed by the recommended Discretionary Fund Manager/Fund Manager and for certain clients external risk management consultants such as Towers Watson.

We believe in professional risk management

Within TNW Financial Services Ltd we favour managed investment solutions that are automatically rebalanced to your attitude to investment risk rather than choosing individual funds. The investment solutions that we favour are professionally managed by individuals/ investment teams that are closer to the market than us, whilst still offering diversification via investing across a range of asset classes, sectors and where possible specialist fund management groups internally.

This can be via a Discretionary Investment Management Company, a Model Portfolio Service or a Fund of Funds/Manager of Manager or Managed solution.

We are of course happy to provide our clients with oversight and comments on portfolios that comprise of individually selected funds. However, this comes with an additional charge which is not part of our standard service proposition.

Furthermore, we do offer an in house advisory model portfolio of funds for certain clients who want to retain some direct control and influence over their investments.

TNW Financial Services Investment Process

We believe that cost is an important investment criteria

Given the uncertainty of forecasting future growth we believe that cost is a critical factor in selecting a product or investment proposition. We recognise the need to select companies with sufficient financial strength and adequate levels of service. However, cost is one of the few known criteria at outset and it has a demonstrable impact on future investment returns.

In addition, every time an investment is bought and sold costs may be incurred. These may include the bid/offer spread, price effects, and stamp duty, and are not included in the Total Ongoing Cost (which assumes the funds are to be held and not traded through the period). We aim to keep the Portfolio Turnover Rate, as low as possible using strategic asset allocation for certain clients, and limiting the movement of funds wherever possible.

We also favour investment providers/solutions that do not impose an initial, switch or bid/offer spread. Where possible we prefer investments that provide unlimited access to funds, although we strongly recommend that money that is invested is not needed for at least 5 years. This is due to the nature of equity backed investments which should be viewed over the medium to longer term.

We adopt an active investment approach

The objective with active management is to produce better returns than those of passively managed index funds after costs. For example, an active fund manager focusing on large capitalisation UK companies would look to beat the performance of the FTSE 100 index whilst a passive index tracker would look to replicate the performance of the index.

Active fund managers attempt to beat the market through security selection and tactical asset allocation, as they believe that the market is not completely efficient and that it is possible to add value by exploiting pricing anomalies. Whilst actively managed funds may have an overall strategic asset allocation, they will have the remit to change this, moving in and out of assets as well as different securities to chase higher return or lower risk.

Following the introduction of “Pension Freedom” in April 2015 from the age of 55 you can draw what you want from your defined contribution/money purchase pension. For pensions in drawdown where a regular income is being taken we favour investment solutions that are designed for deccumulation. These focus on downside protection including tactical asset allocation with a view to preserving your capital for your lifetime. They also are designed to minimise sequencing risk, which is the risk of experiencing unfavourable returns in the early years of retirement as this can have a significant impact on your pension fund.

TNW Financial Services Investment Process

Advantages of active investing:

- These types of funds offer different investment aims rather than just tracking the market as a whole. As are not tied to index sector weightings or a particular market they can offer greater diversification and freedom.
- As passive funds tracking indices are rebased regularly, with stocks moving up to take greater weightings, entering the index for the first time or dropping out completely, active managers can take advantage of these movements by buying stock before they enter an index or selling as a stock looks likely to leave.
- Investments that are not highly correlated to the market are useful as a portfolio diversifier and may reduce overall portfolio risk and thus potentially improve returns
- Some investors may wish to follow a strategy that avoids or underweights certain industries compared to the market as a whole and may find an actively-managed fund more in line with their particular investment goals. For instance, an employee who receives company stock or stock options as a benefit may prefer not to have additional funds invested in the same industry.
- You may have a preference for investing with ethical, environmental, social or religious matters in mind which an active investment strategy can incorporate.

There are also disadvantages in active investing, which our Investment Committee need to keep under review:

- The most obvious disadvantage of active management is that the fund manager may make bad investment choices or follow an unsound theory in managing the portfolio.
- The fees associated with active management are also higher than those associated with passive management,
- Large managed funds can begin to take on index-like characteristics because they must invest in an increasingly diverse set of investments instead of those limited to the fund manager's best ideas.
- There is a risk that even selecting a deccumulation strategy in retirement that you may draw more capital/income than is sustainable and ultimately run out of money.

Although we have adopted an active approach to investment we constantly review the market and in particular passive fund management to ensure that the recommended active management strategy is suitable for each individual client.
We do not assume that active management is appropriate for all of our clients

and for clients where minimising ongoing cost is a driving factor we will consider passive investment solutions as a more appropriate and cost effective approach.

Furthermore some investment solutions **contain a mixture of both active and passive** investment strategies that can provide an overall blended solution and can potentially provide the best of both worlds.

Investment Options

At TNW Financial Services we offer both **Discretionary** fund management and where requested for specific clients **Advisory** management and these approaches are summarized below.

Discretionary

Once we have agreed your attitude to risk, we **outsource** the management of your investments to a Discretionary Fund Manager who constructs a portfolio based on your objectives and risk profile. Once instructed a, Discretionary Fund Manager (DFM) then makes decisions and implements them in accordance with the agreement, but without the need to seek approval for individual transactions. This allows the fund manager, who is 'closer' to the markets, to act quickly and decisively on your behalf.

Your chosen adviser will continue to act on your behalf and all contact and discussions will be with them. Together with you, your adviser will monitor the performance of your portfolio review your attitude to risk and reward, asset allocation and income levels as appropriate. These instructions will then be implemented by the discretionary fund manager on your behalf.

Advantages & Disadvantages

The main Advantages of Discretionary Fund Management include:

- Investment supported by a dedicated research department
- Constant portfolio review and consistent investment processes
- Portfolios stay closely aligned to the desired risk profile
- Access to funds & assets not normally available to private investors
- Hands off investment management for the private investor
- Fund Managers exist 'closer to the market' and can switch funds quickly
- Discretionary Fund Managers offer a cost effective investment for investors

TNW Financial Services Investment Process

The potential Disadvantages are:

- The Investor cannot purchase individual Stocks & Shares within the portfolio, unless a full DFM service is selected.
- Funds are switched without reference to the investor, so this would not be suitable for an investor who wishes to be actively involved in managing funds.

Advisory

The TNW Advisory portfolios are managed **in house** and overseen by the Investment Committee. An external asset allocation engine is used which includes the Towers Watson optimised portfolio tool and risk questionnaire.

TNW can select from the whole of market but for most clients we favour Collective Investments also referred to as Unit Trusts/Open Ended Investment Companies.

The TNW selection process for collectives includes the following:

- Consistent above average historic fund performance
- Competitive charges

Our selection criterion where possible for assessing suitable funds includes the following factors:-

- Citywire rating "A" or above
- Cumulative performance – sector quartile ranking over 1 year = Q2 or better
- Cumulative performance – sector quartile ranking over 3 years = Q2 or better
- Cumulative performance – sector quartile ranking over 5 years = Q2 or better
- Positive Alpha - For collectives a high alpha indicates that the fund manager has performed better than would be predicted given the funds volatility against a predetermined benchmark.
- Positive information Ratio - In relation to managed investments, information ratios are used to measure a manager's performance in terms of both risk and return relative to a benchmark.

TNW Financial Services Investment Process

Advantages & Disadvantages

The main Advantages of Advisory Fund Management include:

- In house investment overseen by the Investment Committee
- No changes to the portfolio will be made without your prior approval
- You can instruct TNW of any investment constraints or specific requirements
- Constant portfolio review and consistent investment processes
- Portfolios stay closely aligned to the desired risk profile

The potential Disadvantages are:

- An advisory portfolio is subject to an additional TNW charge over and above our standard tariff
- Delays in fund switches as your approval is required for each fund change
- Restricted to in house investment resources

Summary

At a high level both the Advisory and Discretionary fund management solutions are compared below.

Advisory	Discretionary
Portfolio managed internally by TNW	Portfolio managed by investment specialists
Individual investment approach	Fund manager & team approach
In house investment resource	Depth of resource and information
Client authority required for each investment switch	Funds switched without authority or reference to the investor
Possible time delays in fund switching	Fund switches can be implemented quickly
Currently no VAT applicable	VAT generally applicable as classed as a service

Client Segmentation

We separate clients into different levels of service based on a number of factors. Whilst provisionally, the amount of a client's investable wealth which we manage, and the time required to advise on and manage that portfolio will influence the decision, it is the client's choice as to which service they require.

The decision as to which type of investment solution is recommended will be made once we have completed the discovery phase and analysed your financial circumstances. However, this will also take into consideration the degree of future involvement you wish to have with ongoing investment decisions, attitude to risk and the likely investment term. As a guideline these are the types of investment solution we expect to use based on the frequency of contact required and your investment preferences.

The following matrix sets out our current process.

Investment Capital	Typical Solution	Strategy
£0 - £50,000	Risk Managed Solution	Managed or Model Portfolio Service
£50,000 - £250,000	Model Portfolio Service	Advisory or Discretionary
£250,000 +	Bespoke Discretionary Service	Discretionary Service

The main benefits to you and our business, of introducing this segmented approach to investment solution are as follows:

1. A consistent approach to fund selection will ensure that all clients receive the same level of advice irrespective of which adviser they deal with. This consistency, coupled with the clear audit trail provided by the attitude to risk assessment and the Investment Committee's reviews, will also ensure that this advice can be justified at all times.
2. Managed, multi manager funds and model portfolio services will allow all clients to benefit from the advantages of well diversified portfolios irrespective of the size of their investments.
3. Reaction to market changes etc can be undertaken by the fund managers on a timely basis, for all clients. Please note that personalised portfolios are slower

to react and switches will require consultation and consent. The delays arising from this could result in losses.

4. Rebalancing to ensure that the overall asset allocation of the investment remains appropriate to each client's attitude to risk takes place at 'fund' level which requires less input from the adviser and provides a more cost effective and immediate service for the client. This can be either on an automatic or discretionary basis.

Client Agreement

It is a requirement that all clients complete and sign a Client Agreement before we commence work for them.

Whilst we will initially meet with clients at our expense to explain our services and philosophy, no further work, including the discovery process, will commence without a written Client Agreement.

The Client Agreement confirms amongst other things:

- What service you can expect now and ongoing
- How much you will pay for those services
- Frequency and nature of payments to be made

A copy of our Client Agreement is available on request.

Discovery

We offer you the following types of service

- **Full financial planning** – a review of a your entire financial affairs. It is essential we capture as much and as detailed an understanding of a your circumstances and objectives as possible to provide this service.
- **Limited advice** – a specific review focussing on part of your financial situation to address a specific need e.g. a pension transfer, or advice on a particular amount of money. This is only undertaken where directed by and agreed with you in writing, with full knowledge of the implications.

We capture data formally within a fact find. These are used for record keeping purposes and it is important that they are accurate and complete. Where you do not wish to disclose certain information the implications of this will be made clear verbally at the time and confirmed within the suitability report.

TNW Financial Services Investment Process

Your personal information is important to us and we endeavour to take all due care to protect this information. All of our files containing your data are kept securely locked, alarmed protected and password encrypted on our computer systems.

Risk

There are many different types of investment risk and the perception of risk varies from each individual and at any given time. Risk should not be perceived as a negative as long as you understand, accept and can afford to tolerate it.

To highlight a few there is the risk that your investments might fall in value, the risk that inflation will reduce the purchasing power of your investment over time, or the risk you cannot sell your investments when you want to.

At TNW we quantify and qualify both the risks and benefits of any investment recommendation we make to you as it is crucial that you have a full understanding before you progress with any recommendation.

Understanding of Risk

As part of the 'know your client' exercise it is important that we collect and properly account for all the necessary information relevant to assessing the risk you are willing and able to take. This will assist in ensuring that suitable investments are selected for you which match your risk assessment. For any investment recommendation to be suitable we will agree the following aspects with you:-

- Your **investment objectives**. For example information gathered on investment objectives should include:
    - The purpose of the investment.
    - The length of time for which you wish to hold the investment;
    - Your preference for risk taking;
- We will also take into consideration the loss you are able to bear financially (also referred to as your **capacity for loss**).
- We will establish and discuss your investment **knowledge & experience** so we can ascertain your level of understanding of the risks involved.
- We will agree with you your **tolerance to risk** which is physiological and how you feel about risk.

It is important that the above are not covered in isolation so that we can form a rounded assessment of your attitude and understanding.

Where any inconsistencies arise between the assessments these will be discussed and agreed with you before progressing.

Attitude to Risk (ATR)

Core to the overall investment process is the need to ensure that your attitude to risk is defined and understood by both you and your adviser, and that all investment decisions are made with this attitude in mind. Recommending investments which are not designed to meet your attitude to risk may not deliver the necessary outcomes to achieve your goals.

It is imperative that:

a) You understand the types of investment risks they may be exposed to, and that;

b) We reach an understanding of how much risk you are prepared to accept in achieving your objectives.

The adviser's role in both these aspects is key and a recommendation cannot be made until a clear understanding is gained.

Some clients may have a range of risk attitudes, depending on their objective or the source of funds. For example, whilst one client may simply have an adventurous approach to all investments and pensions, another may be happy to take an adventurous approach to inherited money, but prefer a more cautious approach to the funds they have worked hard to build up within their pension.

Consideration of your financial awareness should also be taken into account when giving advice. It is especially important to ensure a client with a basic level of financial awareness receives information in such a way that they will be able to adequately understand it.

Your attitude to risk will be recorded clearly on your file by using a separate risk profile questionnaire.

Assessment of Risk Questionnaire

We assess your understanding of risk through the following process.

We use the Towers Watson questionnaire to establish your attitude to risk. This gives us an objective starting point for a conversation about risk. We do not simply accept

the output of the risk profiling tool, this is played back to you to establish if you understand and recognise your attitude.

We also assess your financial circumstances to verify if the potential level of financial loss, which you have indicated that you are prepared to accept is suitable, given your ability to absorb such a loss. In circumstances where you are accepting a potential loss which would, in the opinion of the adviser, be too great for you to bear, this should be advised to you. Equally, you may be unwilling to accept sufficient risk to realistically meet your investment goals, and this, along with potential solutions, should also form part of the risk conversation.

Where appropriate we will seek further clarification from you that the ATR chosen is still appropriate or re-commence the process.

We feel that it is important to challenge the output of the risk questionnaires and also carry out a formal risk discussion with you outside of the scope of the questionnaire.

The risk questionnaire output is mapped back to the appropriate TNW risk definition and agreed with all our clients before progressing with any recommendations.

The selection of the risk questionnaire is governed by the Investment Committee.

Capacity for Loss

A key part of assessing attitude to risk is assessing your capacity for loss. Capacity for loss refers to your ability to absorb falls in the value of your investment. Any loss of capital which could have a materially detrimental effect on your standard of living will be taken into account in any recommendation made. It should never be assumed that you are willing to take the risk of capital loss without discussing with you whether this assumption is correct.

On capital loss, there are three main points to consider:

1. Your **ability to absorb** falls in the value of your investment and whether the loss of capital would have a materially detrimental effect on your standard of living.
2. Whether you have the **knowledge and experience** to understand the risks of what is being recommended and whether any risks are clearly explained.
3. Your **attitude to capital loss**, which forms part of the assessment of attitude to investment risk.

Ability to absorb capital loss - Properly documented "know your client" (KYC) information with specific investment objectives (including timescales), and evidence of adequate emergency funds will help firms evidence your ability to absorb capital loss. The key point is to document clearly your current financial position (including

emergency funds) and future aspirations which are then confirmed clearly in the suitability report.

Knowledge and Experience – Your knowledge and experience should be clearly documented as part of the KYC process (for more detailed guidance see Knowledge and Experience).

Attitude to capital loss - In terms of assessing your attitude to capital loss, we have a robust process in place to identify clients that are best suited to placing their money in cash deposits because they are unwilling or unable to accept the risk that comes with investment.

Knowledge & Experience

Your knowledge and experience should be clearly documented as part of the fact finding process. Risks should also be clearly explained avoiding the use of jargon. When assessing your knowledge and experience of investments we consider these in relation to the products or services being considered.

Our assessment of your knowledge and experience considers:

1. The types of service, transaction, and products/investments with which you are familiar.
2. The nature, volume and frequency of your transactions and the period over which they have been carried out.
3. Your level of education, profession or relevant former profession.

Tolerance to Loss

This is the degree of variability of investment returns that an investor is willing to withstand. You should have a realistic understanding of your ability and willingness to stomach swings in the value of your investments; If you take on too much risk, you might panic and sell at the wrong time.

TNW Risk Definitions

The risk definitions which TNW adopt are as follows:

LOW RISK

You wish to invest in products where the capital is guaranteed, but maybe subject to the effects of inflation. This may also include investments where there may be a limit on the level of capital returned imposed by a compensation scheme

CONSERVATIVE RISK

You are willing to accept a small amount of capital fluctuation, and/or are willing to tie funds up for a period of time in exchange for potential returns in excess of those available from a high interest bank/building society account.

BELOW AVERAGE RISK

You are willing to accept modest fluctuations in capital values in exchange for potential returns which aim to maintain the real value of your investments.

ABOVE AVERAGE RISK

You are willing to accept that the capital value of investments will rise and fall with the fluctuations in the FT-SE 100 or equivalent index. You wish to accept this level of risk in exchange for the potential of increasing the real value of your investments over the medium to long term.

HIGH RISK

You are willing to accept capital fluctuations caused by worldwide stock markets, currency movements, interest rate changes and supply and demand. You wish to hold these investments over the medium to long term with the expectation of the potential for higher levels of capital growth in real terms.

VERY HIGH RISK

You wish to hold investments in volatile stock markets and individual equities. You are willing to accept a high level of capital fluctuation or even capital loss, particularly over the short term, in return for the expectation of high levels of real capital growth over the medium to long term.

Analysis

Product Selection

We select the appropriate tax wrapper based on your circumstances, which will be different in all cases. We expect all advisers to select the most tax efficient means of investment where relevant to your circumstances, for example using your ISA allowance each year typically before other investments.

We would add that the tax efficiency of the investment product in isolation is not the overriding selection criteria and it is important that the "*tax tail does not wag the dog*".

To select the product provider of each tax wrapper we will consider a number of factors, including the service you require. Where you require an ongoing level of service, including portfolio rebalancing and ongoing management, an **investment platform** will typically be used. An investment platform gives us access to many hundreds if not thousands of funds and alternative investment solutions all within one service usually available at discounted rates. Where appropriate we would recommend a platform for you as it provides a consolidated, diversified and low cost service for you and online access to your investments.

Where suitable we currently use a range of investment platforms. Selection of these is governed by the Investment Committee and our documented selection process.

Research

Together with our own in house research we use a panel provided by our oversight compliance company **Threesixty**. They provide product research in the form of either panel or a product matrix, covering an extensive range of product types. Threesixty maintain records of their research centrally.

This research is updated quarterly as a minimum, and is based on a comprehensive and fair analysis of the market, so they conform to the requirements of independence.

The work undertaken by Threesixty is high level research which helps to reduce the universe of potentially suitable products and funds. When making recommendations we will apply our own internal research to ensure that any recommendations made are and remain appropriate for you.

Monitoring

We monitor and track against your financial objectives through the following methods, the frequency of which depends on the terms of your Client Agreement:

- Rebalancing
- Full financial review
- Client event driven change
- Market event driven change

We also routinely keep in contact (excluding **Transactional**) to keep you appraised of market events. Furthermore with all our active service levels: **Select, Bespoke** and **Wealth** you have access to your adviser via email and phone during normal office hours.

In addition for **Bespoke** and **Wealth** clients they have the offer of an annual face to face review meeting. risk and ongoing suitability reassessment. Please refer to the TNW **Client Service Proposition** for information on all the options included within each service level.

Rebalancing

Where available we favour automatic investment rebalancing to ensure that your investments remain in line with your agreed risk tolerance.

Where automatic rebalancing is not available and we identify a need to rebalance we will write out informing you of the change required and ask you to return a signed Instruction Form before any transactions are carried out. Obviously should your circumstances or attitude to risk change it is important that you notify your adviser.

Full financial review

This is a full review where we:

- Validate that fact find information is still correct, including any events which have occurred since the last meeting

- Recheck that your goals and objectives remain the same, along with your attitude to risk and capacity for loss

- Review the performance of portfolio against your stated objectives and risk/loss profile

- Agree priorities and actions for the following period

- Reassess and agree your attitude to risk

Client event driven change

This may occur in circumstances where an event in your life drives a need for urgent attention to your portfolio. This need not require a face to face meeting, but if required the full financial review could be brought forward and credited against the next review due. These types of events could include:-

- A change in family circumstances
- Receipt of an inheritance
- Unemployment or other loss of income
- Retirement
- A need to withdraw capital

Good financial planning means there may be a need to challenge and question your need for change but there is often a requirement to make adjustments and take action. We will of course put your overall needs and objectives first.

Market event driven change

Where the market or certain funds require a change outside the normal review process, a recommendation from the Investment Committee is normally required to make changes to standard investment solutions. Where time does not permit this the Compliance Oversight and Managing Director may make a decision and this must be recorded and logged in future Investment Committee minutes. This would be reserved for exceptional circumstances.

Conclusion

You can rest assured that TNW have your best interest at heart. We are not trying to shoot out the lights with regards to your investment returns. It is all about a consistent investment approach and producing returns in line with your agreed risk tolerance, objectives and expectations. This is central to our investment proposition.

Should you require any further information regarding the TNW Investment Process or a copy of the TNW Client Service Proposition then please contact us at the address below or speak to your Financial Adviser.

TNW Financial Services Ltd

Bramley Lodge

Henleys Business Park

Manor Road

Abbotskerswell

Newton Abbot

TQ12 5NF

Telephone No: 01626 366995

www.tnwfs.co.uk