

>futureMoney



EXCLUSIVE
EXPERTISE

MULTI-ASSET
INVESTMENTS

GIVING YOU
PEACE OF MIND

OUR PRIMARY AIM IS TO DELIVER INFLATION BEATING RETURNS OVER THE MEDIUM TO LONG TERM



A RANGE OF EXPERTLY MANAGED SOLUTIONS DESIGNED AROUND GROWTH & INCOME



DIVERSIFIED MULTI-ASSET PORTFOLIOS



MULTI-MANAGER INVESTMENT APPROACH



ACTIVE MANAGEMENT

THE RELATIONSHIP BETWEEN ARMSTRONG WATSON & FUTURE MONEY

During the early 1970s the Partners of Armstrong Watson felt that the quality of advice their clients were receiving from other financial advisers just wasn't good enough. So, in 1972, Armstrong Watson established an Independent Financial Advisory business to provide high quality advice to our clients, known as Armstrong Watson Financial Planning & Wealth Management.

Armstrong Watson's overall quest as a firm is, 'To help our clients achieve prosperity, a secure future and peace of mind.' Where the brand says 'we're with you'.

The financial planning team have ever since been advising, supporting and helping our clients build their wealth and work closely with their colleagues right the way across the wider business with our quest always in mind.

Typically, in our experience, many financial advisory firms' investment approach was to build model portfolios for their clients, however, as clients' investments grew, many would be reluctant to make changes to their portfolios as doing so created a capital gain on which tax may be due. This led to many investors letting the 'tax tail' wag the 'investment dog'. Something that an investor should never do.

Additionally, it was felt that the London centric investment firms were not always aligned with the values of Armstrong Watson clients, particularly in the North of England and Scotland. Investment funds are not always as transparent as they should be, and can often be overly technical in the information they provide, meaning it isn't always as easy as it should be to understand what is happening underneath the surface.

In late 2008, to help manage clients' investment and pension wealth more effectively - and to ensure clients' money was managed in line with the right values, ethics and to provide greater oversight of risk on behalf of their clients - the Equity Partners in Armstrong Watson - established Future Money to manage a range of investment solutions exclusively for Armstrong Watson clients.

Future Money offers a range of investment solutions with different investment objectives depending on the needs and requirements of an individual client. The solutions are risk rated across a range of risk profiles and are also independently rated. This allows us to move quickly when needing to make changes to clients' investment portfolios being better able to react to market conditions. Also, as they utilise an Open Ended Investment Company (OEIC) structure, this also allows the fund managers to make changes to investments without triggering a capital gain and potential tax liability. This is typically known as a multi-manager investment approach.

Our fund managers work exclusively with Armstrong Watson's Financial Planning Consultants and their clients. Therefore they understand the further value that is added by communicating directly with the business, and building a personal relationship with the Financial Planning Consultants who provide the advice to clients. This means clients can also speak directly to the fund manager looking after their money if they wish to do so.

All of this is aligned with Armstrong Watson's commitment of 'we're with you', supporting clients in their quest to achieve prosperity, a secure future and the resulting peace of mind this brings.

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WHAT IS INFLATION?

Inflation has long been a problem for people with savings and investments, reducing the purchasing power of their money. Through compounding, this effect can grow over time.

Consumer price inflation (CPI) is the rate at which the prices of goods and services bought by households rise or fall. A better way of thinking about this is to imagine a very large "shopping basket" containing those goods and services bought by households. For example; transport, housing, alcohol & tobacco, and food. As the prices of the various items in the basket change over time, so does the total cost of the basket.

Put simply, inflation is when money loses value over time. It's happening constantly – things are generally more expensive than they were a few years ago.

Thinking about it in monetary terms, say the cost of buying those goods and services was £10,000 in the year 2000, due to prices increasing, you needed £17,213 in 2020 to buy the same amount of goods. That is an average increase of 2.8% each year.

Our range of solutions have been designed to combat the effects of inflation or grow ahead of it therefore giving you the desired lifestyle you want in the future.

OUR RANGE OF SOLUTIONS



REAL VALUE

This portfolio is intended to provide capital growth and to offer a total return after fees that at least meets the rate of inflation, measured by the UK Consumer Price Index (CPI), over any five-year period.



REAL GROWTH

This portfolio is intended to provide capital growth and to offer a total return after fees of at least the rate of inflation, measured by the UK Consumer Price Index (CPI), plus 1% (per annum) over any five-year period.



DYNAMIC GROWTH

This portfolio is intended to provide capital growth and to offer a total return after fees of at least the rate of inflation, measured by the UK Consumer Price Index (CPI), plus 3% (per annum) over any five-year period.



INCOME

This portfolio is intended to provide increasing income (measured by annual monetary gross distributions per unit per annum) and a total return after fees of at least the rate of inflation, measured by the UK Consumer Price Index (CPI), plus 1% (per annum) over any five-year period.

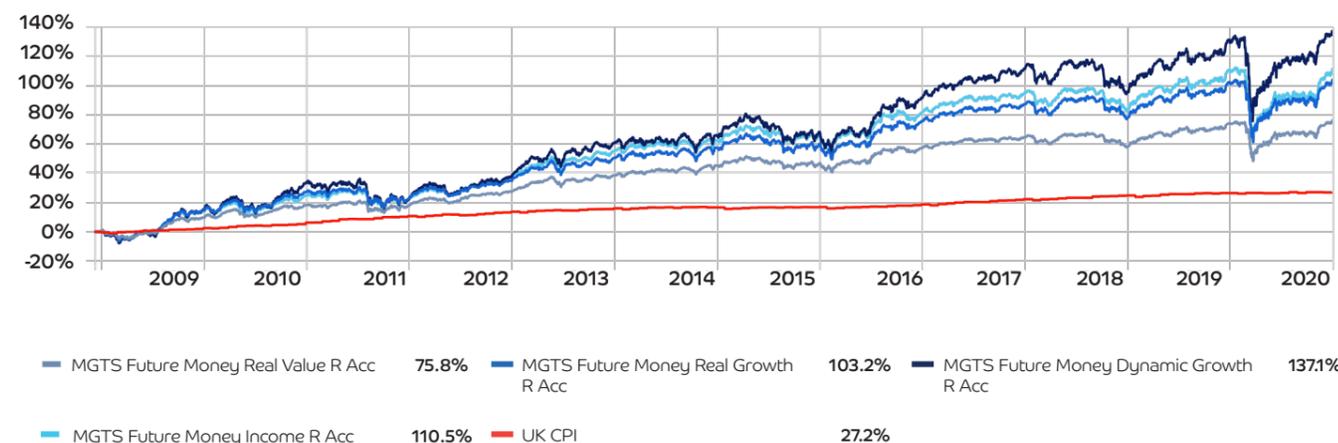
For these purposes, total return means the amount of capital and income an investor earns.

We are able to offer blended solutions to meet different client needs and objectives. Examples can be found in accompanying marketing literature. Please see the individual factsheets for the asset mix and fund selection including performance and costs.

www.bankofengland.co.uk/monetary-policy/inflation/inflation-calculator

INVESTMENT GROWTH

Time Period: 09/12/2008 to 31/12/2020 Currency: Pound Sterling Source Date: Total Return

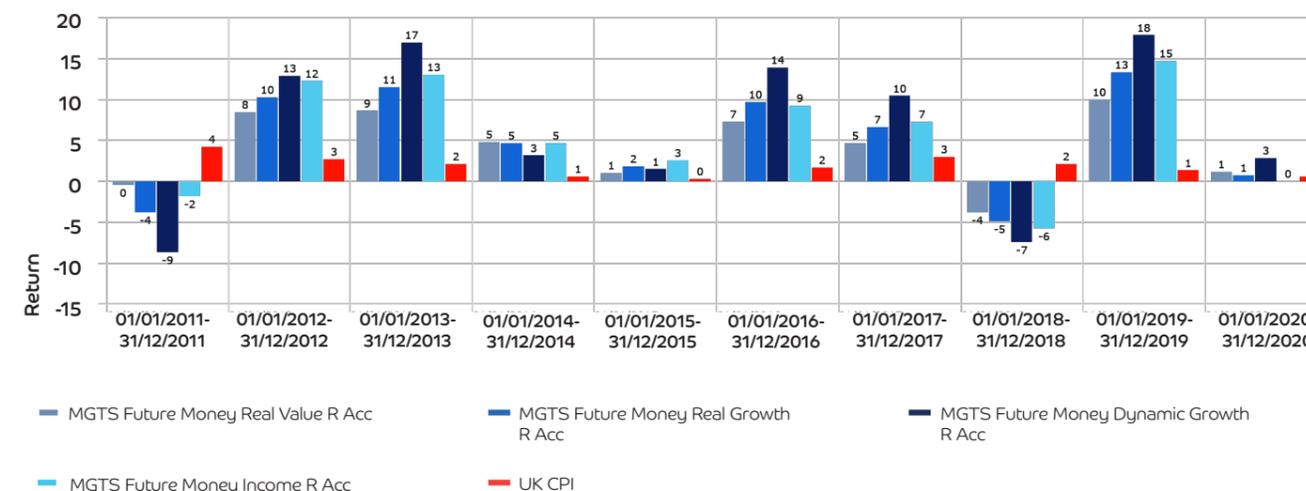


At Future Money our aim is not to beat every asset class or it's peer group in every sector but to deliver returns in line with, or ahead of inflation, relative to each portfolio's risk profile.

We pursue this objective by actively managing exposure to multiple asset classes while using leading specialist fund managers from across the market place, including passive strategies where appropriate.

RETURNS

As of Date: 31/12/2020 Currency: Pound Sterling Source Date: Total, Daily Return



Past performance is no guarantee of future performance. The value of investments can fall as well as rise and investors may not get back their original investment. Source: Morningstar Direct

WHICH ASSETS DO YOU CHOOSE?

OUR INVESTMENT PHILOSOPHY

No-one can predict which will be the best asset class each year. The table below shows the performance of individual asset classes over the last decade. It highlights the variability of asset class returns and how Future Money solutions have performed by investing in all major asset classes. It shows how we can help minimise losses as well as grow your money.

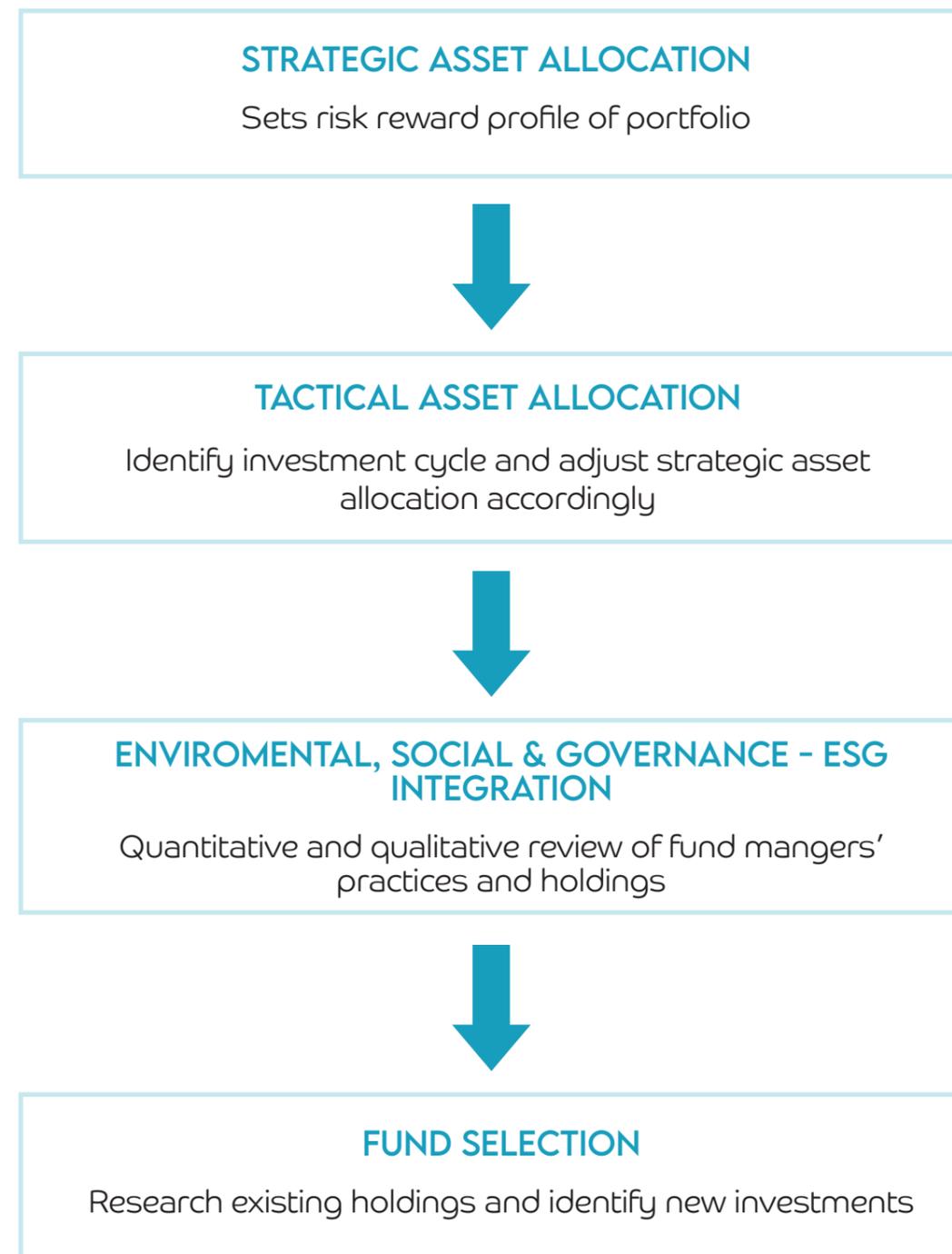
HOW WE CONSTRUCT PORTFOLIOS

Investment Returns (%)
 Currency: Pound Sterling Source Data: Total Return

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Best	Gilts 15.6	UK Small Cap 35.0	UK Small Cap 44.2	North America 19.6	Japan 17.6	Emerging Markets 35.4	Asia ex Japan 23.4	Property 2.9	UK Mid Cap 30.8	Asia ex Japan 19.4
	Corporate Bonds 4.3	UK Mid Cap 28.7	UK Mid Cap 34.9	Gilts 13.9	UK Small Cap 13.6	North America 34.1	Emerging Markets 21.1	North America 0.8	North America 26.5	North America 16.4
	Property 2.9	High Yield 18.9	North America 28.3	World ex UK 12.3	UK Mid Cap 12.0	World ex UK 30.4	UK Mid Cap 18.2	Cash 0.6	World ex UK 23.1	World ex UK 14.2
	North America 1.2	Asia ex Japan 17.5	Japan 24.9	Property 11.8	Property 7.3	Asia ex Japan 28.7	Europe ex UK 16.9	Gilts 0.6	Europe ex UK 21.2	Emerging Markets 11.9
	Cash 0.5	Europe ex UK 17.4	Europe ex UK 24.0	Asia ex Japan 10.0	Europe ex UK 5.5	Japan 22.7	UK Small Cap 16.3	Corporate Bonds -2.2	FM Dynamic Growth 17.8	Japan 11.1
	FM Real Value -0.5	Corporate Bonds 13.3	World ex UK 22.7	Corporate Bonds 9.8	North America 5.3	Europe ex UK 21.2	Japan 14.4	World ex UK -2.7	UK Large Cap 17.3	Gilts 8.3
	FM Income -1.9	Emerging Markets 12.8	UK Large Cap 18.7	Emerging Markets 7.9	World ex UK 4.8	UK Large Cap 19.1	World ex UK 13.5	High Yield -3.6	UK Small Cap 16.3	Corporate Bonds 7.9
	UK Large Cap -2.2	FM Dynamic Growth 12.8	FM Dynamic Growth 16.9	FM Real Value 4.9	FM Income 2.6	FM Dynamic Growth 13.9	UK Large Cap 11.9	FM Real Value -3.9	Emerging Markets 15.9	Europe ex UK 7.8
	High Yield -3.1	FM Income 12.2	FM Income 13.0	FM Real Growth 4.6	FM Real Growth 1.8	UK Small Cap 12.7	North America 11.3	FM Real Growth -4.8	Japan 14.8	High Yield 3.5
	FM Real Growth -3.9	World ex UK 11.9	FM Real Growth 11.4	FM Income 4.6	FM Dynamic Growth 1.5	High Yield 10.1	FM Dynamic Growth 10.4	FM Income -5.8	FM Income 14.6	FM Dynamic Growth 2.8
	World ex UK -6.1	North America 10.7	FM Real Value 8.6	FM Dynamic Growth 3.1	FM Real Value 1.1	Gilts 10.1	Property 7.6	FM Dynamic Growth -7.4	Asia ex Japan 14.5	UK Small Cap 2.1
	FM Dynamic Growth -8.7	FM Real Growth 10.3	Property 7.6	UK Mid Cap 2.8	Gilts 0.6	FM Real Growth 9.6	FM Income 7.3	Japan -7.6	FM Real Growth 13.2	FM Real Value 1.1
	UK Mid Cap -10.3	UK Large Cap 10.0	High Yield 6.9	Japan 2.7	Cash 0.5	FM Income 9.2	FM Real Growth 6.7	Emerging Markets -7.6	High Yield 11.4	FM Real Growth 0.7
	Japan -12.9	FM Real Value 8.4	Asia ex Japan 1.3	High Yield 1.0	Corporate Bonds -0.4	Corporate Bonds 9.0	High Yield 6.1	Asia ex Japan -8.5	FM Real Value 9.9	Cash 0.2
	Asia ex Japan -14.8	Japan 3.3	Corporate Bonds 0.6	UK Large Cap 0.7	High Yield -0.9	FM Real Value 7.3	Corporate Bonds 5.1	UK Large Cap -8.7	Corporate Bonds 9.5	FM Income 0.0
	Europe ex UK -15.0	Gilts 2.7	Cash 0.5	Cash 0.5	UK Large Cap -1.3	UK Mid Cap 5.1	FM Real Value 4.6	Europe ex UK -9.1	Gilts 6.9	Property -3.8
	UK Small Cap -15.3	Property 1.2	Gilts -3.9	Europe ex UK -1.4	Asia ex Japan -3.5	Cash 0.4	Gilts 1.8	UK Small Cap -13.5	Cash 0.8	UK Mid Cap -8.5
Worst	Emerging Markets -18.4	Cash 0.5	Emerging Markets -5.3	UK Small Cap -1.7	Emerging Markets -10.3	Property -2.0	Cash 0.3	UK Mid Cap -15.2	Property -0.8	UK Large Cap -11.5

Past performance is no guarantee of future performance. The value of investments can fall as well as rise and investors may not get back their original investment.

Source: Morningstar Direct



OUR SOLUTIONS ARE CONSTRUCTED AROUND STRATEGIC ASSET ALLOCATIONS

Our managers meet on a weekly basis to discuss the economic themes which are expected to affect investor portfolios. Based on the team's conviction, they will adjust the strategic asset allocation to underweight/overweight asset classes and geographical regions within the risk profile of the fund. This forms the tactical asset allocation.

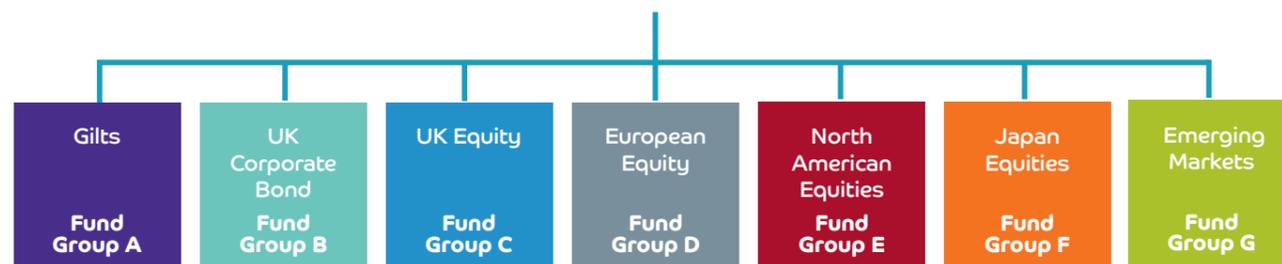
Once the asset allocation has been agreed, the managers will typically hold between 12 and 20 underlying funds to create relatively high conviction portfolios whilst maintaining a high level of diversification. Where the managers believe conditions are right, they can change strategy and substitute funds or fund managers within different sectors in order to make the portfolio more efficient, or depending upon prevailing market conditions they can adopt a more aggressive or defensive approach. They believe the key to success is the ability to adapt to the economic environment.

ESG INTEGRATION - HOW WE IMPLEMENT RESPONSIBLE INVESTING

At Future Money we are fund investors. This means that while we cannot engage directly with the companies who issue the assets that ultimately populate our portfolios, we can engage with and be selective over the fund managers we use. As such, when determining our fund selection we carefully assess the processes used by these underlying funds, the risks they face from an ESG perspective, how these may impact their performance prospects and what steps they take to manage their impact.

Our assessment of ESG quality consists of two branches: a qualitative assessment of a fund's investment practices; and a quantitative review of the fund's holdings using data from external providers. Our judgement on these factors considers them not just in absolute terms, but also relative to a fund's peer group, in an acknowledgment that the quality of ESG factors can vary across sectors and geographies. When considering ESG factors as part of our investment decisions we do not operate any automatic rules on inclusion or exclusion, but rather take a subjective assessment of the risks and opportunities present and will seek to favour those strategies with the most attractive risk to return characteristics.

A MULTI-MANAGER APPROACH



This represents an example of a selection of different funds from various fund groups. Details of specific funds in each solution can be found in the factsheet.

WHAT WE BELIEVE IN

- ✓ INDEPENDENT RESEARCH
- ✓ RATIONAL JUSTIFICATION
- ✓ LONG TERM THINKING
- ✓ ACTIVE MANAGEMENT
- ✓ WHOLE OF MARKET ACCESS
- ✓ DIVERSIFICATION
- ✓ CONSISTENT PROCESS
- ✓ RISK MANAGEMENT

MEET OUR FUND MANAGERS



RICHARD COLE, CFA

Richard is a fund manager at Future Money Ltd. He is responsible for fund selection and asset allocation decisions and, along with Toby, sets the positioning of the four Future Money portfolios.

Richard joined the industry in 2009 and held fund research and portfolio management roles before joining Future Money Ltd in 2013. Having studied Economics at university he also holds a range of industry qualifications, including the Chartered Financial Analyst® designation.

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TOBY RICKETTS

Toby is the Managing Director of Future Money Ltd and is widely regarded as a leading professional in collective investment management, being regularly profiled in the major financial publications and national press.

Toby is also the CEO of Margetts Fund Management and lead manager of the award winning Margetts Risk Rated fund of funds. In addition, Toby holds positions on the investment committee of a number of third party fund ranges.

INVESTMENT OVERSIGHT

We recognise that the safety and security of your money is of paramount importance. In addition to the weekly fund management meetings we have in place a highly respected independent investment professional who holds an oversight role, responsible for challenging the fund managers and reporting to the board on whether:

- The investment solutions are performing as intended
- The investment decision-making processes are robust
- Appropriate risk management is in place

THE UNIQUE RELATIONSHIP BETWEEN FUTURE MONEY & ARMSTRONG WATSON

As our fund managers work exclusively with Armstrong Watson's Financial Planning Consultants and their clients we can provide more than the regular communication from a typical fund management group.

We provide detailed analysis of the global economic and investment markets across a range of formats. This includes regular discussions and webinars with Armstrong Watson's Financial Planning Consultants, market commentaries and quarterly animated videos. We explain how assets are affected by these markets and how Future Money manages their portfolios around these issues.

Our Fund Managers give their views on the global markets at Armstrong Watson's Quarterly Financial Planning meeting. Here they are able to answer specific questions from the Consultants relating to the portfolios and any issues that are affecting them.

The Financial Planning Consultants can contact the fund managers to ask specific questions relating to the portfolios or ask ad-hoc market questions.

As we are only available to clients of Armstrong Watson our fund managers can meet to with you, in conjunction with your Financial Planning Consultant, to discuss your investment/pension portfolio. Here you can ask direct questions about how your money is being managed.

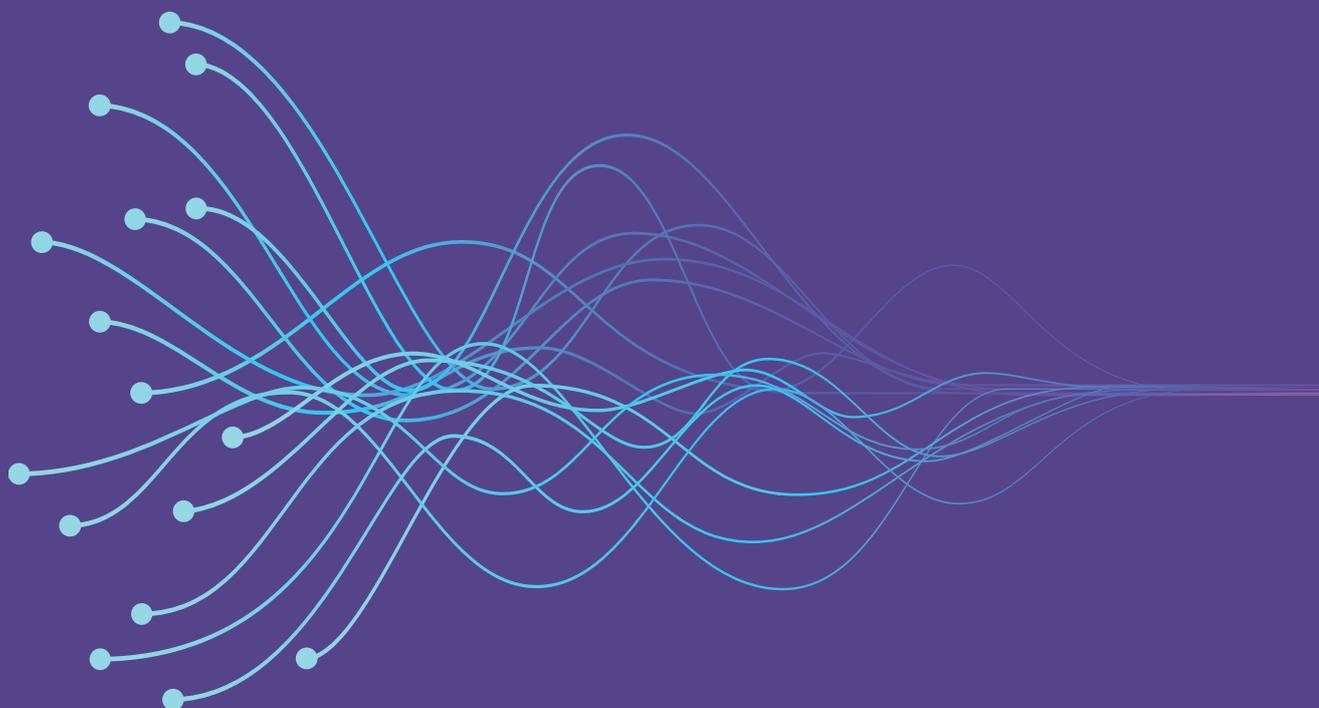
If you wish to know more please contact your local Financial Planning Consultant.

Future Money Limited is authorised and regulated
by the Financial Conduct Authority

Future Money Ltd

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