

A new breed of risk-based funds

Soon to be launched by Præmium and OBSR



John Martin

Managing Director
Præmium

A new breed of risk-based funds is about to burst onto the market. These new funds combine the expertise of some of the industry's leading investment research and asset allocation specialists; plus provide unprecedented transparency of the underlying fund allocations.

The new range of funds, to be launched under Præmium's SMARTfund brand, include 5 risk-based funds which benefit from the expertise of asset allocation specialists Barrie & Hibbert and leading investment research providers Old Broad Street Research (OBSR). Each fund is currently calibrated to match risk appetites as assessed by independent risk-profiling tool FinaMetrica (and can be calibrated with other risk profile tools as required).

"The OBSR SMARTfunds can really help advisers to address a number of the concerns of the regulator and help deliver a TCF compliant and tax-efficient investment proposition to clients," said John Martin, Managing Director of Præmium. "IFAs can be assured that independence is embedded in every layer of the investment management process, with risk-profiling, asset allocation and fund selection outsourced to specialists in each of those fields."

Many advisers already use OBSR to create model portfolios; however it is not easy to keep all client portfolios in step with changes made to the model. Each client needs to be contacted to provide permission to adjust their asset allocation or fund selections, plus they

will need to assess the capital gains position on an ongoing basis.

This range of risk-profiled funds overcomes these problems. Models are wrapped within an Authorised Unit Trust structure; ensuring that each time the asset allocation or fund selection changes for a certain risk profile model, the changes are automatically applied to each client's investment. As always, the AUT also provides the client with protection from the capital gains incurred.

In addition, the funds offer a unique range of benefits to advisers and their clients because they are administered using Præmium's Separately Managed Account technology; instead of having to buy the fund and platform separately, the SMA technology brings together both fund and platform in one solution.

The funds provide unprecedented transparency of the underlying fund selection. Some advisers do not favour fund-of-funds as a solution for higher-value clients as the reports and valuations provide a bland investment experience, with many clients wondering whether the advice represented good value, given the simple solution. Investors and Advisers are able to log on and see a comprehensive view of all the underlying funds and associated transactions in a format that is personal to the client, providing the enriched experience of a professionally managed portfolio.

The funds will be launched in the coming weeks under the SMARTfund brand. Præmium also offer the ability for advisers to use the SMARTfund structure to sponsor their own risk-based funds.

About Præmium

For more information please contact
Henry Kingsbury on

+44 (0) 207 562 2461 or visit us at
www.premium.co.uk