

## TARGET MARKET AND DISTRIBUTION

### ACUMEN Income Portfolio Fund

#### Product

The product is a non-complex, FCA authorised UCITs fund. The Fund is actively managed.

The aim of the Fund is to provide income, that is money paid out from investments such as dividends from shares and interest from bonds, with the potential for some increase, over a minimum of 5 years, in the value of an investment.

The Fund aims to provide an average annual income in excess of inflation (as determined by the UK Consumer Price Index) by 1%, over any 5-year period on a rolling basis. However, there is no guarantee this will be achieved.

The Fund will be actively managed, which means the Investment Manager decides which investments to buy and sell, and when, on a low medium risk strategy.

The Fund will aim to maintain a risk rating classification of 5. This risk classification is based on a range the Investment Manager maintains from 1 (lowest risk) to 10 (highest risk).

At least 80% of the Fund will be invested in exchange traded funds (ETFs), which typically track an index. Through these ETFs the Fund will gain exposure to a range of asset classes across different industries and geographical regions including:

- Between 30% and 70% in bonds and cash
- Between 20% and 60% in shares of companies
- Up to 20% in alternatives, such as property, commodities (for example gold and oil) and regulated funds employing a hedge fund type strategy.

The Fund may also be exposed to other asset classes including, money market instruments (which are short term loans) and other permitted investments, although this is expected to be minimal.

Bonds, which are loans typically issued by companies, governments, and other institutions, may be either investment grade, where the issuer has a high and reliable capacity to repay the debt, or sub-investment grade, which can be more vulnerable to changing market conditions but typically pay a higher rate of interest.

Up to 20% of the Fund may be held directly in cash or money market instruments, or in other types of funds. The Fund may invest in funds operated by the Investment Manager, ACD or its associates.

#### Target Market

#### **The type of client to whom the product is targeted**

As a non-complex fund it is targeted at retail investors, professional investors, and eligible counterparties.

### **Clients' knowledge and experience**

This fund is suitable for the basic investor. Investment experience is not a necessity however a basic understanding of the kind of underlying investments of the scheme is important. It has no complex features or guarantees in place that would require more than a basic understanding of investment markets or instruments.

Investors should read the Key Investor Information document which is intended to help investors understand the nature and risk of investing in this fund. Investors are also advised to read the fund's prospectus which contains details on the objectives, investment strategies, risk, distribution policy, fees, expenses, and Fund Management.

### **Clients' financial situation, with a focus on the ability to bear losses**

Clients should be prepared to commit to their investment for the long term or risk losing part of their investment in the short to medium term. The minimum investment horizon should be greater than five years.

Investors will have no risk of loss greater than their invested amount. As a fund with exposure to financial instruments investors should be aware that the potential exists for a total loss of assets and should therefore be able to bear such losses. However, the fund will be managed in such a way to reduce this risk considerably.

### **Clients' risk tolerance and compatibility of the risk/reward profile of the product with the target market**



This Fund has been measured as 4 because its investments have experienced moderate volatility in the past. The Fund's volatility is affected by various risks.

The Fund is therefore compatible with clients who have a medium, or balanced, risk tolerance.

Perceptions of risk will vary from person to person. The risk tolerance identified here refers to a fund which invests in such a way as to maintain moderate volatility. It will not take significant positions in individual financial instruments or invest in highly speculative assets.

### **Clients' objectives and needs**

The client's objectives should be in line with the Fund's investment objective, which is to generate income over the longer term (5 years +) by gaining exposure to a balanced mix of assets.

**Clients who should not invest (the ‘negative-target market’)**

The Fund may not be suitable for certain investors, including but not limited to those whose objectives and needs are not consistent with the nature of the Fund, those who are unable to commit capital for a sufficient term or do not have sufficient resources to bear any loss which may result from an investment in the Fund. The Fund is also not committed to meeting any specific ethical, social, religious, or environmental restrictions which some investors may be seeking.

**Distribution channel**

The Fund will be distributed primarily via fund platforms, wealth managers, discretionary fund managers and financial institutions.