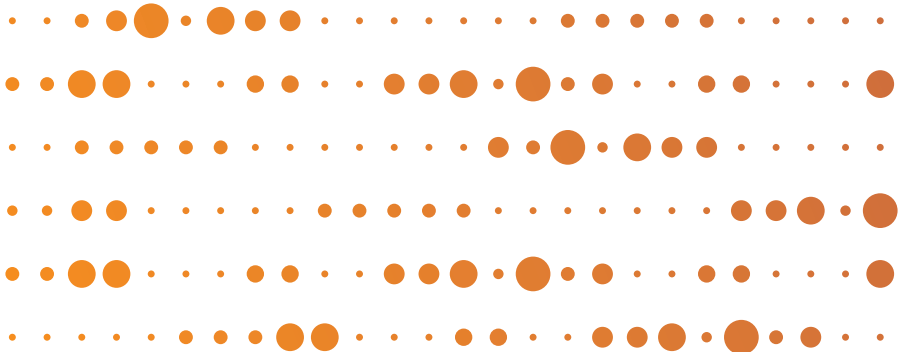


# IMX

Investment. Engineered. For you.





Individually engineered

## Welcome to IMX

We're very happy to be providing you with IMX, our discretionary managed portfolio service (MPS). By focusing on your financial planning needs and creating value for money, IMX has been designed and built to support a new approach to financial planning.

## What can I expect?

Our IMX portfolios have been built from the ground up to focus on client needs and outcomes, to create value for you.

And your adviser can take advantage of our IMX technology to help you understand why the recommended portfolio is best suited to your financial planning needs – and to check-in for progress reports against your goals.

Being invested in an IMX portfolio means you'll benefit from:



An investment solution designed to help you achieve your financial goals.



Efficient management of costs to help your money work harder.



A mix of investment types in each portfolio to achieve a wide variety of client goals.



Professionally managed and carefully constructed client outcome-led investment portfolios.



ESG integration as part of asset allocation and manager selection.



Secure and easy 24/7 access to view your IMX portfolio on our online portal, Nucleus Go.

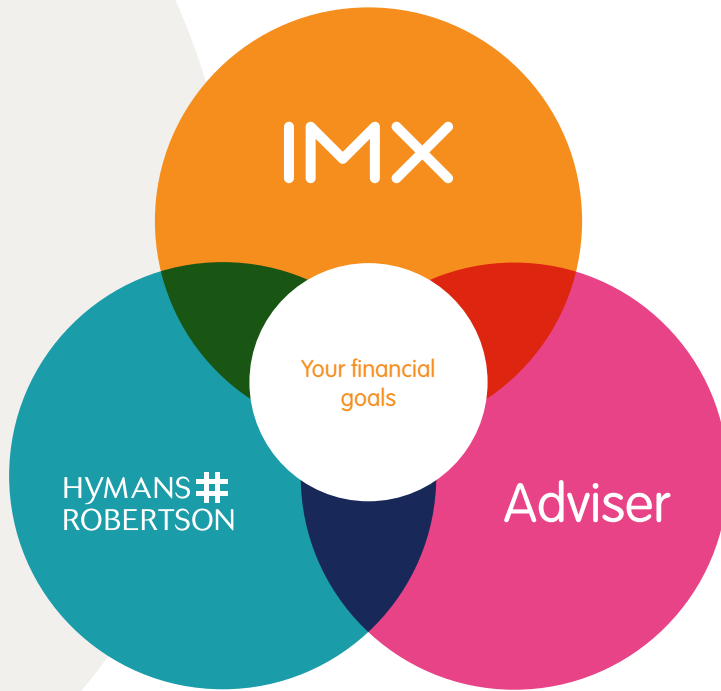
## How does IMX work?

IMX is a managed portfolio service. What does that mean? It lets your adviser recommend our IMX service to provide an outcome-focused investment portfolio for you (with your authority) and we make sure the investments are expertly managed for all IMX investors.

We've partnered with a highly experienced independent investment services provider, Hymans Robertson, to do this. Needless to say, Hymans Robertson has a very successful and award-winning pedigree in investment design.

We've also developed integrated IMX technology to help your adviser explain how the selected IMX portfolio suits you, and more importantly, how it's doing over the time that your money's invested in it. Your adviser can use the IMX portfolio modelling tool to regularly check to see if your selected IMX portfolio is on track against your planned goals. It also means if your goals change, your adviser can use the tool to identify if the portfolio is still right for you.

IMX – working with advisers to create better client outcomes



## Our approach

We know how important investment choices are to help your money grow, to achieve those goals you've set yourself. Before building IMX, we analysed a wide range of real client investment behaviours - with help from our investment consultants.

The results told us we needed a range of investment portfolios to address the multi-layered financial goals people have. This approach sets IMX apart from other investment options, which don't always have the same focus on client outcomes or goals.



Create a range of client goals (based on real data)



Analyse these goals to map the right investment assets to them



Create a range of portfolios to match client goals

## Spend or grow

Our research also told us that most people plan to invest for a target amount or 'pot' that they'll use for those important life events. Other people want a mix of both, knowing they want to invest so they can take withdrawals at some point in the future.

And mixed in with all of that are our human characteristics, the things that make us worry or be happy, and affect our wellbeing. These unconscious behaviours also inevitably steer our decisions.

There's growing evidence that understanding our emotional relationship with money can lead to better decision-making. For example, knowing what makes us anxious about our finances can help us cope when markets are unstable. It's a growing area of focus for advisers who are working with their clients in this way to evolve and improve financial planning. Defining what makes us tick is pretty difficult, but as a starting point we've recognised some people will take more risk and be happy to see the value of their investments move up and down more over time, to achieve the level of growth they need. Of course others may have less appetite for that level of risk and change in value, so need more certainty about their investments.

Your adviser will work with you to fully understand your preferences and match them to the right IMX portfolio for you.

## The build

Next, we brought all of this research and insight together to build our range of IMX portfolios. There are 12 for people who want to see their investments grow to a certain level and another 11 where you can plan to take withdrawals or income from your investment. And we've called them IMX grow and IMX spend to keep it really simple - they take account of those human factors too.

IMX<sub>grow</sub>

IMX<sub>spend</sub>



## Assembled with care

Each portfolio has been carefully constructed to include the best mix of investments to provide greater certainty or create higher potential for growth.

We include a range of investment types (shares or equities, commercial property, bonds and cash) to create the right mix for each portfolio to support your goal.

To create our IMX portfolios we follow our investment beliefs to make sure we have your best interests at the centre of everything we do. Each belief has an important role to play, especially the one about understanding the impact that costs and charges can have on investment outcomes.

When we select investments, our aim is to keep costs to a minimum but maximise the potential long-term returns for you.

Our investment committee, which includes independent investment experts, steered us through this process and continues to monitor the progress of each portfolio on a regular basis. There's a 'blueprint' for each portfolio that has all the key facts and proportions of investments held.

You can find out more about our investment approach in our investment principles brochure.

## Fine-tuning IMX portfolios

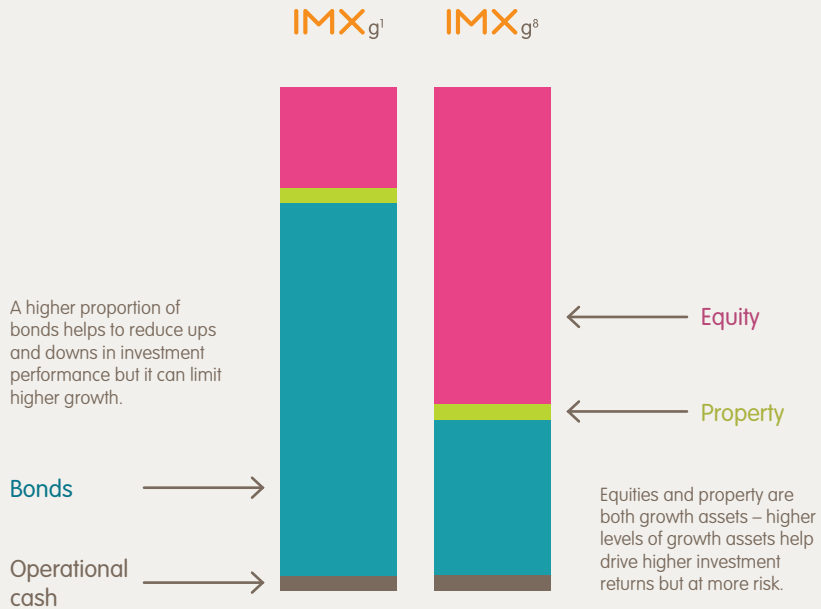
Each IMX portfolio is designed to match to a range of client goals and characteristics. For example, IMX grow 1 includes a high proportion of bonds to help reduce ups and downs in investment performance but higher growth is limited by this. In contrast, IMX grow 8 has a high level of growth assets, including equities and property to help drive higher investment returns over the long term but at a risk of more ups and downs.

Your adviser will work with you to understand the right IMX portfolio for your financial goals and how you feel about investing. This will involve using our IMX portfolio modeller tool to understand which option will best meet your goals and to share the results with you.

You can find out more about our IMX portfolios through our online factsheets which will be updated every quarter to show investment performance and provide some insights into current market conditions.

Always remember investment returns aren't guaranteed. The value of an investment can go down as well as up and may be less than the amount paid in.

## IMX portfolio asset allocation example



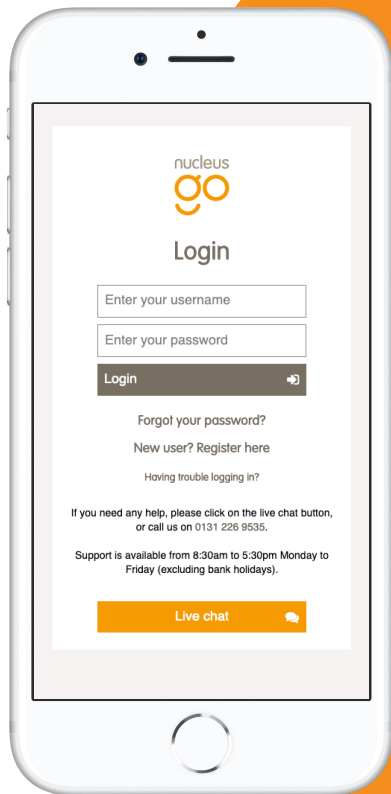
## Keeping the right balance

Our IMX team and the investment committee carries out ongoing checks on the IMX portfolios to make sure they're still in line with their original blueprint.

Our commitment to you is that through this process we'll correct any drift or variation from the original investment mix and 'rebalance' it as needed. It's important to do this to make sure that the portfolios have the right level of investment mix to achieve the set objectives. We plan to do a rebalance quarterly and will let you and your adviser know when it's happening.

Our review process also looks at investment returns and performance each quarter and we'll provide updated information about this in the IMX factsheets.

If markets are unstable and drop by more than 10% in a reporting period, we'll contact you to let you know about that too.



## Tracking progress

As an IMX investor, you'll be automatically registered for secure online access to Nucleus Go.

You can login to Go, 24/7 on any device to view your IMX portfolio value, over any period and you'll also see the transactions that have happened on your account. You can view important correspondence and download a PDF summary of your account.



## What is sustainable investing?

Sustainable investing is all about understanding the environmental, social and governance (ESG) impact of an investment as well as the potential for financial return.

We believe that sustainable investing can impact investment outcomes and we integrate this throughout our investment process in three ways:

### 1. ESG integration

We consider ESG as a factor when selecting and allocating to fund managers in our portfolios

### 2. Stewardship

We consider and monitor how our underlying fund managers engage with, and influence, the companies they hold

### 3. Sustainability

We measure the impact of our portfolios using metrics such as carbon footprint

## Looking after your money

Looking after customer money is at the very top of our priority list. As at 30 June 2021, we are responsible for assets of £18.9bn on the wrap platform on behalf of more than 102,000 customers. We're authorised and regulated by the Financial Conduct Authority (FCA) which means we put safeguards in place to protect you and your assets.

In line with the FCA's rules, we hold your assets in separate accounts and investments. That means they're completely independent from Nucleus, and therefore protected from anything that might happen to us as a company.

We're also covered by the Financial Services Compensation Scheme (FSCS). In the unlikely event that we can't meet our obligations, you may be entitled to compensation from the FSCS. For further details, please go to [www.fscs.org.uk](http://www.fscs.org.uk).

Your online Nucleus account is completely secure. We'll never send you emails asking for confidential information such as your password. Please speak to your adviser for more information about the safety of your money.

## What we mean when we say...

We've worked hard to make our explanation of IMX easy to understand but we know some of the words and phrases you'll come across in our factsheets and other documents, aren't always the most straightforward. To help you understand more about what these mean, we've provided some more information here.

### Asset classes

Each of our IMX portfolios has a range of asset classes included. These asset classes are provided by investment managers and are approved by our

investment committee. An asset class is a group of securities or investments that have similar financial characteristics. They're usually described in four main groups.

- Cash
- Equities (often referred to as shares)
- Property
- Bonds (also called fixed-interest securities)

### Asset class allocation

By using different mixes of asset classes, different investment outcomes can be targeted by portfolios. See page 11 of this guide to find out more.



## Fund management firm

A fund manager is responsible for the investment of different types of assets on behalf of investors. Our IMX portfolios are made up of different assets, managed by fund management firms to help achieve client financial goals.

## Estimated portfolio outcomes

In our IMX portfolio factsheets you'll see a chart called 'estimated portfolio outcomes' that helps to demonstrate the balance of risk and return in an IMX portfolio. There are three outcomes shown which use optimistic, neutral and pessimistic economic outcomes or conditions to show how the mix of asset classes in the portfolio may perform.

## Growth assets

The growth assets allocation of a portfolio is the total proportion of equity or shares and property funds. These growth assets provide greater opportunity for higher investment returns but with the risk of more ups and downs over the term of investment. Each IMX portfolio has a range of growth assets allocation in the portfolio's objective.

## Likelihood of achieving annual returns or withdrawals

The factsheets have a second chart that shows the likelihood of the investment achieving the expected annual investment return or the withdrawal needed, if income is being taken. The chart shows this for three investment terms, 5, 10 and 20 years and colour codes the likelihood in five ranges.

### Managed portfolio service (MPS)

A managed portfolio service is a discretionary investment management service on behalf of advisers for their clients. Your adviser can select a MPS to provide a range of investment options (called portfolios) for you and other clients.

### IMX grow and spend portfolios

Our IMX grow portfolios are designed for you, if you're looking for investment returns on your money over a period of time. The IMX spend portfolios cater for you if you'd like to take a regular income from your investment.

### Portfolio charges

Managing investments involves time and money and we've worked hard to keep your costs down and to maximise potential returns in our IMX portfolios. The total ongoing costs of an IMX portfolio include the estimated investment charges and any other transaction and Mifid II charges. There is also our charge for the management of the portfolio, which is set at a competitive 0.15% of the value of your portfolio.

### Sustainable investing

Sustainable investing is all about understanding the environmental, social and governance (ESG) impact of an investment as well as the potential for financial return.

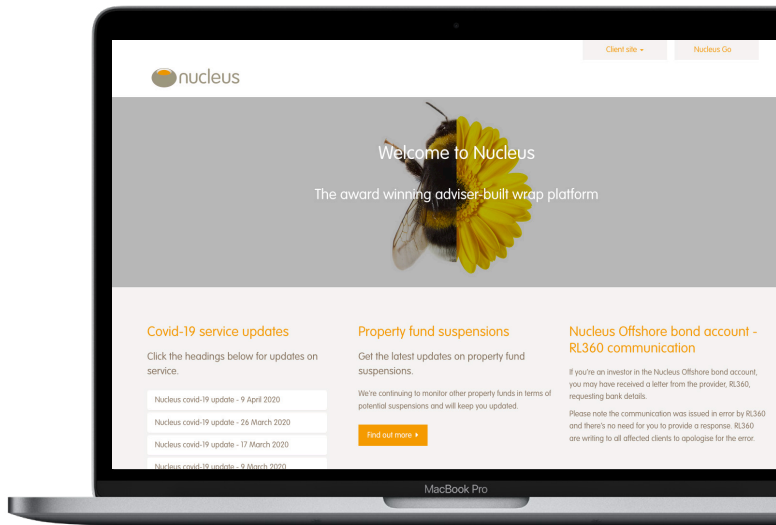
## Find out more

Your adviser is the best person to ask for more information about IMX and you can find out more on our website [nucleusfinancial.com/client-home/imx](https://nucleusfinancial.com/client-home/imx).

Always remember investment returns aren't guaranteed. The value of an investment can go down as well as up and may be less than the amount paid in.

If you're new to Nucleus, you can find out more about us in our client manifesto or at our website.

[www.nucleusfinancial.com](http://www.nucleusfinancial.com)



Past performance is not a guide to future performance. The value of an investment can go down as well as up, and may be less than the amount(s) paid in.

IMX is for advised retail clients only.



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