



## **Cheviot Balanced Fund**

Cheviot Asset Management will launch a fund of funds, called the Cheviot Balanced Fund, on 2nd April 2007. The fund will be managed by William Buckhurst who joined Cheviot in July 2006, having previously been at UBS Wealth Management and Laing & Cruickshank. The fund will follow Cheviot's balanced asset allocation model, which is run by Alan McIntosh, Chief Investment Officer, with the support of the firm's investment committee.

In their previous roles at UBS and Laing & Cruickshank, William and Alan contributed to manager selection and asset allocation for the successful 'Elite' range of fund of funds.

The fund will have a global, multi-asset remit with a maximum of 85% in equities and with a minimum of 15% in fixed interest, property and cash as dictated by the IMA Balanced Managed sector rules. The fund will be benchmarked against the FT APCIMS Balanced index. Both income and accumulation shares will be available. The anticipated yield will be 2.8%.

There are a number of points that we believe will make this fund stand out from its competitors and make it attractive to High Net Worth Individuals and their advisers.

1. Whilst William Buckhurst will be responsible for day to day management of the portfolio and manager selection, Alan McIntosh, will be responsible for asset allocation. We believe that successful manager selection and asset allocation require two different skill sets and as such should be carried out separately.
2. Unlike most funds of funds, the fund will invest in both open and closed ended funds at the manager's discretion, which we believe will add value, especially at times when closed-ended funds trade at a discount to their open-ended equivalents.
3. Too many funds of funds describe themselves as multi asset, but merely offer equities, bonds and cash. Through the adoption of the Non-UCITS Retail Scheme particulars (NURS), this fund will have the ability to invest in alternative asset classes, such as hedge fund of funds, private equity and structured products that can protect downside. Although it is not anticipated that the fund will immediately have exposure to these areas, the manager will use David Miller, who has recently been recruited by Cheviot as Head of Alternative Investments, to advise on these areas. David was recently managing director and head of investments for the British Isles at Royal Bank of Canada's global private banking arm.
4. In common with Cheviot's overall philosophy, the fund will be aimed at high net worth individuals, rather than the retail market, and as such will embrace a high degree of personal service. This service will extend to advisers and other intermediaries acting on behalf of HNWI's.
5. Cheviot's staff pension contributions will be invested in the fund, thus aligning the manager's interests with clients.

**Please direct all further enquiries to William Buckhurst on 0207 845 6160.**