

Our Investment Process

At Bowden Financial, we take investment management very seriously. We are very aware of the fact that analysing every fund in the investment universe takes a lot of resource and to try and do this on our own would not only be foolhardy, but would also mean we would not have time to look after our clients properly.

Where do we get our fund research and information?

We gather information from two well respected sources:

- Financial Express (FE)
- Rayner Spencer Mills (RSM)

Financial Express (FE) is a market leader in the provision of investment data, software tools and performance analysis to the financial services industry. Formed in 1996, they are a private company with a strong international presence throughout Europe and Asia Pacific. They have earned a reputation for excellence through years of experience in combining specialist skills in three key fields - data, software and investment knowledge.

Bowden Financial retain the services of FE and their research team to help us with our fund selection. This provides the starting point for our assessment of funds and ensures that our research is both independent and free from any preconceptions or preferences any individuals or groups may have. Funds are selected using FE's uniquely comprehensive suite of ratings and awards, coupled with in-depth qualitative research by their skilled team of analysts which enables us to recommend the best funds, fund managers and investment houses in the industry. This gives us a broad selection of top quality funds covering all asset classes and sectors.

Rayner Spencer Mills (RSM) is an independent research company specialising in rating, comparing and analysing the full range of funds and products available in the UK. The team at Rayner Spencer Mills has many years of industry experience in a combination of sales, marketing, product research and analysis. In addition, they have direct investment management experience and experience of managing an advisory business.

FE and RSM enable Bowden Financial to access up to date research on the fund universe and rate funds according to various measures, such as volatility, risk and consistency. They also look at the investment process of the individual funds to gain a good understanding of how the fund managers work and the fundamental principles behind their fund selection. This means we are not just looking at past performance, but we are also looking at those factors that will affect a fund's future performance.

What do we do with this information?

We use the research of FE and RSM as a base and then overlay this with our own analysis, making good use of our FE Analytics software to further interrogate the fund data.

We then put together our preferred list of funds, from which we tailor bespoke portfolios for each of our clients, depending on their attitude to risk, capacity for loss and investment objectives.

Our aim is to provide the potential for real growth over the long term from a portfolio of funds providing a lower level of volatility than one would expect from pure stock market investment. Where possible and appropriate, we will include funds with a sustainable and ethical remit.

We build portfolios with a core of smoothed and/or multi asset funds (which, for example, can include investments in a combination of equity, fixed interest and property). We then add satellite positions in more concentrated funds which can provide greater potential for growth.

We adjust the weighting of core smoothed/multi asset funds and satellite funds, depending on an individual client's appetite and capacity for risk. For clients with a lower tolerance for risk, we may not include any satellite funds. This will be discussed with you during our initial meeting.

It is important to recognise that we are not trying to second guess market movements or switch geographical weightings on a regular basis. We are seeking out funds that offer a compelling investment opportunity and give the prospect for real growth over the longer term.

With this in mind, our portfolios are constructed with a long-term view (ideally 10 years plus) concentrating on the management of risk rather than simply chasing returns. We are looking for funds which truly complement each other, rather than those which all move in the same direction at the same time. With our carefully considered investment process, we do not anticipate having to switch funds very often.

How do we keep track on progress?

We provide ongoing monitoring through our personalised Service Level Agreements (SLA). If you sign up to our SLA, we will have an annual or bi-annual review meeting (depending on the SLA chosen).

At the meeting you will be given a full valuation of your portfolio and we will chart the performance of your portfolio against the FTSE 100. Most people are familiar with the FTSE 100, so this gives a good sense check as to how the chosen portfolio is performing against a major market index and how the volatility of the portfolio compares to the stockmarket. If at any time between valuations you have any questions or would like an additional valuation, you are free to contact us and we will be happy to help.

All of our funds are monitored to ensure they continue to meet our expectations and our preferred fund list is regularly reviewed to ensure we are happy that we are continuing to use the most appropriate funds.

If we believe it is necessary to change a fund within your portfolio before our next meeting with you, we will contact you to explain why we believe such a change is desirable and ask you to authorise the switch.

It is important to understand that, even with this level of expertise behind us, the performance of funds can never be guaranteed. Volatility will always persist in investment markets and there is always the possibility of unanticipated events leading to exceptional market conditions.