



DISCRETIONARY PORTFOLIO SERVICE

Contents

What is the Verso Discretionary Portfolio Service (DPS)?	3
Working with your adviser	4
The right portfolio for you	5
Responsible investing	6
How is your portfolio constructed?	7
Our investment strategies	8
Asset allocation	9
Your portfolio makeup	11
Our portfolio objectives	12
What sets the Verso DPS apart?	13
Next steps	14





Within Verso we have a rich pedigree of providing investors with sound investment strategies.

Welcome

At Verso Investment Management, we believe the financial world has changed to such an extent that the need for a well-thought-out investment strategy has never been greater.

Of course, the landscape is constantly changing, meaning investors need to be able to adapt and refine to seize opportunities and just as importantly, avoid potential pitfalls.

Within Verso we have a rich pedigree of providing investors with tailored investment strategies. We do this by understanding your personal financial goals and building an investment solution which works in unison. We understand individuals' circumstances can change, so flexibility is fully embedded in everything we do.

The Verso Discretionary Portfolio Service is an investment solution built, and continually managed, around you by our team of highly qualified and experienced investment professionals. All this is backed by a named adviser, who will work in partnership with you to design your plan and make sure it stays in tune with your needs.



What is the Verso Discretionary Portfolio Service?

The Verso Discretionary Portfolio Service, or DPS for short, is a more sophisticated way of investing for high net worth individuals. Individuals with more complex financial needs or goals often need financial solutions that are less mass-market, and more exclusive.

Our DPS is aimed squarely at people with these needs. Because your circumstances are unique, your adviser will work in partnership with you to find the portfolio from our DPS range that is right for you.

This is a discretionary managed service, which means the Verso investment team will be able to change the portfolio line-up to ensure it continually meets the objectives of the model you have chosen. It also allows them the flexibility to make alterations to the strategy as the financial landscape evolves.

Verso's DPS will generally draw on a broader range of financial instruments to aid diversification.

BENEFITS OF THE DPS

Exclusivity

The DPS is managed by our dedicated team of investment professionals using a broad range of investment vehicles, some of which can only be accessed through this service. Rest assured, we do not invest in instruments that are not well understood or illiquid.

Available across different tax wrappers

The Verso DPS can be held in an ISA, a personal pension or in a general investment account. Your adviser will be able to determine what is best for you.

Transparency

You will directly hold the investments in your portfolio with Verso's custody partner. We will report on your assets periodically or on request via an online portal.

Competitive charges

We believe Verso's DPS has charges which are generally lower than many of our peers, meaning a sophisticated investment solution represents excellent value for money.

*One size
seldom fits
all in the
financial
world.*



Working with your adviser

Verso understands that every individual has differing financial needs and aspirations which can make choosing an investment strategy a daunting prospect.

One size seldom fits all in the financial world. The primary objective of a Verso adviser is to work in partnership with you to design a plan which is tailored to your needs.

We recognise that plans sometimes need to change, so our investment solutions are completely flexible. If your circumstances do change, your adviser will always be on hand to make any alterations that might need to be made, to ensure any new financial goals can be realised.

A common failing of many financial firms is that their advisers often have too many clients. At Verso, we consider this ratio very carefully, so our advisers are able to spend more time with you, and they are accessible when you need them.

UNDERSTANDING YOUR NEEDS

Setting financial goals is important, but Verso believes you cannot get to 'there' without understanding where 'here' is. The best way to think about this is embarking on a journey. On a map, you might be able to pinpoint your intended destination, but planning a route needs to take into account your start-point.

This means the first stage in creating a financial plan should be to gain an understanding of your current financial position and use that as a platform to build a picture of what is important to you.

Your Verso adviser will guide you through this by asking you about your current circumstances, your goals and how long these might take to achieve, whether you are familiar with the financial world, and just as importantly, how much risk you are prepared (and can afford) to take to achieve your goals.

Verso's DPS offers a broad range of financial solutions from defensive, where the emphasis is on stability, to the more adventurous, which are more suitable for experienced risk-takers. So whatever your circumstances or financial aspirations, it is likely you will find a DPS solution that is suitable for you.



The right portfolio for you

With so many asset classes and investment vehicles, selecting an investment solution which is right for you, can feel bewildering.

Your Verso adviser will help you through this process, which focusses on three main criteria:



ATTITUDE TO RISK

This tells us about the level of return you are looking to achieve and the extent of fluctuations in your investments you might be able to tolerate. There is no hard and fast rule, it is personal to you, but generally the higher the return you wish to generate, there is a trade-off in terms of higher volatility or even financial loss. Your adviser will steer you through this in detail.



CAPACITY FOR LOSS

Some investors might have a very relaxed attitude towards risk but a low capacity for loss. In other words, they might feel comfortable taking risk, but this is simply not sensible given their personal circumstances. Capacity for loss could be unique to an individual or a particular pot of money. You might feel less comfortable taking too many risks with a pension pot for example. Again our advisers are on hand to guide you through this.



TIMESCALES

Most of the investments used in a DPS portfolio will fluctuate in value and this means your investment horizon is very important. Arrangements of this type need a timescale of at least five years, but the longer the better. If you are likely to need access to funds sooner than this, for example to fund a house move or a new car, it is usually best to put these to one side before you invest.

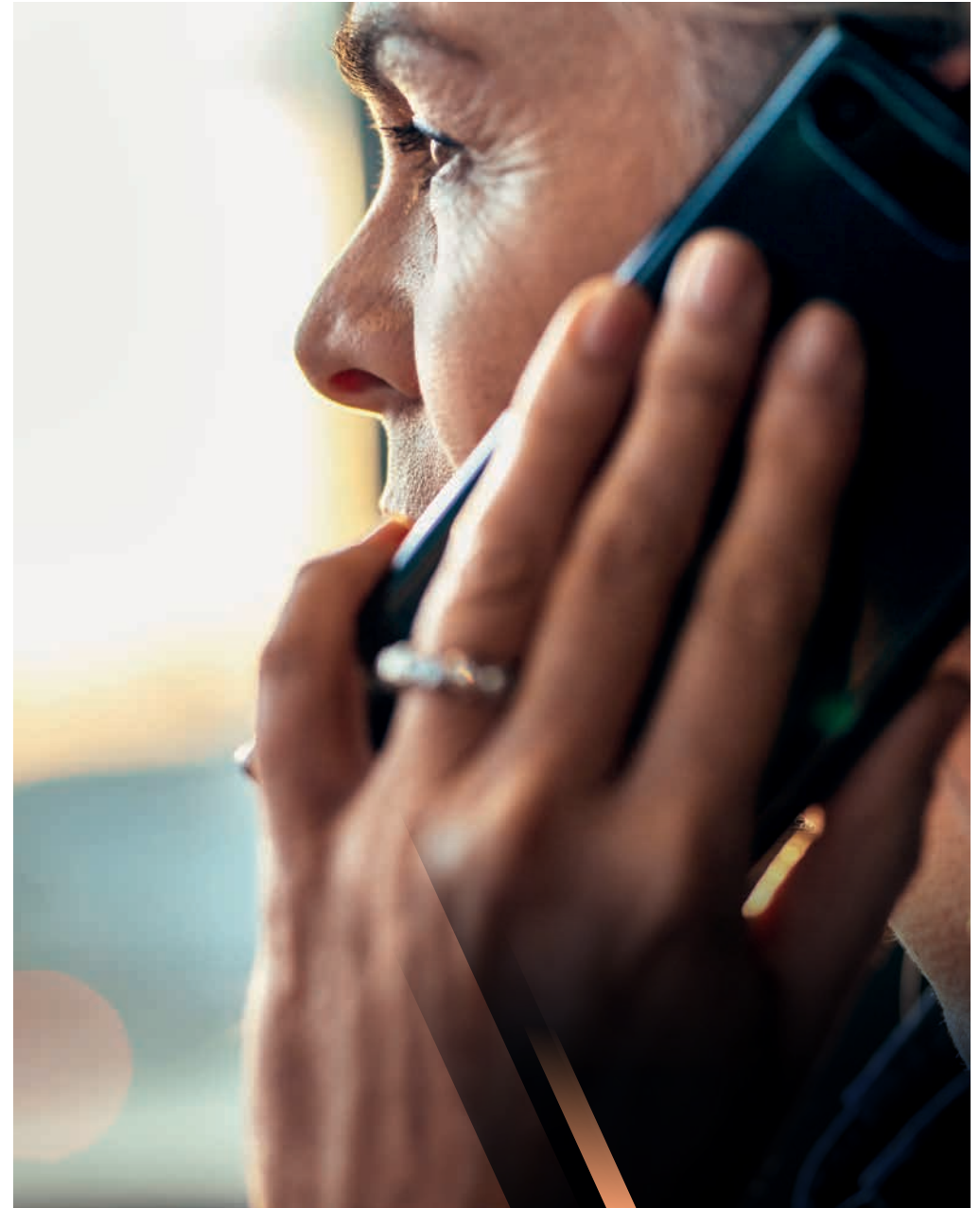
Responsible investing

OUR PHILOSOPHY

One of our core beliefs is to strive for a 'better world' and as investors we think we can make a worthwhile contribution to that by investing responsibly. As part of our process, the Investment strategy committee and research team will consider the Environmental, Social and Governance (ESG) implications of any investment we make. ESG is fully integrated into our process, but setting us apart from our peers, we use an in-house proprietary model rather than something 'off the shelf'. Without a credible approach to these issues, organisations can lack access to capital and ultimately become less competitive. In short, we do not see doing the right thing and competitiveness as being mutually exclusive, quite the opposite, we are firmly of the view that strong ESG credentials can help contribute to investment returns.

OUR APPROACH

All investments within the DPS are screened and scored on ESG grounds. We want to ensure firms we invest in have robust and active strategies towards stewardship and engagement. We are keen to ensure this is not just words in a mission statement, more that firms actually bring this to life in their day-to-day activities. In order to do this we want to understand what internal resources they utilise, such as third-party ESG data inputs, and dedicated ESG teams. This due diligence is an ongoing exercise, and we regularly engage with our fund managers through formal meetings and updates to evidence and monitor progress.



How is your portfolio constructed?

A MIX OF ASSETS IS KEY TO REDUCING RISK

Verso has a rich heritage of providing investment solutions and central to our success is our approach to managing risk.

In simple terms, investments that have the potential to deliver the best returns, are quite often characterised by higher levels of volatility and the chance of financial loss. The added complication is that some asset classes perform well in certain circumstances whilst others won't.

Trying to understand the reasons why this might be happening is sometimes hard to pin down. For investors looking to maximise the return on their money whilst trying to minimise risk, the task of which assets to invest in can be challenging. One way to overcome this is through diversification.

The old adage of 'not having all your eggs in one basket' is arguably more relevant today than it ever has been. Put simply, this means any sensible investment strategy should be built around a range of assets. The aim here is to remove some of the risk associated with holding just one particular type of asset, which could be out of favour at any one point in time.

The chart opposite sets out the importance of diversification. It shows the performance of the best and worst asset classes since 2011.

As you can see, for any given year, the mix is different and the change from year to year can be quite rapid. For example, in 2015, Japanese equities were the best performing asset class, but in the following year, they were the worst. Commodities suffered the same fate in 2023.

This helps to explain why diversification sits at the heart of our investment process at Verso. Regardless of the level of risk you want to take, you can be sure your portfolio will be constructed around a range of assets. It helps to smooth out some of the peaks and troughs often associated with the investment world.

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
16.7%	27.7%	54.6%	15.0%	9.9%	32.7%	25.3%	1.1%	30.7%	24.4%	28.2%	13.8%	28.6%	27.21%
11.5%	21.6%	31.5%	14.6%	3.8%	16.8%	21.1%	0.7%	24.8%	17.8%	27.1%	1.5%	25.7%	24.50%
10.1%	19.3%	20.5%	13.0%	1.9%	14.8%	19.7%	0.5%	21.9%	14.9%	26.1%	0.8%	19.2%	20.74%
9.3%	17.8%	17.9%	12.5%	1.8%	12.3%	13.5%	-1.5%	19.2%	9.1%	21.0%	-0.3%	13.4%	9.60%
6.5%	15.5%	8.0%	9.5%	0.7%	11.4%	12.9%	-1.6%	18.8%	9.0%	18.2%	-4.5%	13.4%	9.44%
6.0%	15.2%	3.7%	9.4%	0.7%	11.2%	10.4%	-2.2%	18.5%	8.9%	13.4%	-10.6%	9.8%	8.28%
5.0%	13.8%	1.6%	8.5%	0.7%	10.7%	10.2%	-2.7%	13.8%	8.8%	5.4%	-11.7%	9.7%	7.48%
2.6%	12.9%	0.5%	7.9%	0.6%	10.3%	7.2%	-3.3%	13.7%	8.0%	1.4%	-11.7%	8.9%	7.21%
1.5%	12.0%	0.3%	6.2%	0.5%	9.4%	6.5%	-4.9%	11.0%	7.2%	0.0%	-13.2%	8.0%	5.23%
0.7%	11.1%	0.2%	4.0%	0.1%	8.0%	4.9%	-5.6%	10.6%	5.8%	-1.0%	-15.3%	8.0%	3.29%
-3.2%	7.1%	-4.2%	1.2%	-0.7%	5.8%	4.6%	-7.1%	10.5%	4.6%	-1.7%	-18.1%	5.8%	2.65%
-6.5%	5.9%	-4.5%	1.2%	-0.8%	4.1%	2.3%	-9.4%	7.1%	0.4%	-2.0%	-18.5%	4.8%	1.71%
-13.4%	4.7%	-5.4%	0.5%	-4.2%	3.6%	2.0%	-9.5%	6.8%	-3.5%	-3.3%	-19.3%	4.1%	0.94%
-17.1%	2.9%	-8.3%	-0.1%	-10.0%	0.7%	1.1%	-13.0%	5.5%	-5.1%	-3.4%	-25.1%	3.6%	0.12%
-18.0%	0.8%	-9.6%	-1.4%	-10.6%	0.6%	0.7%	-14.3%	5.4%	-9.0%	-4.8%	-25.1%	3.5%	-0.65%
-18.7%	-1.1%	-28.1%	-17.0%	-24.7%	-0.7%	0.4%	-15.1%	0.8%	-10.3%	-5.3%	-26.1%	-12.6%	-4.02%

UK EQUITY	GLOBAL GOVERNMENT BONDS
US EQUITY	GLOBAL CORPORATE BONDS
EUROPEAN EQUITY	GLOBAL INFLATION LINKED BONDS
JAPAN EQUITY	EMERGING MARKET EQUITY
REAL ESTATE	EMERGING MARKET BONDS
CASH	GILTS
UK CORPORATE BONDS	COMMODITIES
GLOBAL HIGH YIELD BONDS	GOLD

Not 'having all your eggs in one basket' is arguably more relevant today than it ever has been.



Our investment strategies

No two investors are truly alike. Whilst they might broadly have the same view on the level of risk they are prepared to take, their individual circumstances will almost certainly be different, which means the way we plan their investments needs to be unique to them.

This ethos sits at the heart of our DPS.

We construct portfolios designed to fit with a wide range of individual needs, but in all situations, there is an inescapable truth, and that is the trade-off between risk and reward. Typically investment strategies with higher levels of exposure to the stock market would be expected to generate greater returns, but also have the potential for short-term volatility.

Your adviser will take into account your attitude to risk, capacity for loss, your time horizons along with your personal aims and objectives so you end up with an investment strategy that fits you perfectly.

/ RISK VERSUS REWARD - FOR ILLUSTRATION PURPOSES ONLY





As the financial landscape changes, so too will our investment strategies.

The broad range of investment strategies we offer use a combination of asset classes, hand-picked by our in-house investment professionals. The mix of assets and the amount committed to each provides a blend which ultimately determines how each investment strategy is likely to behave.

Of course, the financial world is fast-moving and seldom stays static for long, so the DPS is naturally dynamic. As the financial landscape changes, so too will our investment strategies, meaning the asset line-up and the amount dedicated to each area will naturally evolve over time.

But it is necessary to have robust controls in place to make sure the overall investment aims of each strategy are not compromised. In simple terms, although we might make changes to the underlying investments, the 'balanced' portfolio will remain just that, balanced.

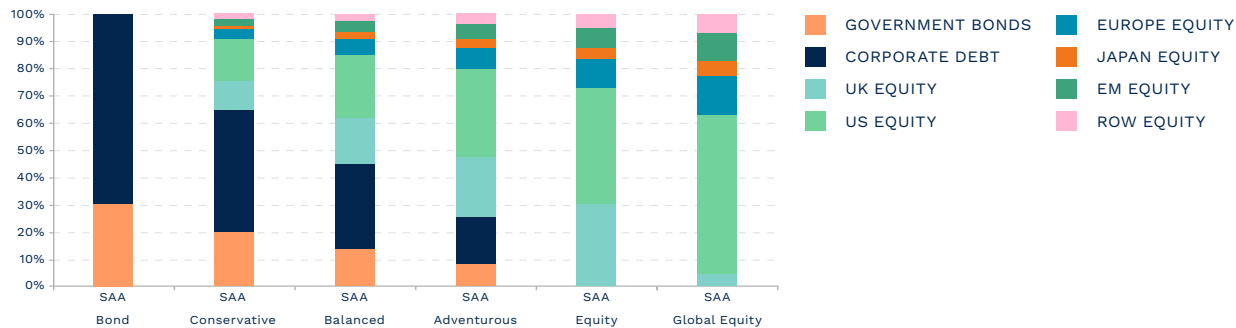
All strategies within the DPS are managed on a discretionary basis, so we can make changes swiftly, without having to burden investors with cumbersome paperwork each time we need to alter things.

Asset allocation

The investment world can be complicated, but we believe in keeping things simple.

/ A RANGE OF STRATEGIES TO MEET DIFFERENT OBJECTIVES

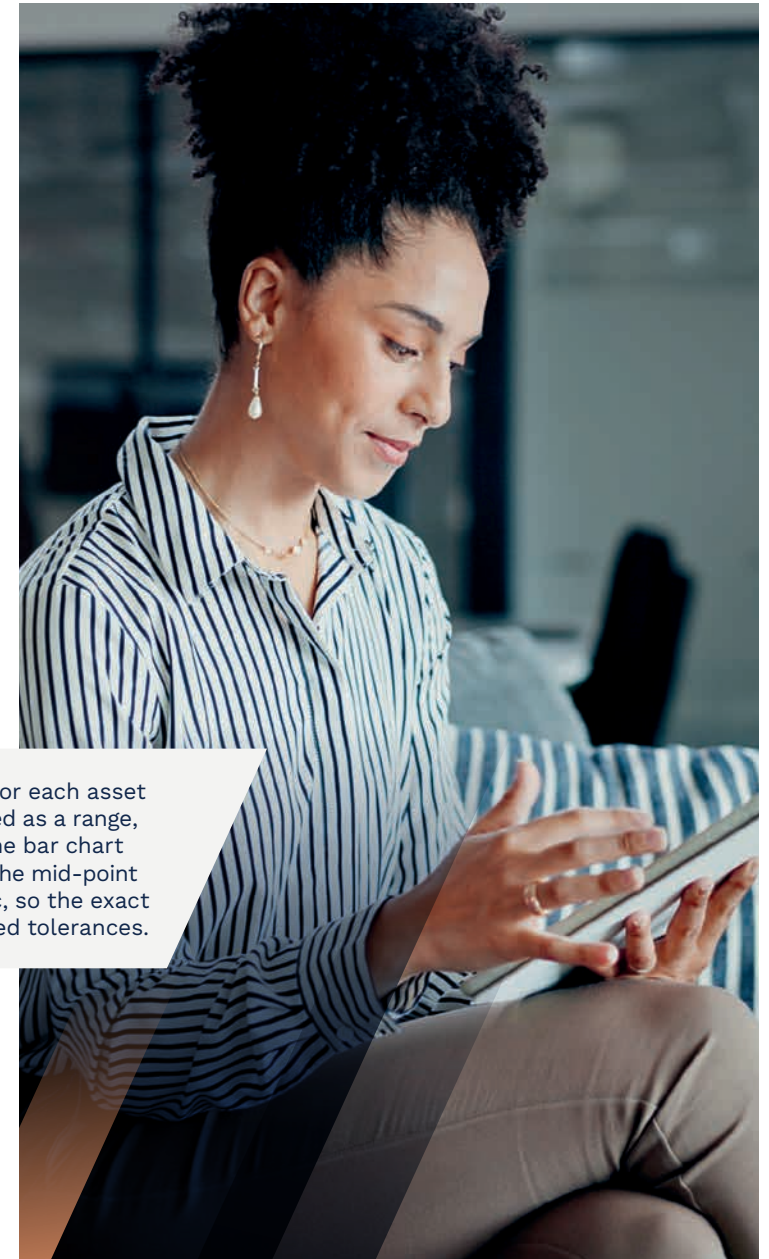
Strategic asset allocation



Ranges	Bond	Conservative	Balanced	Adventurous	Equity	Global Equity
Fixed Income	90% <-> 100%	55% <-> 75%	35% <-> 55%	15% <-> 35%	0%	0%
Equities	0%	25% <-> 45%	45% <-> 65%	65% <-> 85%	90% <-> 100%	90% <-> 100%
Alternatives	0%	0% <-> 20%	0% <-> 20%	0% <-> 20%	0% <-> 10%	0% <-> 10%
Cash	0% <-> 10%	0% <-> 10%	0% <-> 10%	0% <-> 10%	0% <-> 10%	0% <-> 10%

The table above shows the percentage breakdowns used for each asset class across all of our strategies. Most of these are displayed as a range, meaning the precise content will be at any point within. The bar chart above the table is for illustrative purposes and represents the mid-point of the range for each asset class. DPS is naturally dynamic, so the exact weighting will change from time to time but within specified tolerances.

The 'balanced' portfolio will remain just that, balanced.



We believe in the importance of diversification.

Your portfolio makeup

Once we have determined what type of asset allocation is suitable for you, we will consider the constituent parts and the amount we need to dedicate to each area.

Taking a high-level view, our portfolios are concentrated in two main asset classes – fixed income and equity investments, but can also invest in alternatives. We believe in the importance of diversification, keeping things simple and investments that are liquid (the ease with which an investment can be converted into cash).

Whilst our portfolios focus on two broad asset groups, they are invested in a wide range of instruments, including publicly listed shares, individual government and corporate bonds, third party active and passively managed funds, exchange traded funds, close-ended investment trusts, and publicly listed real estate investment trusts.



Our portfolio objectives



The objective of the Bond portfolio is to provide stable and predictable returns whilst preserving capital by investing predominantly in fixed income securities. It will be invested globally, directly and via third party funds, in government and credit instruments (90-100%). Cash / money market investments (0-10%) may also be held.



Sitting in the middle of the risk spectrum, the Balanced portfolio is designed to achieve a combination of capital appreciation and income generation whilst maintaining a moderate level of risk, and striking a balance between growth and stability. It will be invested globally in equities (45-65%), bonds (35-65%), alternatives (0-20%), and cash / money market investments (0-10%). Like the Conservative portfolio, it will hold a combination of direct investments and third party funds.



The Equity portfolio is aimed at those seeking to achieve long-term capital appreciation, by investing in a diversified range of equities. It will be invested globally in equities (90-100%), alternatives (0-10%) and cash / money market investments (0-10%), holding a combination of direct investments and third party funds. The portfolio has a split between UK and International markets, with roughly a third focused on the UK, though this can change according to the financial landscape



The Conservative portfolio aims to preserve capital and provide a modest level of income and growth, whilst minimising the impact of market volatility. It will be invested globally in equities (25-45%), bonds (55-75%), alternatives (0-20%), and cash / money market investments (0-10%). It will hold a combination of direct investments and third party funds.



The objective of the Adventurous portfolio is to seek higher levels of capital appreciation by primarily investing in equities. This means investors need to show a willingness to accept and tolerate higher levels of risk. It will be invested globally in equities (65-85%), bonds (15-35%), alternatives (0-20%), and cash / money market investments (0-10%), achieved through a combination of direct investments and third party funds.



Finally, the Global Equity portfolio has similar objectives to the Equity portfolio, but with a more international flavour. It will be invested globally in equities (90-100%), alternatives (0-10%) and cash / money market investments (0-10%) through a combination of direct investments and third party funds. It has a bias towards the US market (approximate equity split 60% US, 40% ROW).

Investment in all portfolios within the DPS should be for a minimum of five years, but the longer the better. Because the Equity and Global Equity portfolios are mostly invested in equities, with very little in the way of low risk backing, these are aimed squarely at investors prepared to accept higher levels of risk, are experienced investors and are prepared to invest for a longer time horizon.

What sets the Verso Discretionary Portfolio Service apart?



The Verso DPS, which is only available through our adviser network, is built upon a robust and proven investment process developed by our team over many years.



This service is exclusive and whilst investing in many of the mainstream asset classes forms the bedrock of what we do, the DPS does open up a world of investment which might not be used as frequently in mainstream portfolios.



Being a highly personalised service means your interests are at the centre of everything we do. Your adviser and the investment team at Verso working in partnership aids a 'joined up' approach, and they will work seamlessly to make sure your portfolio is in step with your financial aims.



Our investment team has over 100 years of combined experience and most have reached the pinnacle of academic and professional achievement. They will use this combined know-how to seek out the best investment opportunities from around the globe.



It is not always easy to see why markets behave the way they do, so our commitment is to make sure we keep you informed through easy to understand communication.



All of our solutions are flexible so they can be adjusted to allow for changes to your individual circumstances.



Using cutting edge technology combined with significant buying-power allows us to keep our charges competitive, meaning you keep more of the returns.



All DPS portfolios are built using in-house expertise. This means we do not slavishly follow industry norms or fall prey to 'group-think'. We are innovative and in tune with contemporary financial thinking, not constrained by outdated models and techniques.



*Our investment team
has over 100 years of
combined experience.*

Next steps

If you have any questions relating to the content of this brochure, or if there is anything you don't understand, please contact your adviser.

IMPORTANT INFORMATION

The Discretionary Portfolio Service (DPS) is provided and managed by Verso Investment Management, a Verso Group company. Verso Investment Management is authorised and regulated by the Financial Conduct Authority. For full details please refer to your client agreement.

DISCLAIMER

This document has been produced by Verso Investment Management LLP for use by Verso Wealth Management and Verso Investment Management.

The information provided in this document is general in nature and is not personal financial advice. It does not take into account your individual objectives, financial or personal situation, or needs. It is for educational and illustrative purposes only, and does not constitute, nor should it be relied upon, as financial advice. You should consider whether the information is appropriate to your needs and always seek independent personal financial advice that is tailored to your specific needs from a qualified financial adviser.

Past performance information is not a reliable indicator of future performance, the value of investments and the income derived from them may fall and you may get back less than you invested. Any reference to past performance is intended to be for general illustrative purposes only.

Verso Investment Management is a trading name of Verso Investment Management LLP (VIM). Registered in England No. OC351100 at Cannon Place, 78 Cannon Street, London, EC4N 6HL. Authorised and regulated by the Financial Conduct Authority – 517235.

Verso Wealth Management Limited is registered in England No. 2625986 at Cannon Place, 78 Cannon Street, London, EC4N 6HL. Authorised and regulated by the Financial Conduct Authority – 153871.



versoim.com / info@versoim.com / 020 7380 3300

© VERSO INVESTMENT MANAGEMENT

Verso Investment Management is a trading name of Verso Investment Management LLP (VIM).
Registered in England No. OC351100 at Cannon Place, 78 Cannon Street, London, EC4N 6HL.
Authorised and regulated by the Financial Conduct Authority - 517235.

For more information,
please scan the QR code
to visit our website.

