Mazarin Funds
An Introduction
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Welcome

Built on a foundation of tradition and decades of experience, Baggette Asset Management Limited was established in 2017 with the aim of providing an enhanced investment solution. We recognised that Wealth Managers require a more efficient and agile solution than a Model Portfolio Service can provide, and as such launched our unitised offering.

Nearly three years of planning, which included obtaining authorisation from the Financial Conduct Authority, culminated in the summer of 2019 when we launched our first two Mazarin Funds, Balanced and Cautious.

Taking the knowledge gained throughout our journey along with our understanding that no two investors are the same, we launched our third Fund, Mazarin Adventurous in Q3 of 2020.

As we continue to move forward, we are confident that our rigorous and ever developing processes differentiate us from our peers.

Our investment philosophy ensures that our core values are always upheld and remain integral to the way in which we invest your capital. Our main principle is that the investor is always at the forefront of our decision making.

It is of the utmost importance that the trust you place in us is merited.
Our core values revolve around high quality, long term, diversified investments, and we believe these to be the key to the best rewards.

In order to protect investor capital as far as possible, we do not engage in market timing or short term investing. Once we have identified an appropriate investment, it is held until there is a compelling reason for its removal. As Warren Buffett once said, “If you aren’t willing to own a stock for ten years, don’t even think about owning it for ten minutes.”

Diversification plays a vital role in our investment process. Each sector and asset class reacts differently to market conditions, as well changes in the economy. As such, we are careful to ensure that our Funds are diversified through the use of uncorrelated assets. The impact of a poorly performing asset should be offset by other, better performing ones.

Through long established market relationships and extensive research, we are able to identify appropriate and high quality investments. Each asset is carefully scrutinised and only those which satisfy our stringent due diligence are selected.

We recognise that a knowledge and understanding of politics, history and human behaviour is of equal importance as numbers and figures.

With our long term view, we are aware that there are always headwinds in the market and are committed to seeing our investors through these turbulent periods.
Using our investment philosophy as a base, we carry out thorough research and screening to identify potential investments.

All investments are subject to an in depth Due Diligence exercise to ensure that it aligns with our values, the fund manager is accessible, acts with integrity and their organisation is financially sound.

All investment decisions are discussed with the Investment Committee. These meetings are an important element of our process and mean that all changes are ratified. Other aspects of the Investment Committee include economic analysis, governance, plus ongoing review and innovation.

The implementation of a strategic asset allocation allows us to diversify our Funds based on a number of factors including asset class, regional and geographic locations, and strategy. This is particularly important when aligning the Funds with their level of risk.

Whilst fundamentally we employ a strategic asset allocation, we also consider investments on a tactical asset allocation or ‘macro’ basis. Before a decision is made, we review the implications of local events, global events, the economy and broader markets to be certain an investment remains appropriate.

Once a fund has been integrated into Mazarin, it is only the start of our monitoring and evaluation. This ongoing process is vital to ensure that investments continue to remain appropriate and are performing as expected. As well as daily monitoring, a number of investments are selected for rigorous analysis on a weekly basis. Face to face or telephone meetings are held with each fund manager at least on a six monthly basis and they are subject to ongoing due diligence.

Environmental, Social and Governance (ESG) factors are also a key consideration when selecting investments and we anticipate that the importance of this integration will only increase in the coming years.
We are continually working to improve our process to ensure access to appropriate investments for our clients.
All investment deliberations begin with one question – “Is this an appropriate asset for our investors?” We never lose sight of whose money we are investing, and our dedicated team of experts are committed to growing and protecting your capital.

Our solid processes and thorough governance are present from the idea generation stage, through to implementation. Patience is vital to us, ensuring we are able to identify investments which align with our core values.

Recognising that our world is ever changing, we are constantly reviewing the way we work to ensure we are ahead of the curve. As part of this, we are committed to our position as a carbon neutral company.

We understand just how important the wellbeing of our people is, and for that reason we are continually striving to create a culture of high morale.

**Key Points:**

- Our Fund structure allows us to be nimble and react to markets appropriately.
- Quarterly factsheets and newsletters issued to our clients, in addition to regular market commentary and news articles to keep you up to date.
- Considered and dependable investment process.
- High quality team acting with integrity.
- A focus on long term with diversified assets.
**Features and Particulars**

**Structure**

Our appointed Authorised Corporate Director (ACD) is Investment Funds Services Limited (IFSL) who have regulatory responsibility for the Funds, as well as performing oversight and Fund administration.

HSBC are the Depositary of the Funds and are responsible for safe custody of all the assets. In compliance with the Financial Conduct Authority (FCA) regulations, Mazarin assets are ringfenced from HSBC’s own assets.

Baggette Asset Management Limited (BAM) are the Investment Managers of each Mazarin Fund and are responsible for the day to day investment decisions. All decisions are ratified through a robust Investment Committee.

Once trading decisions have been made by BAM, they are transmitted to Marlborough Investment Managers who are our primary dealing facility and are responsible for executing trades.

Each party is authorised and regulated by the FCA. The nature of the delegated responsibilities ensures that should one company cease trading, a new appointment can be made to ensure your assets are protected.

All Fund assets are ringfenced and protected by the Financial Services Compensation Scheme (FSCS).

If you have any questions in relation to this important information, please contact us at info@baggette-am.co.uk.
Charges

The costs associated with the Funds, often referred to as the Ongoing Charges Figure (OCF), are indicated and outlined within our quarterly factsheets as well as in the Key Investor Information Document (KIID).

- Contained within the OCF is a management fee of 0.50% which we charge to the Funds.
- The fund structure means that we are able to reduce and negotiate the costs of underlying investments.
- Any and all discount savings achieved are retained within the Funds for the benefit of investors.
- Investment management fees are free of VAT.

Benefits

- Access to a wide range of investment managers, and strategies from across the world.
- No capital gains tax on assets held within the fund.
- Three strategies to suit different risk profiles.
- Strengthened oversight for investment managers.

Disadvantages

- Investments in the Funds should be considered long term, and may not be suitable for those with short investment horizons.
- It is possible that charges are higher than in a Model Portfolio Service.
- Investment in the Funds can fall as well as rise and cannot be guaranteed; you may not get back the amount you originally invested.

At BAM our investment analysis is rigorous, forward thinking and constantly evolving.
The Mazarin Funds

Cautious
Comfortable with modest variations or disruptions to capital value in order to meet longer term objectives.

With the lowest equity weighting of our Mazarin Funds, Cautious is suited to those investors who want less risk to existing capital, whilst also looking for some growth. As well as equities, the Fund will typically invest in bonds, absolute return, and cash.

The Fund aims to have an average yearly volatility (a measure of the size of short term changes in the value of an investment), below 9% per year, over any 5-year period. This may limit the potential for capital growth.

Balanced
Accepts modest variations or disruptions to capital value in order to meet longer term objectives.

For those investors who wish to take slightly more risk, our Balanced Fund has a higher equity weighting with a view to protecting and growing capital in equal measures. As well as equities, the Fund will typically invest in bonds, exchange traded funds and cash.

The Fund aims to have an average yearly volatility (a measure of the size of short term changes in the value of an investment), below 12% over any 5-year period. This may limit the potential for capital growth.

Adventurous
Accepts considerable variations or disruptions to capital value in order to meet longer term objectives.

Carrying the highest risk of our three Funds, Mazarin Adventurous is a more volatile strategy which targets capital growth as a priority. Despite this, there does of course remain an element of wealth preservation. As well as equities, the Fund will typically invest in bonds, investment trusts, exchanged traded funds and cash.

The Fund aims to have an average yearly volatility (a measure of the size of short term changes in the value of an investment), below 15% per year, over any 5-year period. This may limit the potential for capital growth.

Key Investor Information Documents and Fund factsheets can be found on our website, www.baggette-am.co.uk, or can be provided upon request. There is no guarantee that the Funds will meet their investment objectives or volatility targets, and investors may not get back the amount originally invested. At least 70% of the Funds’ assets will be invested in other collective investment schemes, closed-ended funds, and exchange traded funds.
Our dedicated, experienced team of experts means that you can invest with confidence.
Protecting Your Investments

Each party is authorised and regulated by the Financial Conduct Authority (FCA) and the Mazarin Funds are audited regularly. Should IFSL or Marlborough Investment Management, who support the dealing cease trading, we would appoint a different fund administration service or dealing facility to protect your assets.

If HSBC were to cease trading, IFSL would appoint a new depositary to ensure your investments can continue.

All fund assets are ringfenced and protected by the Financial Services Compensation Scheme (FSCS).

Be aware that any investment made into a fund can fall as well as rise and cannot be guaranteed; you may not get back the amount you originally invested.
## Glossary

### Asset Allocation

The apportioning of a portfolio across different investments/asset classes in order to minimise risk and maximise return. This is similar to diversification.

### Asset Class

A group of investments which have similar characteristics. Investments in the same asset class are also subject to the same regulations and laws. Most asset classes fall under cash, bonds, stocks, and property.

### Authorised Corporate Director (ACD)

An ACD is authorised by the Financial Conduct Authority to operate a Fund. The ACD can also be responsible for compliance, governance, and administration.

### Capital Gains Tax (CGT)

A tax on the profit which is received when you sell an asset which has increased in value.

### Custodian

The company who hold the assets for ‘safe keeping’.

### Depositary

Much the same as a custodian, the depositary holds the assets for ‘safe keeping’.

### Diversification

A strategy which seeks to spread investment across a number of assets in order to limit the risk associated with ‘placing all your eggs in one basket’.

### Environmental, Social & Governance (ESG)

Three factors which are taken into consideration by investors who wish to be more socially responsible.

### Financial Conduct Authority (FCA)

The FCA is the conduct regulator for 59,000 financial services firms and financial markets in the UK and the prudential regulator for over 18,000 of those firms.

### Macroeconomic (Macro)

The study of a number of economic elements, including inflation, gross domestic product (GDP), unemployment and interest rates.

### Ongoing Charges Figure (OCF)

The most accurate method of estimating the annual charges for investing into the Fund, encompassing day to day running costs including administration, marketing, research, and regulation.

### Market Timing

The act of moving in, or out of the stock market by attempting to predict when prices will rise or fall.

### Sector

The grouping of stocks which share the same broad focus, these include among others, financials, healthcare, industrials, technology, and real estate.
FAQ

How do I know my capital is safe?
The most important factor to understand is that BAM will manage your money and will not hold client assets at any time. We cannot access the funds, which will have strengthened oversight compared to how the assets are currently held on platforms. Additionally, the first £85,000 of your capital is protected by the FSCS.

Does investing in Mazarin carry risk?
All investments are considered to have risk, including Mazarin. As every investor feels differently about risk, each of our Funds fall into a different risk category. It is important to remember that investments can fall as well as rise and cannot be guaranteed; you may not get back the amount which you originally invested.

Can you give me more information about charges?
As charges are subject to change, the current Ongoing Charges Figure is detailed in our factsheets and within our Key Investor Information Document. These documents are available on our website, www.baggette-am.co.uk, or directly from us at info@baggette-am.co.uk. If you have any further questions in relation to charges, please contact us via email and we will be happy to help.

Do you communicate with your investors regularly?
In order to keep our investors up to date, we post quarterly factsheets and newsletters on our website, www.baggette-am.co.uk. Additionally, we write regular blogs which are also available at our website.

Where can I access key documents and further information?
All key documents are available on our website at www.baggette-am.co.uk or you can contact us directly via email at info@baggette-am.co.uk.

Can you answer another question that isn’t listed here?
Certainly. Initially you may want to check out our website, www.baggette-am.co.uk, to see if your question has been answered already. If not, please contact us on 01202 068 649. We'd love to answer any questions you have about the Mazarin Fund Range or about our company.

Where are you based?
We’re based in Poole, Dorset. Baggette Asset Management Limited is a UK limited company registered in England and Wales (No.10636265). Our registered office is North House, Braeside Business Park, Sterte Avenue West, Poole, Dorset, BH15 2BX. We are authorised and regulated by the Financial Conduct Authority (No.781720).

If you have questions about these changes and would like more information, don’t hesitate to contact us on info@baggette-am.co.uk