



Where money meets intelligence



TACTICAL INVESTORS

Due Diligence

The Crossing Point Portfolio Management Service is only available to investors who use the ongoing services of a financial adviser. For information purposes only, please contact your personal financial adviser for further information.

Company Details

Company Details

Crossing Point Investment Management Limited
Company Number 08776208

Address and Registered Office

Tara House, 7 Uplands Crescent, Swansea SA2 0PA

Telephone

01792 278115

Email

mail@crossingpoint.co.uk

Web:

www.crossingpoint.co.uk

FCA Authorisation Number:

813549

Legal Entity Identifier Number

894500KY5JZ4VX5LSF43

Corporate Structure

Crossing Point Investment Management Ltd is a private limited company with seven founder shareholders and twelve IFA shareholders.

Principle Board Members

Dr Tomiko Evans

Chief Investment Officer and Managing Director

Prof Mike Buckle

Investment Manager

Chris Davies

Director

Andy Jones

Accountant

Alison Jackson

Compliance Officer

Carl Hagger

Business Development Manager

Crossing Point

Crossing Point

Crossing Point is a discretionary investment manager bringing together the best of academic analysis and investment expertise.

Crossing Point was conceived in 2014 and formed in 2018 after extensive academic research into an investment philosophy based upon market price momentum and tactical trading which has become the basis for our portfolios.

Crossing Point portfolios provide investors with a risk controlled means to access global capital markets. Its strategies are based upon extensive and robust research and testing backed up by MSc and PhD research papers.

Our portfolios aim to offer investors the benefits of global stock market growth while markets rise, then secure gains by switching to the safety of fixed income or cash when markets fall and only return to equities when markets recover. We use our discretionary powers to tactically trade between equity and relatively safer investments when our algorithm systems signal such a move. The past performance, as measured against established UK national average benchmarks, demonstrates the integrity and robustness of the core strategy.

In addition to our original Guardian portfolios which use low cost index tracker funds Crossing Point also offers Green Path ESG portfolios, Heritage investment trust portfolios and Fusion diversified portfolios.

Our Green Path portfolios invest in globally diversified funds which integrate environmental, sustainable and governance principles into the investment process.

Heritage portfolios utilise investment trusts within the portfolios for the majority of their equity allocation. Investment trusts are close-ended investments allowing for greater levels of diversification and a larger range of holdings while providing excellent returns.

Fusion portfolios invest in a mix of active and passive unit trust funds.

Range of Services

Crossing Point currently offers a range of four different investment strategies. Guardian portfolios are multi-index investment strategies. Green Path portfolios are a range of ethical and sustainable ESG (environmental, social and governance) strategies. Heritage portfolios are a range of investment trust strategies. Fusion portfolios are a range of active and passive unit trust funds.

Crossing Point portfolios are risk controlled through both asset allocation and tactical trading based on trend-following strategies.

GUARDIAN PORTFOLIOS:

Defensive Portfolio
Cautious Portfolio
Balanced Portfolio
Strategic Portfolio
Adventurous Portfolio

GREEN PATH PORTFOLIOS:

Cautious Portfolio
Balanced Portfolio
Strategic Portfolio

HERITAGE PORTFOLIOS:

Cautious Portfolio
Balanced Portfolio
Strategic Portfolio
Adventurous Portfolio

FUSION PORTFOLIOS:

Defensive Portfolio
Cautious Portfolio
Balanced Portfolio
Strategic Portfolio
Adventurous Portfolio

These portfolios are available to UK retail investors only through the recommendations of an IFA. The portfolios invest in leading index-tracking funds, bond funds, ETF's and investment trusts and are managed on wrap platforms only. Our investor target market group is investment, trust holdings and pension funds of private individuals, charities and corporations.

Portfolio Assets

Our investment portfolios invest almost exclusively in market leading index trackers, exchange-traded funds and investment trusts that enjoy daily liquidity. We may use an actively managed OEIC or unit trust to gain access to a sector or asset class that is not covered by a suitable index-tracker. An example of which would be access to a strategic bond fund.

The individual index-tracking funds, exchange-traded funds and investment trusts are reviewed at least every six months to ensure suitability and ongoing performance. We use due diligence provided by Morningstar, Financial Express and Rayner Spencer Mills to support our research and analysis.

All of the index-tracking funds, exchange-traded funds and investment trusts that we select are denominated in sterling. We do not involve ourselves in currency hedging or speculation.

Crossing Point will not make any leveraged investments, invest in illiquid securities at any stage, or use unregulated investment schemes (UCIS). We do not have any direct interest in investee companies.

We do not visit fund managers or analyse individual stocks. This is not needed in our process and therefore we do not carry the associated high costs. We are fund selectors, asset allocators, market monitors, and tactical traders.

Client Money

Crossing Point is authorised to control but not hold client money or assets. The custody, dealing and administration of the funds held in our portfolios will be the responsibility of the selected platform.

Academic Research

Our portfolios are the result of extensive academic research backed up by MSc and PhD papers on moving average crossover theory and tactical trading.

Our software systems and moving average rules have been back tested to 1996. Our modelling produces buy or sell signals based upon moving averages and crossovers. We have back tested our Guardian portfolios against the most relevant national benchmarks from 2014 and have run live money since October 2017.

Regulatory Responsibilities

The platforms that host our portfolios are responsible for the custodianship, trading, administration, and reporting of the portfolios. The introducing IFA firm takes responsibility for the advice and suitability of our portfolios and the assessment of the investor's capacity for loss and attitude to risk.

We are authorised to control but do not hold any client money or client data other than platform account details. We permanently hold and regularly review the minimum capital adequacy requirements.

Investment Decisions

All Crossing Point portfolios are reviewed for both asset allocation and individual fund performance, volatility, risk, and cost. The portfolio investment decisions are further split between asset allocation and tactical trading.

Our asset allocation models are updated at least six monthly and are our default position in terms of asset holdings.

Our tactical trading model provides greater risk control as we seek to avoid market falls in the asset classes we hold. Our trading decisions are driven by technical data and signals that our sophisticated algorithms provide us on market momentum for each individual fund. The signalling system provides trading signals to our investment managers and the investment committee.

The portfolio asset allocation will change on buy or sell signals. This process is independent of the fund or holding selection and complies completely with our corporate governance standards.

Portfolio Reviews

All of our portfolios and the underlying individual funds are reviewed at least six monthly. Since May 2022 for all our portfolios, the trend-following signals for the underlying funds are reviewed at least weekly.

The investment managers and investment committee review both the technical data and the market momentum algorithm signals to decide whether to hold the default asset allocation or trade out of one or more of the equity funds into the security of safer alternative assets such as UK gilts, bonds or cash. The decision to move back into equities is predicated on the same process.

All portfolios across each strategy range are managed on the same basis and with the same underlying funds or trusts. The portfolios differ only in the extent of the equity content in the default asset allocation, in line with specified risk profiles.

Index-Tracking Funds

We only use external funds. The index-tracking funds that are held in our portfolios are provided by leading investment management companies such as HSBC, Blackrock iShares, Fidelity, L&G and Vanguard.

The selection of index-tracking funds is supported by due diligence from Financial Express, Morningstar Analyst Ratings and Rayner Spencer Mills Research. We only use daily traded funds that are commonly available across all of the platforms on which our portfolios are available.

Index-tracking funds that are rejected are those that are without third-party due diligence, have high charges, or are domiciled outside the UK or Ireland. We do not select funds that have restricted liquidity.

Investment Trusts

We only use external funds. The investment trusts that are held in our portfolios are managed by leading investment management companies such as JPMorgan, Baillie Gifford, Schroder, Fidelity, and Blackrock.

The selection of investment trusts are supported by due diligence from Financial Express, Morningstar Analyst Ratings and Rayner Spencer Mills Research. We only use daily traded funds that are commonly available across all of the platforms on which our portfolios are available.

We monitor investment trusts' discounts, premiums and gearing levels. We do not wish to buy an investment trust with more than a 15% discount or a 10% premium to ensure trusts are both desired, but not over or undervalued. As gearing can increase both returns and losses, we aim to select investment trusts with a gearing limit of 20% or less.

Environmental, Social & Governance (ESG) Funds

We only use external funds. The ESG funds held in our portfolios are provided by leading investment management companies such as Vanguard, UBS, Liontrust, iShares, L&G and Royal London.

The selection of ESG funds are supported by due diligence from Financial Express, Morningstar Sustainability ratings, and MSCI ESG fund ratings.

The ESG selection criteria following core principles:

- Maintaining integrity of the environment and the use of natural resources.
- Recognising the civil, economic and social rights of every human being.
- Promoting sustainable development today without compromising the future.

Investment Manager Discretion

For all our portfolios, our investment managers act based on the tactical trading signals and within the agreement of our investment committee.

Benchmarks

We benchmark our model portfolio strategies against the most relevant Investment Association (IA) mixed investment sector average that matches the maximum default asset allocation equity content. We provide these performance reports via our website every quarter.

The figures are produced on a discreet and cumulative basis over the past five years.

The reports can be used by our supporting IFA firms or investors to monitor our performance against the most appropriate national average.

Portfolio Risk Monitoring and Control

For each of our risk-controlled portfolios within each strategy we review the historic and prospective volatility range against the associated volatility ranges of the relevant Investment Association (IA) benchmarks in Financial Express.

We also review several other risk measures such as the Sortino ratio, Sharpe ratio, beta, alpha, information ratio, and maximum drawdown.

The equity content range is compared to the established asset allocation positions of Morningstar, Willis Towers Watson, and the Investment Association (IA) mixed investment sectors.

Guardian Back testing

At Crossing Point we strive for clarity of purpose and transparency of process. In this context we would like to clarify our stance on the back tested performance of our portfolios.

Crossing Point's trend-following algorithm for portfolio management is a relatively new process. This has been rigorously back tested.

We show what would happen under real market conditions through the application of our strict rules-based systems.

Because our investment process is rules based, it is eminently suited to testing over any chosen historic period in order to substantiate its veracity.

We have managed live money from October 2017, further allowing us to refine our process and concluding with the most efficient algorithms applied over any given time period.

Control and Governance

We currently have a board of seven members. We hold a monthly board meeting where all aspects of the business activity are reported and recorded. Our board and management team are committed to high standards of corporate governance and intend to govern our company in keeping with best practise consistent with regulation and business size.

Our main board is made up of:

Prof Mike Buckle

Dr Tomiko Evans

Andrew Jones

Alison Jackson

Christopher Davies

Our investment managers are Dr Tomiko Evans and Prof Michael Buckle. They take full responsibility for all investment research, analysis and decisions. Tomiko holds the CFA-UK Investment Management Certificate while Mike holds the CII Certificate in Discretionary Investment Management.

Board member Christopher Davies also holds the CII Certificate in Discretionary Investment Management.

The decisions to buy or sell index-tracking funds, exchange-traded funds or investment trusts are made by our Investment Management Committee.

The Investment Management Committee consists of:

Prof Mike Buckle

Dr Tomiko Evans

Chris Davies

Carl Hagger

Catherine Roberts

Harry Dyer

Both Tomiko and Mike are investment professionals with suitable qualifications and financial academics.

Visit us at www.crossingpoint.co.uk

Prof Mike Buckle is our compliance oversight manager. He sits on the main board and chairs the Investment Management Committee.

The Investment Management Committee meets at least once a month to review the end of month technical data. The minutes of the Investment Committee are recorded and retained 6 years.

The investment process is conducted under our established rules that ensure all decisions are made by our investment committee and that our investment decisions are consistent with the extensive academic research that underpins our strategies.

All our trades are inspected by our compliance manager once a portfolio has been updated to ensure that all trades are within our investment guidelines and selection policy and fall within the asset allocation agreed by our investment committee.

The company's governance framework is directed by our compliance manager and overseen by our external compliance service provider. This involves clear and published conflict of interest policies and legal agreements between Crossing Point and introducing IFA firms.

Our compliance officer, Alison Jackson, will review possible conflicts, the complaints procedure, the fair treatment of investors and introducing intermediaries, and our capital adequacy requirements on a monthly basis and report her findings to our monthly board meeting. Our compliance manager is Prof Mike Buckle.

Client Reporting

Investors receive a quarterly investment valuation and performance comparison from the selected platform provider over the make-up and relative returns of their portfolio holdings. These reports will include aggregated charges.

Crossing Point can send out performance and valuation reports to the introducing IFA at any time.

Our investment portfolio returns are produced by third-party data providers Financial Express.

The platform provider reports are produced by the selected platform, independently from us, using data from their own platform system.

Valuations are based upon GBP fund values for each of the funds held in the portfolio at the valuation date.

We provide investor and IFA insight through our blog posts, website, videos, fact sheets as well as workshops and seminars. We publish investment insight and research notes.

Fees

Crossing Point Investment Management charges a fee of 0.30% per annum upon the assets under our management. As an example of our fees:

- For a fund of £20,000, this would amount to £60 per annum.
- For a fund of £250,000, this would amount to £750 per annum.
- For a fund of £500,000, this would amount to £1,500 per annum.
- For a fund of £1,000,000, this would amount to £3,000 per annum.

Custodial and administrative fees and dealing charges are determined by the selected platform provider.

These fees are not tiered on investment size but are the same for all portfolios irrespective of content and size. We do not have a tiered structure or different structure for charities.

Our fees are paid to us on a monthly basis by the platform that hosts the invested capital and are paid directly to our bank account.

Directors

The company is managed and directed by our Chief Investment Officer and Managing Director Dr Tomiko Evans. As our service is technology based and highly scalable, it does not require a large team. We are determined to keep investors' costs low for the advantage of investors.

Crossing Point has two investment professionals managing investment portfolios namely Dr Tomiko Evans and Prof Michael Buckle. Both are founding shareholders in Crossing Point.

Dr Tomiko Evans – Chief Investment Officer and Managing Director

Tomiko has previously worked for Estate Capital Financial Management, Citigroup, Salomon Smith Barney and Salomon Brothers. She has a BSc in Economics degree from the Wharton School at the University of Pennsylvania. She also has an MSc in Financial Forecasting and Investment Management and a PhD in Finance at Swansea University. She holds the CFA UK Investment Management Certificate.

Prof Michael Buckle – Investment Manager, Compliance Overview Function and Money Laundering Officer

Mike is a Professor of Finance at Swansea University. He has been a university academic for over 30 years having previously held senior academic posts at Liverpool University and Swansea University. He has published extensively in both academic and practitioner journals on a wide range of financial and economic issues.

Mike has been an academic advisor to CFA UK for over 20 years and was involved in the development of the Investment Management Certificate (IMC). He is an author of the Official Training Manual for the IMC.

Mike chairs Crossing Point's Investment Management Committee and holds the CII Certificate in Discretionary Investment Management.

Christopher Davies – Executive Director

Chris Davies is a CII Chartered Financial adviser and holds the CII Certificate in Discretionary Investment Management. He has 33 years' experience in researching, constructing and managing investment portfolios. He is the investment director of Estate Capital and responsible for managing around £330 million of client assets within their model portfolios. Chris sits on the Crossing Point investment committee and is Chairman of the Crossing Point board. He is a founder shareholder of Crossing Point.

Remuneration

Our staff are employed on either a salary only basis or a salary plus commission basis. In the future, we expect to launch a share option incentive scheme.

Regulation, Oversight, and Control

Crossing Point Investment Management Ltd is authorised and regulated by the Financial Conduct Authority (FCA). Our authorisation number is 813549. We obtained authorisation in January 2019.

Our day to day procedures are overseen by our Compliance Officer.

We regularly review our IT systems and data sources. Our cyber security is reviewed on an ongoing basis.

Crossing Point holds Professional Indemnity Insurance in accordance with the conditions set out by our regulator.

All client investment funds are held on leading investment (Wrap) platforms. The platforms are the custodians and administrators of the portfolios. Crossing Point manages the assets in line with the risk profile of the selected portfolio.

We do not accept investments from US or Canadian residents nor do we invest in funds domiciled outside the UK or Ireland.

We do not offer our services to private investors. The suitability of our portfolios is the sole responsibility of the introducing IFA firms.

Risk Management

Our portfolios only invest in daily traded leading index-tracker funds, exchange-traded funds, and investment trusts with high liquidity levels. All funds and trust securities that are selected pass through our selection due diligence.

Our portfolios are only available through introducing IFAs placing an investor's capital on a major Wrap platform for us to manage. We have no involvement with the administration or the execution of trades as this is a function of the selected platform. We do not run or hold a nominee account as all custodial responsibility sits with the selected platform. The platform is the legal entity that holds the client's cash and assets. We do not hold cash or clients assets directly.

We do not monitor any counterparty risk.

The introducing IFA has primary contact with the investor and provides the investment advice. Our role is therefore restricted to investment management alone and we are therefore exposed to little regulatory risk.

Outsourcing Arrangements

We do not outsource any critical business functions. We use investment platforms as the custodian and administrators of client assets.

Platform Availability

Our portfolios are currently available to regulated financial advisers on the following platforms.

Aegon ARC
 Aegon
 Aviva
 Fidelity Funds Network
 M&G
 Novia
 Nucleus
 Quilter
 Standard Life
 Transact

We are in discussions with the following platform to adopt our portfolios.

Hubwise

We have selected these platforms on the basis that all of these platforms are popular, used by IFAs nationally, hold significant client assets, already facilitate 'on platform' discretionary management services, hold all of the passive OEIC funds, exchange-traded funds, and investment trusts we wish to use, host several other DFM propositions, and are cost competitive.

We have obtained Terms of Business with each platform ensuring that there are clear lines of responsibility and reporting. We will keep these agreements under review to ensure that the platform selected by the introducing IFA to host our portfolios is fully complying with their regulatory requirements.

Services and Systems

The company receives professional services from the following leading providers.

Compliance Management – Mee Compliance Services
 Investment Data – Financial Express, Datastream, Morningstar and MSCI.
 Risk Profiling – Financial Express and Defaqto
 Benchmark Reporting – Financial Express

Client Suitability

It is the introducing IFA's responsibility to assess the suitability of the Crossing Point portfolios.

They will establish the investor's capacity for loss and attitude to risk before recommending our portfolios. The IFA will introduce the investor's capital to us for management via the chosen platform. This process is the same for all clients and all portfolio sizes.

The investor's primary point of contact is their own IFA.

Complaints Procedure

Crossing Point is covered by the Financial Services Ombudsman Service.

We have a formalised complaint handling process including full reporting and pro-active investigation. Whilst we hope not to receive a complaint, we will always deal with these in a professional manner and seek to learn and improve from any mistake. We have not received any client complaints or a Financial Services Ombudsman Service referral.

Target Clients

Investors in our portfolios will be obtained by recommendation from an independent financial adviser who wishes to access a discretionary investment service.

All investors introduced to us will come via Independent Financial Advisers who have signed a Terms of Business agreement with Crossing Point Investment Management Ltd.

Because of our long-term capital growth objectives, advanced risk control and low-cost management, the Crossing Point portfolios are well suited to investors seeking to build an investment portfolio or pension fund with either a capital sum or regular payments.

Due to our dynamic volatility controls, the Crossing Point portfolios are well suited to income seeking investors requiring regular withdrawals from an investment portfolio or pension drawdown account. The Crossing Point portfolios are managed in a manner that aims to limit the impact of sequence of loss risk affecting future income and capital values.

Investment Philosophy

The service is designed to provide an efficient and transparent investment management offerings with the specific purpose of providing a robust, appropriate and low cost solutions.

We will continue to drive down costs to the client wherever possible and will maintain low costs at the heart of our offering.

Taxation

We do not provide tax advice.

The submitting IFA and the selected platform should provide taxation information for investors to take to their accountant.

Client Take On and Departure

As a platform only DFM, the new client take on and departure process is driven and executed by the introducing IFA and the selected platform.

The take on process is achieved by the introducing IFA linking an investment account to us for investment management. This gives us the ability to place buy and sell trade instructions to the selected platform on behalf of the investor. The introducing IFA is responsible for the initial rebalance into the portfolio.

The account can be just as easily unlinked if the portfolios are no longer suitable.

Trade Execution Process

The trade execution process is implemented by modifying the existing portfolios for each of our model strategies on every platform to take into account the changes agreed at our investment management committee meetings. The buy or sell orders are then implemented by the platforms for all our client investments.

Professional Advisers

Legal Advisers

JCP Solicitors,
Venture Court, Valley Way,
Enterprise Park, Swansea. SA6 8AH

Accountants

Willis Jones,
64 Walter Road,
Swansea. SA1 4PT

Bankers

Nat West,
Harlech House, Phoenix Way
Swansea. SA7 9FN

Compliance

Mee Compliance Services.
65 Strode Road, Clevedon,
Bristol. BS21 76QE

IMPORTANT INFORMATION

The Crossing Point Portfolio Management Service is only available to investors who use the ongoing services of a financial adviser. For information purposes only, please contact a personal financial adviser for further information.

Independent financial advisers take no responsibility for the underlying investment strategy, the investment process and the choice of funds will be based purely on Crossing Point Discretionary Fund Managers' experience within the market. By the nature of tactical trading, holdings will be regularly bought and sold, but the investment manager will not seek your permission to do this. Investment decisions will be the responsibility of the Discretionary Fund Manager.

Guardian portfolios show actual performance data from September 2019 onwards. Before September 2019, the performance of the underlying funds is shown by applying the decisions made based on the rules-based trend-following signals that would have been applied over the period. The performance data is substantially the same as what would have been achieved if the portfolios had been 'live'.

Heritage portfolios show actual performance data from December 2019 onwards. Before December 2019, the performance of the underlying funds is shown. The performance data is substantially the same as what would have been achieved if the portfolios had been 'live'.

Performance Calculation: Performance is shown inclusive of ongoing fund charges but gross of transaction and incidental fund charges as well as Crossing Point's investment management charge. Deductions for these charges will have the result of reducing the illustrated performance. Platform and IFA charges are applicable. Please refer to your investment adviser for details. Performance is quoted on an annualised basis and calculated through FE Analytics direct and provided for illustrative purposes only and should not be viewed as the performance of a specific client account.

Past performance is not a guide to future performance. The value of investments and any income from them can fall and you may get back less than you invested. If you invest in currencies other than your own, fluctuations in currency value will mean that the value of your investment will move independently of the underlying asset. The information contained in this documentation has been taken from sources stated and is believed to be reliable and accurate, but without further investigation cannot be warranted as to accuracy or completeness. Tax concessions are not guaranteed and may be charged at any time, their value will depend on individual circumstances.

The information provided by Financial Express Analytics (FE) is used at your own risk. FE takes care to ensure that the information provided is correct. Neither FE or Crossing Point Investment Management warrants or guarantee the content of the information, nor do we accept any responsibility for error, inaccuracies, omissions or any inconsistencies herein.

Detail of the nature of the investments, the commitment required, and the specific risk warnings are described in the Crossing Point Investment Management Terms of Business with a financial adviser. Reference to any particular fund or portfolio does not constitute a recommendation for investment purposes. Indices are used for comparative purposes only. Persons who do not have professional experience in matters relating to investments should speak with a financial adviser before making an investment decision.

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