



Transfer of Coleman Street Investments to YFS JM Finn Portfolios

Frequently asked questions for investors

What is a UCITS fund? UCITS stands for Undertakings for the Collective Investment in Transferable Securities. This is a voluntary set of rules that many funds follow. UCITS funds are required to maintain a diversified portfolio, ensure the safeguarding of clients' money, and clearly publish their costs and charges in Key Investor Information Documents (KIIDs), where you can also find other important information about a fund.

Why was Luxembourg chosen as the funds' domicile initially? The funds are currently administered by a company called Cadelux who are a Luxembourg-based subsidiary of the Delen Group, JM Finn's parent company. Our intra-group relationship meant Cadelux were able to act as the management company of the funds at a cheaper cost for our clients than a third party management company.

What has changed to justify a move? Following the United Kingdom's exit from the European Union it has and will continue to become increasingly expensive for Cadelux to operate a fund in accordance with UK regulations for UK investors. In order to avoid these increased costs and a greater risk of regulatory divergence between the EU and the UK, it is our view that it has become beneficial for investors in the funds to move them to the UK.

What are the costs involved in moving the funds to investors? The costs involved in moving the funds will be borne by JM Finn with no charges passed on to the funds and therefore no implication for the investors.

Are there tax implications for the holders of the funds? While JM Finn is unable to give specific tax advice, it has been confirmed to us by our own advisers that the transfer of the funds does not create a Capital Gains Tax (CGT) event for UK investors. There are some transfer taxes due to, and payable by, the fund on the transfer, however these will not create a direct taxable event for any of our underlying shareholders. If you are unsure, you should take your own expert tax advice.

Will the fund holdings change? No. The existing holdings will be transferred across to the new funds, which will be managed in exactly the same way and by the same investment managers as the existing funds.

Will the costs of the new funds be the same? The costs of running a fund for UK investors out of Luxembourg has been increasing and we expect these costs to continue to rise, which is one of the drivers for this change. Whilst the fund costs will not be the same, when looking at total costs, they will come down for two of the funds.

Following a change of approach by the UK regulator, we are now required to “unbundle” our funds fees. We therefore have separated the annual fund management fee (AMC), which can be charged to the fund, from the service fee, which is charged outside of the fund.

Following a third-party review of competitor services, we have adopted the following pricing model:

Annual Management Charge (AMC): 0.6%
 Service Fee: 0.5%
 Total: 1.1%

There are however additional costs and charges that investors pay when investing in a fund, including transaction and market charges, as well as any management charges for underlying funds held within the portfolio. We include all the charges to determine the Total Cost of Ownership (TCO) to give a fair comparison of the change in charges, which is shown below.

Existing Fund	Total Cost of Ownership	New Fund Name	Total Cost of Ownership
CSI Income Fund	1.52%	YFS JM Finn Conservative Fund	1.83%*
CSI Income & Growth Fund	1.54%	YFS JM Finn Moderate Fund	1.50%
CSI Growth Fund	1.54%	YFS JM Finn Progressive Fund	1.49%

*Note the costs are capped at 1.75%.

We have also assessed the impact to an investor with a holding worth £1,000 in each of the funds to help investors understand the impact of these changes, which are shown in the table below:

Current Fund	Future Fund	Impact of move to an Investor with £1,000
Coleman Street Investments – Growth Portfolio	YFS JM Finn Progressive Portfolio	£0.50 less paid in fees
Coleman Street Investments – Income & Growth Portfolio	YFS JM Finn Moderate Portfolio	£0.40 less paid in fees
Coleman Street Investments – Income Portfolio	YFS JM Finn Conservative Portfolio	£2.30 more paid in fees

Why are the fund costs so much greater for the Conservative portfolio? The income fund is the smallest of the three funds so the fund running costs have a significantly larger impact on the total cost of ownership to an investor.

Who are Yealand Fund Services and what do they do? Yealand are a family owned, independent Authorised Corporate Director and Fund Administrator, established in 2008. Further details are available on their website (www.yealand.com).

What is an Authorised Corporate Director? An Authorised Corporate Director (ACD) is legally responsible for the day to day management of a fund in the United Kingdom. As the ACD, Yealand delegates the investment management activity to JM Finn. The ACD oversees the activity of the Investment Manager providing an extra level of control to ensure that a fund is properly managed by an Investment Manager in the best interests of the fund’s investors.

Why have you chosen Yealand Fund Services (YFS)? We ran a competitive tender process across a number of ACDs in the UK and felt that YFS were best suited to work with us on a service and cost basis.

What does “YFS” stand for in front of the Fund name? Yealand Fund Services. The UK regulator, the Financial Conduct Authority (FCA) dictates that fund names should evidence the Authorised Fund Manager, in this case the ACD, for any fund. Yealand Funds Services is the ACD so the fund names must begin “YFS”.

Why have the fund names changed? The original funds were named after the London street in which JM Finn’s headquarters was located. Since we have moved offices there is little relevance to the reference to Coleman Street. We also felt it was important to give the funds a name that reflects their mandate, hence we have chosen to call the funds the following:

- YFS JM Finn Conservative Fund
- YFS JM Finn Moderate Fund
- YFS JM Finn Progressive Fund

How will I be able to track the performance of my holdings? You will be able to track the performance of your holdings as you can currently, either by viewing your portfolio on our online portal or within your quarterly periodic statements.

What happens if I sell my funds? If you sell the funds we will return the funds to your nominated bank account. Your Investment Manager will be able to provide you with details of other options which may be suitable for your needs.

Why are the funds suspended for five days during the transfer? In order to ensure that the funds are able to move from Luxembourg to the United Kingdom without creating a chargeable Capital Gains Tax event for UK investors, it is vital that all the investors in the Luxembourg funds move across to the UK Funds. In order to ensure this is the case trading must be suspended, with investors having the opportunity to sell their shares before this stage if they do not wish to move.

How many shares will I receive in the new fund and how is this calculated? On 17th February shares in the new funds will be priced at £1. The number of shares that you receive in the new fund will be based on the value of the shares that you held in the old fund. For example, if you had 1000 shares of the Coleman Street Investments Growth Portfolio which had a price of £1.53 a share and therefore a value of £1,530, you would receive 1,530 shares in the YFS JM Finn Progressive Fund, with a price of £1 and the value remaining at £1,530.

Do the share classes remain the same? Yes. If you are invested in the accumulation units for the current funds we will switch you to the equivalent for the new funds. It will be a like-for-like switch.

Are you also changing the name of the service? Yes. Previously the funds were the investment component of the Coleman Street Investment Service. This will now be renamed the JM Finn Investment Management Service.

Are there any differences in the new and old service? Other than those mentioned within this document, the only difference you will see is an increase in the number of communications from JM Finn about your investments, in terms of videos and commentary from the fund managers and a change in layout to your quarterly periodic statements. You will still be able to access all the documentation on your account on our client portal.

Why are you changing the benchmarks for the funds? We have felt for some time that the current benchmarks are not appropriate as they are constructed using components that we cannot actually invest in. We have therefore looked at our long-term strategic asset allocation positioning across equities, bonds, diversifiers and cash and, working with Morningstar, designed some benchmarks that more accurately reflect the investment profile of the funds. You will see these new benchmarks reported in your quarterly periodic statements, alongside other stock market indices, as usual.

Is there a change in the way the funds are managed? No, the funds will continue to be managed by the same fund managers, and the underlying holdings will be selected using exactly the same investment philosophy and approach. As with the current funds, they will be guided by the benchmark for asset allocation and we have now put in tighter controls with regards to the equity allocation allowable in each fund, such that the following is now true:

- YFS JM Finn Conservative Fund:
Max equity weight 50%
- YFS JM Finn Moderate Fund:
Max equity weight 70%
- YFS JM Finn Progressive Fund:
Max equity weight 90%

This tightening of the allocation to the underlying fund holdings does not change the profile of the funds and therefore we anticipate the investment return profile to be similar.

Didn't you write to me about an onshoring exercise in 2023?

Yes we did; we applied to the regulator for these funds in 2023, but following a change of approach in the way fees are presented, we were required to withdraw our application and resubmit. As mentioned above, the change was the need to unbundle the fund management fee from the service fee and in doing this, we decided to conduct a comprehensive review of our charging structure as well as incorporating these funds into the new service.

Do these changes require a change in the terms and conditions? Transferring your assets to the new onshore, UK-domiciled funds, does not require new JM Finn terms and conditions, however, we are making some changes to our terms which will take effect from 1st April 2025. We will send these to you in due course.

Who can I discuss this with if I have further questions? Please contact your Investment Manager should you have any further questions.

December 2024

Important Information:

Past performance is not a reliable indicator of future results. The value of investments may go down as well as up and you may not receive back all the money you invest. Investment should be made on the basis of the Prospectus and Key Investor Information Document (KIID), available on our website. You should seek professional advice as to the suitability of the Fund before investing.

JM Finn is a trading name of J.M. Finn & Co. Ltd which is registered in England with number 05772581. Registered address: 25 Copthall Avenue, London, EC2R 7AH. Authorised and regulated by the Financial Conduct Authority.