



Whitechurch Portfolio Management Service



Best Discretionary Adviser 2007, 2008 and 2010 - Money Marketing Financial Services Awards

Investing for your future



Welcome to Whitechurch Securities

Whitechurch Securities Limited was formed in 1982 and the company has since grown into one of the most highly regarded investment boutiques in the country. Whitechurch has a well-respected investment management team and an efficient and helpful administration department based at the Bristol head office.

Whitechurch Securities is primarily an investment company specialising in discretionary management, whereby we can work alongside your Independent Financial Adviser (IFA) to provide investment solutions tailored to your individual requirements. The emphasis of our discretionary management services is on investment research, investment administration and investment management.

It is our mission to provide a high quality personal service.

We pursue excellence in all our operations and this has been recognised by the Personal Financial Editors of many of the quality newspapers, who regularly contact us for information upon a wide range of investment products and services. Whitechurch places great importance that all our investment decisions are totally independent.

Whitechurch Securities Limited is authorised and regulated by the Financial Services Authority (FSA).

Whitechurch Securities Limited is committed to providing you with asset management solutions tailored to individual circumstances.

Kean Seager - Chairman

Award Winning Service

Whitechurch Securities was named Best Discretionary Adviser at the Money Marketing 2007, 2008 and 2010 Financial Services Awards and Runner Up in 2009 and 2011.

An experienced panel of industry judges have made these awards based on "an impressive all-round proposition and forward thinking attitude" as well as being particularly impressed by the high level of fund research our investment team carries out. They have noted that Whitechurch is very committed to the discretionary concept, with a rapidly increasing popularity amongst IFAs.



Whitechurch was also named Best Investment Adviser at the 2011 MoneyFacts Good Advice Awards. The judges verdict stated that "Whitechurch Securities was the standout company largely due to the depth of its investment knowledge and the thorough fund research it undertakes."





Portfolio Management Service

The Whitechurch Portfolio Management Service offers exposure to a range of risk rated investment strategies. It is suitable for investors looking to invest a lump sum, invest monthly or transfer from another investment provider.

Key points

- Working closely with your IFA, you determine your investment objectives and attitude to risk. This will ascertain which of the six strategies managed by Whitechurch under the Portfolio Management Service meets your risk & reward profile.
- Each strategy is tailored to meet specific objectives using a range of collective investments (this can include unit trusts, Open Ended Investment Companies (OEICs), Investment trusts and Exchange Traded Products.
- Portfolios will be diversified across investment markets and asset classes. Key constituents will typically include equity funds, bond funds, property funds, alternative funds and money market instruments.
- The Investment Team has access to top fund managers - this provides exposure to experts in each area of the investment process and helps the team identify emerging trends early.
- Independence. Whitechurch has no in-house funds and is not affiliated with any other institutions.
- The service is purely fee-based. Whitechurch will receive no commissions from underlying investments. We will aim to invest in institutional share classes that have lower fees than funds usually available to retail investors.
- The Whitechurch Portfolio Management Service (PMS) can be held as a stand-alone investment and also within a wide range of tax wrappers to help minimise tax liabilities. It can be used to consolidate existing ISA portfolios, to invest within a Self-Invested Personal Pension (SIPP) and within onshore and offshore investment bonds. Please speak to your IFA regarding suitable tax wrappers.

- A Whitechurch PMS Portfolio is not suitable for everybody. We recommend you take professional independent advice before entering into any obligations or transactions.

Risk Rating

- Risk may vary from one investment area to another. The Whitechurch Portfolio Management Service provides access to investment strategies covering a range of risk profiles from 4 out of 10 (cautious) to 8 out of 10 (aggressive), please see pages 3 -4 for full details. This is for guidance only and does not represent a recommendation. Risk is defined as the risk to the capital or original investment, (based on a 5 year investment or longer). For any further information on the Risk Ratings please contact us on 0800 374413 or contact your IFA.

Six Investment Strategies

Strategy	Whitechurch Cautious Growth Strategy	Whitechurch Monthly Distribution Strategy	Whitechurch Monthly High Income Strategy
Key Objectives	<ul style="list-style-type: none"> Aims to achieve long-term capital growth by investing in a range of investment strategies Aims to generate positive return irrespective of market conditions Aims to operate with a lower risk profile The portfolio will primarily be invested in Alternative Investment Strategies May include fixed interest, money market funds and other collective investment funds This portfolio does not have an income option 	<ul style="list-style-type: none"> Pursues a balanced investment approach Aims to provide an attractive return through generating an above average income with the potential for capital growth Investing in a multi-asset portfolio of equity, commercial property and fixed interest funds Asset allocation will be actively managed according to the attractiveness of opportunities in each asset class, whilst maintaining the balanced risk profile Income generated can be withdrawn monthly or re-invested into the portfolio 	<ul style="list-style-type: none"> Managed with the aim of optimising the income potential of your portfolio Aiming to preserve capital and potentially provide moderate capital growth over the long term Largely invested in income generating fixed interest securities, while utilising a small proportion in high yielding equity based funds and other areas that offer a high level of income Income generated can be withdrawn monthly or re-invested into the portfolio
Risk Rating	4/ 10	5/10	5/10
Risk Profile	<p>Cautious</p> <ul style="list-style-type: none"> Keen to keep some degree of security of capital Accepts that the investment is exposed to a degree of risk The aim of a higher potential long-term return Some loss of capital is possible over some periods 	<p>Balanced</p> <ul style="list-style-type: none"> Prepared to take some risks with their capital in the hope of generating an above average return Investing in this portfolio may result in the loss of capital Income is not fixed and is subject to fluctuation 	<p>Balanced</p> <ul style="list-style-type: none"> Prepared to take some risks with their capital in the hope of generating an above average return Investing in this portfolio may result in the loss of capital Income is not fixed and is subject to fluctuation
Risk factors	Investing in the funds held within the Whitechurch Portfolio Management Service can result in the value of investments and the income from them fluctuating (this may be the result of stockmarket or exchange rate fluctuations).		

Six Investment Strategies

Whitechurch Global Income and Growth Strategy	Whitechurch Stockmarket Growth Strategy	Whitechurch Energy and Global Shift Strategy
<ul style="list-style-type: none"> Invested in a globally diversified portfolio of equity income funds (with up to 20% in fixed interest and/or property) Invests in dividend producing shares - a proven investment philosophy for producing potential strong long-term total returns Will provide geographical diversification to equity income investing, whilst exciting opportunities available through income and growth funds investing in overseas markets. Income generated can be withdrawn quarterly (at the end of March, June, September or December) or reinvested into the portfolio 	<ul style="list-style-type: none"> Aimed at long-term investors who are seeking above average capital growth from a managed portfolio of equity investments Aims to provide a core exposure to the UK stockmarket, together with a mix of the attractive opportunities offered by overseas funds Asset allocation will be managed geographically and by investment themes Whitechurch will aim to select the best fund managers in each area so as to maximise capital appreciation potential Does not have an income option 	<ul style="list-style-type: none"> Specialist investment strategy Aimed at producing long-term growth by investing in two key themes: <ul style="list-style-type: none"> Energy : investing in companies exploiting the opportunities providing fuel sources, including oil, natural gas and alternative fuels Global Shift: investing in areas that have strong economic growth potential, including China, India, and Russia, as well as other emerging economic areas Does not have an income option
6/10	7/10	8/10
<p>Above average</p> <ul style="list-style-type: none"> The aim of a potentially higher return over the longer term Requires a significant exposure to stockmarket investments with the associated volatility Investing may result in you losing capital whilst income is not fixed and is subject to fluctuation 	<p>Above average</p> <ul style="list-style-type: none"> Hopes to achieve well above average long-term returns It is likely to be fully exposed to stockmarket investments with the associated volatility May result in you losing capital 	<p>High</p> <ul style="list-style-type: none"> This strategy will have significant exposure to higher risk areas of global stockmarkets This portfolio may experience significant fluctuations that could result in heavy losses over certain time periods You understand that some investments may not be readily realisable or may have to be held for the long term

Investing in the portfolio may lose you some or all of the money you invested and you may receive less than you initially invested. Income may fluctuate and cannot be guaranteed. Past performance is no indication of future performance. The tax rules may change in the future. For help in deciding on the level of risk you wish to take with your portfolio, please speak to your IFA.



Risks associated with the Whitechurch Portfolio Management Service

If you do not understand the risks involved with the portfolio, it is important you seek clarification from your IFA before making an investment.

Investment into equities must be considered a medium to long term commitment and you should be aware that the price of an investment may have fallen at the time that disposal needs to be made.

Investing in the Whitechurch Portfolio Management Service may lose you some or all of the money invested and you may receive less than your initial investment.

Longer term investments

It is generally accepted that equity investments should be regarded as longer term. We regard the Portfolio Management Service as an investment that should be held for a minimum period of five years plus in order to realise the full potential.

NB: Higher risk strategies should be held longer. Past performance is no indication of future performance.

This investment might not be suitable for you. If you have any doubt about suitability for yourself you should speak to your IFA.

Currency

The Whitechurch Portfolio Management Service will only invest in sterling denominated funds. However, underlying investments within some of the funds will be denominated in foreign currencies. Exchange rates can fluctuate and may cause the value of the investment to rise or fall.

Property funds

Where funds invest predominantly in bricks and mortar these may not be readily realisable, so you may not be able to sell this investment when you want.

NB: Valuations are the opinions of a valuer.

ISA transfer guidelines

Please remember that there is no guarantee that your new ISA will outperform your existing ISA and there is a possibility of a shortfall following cancellation. Please check if there are any exit charges from your current ISA provider

before transferring. As this transfer will be a cash transaction between ISA providers, funds will be out of the market, thus, if the underlying investments rise whilst the ISA transfer remains pending there is potential for loss of income or capital. Finally, transferring your ISA will have no effect on its current status or the tax benefits you receive from your ISA investment. However, if you are withdrawing from an ISA transfer, you may find your previous ISA manager is not able or willing to undo their side of the transfer. If this is the case you will lose your ISA and tax free status and your investments will become subject to taxation.

Taxation

Personal taxation situations cannot be taken into account and the appropriate personal taxation advice should be sought if you are likely to exceed the personal Capital Gains Tax allowances (not applicable for ISAs). Levels and bases of, and reliefs from, taxation are subject to change.



Where your Portfolio will be invested

Asset allocation

The key determinant in investment performance is the mix of asset classes into which the portfolio is invested. Different asset classes offer diverse characteristics that in turn provide differing levels of risk and potential performance.

Stockmarket funds

Investing in the stockmarket has historically produced the highest returns (although this is no guide to the future) but also has the greatest risk. This area offers the greatest potential for growth, whilst some stockmarket investments can also offer an attractive level of rising income. The volatility of equities makes them a risky investment in the short term. However, investors that are willing to ride out the volatile returns of the stockmarket have the potential to receive attractive long term gains.

Fixed interest

Fixed interest investments are designed to provide a pre-determined rate of return. The risk/reward profile of most fixed interest investments lies between lower risk cash-based investments and more volatile stockmarket investments. The most commonly utilised fixed interest investments are Government bonds and corporate

bonds. Fixed interest funds are primarily income producing investments.

NB: Returns from bond funds are not fixed and can incur losses of capital and fluctuating income.

Property funds

Commercial property acts as a good diversification from equities and bonds, with little correlation between these two asset classes, and sits comfortably alongside them in a well balanced portfolio.

NB: Returns from property funds are not fixed and can incur losses of capital and fluctuating income. The value of property is generally a matter of a valuer's opinion rather than fact. During certain times when property has to be sold, encashments may be delayed for some time.

Cash

Cash and cash equivalents - such as money market funds - traditionally offer the lowest return of all major asset categories. The chances of losing money on an investment in this asset category are generally extremely low. Cash based investments are only usually used for tactical reasons or within very cautious portfolios.

Alternative funds

These are innovative products that seek to avoid the use of traditional stockmarket indices as benchmarks. This area can describe a multitude of different products, and it is important to understand what these funds are designed to do, their key investment characteristics and their relative risk/reward profiles.

NB: Returns from these funds are not fixed and can incur losses of capital and fluctuating income.

Commodity funds

Investing in natural resources can provide added diversification to an investment portfolio. Exposure to this area will be achieved indirectly through investing in managed funds or through Exchange Traded Products (ETPs) that aim to track movements in commodity prices. Due to the volatile nature of this asset class it will be deemed as a higher risk investment area.



How your Portfolio will be managed

Working with your adviser

It is imperative that you seek advice from an IFA before investing in the Whitechurch Portfolio Management Service. Your IFA can assess which strategy is suitable for your financial planning requirements and may provide ongoing monitoring on your behalf to ensure that it remains appropriate to your circumstances. You can also discuss appropriate tax wrappers and other considerations with your adviser.

A fee can be agreed with your adviser, which will/can be taken from cash held on account of your investment portfolio.

Investment philosophy

In a constantly changing environment we believe that it is essential to proactively manage your investments and take the necessary action to optimise your investment portfolio to suit your circumstances and objectives. It is imperative to be constantly aware of key performance drivers such as:

- asset allocation
- fund manager changes
- changes in investment style
- market movements
- economic environment

whilst managing the portfolio within its predetermined risk profile.

This service also means that you are not dependent upon one investment house.

It is very rare to find fund management groups that are strong in all areas of investment and managers who perform well all the time. Through increasing diversification we can spread risk through the use of different:

- financial institutions
- fund managers
- investment styles
- geographical areas
- asset classes



Making Your Investment

Investment amount

The minimum lump sum that can be invested into the Whitechurch Portfolio Management Service is just £3,000 into a single strategy with subsequent increases by increments of £1,000.

The minimum investment amount for regular monthly contributions (ISA and direct investment) is £250 per month.

ISA Investments

The Whitechurch Portfolio Management Service is eligible as a Stocks and Shares ISA (Minimum Investment £3,000). Any gains made will be free from capital gains tax. Income tax of 20% will also be reclaimed from all fixed interest investments. Any interest earned on cash held in an ISA will be subject to the Revenue & Customs' flat withholding charge (20%). You do not need to refer to your ISA in your personal tax return. Likewise, you do not need to make any statements regarding withdrawals, although any losses made within the ISA cannot be used to offset capital gains tax realised outside the ISA.

NB: These tax rules may change in the future.

ISA Investment Options

You are able to invest in one cash and one Stocks and Shares ISA each tax year. The annual ISA investment allowance changes each year. Please contact your IFA for details of current limits.

Your ISA allowance can be fully invested in a Stocks and Shares ISA, alternatively you can invest part of your ISA allowance in cash with a different provider (Whitechurch Securities does not provide a Cash ISA).

Existing ISAs

If you hold any existing ISAs, they can be transferred into the Whitechurch Portfolio Management Service, providing they exceed £3,000. You are also able to transfer any investments currently held in a Cash ISA into a Stocks and Shares ISA.

Eligibility

ISAs are available to all UK residents or UK taxpayers aged 18 or over. You may subscribe to only one ISA Manager for the Stocks and Shares ISA in each tax year and subscribe only your own cash.

NB: If you have any questions regarding investing in an ISA please contact your IFA.

Additional Investment Options

The Whitechurch Portfolio Management Service can also be held within a Self Invested Personal Pension.

In addition, for those looking at ways to minimise inheritance and income tax liabilities, you may choose to hold the portfolio within an investment bond.

We recommend that you speak to your IFA who can provide you with all the information you need about holding your portfolio within various investment wrappers, including the risk, taxation and suitability.



Completing your application

Application procedure

Once you have decided the strategy under which you wish your Whitechurch Portfolio to be managed then carry out the following steps:

1. It is very important that you read the Discretionary Management Agreement carefully. If there are any areas you do not understand, please speak to your IFA or contact us directly.

2. Complete the application form(s) for each portfolio and/or ISA, ensuring you complete the following details:

- Personal details (title, name, date of birth, address, telephone number and e-mail address. This should be completed for both applicants if the portfolio is to be jointly held)
- Investment amount
- Investment Strategy (detailed on pages 3 and 4)

- If and how you would like to receive regular withdrawals - Bank details (only complete if you require income or regular withdrawals)

Then read the declaration and ensure that all applicants complete, sign and date the application.

This should then be returned to: Whitechurch Securities Ltd, The Old Chapel, 14 Fairview Drive, Redland, Bristol, BS6 6PH, together with your cheque for any new proceeds (payee details on application form(s)).

Upon receipt we will acknowledge the application form(s) and the money will be invested into your portfolio.

We strongly recommend that you read the Discretionary Management Agreement in detail before signing and should you have any queries please contact us on **0800 374413** or contact your IFA.

Charging structure

Investments directly under The Whitechurch Portfolio Management Service (including ISA investments) are charged as follows:

Initial fee

Whitechurch Securities Ltd imposes no initial fee on investments. Your initial adviser fee should be agreed with your adviser before any investment is made.

Annual fee

A custodian fee of 0.4% for holding investments and an ongoing management fee of 0.75% (+VAT). Annual adviser fees can be agreed with your IFA prior to investment.

Please read the Discretionary Management Agreement in the Portfolio Management Service Application Pack, particularly Appendix A, for full details of charges and fees.

For collective investments held within the portfolio, charges levied by the investment groups will apply. But as we take no initial or ongoing commission on the purchasing of Unit Trusts and OEICs and due to our long-term relationships with these groups we are able to secure sizeable discounts. We generally invest in these funds at 0% initial charge and typically 0.75% Annual Fee.

With Investment Trusts and Exchange Traded Products we will aim to deal at institutional rates (i.e. the rates at which the pension funds and insurance companies deal at) which is considerably cheaper than the majority of private investors can achieve.

Switch fees:

For each investment switch made within the portfolio (excluding initial purchases), there is an administration fee of £12.50 for each purchase made. No switch fees will be levied on portfolios valued less than £3,000.



Our ongoing services to you

Reporting

Investors will receive a comprehensive valuation and progress report on your investment twice yearly as at 5th April and 5th October. The report will be sent within twenty five business days of the reporting date. The reports will detail:

- Investment manager commentary, detailing investment views and the rationale behind investment decisions
- Comprehensive valuation of the portfolio
- Details of all changes made within the portfolio during the reporting period
- Schedule of all cash movements
- Details of all fees deducted during the reporting period
- Consolidated tax statement for the tax year (provided annually with 5th April report)
- Capital Gains Tax Report, detailing purchases and sales made during the tax year

Online Valuations

You can register to view online valuations for your portfolios. You can also receive up-to-date valuations by mail, telephone, or e-mail at any time upon request.

Regular monthly contributions

To make monthly contributions into the Whitechurch Portfolio Management Service, investors must have a personal bank/building society account in their own name or a joint account which includes their name. We will take your first payment on the 1st of the month and each subsequent 1st of the month (or the next business day thereafter) and the monthly payment will automatically continue unless you notify us otherwise. Please note that in the case of regular monthly contributions into an ISA, the same payment conditions apply and monthly payments will automatically continue for subsequent tax years unless you notify us otherwise. It is important that you keep the Direct Debit Guarantee we provide when you apply for this service.

Income distributions

Investors requiring income to be paid out should be advised that, due to ex-dividend dates and the monthly dealing date, income distributions can take 2-3 months to come through following the initial investment. Accordingly, initial dividend payments may be quite low though should increase quite quickly thereafter.

Regular withdrawals

You may instruct Whitechurch to make regular fixed cash withdrawals from your investment portfolio. This can be withdrawn subject to a minimum of £20:

- Monthly
- Quarterly
- Half-yearly
- Annually

This will be met by any income generated and supplemented by partially selling investments where necessary. Payments will be made direct to your bank account within seven business days of the last day of the month. You can make changes to your withdrawal plan at any time by notifying us in writing. Please note, if you make regular withdrawals from your portfolio, this may reduce your capital over time if the income and/or growth from the underlying investments do not compensate for the withdrawals.

Change of strategy

When changing strategy we would recommend that you take independent financial advice as there may be a number of factors to consider. These include:

- tax considerations
- risk profile
- investment objective
- investment term

For any further information on the Portfolio Management Service please contact us on 0800 374413 or contact your IFA.



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This publication is issued and approved by Whitechurch Securities Limited which is authorised and regulated by the Financial Services Authority. All contents of the publication are correct at the date of printing. We have made great efforts to ensure the accuracy of the information provided and do not accept any responsibility for errors or omissions. This type of investment is not suitable for everyone. You should take professional independent investment advice before entering into any obligations or transactions that you are uncertain of to ensure suitability. Past performance is not a guide to future performance. Investing in the Portfolio may lose you some or all of the money you invested. Investment returns cannot be guaranteed and you may not get back the full amount you invested. The stockmarket should not be considered as a suitable place for short-term investment. Levels and bases of, and reliefs from, taxation are subject to change. The value depends on the circumstances of the Investor.

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