

Whitechurch

Prestige Investment Management Service



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

A personal approach to Wealth Management



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.



MoneyMarketing

Financial Services Awards

Best Discretionary Adviser

WINNER: 2007, 2008 & 2010

RUNNER-UP: 2009 & 2011



Prestige Investment Management Service

The Whitechurch Prestige Investment Management Service offers a tailored portfolio management service for investors looking to invest a lump sum or transfer from another investment provider.

Key Points

- Working closely with your IFA, you ascertain your investment objectives and attitude to risk. The Whitechurch Investment Team will construct a portfolio to meet your individual investment goals.
- Your portfolio will be tailored to meet your 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 Prestige Investment Management Service 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 Prestige Portfolio is not suitable for everybody. We recommend you take professional independent advice before entering into any obligations or transactions.



Risk versus return

Attitude to risk may vary from one investment area to another. Listed below are the Whitechurch Securities risk ratings from 1 to 10. This table 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).

- 1 You have a very cautious attitude and would not be prepared to accept any loss of your original investment, even over short periods. You understand that this may result in low rates of return and that inflation could erode capital value over time.
- 2 You are cautious and favour lower risk investments. You will only want to invest where the loss is small and unlikely. You accept the lower potential growth in return for a high degree of security and understand that inflation could erode your capital over time.
- 3 You are attracted to the lower risk investments but are prepared to accept a degree of risk and fluctuation of your capital on a small portion of your investment. However, you could not handle any significant loss.
- 4 You are keen to keep some degree of security of your capital but accept that part of your investment is exposed to a degree of risk with the aim of a higher potential return. Some loss of your capital is possible over some periods.
- 5 You are a balanced investor and accept that the overall investment could show losses but you are accepting the risk in return for a potentially higher return over the long term.
- 6 You are prepared to accept a higher than average degree of risk with the aim of a potentially higher return over the longer term. You accept that this strategy requires a greater exposure to equity investments with the associated fluctuations.
- 7 You are approaching the higher risk categories. Your aim is higher potential growth whilst accepting that losses of capital do occur. You understand that there may be the additional risk of currency fluctuations. You are able to handle all fluctuations and are in a position to be flexible in the timing of encashments.
- 8 You are willing to take a high risk with your investment. You accept that at this level losses are common on these types of investments in return for higher potential growth. You understand that some investments in this category may not be readily realisable or may have to be held long term.
- 9 You are prepared to take a speculative approach and invest in specialist investment areas and investments that could show no return of capital. Whilst you could enjoy high returns you could also withstand major losses.
- 10 You have a highly speculative nature and welcome a high degree of gambling with the potential to lose all your investment.



Risk versus return

Risks associated with a Whitechurch Prestige Portfolio

It is essential you speak with an IFA to assist you in deciding a suitable risk/reward profile based on your personal circumstances.

There are several types of investments or asset classes and each offers a benefit within a well-diversified portfolio. Each investment vehicle utilised is given a Whitechurch risk rating based on volatility, loss potential and other relevant factors. By using a mix of investments it allows a portfolio to have parts that are defensive in a falling market and others that maximise the opportunities of a rising market. For this reason we follow a portfolio approach. This means that some of the investments in your Prestige Portfolio may be lower in risk than your acceptable level of risk. It also means that some investments may be higher than your desired level of risk. However, the portfolio when looked at overall will match your stated attitude to risk.

Investment Term

If you are investing for the short term and have a cautious attitude (risk ratings 1 to 2), it is not feasible to construct an active discretionary managed portfolio.

It is generally accepted that equity investments should be regarded as a long term investment and should be held for a minimum period of five

years in order to realise full potential. High risk strategies should be held longer. Past performance is no indication of future performance.

Currency

The Portfolio 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. (N.B The value of a property is a valuer's opinion rather than fact).

NB: 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.

Investment Objectives

High Income

This strategy will aim to optimise a high level of income, whilst aiming to preserve capital and potentially provide moderate growth over the long term. The portfolio structure will be largely dependent upon the risk profile chosen. Any income generated can be withdrawn monthly, quarterly, half-yearly or

annually or re-invested into the portfolio.

Income and Growth

This strategy will pursue a balanced investment approach with the aim of offering an attractive total return through generating income, plus the potential for capital growth. This will be achieved through investing in a diversified portfolio across different asset classes. The asset allocation will be dependent on the risk profile. Any income generated can be withdrawn monthly, quarterly, half-yearly or annually or re-invested into the portfolio.

Capital Growth

This strategy will have an emphasis on long-term capital growth, and any income generated is a secondary consideration. How the portfolio is constructed will be very much dependent upon the risk profile chosen. However, portfolios with a risk profile of 5 and above will typically have significant exposure to stockmarket investments.

Aggressive Growth

This is a specialist investment strategy aimed at producing long term capital growth for people prepared to accept a high level of risk. This strategy will primarily be invested in stockmarkets, focusing on areas that Whitechurch believe will be some of the key themes for the 21st Century. This strategy does not have an income option.

Which Portfolio is suitable for you?

		Investment Objective			
		Income	Income and Growth	Capital Growth	Aggressive Growth
HIGH	10	It is not feasible for Whitechurch to construct an active, discretionary managed portfolio if your attitude to risk falls into categories 9 and 10. This is because there is a lack of investment vehicles and options available that we would be able to utilise in order to provide a truly active and diverse portfolio to meet such a speculative strategy. Please contact your IFA to receive advice upon suitable investments. However, investors whose risk profile is 9 or 10 may want to consider balancing their total investment position with an Aggressive Growth 8 out of 10 portfolio.			
	9				
	8	x	x	x	✓
	7	x	✓	✓	x
MEDIUM	6	✓	✓	✓	x
	5	✓	✓	✓	x
	4	✓	✓	✓	x
LOW	3	✓	✓	✓	x
	2	It is not feasible to construct an active, discretionary managed portfolio if your attitude to risk falls into categories 1 to 2. This is because there is a lack of investment vehicles and options available that we would be able to utilise in order to provide a truly active and diverse portfolio to meet your financial requirements. Please contact your IFA to receive advice upon suitable investments. If looking to reduce the risk of a portfolio for a short period, Whitechurch provide a cash reserve facility (risk profile 2).			
	1				

Risk factors

Investing in the funds held within the Whitechurch Prestige Investment 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). 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.



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.

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.



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 Prestige Investment 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 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 their investment portfolio to suit their 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 a 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 investment into the Whitechurch Prestige Investment Management Service is £100,000 with subsequent increases by increments of £1,000.

Existing holdings can be transferred into your Whitechurch Prestige Portfolio, although they will be encashed unless they fit within the portfolio manager's chosen strategy.

NB: This could lead to a tax liability, please seek independent advice if you are unsure.

Investment wrappers

Your Prestige Portfolio can be held as a stand alone discretionary managed portfolio, but may also be held within a range of tax efficient wrappers. The flexibility to take your Prestige Portfolio and use it as a Pension or Tax planning tool can be very valuable in your overall financial strategy.

Your Prestige Portfolio may be held within the following wrappers:

- **ISAs** - Whitechurch will accept ISA subscriptions for the current tax year as well as ISA transfers from previous tax years (including Cash ISAs). You will need to complete a separate application form.
- **Investment Bond*** - Whitechurch have joined together with a number of leading providers to enable your Prestige Portfolio to be held within an onshore or offshore bond wrapper. Please speak to your IFA.

- **Self Invested Personal Pension*** - Your Whitechurch Prestige Portfolio can be held in a Self Invested Personal Pension (SIPP) with a number of providers. Please speak to your IFA.

***Holding your Whitechurch Prestige Portfolio within a SIPP or Bond wrapper will involve extra charges and separate terms and conditions with the SIPP or Bond administrator. Please speak to your IFA.**



Completing your Application

The Application Process

Once you have decided the risk and return profile and checked the matrix on page 5, to ensure Whitechurch provides the strategy, then carry out the following steps:

1. It is 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. Advisory fees should be agreed with your IFA.
3. 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 objective (income, income and growth, capital growth or aggressive growth)
- Portfolio risk profile
- 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 once funds have been cleared. 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 Prestige Investment Management Service (investing in collective investments) are charged as follows:

Initial fees

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

Annual fees

Whitechurch Securities Ltd charge a custodian fee of 0.4% for holding investments and an ongoing management fee of 0.5% (+VAT). Annual adviser fees can be agreed with your IFA prior to investment.

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

In addition, for collective investments held within the portfolio, charges are levied by the

investment groups. We take no initial or ongoing commission on the purchasing of Unit Trusts and OEICs. 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.



Our ongoing services to you

Reporting

Investors will receive a comprehensive valuation and progress report on their investment every quarter as at 5th January, 5th April, 5th July 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 their portfolios. You can also receive up-to-date valuations by mail, telephone, or e-mail at any time upon request.

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 Prestige Investment 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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