

Charity Services

 **Collins Stewart**
Wealth Management



> Independent Wealth Management

Welcome to Collins Stewart Wealth Management, an award winning investment manager and stockbroker committed to providing our clients with a broad array of independent wealth management services.

Our services are based around a dedication to traditional, personal client service, enhanced through the use of technology and the latest portfolio management techniques. Drawing upon our offshore heritage and independence, our forward thinking approach has helped us deliver a sophisticated, open architecture investment proposition for our growing, international client base.

> Our focus on Charities

We have a long history of managing money on behalf of Charities and offer a range of services tailored to their requirements, leveraging our extensive investment expertise.

Our focus on the Charity sector, as evidenced by our dedicated Charities team and the two Common Investment Funds that we manage, has seen us develop an expertise in understanding Charities' investment needs, particularly in relation to their income requirements.

With a range of specialist services, our comprehensive investment proposition is designed to provide Charities with a flexible approach to managing their investments, whilst taking advantage of our disciplined investment process and broad investment expertise, to help the Trustees to maximize the return on assets entrusted to their care.

> Our values

The range of wealth management services we offer Charities and the expertise that we have developed, all stem from four key values. By remaining focused on these four values, we strive to deliver the highest levels of service to all our clients.

Independence

Our approach to investment management is founded upon independence of advice and thought. Thanks to our independence, we are able to select stocks, bonds and funds on a best of breed, conflict-free basis.

Client focused

The service we deliver to our client is at the heart of everything we do. Thanks to our business model being built around our clients, we understand the need to deliver the highest level of customer service.

Forward thinking

Whilst the service we offer is based around traditional values, we employ the latest thinking in portfolio management. With an integrated risk management process and a global investment view we have an understanding on the ever-changing investment landscape.

Offshore heritage

Collins Stewart Wealth Management has its roots in the offshore universe giving rise to an early specialisation in the use of Hedge Funds and Alternative investments. Today, this experience manifests itself across our portfolios via a global, forward looking investment view, leading to a more rounded investment proposition coupled with the development of specialist investment products.

> Charity Services

Discretionary Portfolio Management

Our portfolio management service can be specifically tailored to meet your charity's investment objectives, drawing upon a disciplined investment philosophy and a sophisticated investment process.

A key aspect of our portfolio management capabilities is our broad range of expertise. Like many wealth managers we have a core competency in UK equities, however, thanks to our heritage, we can offer a more diverse offering, including a specialisation in Fixed Income and Hedge Fund investing, as well as Cash Management. This strength allows us to offer portfolio options all the way along the risk spectrum meaning we can cater to a charity's income and growth requirements.

We can manage discretionary portfolios based on individual securities, funds and structures, or by investing exclusively into collective investment funds.

Multi-manager investing

Third party fund selection has long been a core competency of our wealth management proposition, with funds being used for specialist and geographic areas where we recognise superior expertise and knowledge is required. Our edge here comes from the strength, depth and experience of our 10-strong Funds Selection Committee and our longstanding use of alternative asset classes, which combine to produce the Approved Funds Lists and our multi-manager portfolios.

Cash Management Service

A bespoke offering designed to provide clients with proactive management of their cash investments. For Charities, where income provision is of paramount importance, this service can be tailored to fit it in with your cash requirements by placing cash on deposit with a variety of institutions. We aim to provide a potentially superior rate of return across a diversified array of banks with a much reduced administration burden.



> Common Investment Funds

Common Investment Funds (CIFs) are collective investment schemes which are open only to charities and appropriate charitable bodies. The Funds were set up by Schemes made by the Charity Commission under section 24 of the Charities Act 1993. They operate as investment vehicles and are deemed by law to be charities themselves.

CIFs are similar to unit trusts and can provide a tax efficient vehicle through which a charity can diversify their investments to reduce risk and are also administratively simple and cost efficient., with no VAT payable on the management fees. They enjoy the same tax status as other charities.

The Combined Charitable Capital Fund

The Capital Fund is a diversified multi-asset fund with a clear focus upon generating absolute returns. The Fund's objective is to generate returns of cash plus 4 % per annum over a 3 year rolling period, after all fees and expenses.

The Fund is actively managed and uses an innovative multi-manager approach. This approach adds a further layer of diversification in terms of manager style. The Fund will invest in a wide range of assets to include Equities, Property Funds, Fund of Hedge Funds and Commodity Funds.

The Combined Charitable Income Fund

The Income Fund is a sterling bond fund with a clear focus upon generating an attractive income yield after all fees and expenses. The Fund is actively managed and will seek to preserve capital in nominal terms as a secondary objective. This Fund is designed to complement the Combined Charitable Capital Fund, with many charities using a blend of both Funds to achieve their own specific objectives.

For charities with specific yield requirements, we can tailor an actively managed blend of the two CIFs to provide a portfolio that maximises the growth potential whilst meeting the income needs. With free switching between the two funds, our flexible approach allows the blend to be actively managed in a cost effective manner.

Fund Facts:

	Capital Fund	Income Fund
Charity Registration Number	1059275	1059272
Annual Management Charge	0.4%	0.4%
Switching fee:	0%	0%
Dealing Frequency	Monthly	Monthly
Minimum Initial Investment	£1,000	£1,000
Estimated Yield	n/a	4-5%
Benchmark	3 Month LIBOR + 4%	FT British Govt. All Stocks Index
Corporate Trustee	The Bank of New York Mellon	
Custodian	The Bank of New York Mellon	
Investment Manager	Collins Stewart (CI) Limited	
Registrar	Smith & Williamson Fund Administration Ltd	
SEDOL code	0917326	0917337
ISIN	GB0009173260	GB0009173377

> Absolute Return Investing

In general, fund managers seek to produce returns that are better than their peers, fund category, and/or the market as a whole. This relative return approach to fund investing is appropriate in positive markets but if and when markets are negative, outperforming your peers does not carry as much success when your portfolio has reduced in value.

Investing with an absolute return style requires the manager to use the range of investment tools at his disposal to ensure the fund value rises, even in negative markets. Of course, with this capital preservation bias it is likely that the portfolios will not benefit from the full upside when markets are roaring ahead.

We believe that Charities, who often rely on their investment portfolios to cover future income requirements, running costs and investment in their chosen cause, require a safe approach to managing their portfolios. As such, both the Capital Fund and the Income Fund are managed on an Absolute Return basis.

> Risk management

Spanning all our investment services is our sophisticated in-house risk management process. Designed to ensure our investment views are consistent with your stated investment and risk objective(s) our risk management process is fully integrated into our portfolio construction with the aim of keeping downside risk to a minimum.

> Investment expertise

Our experienced investment specialists are of the highest calibre and are there to ensure your investment strategy is implemented successfully. With over 100 investment professionals across our five offices, we are able to offer an institutional-style service without compromising our focus on traditional client service values.

As leading investment managers and stockbrokers, we have the knowledge, modern infrastructure and resources to be successful in today's financial services industry. Through our extensive resources and network of offices we are able to combine international expertise with local presence to help you achieve your investment goals.



> In-house administration service

We understand that simplicity of administration is a key factor in a Trustee's choice of wealth manager and as such we invest an enormous amount of time and effort in assuring our clients are serviced as they would expect to be.

All of our portfolio administration and operations are carried out in-house through our operations centre in the Channel Islands. By having this service in-house, we control the quality of our processes, ensuring trades are settled on time and problems are resolved face-to-face rather than through a third party.

Nominee service

To provide greater efficiency and ease of administration, we can offer you a full custody service through our own nominee company. This ensures the following protections are in place:

- Our nominee company is a separately incorporated legal entity, which does not form part of our balance sheet. Consequently, such assets are fully 'ring fenced.'
- All cash deposits are held through high quality retail banks or banks with Moody's P1 rating or better.
- Where assets are held with third-party sub-custody agents, we regularly monitor their credit worthiness and performance.
- We are subject to regular external and internal compliance and audit checks.

On-line valuations

Being flexible in our reporting standards is an important aspect of providing top of the range client servicing. Our custom built, on-line tool is designed to provide a comprehensive valuation of your charity's portfolios, with all the functionality and security you would expect:

- Portfolio valuations detailing a breakdown of current value and income.
- Transaction history for current holdings, contract details and previous cash transactions.
- Income reports.
- The ability to send and receive secure messages.
- The ability to produce consolidated valuations of multiple portfolios, if applicable.

> Stability of ownership

Collins Stewart Wealth Management is part of Collins Stewart Hawkpoint plc, a leading independent financial advisory group, listed on the London Stock Exchange, With four main operating divisions: Advisory, Corporate Broking, Securities and Wealth Management, our defining characteristic is independence of thought. This emanates from a strong business culture and ensures we are not encumbered with the conflicts of interest that characterise many other institutions.

Our business goal is to help ambitious clients to create value and wealth. Our desire to achieve this runs through everything that we do and we pride ourselves on the quality of our advice, our client focus, on our responsiveness and our determination to deliver successful outcomes for our clients.

> Key strengths

- With an absolute return focus to our Combined Charitable Funds, our investment proposition is tailored specifically for charities' needs.
- Our offshore heritage has given rise to a rigorous and sophisticated investment process, driven by an early specialisation in the use of alternative assets. We have a team-driven, international investment perspective providing a rounded investment proposition coupled with the development of specialist services.
- Our approach to investment management is founded upon independence of advice and thought. Thanks to our independence, we are able to select stocks, bonds and funds on a best of breed, conflict-free basis.
- With an investment process of institutional quality, our focus on client service is that which is expected of individually tailored portfolios. Coupled with transparent fees and charges, our business model is built around our clients.
- Whilst the service we offer is based around traditional values, we employ the latest thinking in portfolio management. With an integrated risk management process and a global investment view we have an understanding on the ever-changing, investment landscape.

> Accolades and awards

The Daily Telegraph
Wealth Management Awards



- > Best Discretionary Service 2010 Winner
- > Best Discretionary Service 2009 Winner
- > Best Discretionary Service 2008 Runner Up
- > Best Discretionary Service 2007 Winner

FT Investors Chronicle
Wealth Management Awards



- > Advisory Stockbroker of the Year 2010 Winner
- > Advisory Stockbroker of the Year 2009 Winner
- > Advisory Stockbroker of the Year 2008 Winner

> Contact Collins Stewart Wealth Management

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