

# Discretionary Investment Management

2019/20

*Please read the important information.*



# Managing private client wealth for over a century

Our focus is on preserving and growing our clients' wealth by providing experienced investment management, which is precisely what we've been doing for over 100 years.

Founded in 1881, we have been actively involved in investment management since 1911. Today, we are one of the larger independently-owned private client investment managers in the UK and Ireland.

The core of our service is the discretionary management of diversified portfolios to meet your needs. To us, each client is an individual and we strive to do what's right for you. In short, we provide a service as individual as you are.

We always give our clients a single, senior point of contact, providing a relationship-led service. We encourage our people to develop close and long-lasting relationships.

Over the next few pages we have provided an insight into this service and would encourage you to get in contact should require any further information.

We look forward to welcoming you as a client and working with you for many years to come.

A handwritten signature in black ink, appearing to read 'David Cobb', with a horizontal line underneath.

*David Cobb*

CEO

*Smith & Williamson Investment Management LLP*

# Client satisfaction

Since November 2015 we have conducted regular surveys to gauge what our clients think of our service. The results, summarised below, are based on over 1,100 responses\* and show consistently high satisfaction across a number of key areas.

## Communication

96%

said we were excellent or above average at explaining technical issues



## Loyalty

99%

say they would, or already have recommended us to a friend or relative



## Understanding your needs

94%

said we were excellent or above average at understanding their needs

## Value for money

91%

said we offered excellent or above average value for money



## Availability

98%

thought we were excellent or above average at returning their emails/calls



## Our people

99%

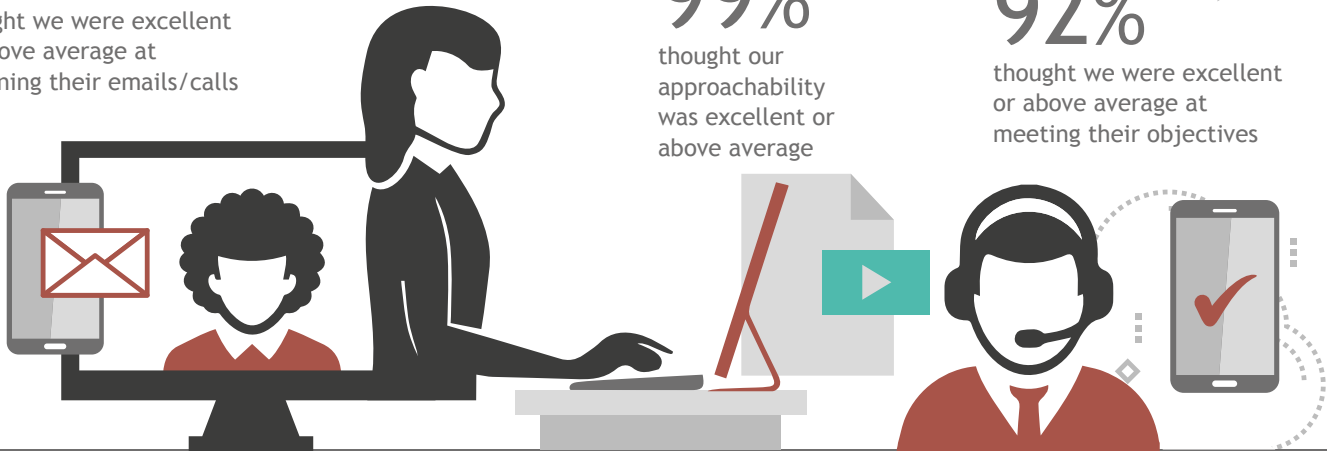
thought our approachability was excellent or above average



## Meeting your objectives

92%

thought we were excellent or above average at meeting their objectives

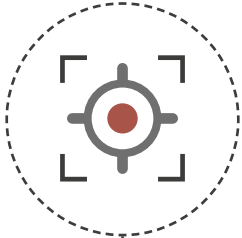
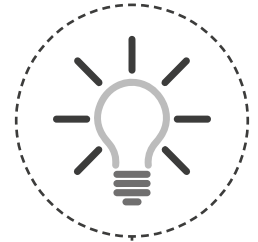


Past performance is not a guide to future performance

\*approximately 10% of our client base. All data as at 30.09.17

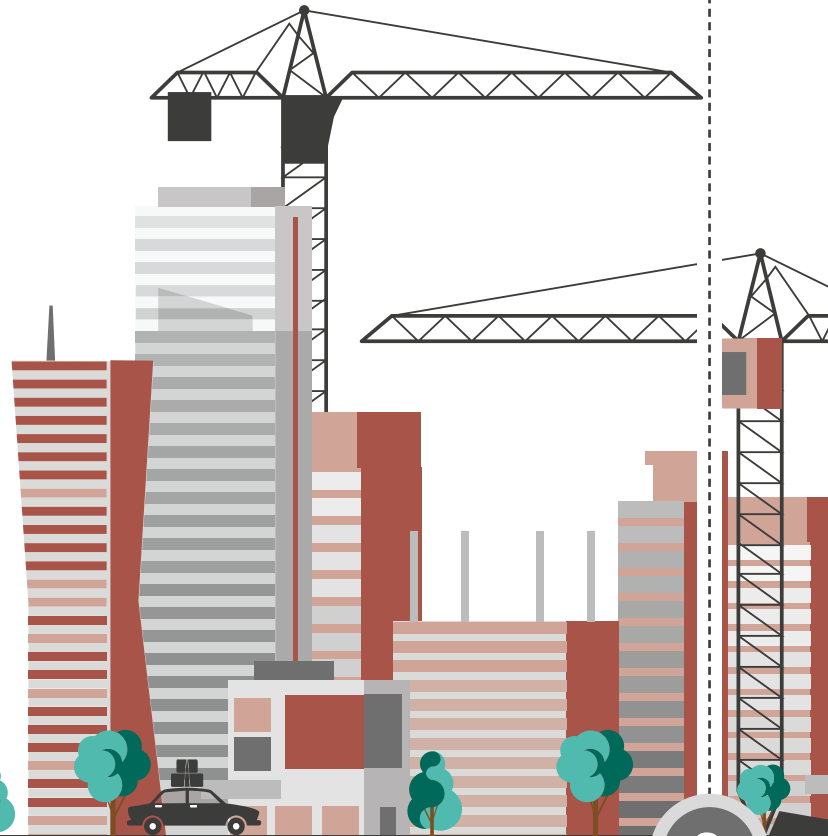
# A portfolio built for you...

Your portfolio will be constructed to meet your unique requirements. Your investment team has the freedom to choose how best to achieve your objectives, and are supported by a robust and proven investment process.



## Focused on your requirements...

Your portfolio will be constructed to coherently address the mandate set out by you. This mantra is central to our investment philosophy. The asset allocation process and the in-house research efforts provide your investment managers with the tools to put together a portfolio that is appropriate for your needs.



## With decisions made by your investment manager...

Once your investment team has agreed an appropriate investment strategy with you, securities will be selected utilising the recommendations from our in-house research team coupled with your team's own expertise. Our process generates a 'menu' of ideas, not a restrictive list, and the responsibility for investment decisions always rests with your investment manager rather than a central committee.

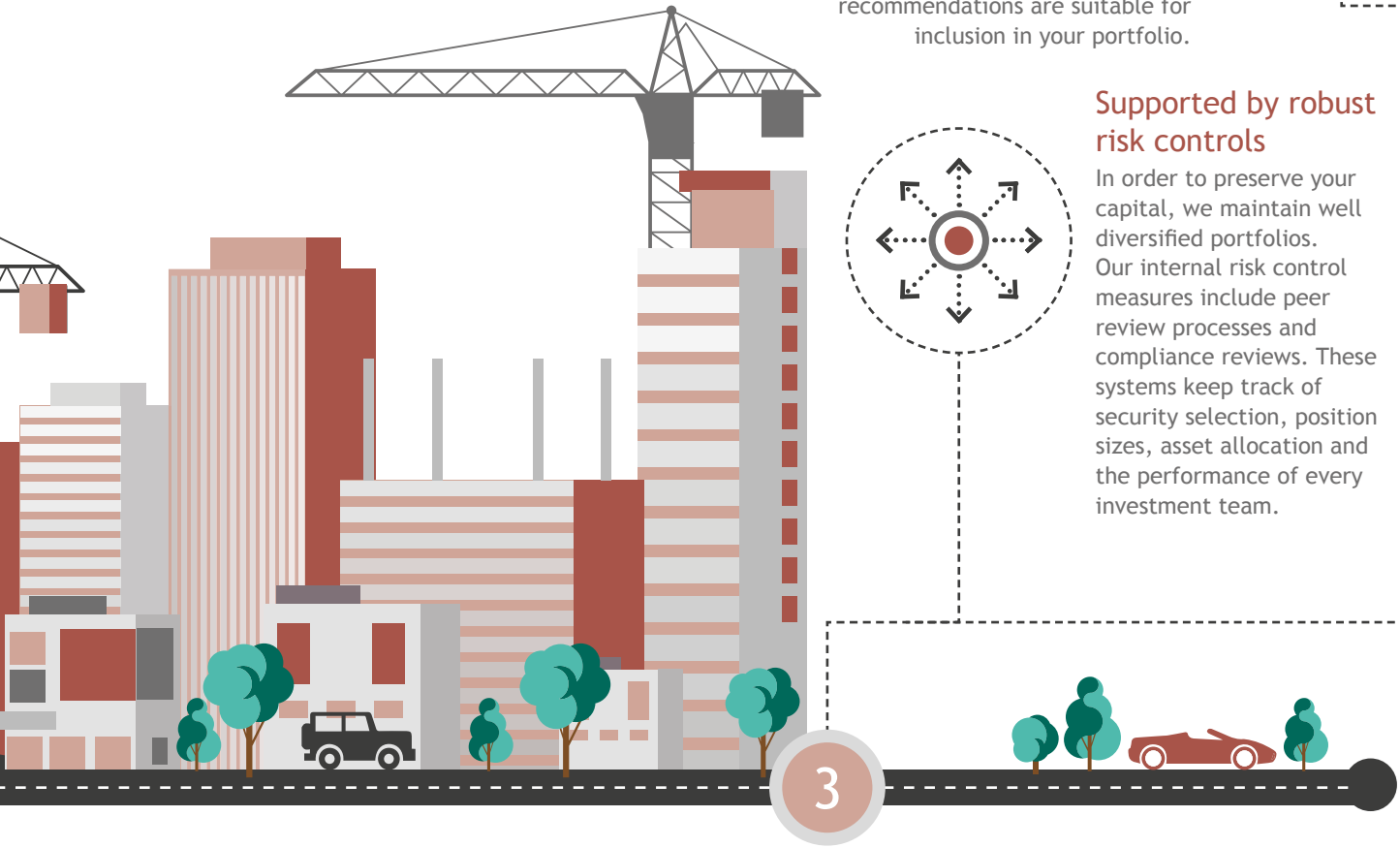
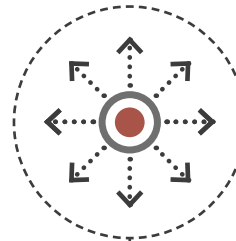
## Using our in-house research...

At Smith & Williamson we take a collegiate approach to research and leverage the depth of expertise from across the firm. All investment managers have the opportunity to contribute to the in-house research process. This helps avoid a narrow 'silo based' investment mentality, and ensures that recommendations are suitable for inclusion in your portfolio.



## Supported by robust risk controls

In order to preserve your capital, we maintain well diversified portfolios. Our internal risk control measures include peer review processes and compliance reviews. These systems keep track of security selection, position sizes, asset allocation and the performance of every investment team.



# Your attitude to risk

- Your attitude to investment risk is subjective and is different from your actual capacity to bear risk.
- Your personal circumstances will affect the amount that you can afford to lose and therefore how much risk you should take.
- Your investment manager will work with you to identify the investment strategy which suits you best.

Over the next few pages we have detailed our performance in different environments.

## Performance record

Our investment performance is objectively assessed by Asset Risk Consultants (ARC) an independent firm of investment consultants. We are peer reviewed against 80 discretionary private client managers which is an unbiased means of placing investment performance into context with our peer group. ARC reviews our (net of fees) performance data on a monthly basis and allocates the performance of each portfolio into one of four different risk categories.



## Cautious

Volatility equivalent of up to 40% of world equities



## Balanced Asset

Volatility equivalent to 40% to 60% of world equities



## Steady Growth

Volatility equivalent to 60% to 80% of world equities



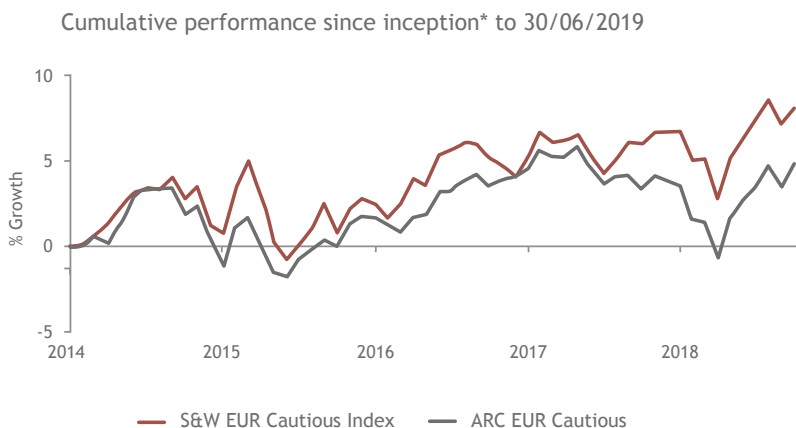
## Equity Risk

Volatility equivalent to 80% to 110% of world equities



# A conservative portfolio

- This will normally comprise cash, money market instruments and bonds either directly or through appropriate collective investment schemes
- Particularly suitable for clients who want nominal protection of their capital
- Performance measured with the ARC EUR Cautious Index

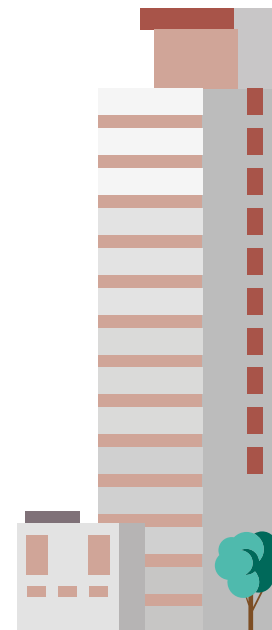


Calendar Years	2015	2016	2017	2018	2019 YTD
S&W EUR Cautious Index (%)	1.53	1.03	2.17	-3.27	5.18
ARC Euro Cautious PCI (%)	-0.13	1.63	3.50	-5.63	5.52
Relative	1.66	-0.6	-1.33	2.36	-0.34

Past performance is not a guide to future performance. Please note that ARC figures are complex calculations based on averages and are not indicative of the future performance of any specific portfolio. See Important Information.

Data supplied and independently assessed quarterly by Asset Risk Consultants Limited (ARC) - this exercise is undertaken to assess risk-adjusted performance of our portfolios submitted monthly, based on the proprietary ARC indicators. Data as at 30 June 2019 for the S&W EUR Cautious, 6 of the Client Portfolios with monthly returns submitted to ARC were categorised in the Cautious category. There are 16 Data Contributors to the Cautious PCI.

Source: Asset Risk Consultants PCI [www.assetrisk.com](http://www.assetrisk.com) \*S&W ARC EUR inception date 30/09/2014

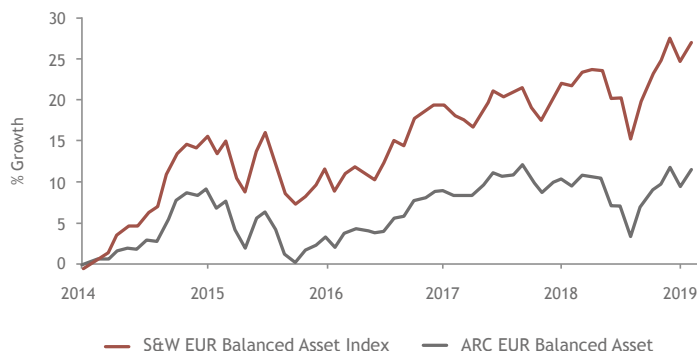




# An income portfolio

- This is usually intended to offer the potential for greater returns than cash and fixed interest alone
- It may include a limited amount of equities and alternative investments in addition to cash and bonds
- Performance measured with the ARC EUR Balanced Asset Index

Cumulative performance since inception\* to 30/06/2019

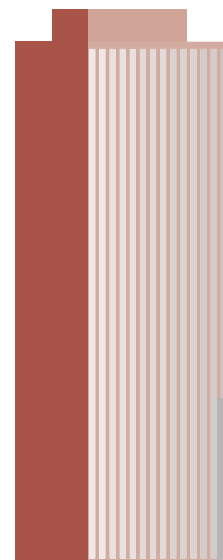


Calendar Years	2015	2016	2017	2018	2019 YTD
S&W EUR Balanced Index (%)	5.18	2.19	5.2	-4.79	10.3
ARC Euro Balanced PCI (%)	1.39	1.19	5.22	-6.93	7.8
Relative	3.79	1	-0.02	2.14	2.5

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Data supplied and independently assessed quarterly by Asset Risk Consultants Limited (ARC) - this exercise is undertaken to assess risk-adjusted performance of our portfolios submitted monthly, based on the proprietary ARC indicators. Data as at 30 June 2019, for the S&W EUR Balanced Asset Index, 19 of the Client Portfolio with monthly returns submitted to ARC were categorised in the Balanced Asset category. There are 24 Data Contributors to the Balanced Asset EUR PCI.

Source: Asset Risk Consultants PCI [www.assetrisk.com](http://www.assetrisk.com) \*S&W ARC EUR inception date 31/05/2014



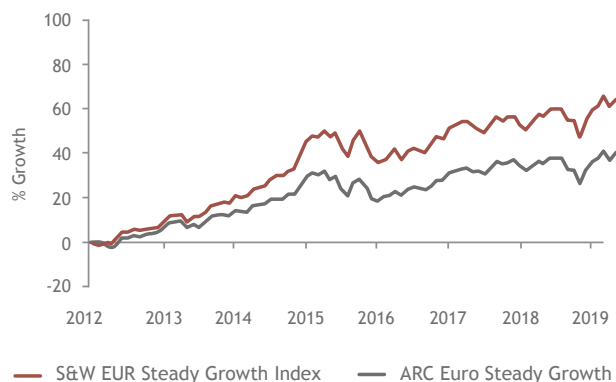




# A balanced portfolio

- This will usually include a higher proportion of equities and alternative investments than to cash and bonds
- It is likely to experience higher volatility and may be more likely to be suitable for clients with a longer investment time horizon
- Performance measured with the ARC EUR Steady Growth Index

Cumulative performance since inception\* to 30/06/2019



Calendar Years	2015	2016	2017	2018	2019 YTD
S&W EUR Steady Growth Index (%)	8.83	2.07	5.72	-6.06	11.75
ARC Euro Steady Growth PCI (%)	3.00	2.2	6.36	-7.09	10.7
Relative	5.83	-0.13	-0.64	1.03	1.05

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Data supplied and independently assessed quarterly by Asset Risk Consultants Limited (ARC) - this exercise is undertaken to assess risk-adjusted performance of our portfolios submitted monthly, based on the proprietary ARC indicators. Data as at 30 June 2019, for the S&W EUR Steady Growth, 120 of the Client Portfolios with monthly returns submitted to ARC were categorised in the Steady Growth category. There are 23 Data Contributors to the Steady Growth PCI.

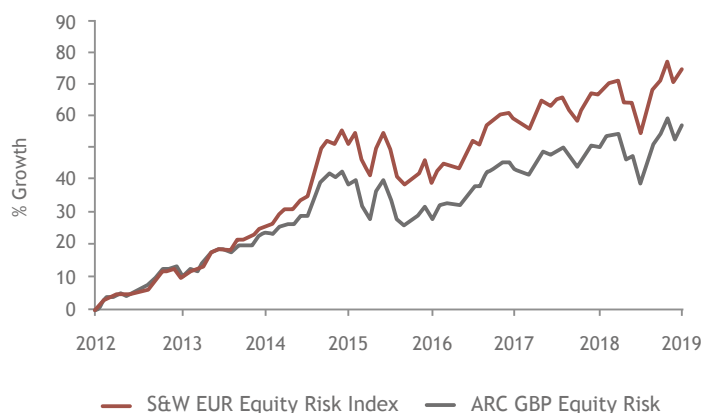
Source: Asset Risk Consultants PCI [www.assetrisk.com](http://www.assetrisk.com) \*S&W ARC EUR inception date 29/02/2012



# A growth portfolio

- This will usually be invested in equities, however it may hold other asset classes including bonds, alternative investments or other investments.
- It is likely to experience higher volatility
- Performance measured with the ARC EUR Equity Risk Index

Cumulative performance since inception\* to 30/06/2019



Calendar Years	2015	2016	2017	2018	2019 YTD
S&W EUR Equity Risk Index (%)	10.75	2.22	8.21	-6.45	13.05
ARC Euro Equity Risk PCI (%)	4.83	2.22	7.94	-7	13.3
Relative	5.92	0.00	0.27	0.55	-0.25

Past performance is not a guide to future performance. Please note that ARC figures are complex calculations based on averages and are not indicative of the future performance of any specific portfolio. See Important Information.

Data supplied and independently assessed quarterly by Asset Risk Consultants Limited (ARC) - this exercise is undertaken to assess risk-adjusted performance of our portfolios submitted monthly, based on the proprietary ARC indicators. Data as at 30 June 2019, for the S&W EUR Equity Risk, 148 of the Client Portfolios with monthly returns submitted to ARC were categorised in the Equity Risk category. There are 17 Data Contributors to the Equity Risk PCI.

Source: Asset Risk Consultants PCI [www.assetrisk.com](http://www.assetrisk.com) \*S&W ARC EUR inception date 30/06/2012

# Additional services for individuals



## Strategic advice

- Setting up a new family office
- Terms of reference
- Succession planning and family governance
- Family councils and constitutions
- Next generation preparation
- Process planning
- Intermediary guidance
- Strategic business advice
- Blue Book



## Personal tax

- Succession planning
- Estate planning
- Inheritance tax
- Trusts and other structures
- International tax
- Non-dom advice
- Compliance
- Entrepreneurs' Relief
- VAT
- Investigations
- Family Finance Director



## Financial planning

- Personal financial planning
- Pension planning
- Asset splitting
- Corporate pensions advice
- Employee benefits
- Cashflow forecasting
- Life assurance

### Important information:

- The value of investments and the income from them can go down as well as up and investors may not receive back the original amount invested.
- There can be no assurance that any portfolio will achieve its investment objective, the target return or any volatility target. Any target return or volatility target shown is neither guaranteed nor binding on the Manager.

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Excellent service from my investment manager who conducts my affairs with amazing patience.

I have stayed with this firm for many years now and have never considered going elsewhere.

I like the personable approach of my portfolio manager; I feel I know him and he knows me, rather than our relationship being one of rules, regulations, terms and conditions and box ticking.

One of the best features of the service I receive is the way any question I may have, however insignificant, is dealt with in a most courteous, helpful and speedy way.

I am delighted that I have entrusted my finances to this company. The services and support to me and my family have been exceptional.

*\*All quotes extracted from our client satisfaction survey between November 2015 and September 2017.*

Past performance is not a guide to future performance

[smithandwilliamson.com](http://smithandwilliamson.com)

Our offices: London, Belfast, Birmingham, Bristol, Cheltenham, Dublin (City and Sandryford), Glasgow, Guildford, Jersey, Salisbury and Southampton.

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