



ARBUTHNOT LATHAM
Private Bankers

Discretionary Investment Management

A meeting of minds



Independence
Flexibility
Collaboration
Accessibility
Pragmatism

Arbuthnot Latham & Co., Limited is the inclusive independent Private Bank.

We are a conservative bank for entrepreneurial people, with firm, deep roots that date back to 1833.

We do not subscribe to "off the shelf" and this has resulted in long-lasting, close relationships with our clients and their professional advisers.

A meeting of minds

“When clients entrust us with their wealth and grant us discretion to manage those assets in accordance with their aims, we take this responsibility very seriously. Accordingly we offer an investment management service free of conflicts of interest and capable of satisfying the most exacting of objectives via a full range of strategies designed to respond to differing risk appetites and return requirements over varying time horizons.

We empower our clients with the information they need to best understand our philosophy. Our independence allows us complete freedom to select the best and most suitable investments when designing a portfolio that is appropriate for an agreed mandate.

This brochure sets out our philosophy, investment process, and investment services in brief. We would welcome the opportunity to discuss it further with you or your adviser.”

StJohn Gardner & Gregory Perdon

Co Chief Investment Officers of Arbuthnot Latham

Our philosophies & advantages

We have a number of philosophies and beliefs that form the cornerstone of our proposition:

- We offer a **variety of investment solutions** for UK and international clients. These include full discretionary total and absolute return mandates utilising both direct equity and externally managed funds.
 - We focus on achieving the **optimal post tax total return** for your risk appetite. This means, for example, that clients' regular withdrawals from their portfolio are met by a combination of incidental investment income and the more tax efficient realisation of capital growth.
 - We combine the benefits of scientific quantitative analysis with investment manager experience in an investment process that has been judged '**thorough and comprehensive**' by industry professionals. Our Investment Management team consists of highly qualified experts, providing you with solid, supportive advice and guidance.
 - The investment universe is constantly expanding with new types of investments becoming available to the private investor. Arbutnot has been at the **forefront of this expansion**, having adopted new assets such as commercial property, hedge funds and commodities since 2005.
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- Our **independence** enables us to take advantage of the best research on offer, from top global institutions as well as specialist boutiques and well known economic or market commentators. Additionally, our **investment selection is unbiased** as we have no obligations to investment houses or product providers. Each investment is selected by us on its own merits.
 - As a bank, we retain **safe custody** of your assets. Our clients benefit from our unfettered search for the best instruments, as well as our complete control over service.
 - We **eliminate conflicts of interest** through our fair and transparent charging structure. Where we have discretion, all commissions we receive are repaid to our customers and transaction commissions are waived. When you invest with us following consultation, our fees are made known to you before you transact.
 - Our qualified **Investment Managers are directly accessible** by telephone, e-mail or for face to face meetings and will provide formal valuations at least twice a year.



Our investment process

We take time to debate and understand the financial objectives for your investable assets before delivering an appropriate investment structure. This structure is constantly proactively adapted, taking into account our long and short term views of the market gained through our strategic and tactical asset allocation processes. This is combined with our research and investment selection process, where the choice of specific investment is agreed by the team.



Establish
Mandate



Strategic Asset
Allocation



Tactical Asset
Allocation



Investment
Selection



Manage, Analyse
and Review

Understanding client's objectives

- Establishing objectives and expectations through dialogue with client, their advisers and completion of a Risk Tolerance Questionnaire
- Scientific assessment of historical benchmark to meet those needs

Adapting for the long term future

- Adapting the benchmark for how the future will be different from the past
- A new structure with the same risk characteristics but optimised for higher returns, based on our view of the likely long term performance of the various asset classes

Asset allocation for the current environment

- Proactive short term asset adjustments informed by a disciplined interrelating committee process

Building the portfolio

- Thorough analysis of managed funds using quantitative filters combined with qualitative analysis through face to face meetings with specialist managers. Direct equities selection assisted by major institution
- Use of Hedge, Property, Commodities, Structured Products and ETFs as well as traditional classes of Equity and Fixed Income

Proactive daily management of your assets

- Discretion to implement changes immediately adds value
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Our services

We have developed a range of services to suit individual client needs and preferences.

Collectives Investment Service

Our principle discretionary investment service covers the entire spectrum of potential total return mandates from low risk low return to high risk high return, delivered via our selection of 'best of breed' external managers.

Direct Investment Service

For clients with a preference for, or interest in, holding shares of UK companies, our direct service replaces the UK equity funds of the collectives service with a portfolio of approximately 25 UK stocks in which we maintain high conviction.

Global Investment Service

Designed for European clients or British subjects expecting to settle overseas, our global service, with Euros as the reference currency, makes asset allocation decisions around the core components of Euroland Sovereign Debt, International Fixed Income, Global Equities and Hedge funds.

Absolute Return Portfolio

Our Absolute Return portfolio aims to provide returns above the prevailing cash rate, principally as capital growth for tax efficiency. Whilst there is no guarantee of a positive annual return, our team's primary focus is to minimise the risk of capital loss over any rolling 1 year period with a secondary aim of achieving the best return within that restriction. The service uses many complex instruments and access to funds is more restrictive than a traditional portfolio or cash deposit.

Inheritance Tax Relief Portfolio Service

In assisting clients with inheritance tax planning, we have developed a portfolio of Business and/or Agricultural Property Relief qualifying investments. The portfolio is constructed mainly of qualifying shares listed on the Alternative Investment Market but can be extended to including unquoted shares, agricultural land and forestry.

Alternative Investments

Allocating your capital across strategies, managers and currencies, with the goal of generating an attractive risk reward for you or your client. We manage two categories of capital: absolute return and thematic.

Absolute return strategies are designed to perform medium term regardless of market conditions, whilst thematic strategies are opportunistic and directional. We will invest across asset classes, geographies, strategies, liquidity profiles and time horizons with the objective of adding value for you or your client. We also pride ourselves on the high level of operational due diligence we undertake upon investment structures before we allocate capital.



Our clients

Our clients range from busy entrepreneurs to retirees and their families. Our clients now have international requirements, be they a UK resident with property interests overseas, or a European resident in the UK. Accordingly, we offer investment management services in Sterling and Euros, within a variety of tax-efficient wrappers.

Personal, Joint or Family Portfolios

If you are a couple, you may wish to hold your assets in joint names or perhaps separately, should you have different objectives, or simply for tax reasons. With a Personal or Joint portfolio as the core, our investment services can be extended to incorporate ISA, Custody & Execution Only, and Bare Trust portfolios for children or grandchildren.

Pensions

Your professional adviser will provide advice on creating the right pension structure and on making contributions and withdrawals. But when it comes to managing pension assets, whether you need to invest your own Self Invested Personal Pension (SIPP), a Small Self Administered Scheme (SSAS), your firm's defined benefit scheme or a Qualifying Recognised Overseas Pension Scheme (QROPS) for those expecting to settle outside the UK, we can manage it.

Offshore Bonds

If such a structure is appropriate for you, we have discretionary investment authority to manage portfolios within the qualifying asset rules of offshore bonds provided by most leading life companies.

Trusts (including Private Unit Trusts)

We work with Trustees to define the structure of their portfolio, in order to achieve the agreed balance of capital growth and investment income return. Under the Trustee Act 2000, Trustees have specific responsibilities when investing Trust assets. Our discretionary investment service is particularly suitable as it removes much of the day to day burden of investment decisions.

Charities

Our extensive experience in managing Trusts is also applied to the management of charity funds and endowments on behalf of Trustees. Our investment approach is always tailored to meet the guidance and direction provided by the Charity's investment committee.

Accordingly, we can accommodate a list of banned investments, or those that conflict with the Charity's purpose, and target a pre-specified level of investment income for Charity expenditure.

At Arbuthnot Latham we offer a highly personalised approach and a broad offering, so that both your investment and private banking needs are met.



Investment service & administration

Valuations

Your portfolio may be viewed at any time via our secure website. Formal valuations will be uploaded quarterly. A printed valuation may be obtained at any time, on request.

Tax Reporting

Consolidated Income Tax certificates and Capital Gains Tax reports are provided in early May direct to the designated tax accountant or client.

Wealth Report

The Wealth Report is produced quarterly; articulating our Investment Committee's views on conditions along with presenting our forecasts.



Private Banking services

Deposit & Treasury

Arbuthnot Latham offers a complete service of Private Banking facilities, including a range of deposit and borrowing facilities, money transmission worldwide. Our treasury department provides our clients access to foreign exchange facilities with the client able to take positions up to two years in advance. We offer clients access to the money market via fixed term deposits in all major currencies at competitive fixed rates.

Fiduciary Deposit

Our fiduciary deposit service is available to personal clients who wish to spread their risk and their funds across a variety of institutions. We generally place funds with banking institutions which are rated by Moody's Aa3 or higher. The minimum amount for fiduciary deposits is £1 million.

Loans & Mortgages

Arbuthnot Latham prides itself on being flexible and quick to make decisions. Our Private Bankers will find the best lending solution to a particular client's needs and Arbuthnot Latham's bespoke approach means we can often make a quick decision and lend against assets other providers will not consider, such as your Arbuthnot Latham investment portfolio.

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