



QUILTER CHEVIOT

## Summary of Investment Policy – 16<sup>th</sup> July 2015 The Architects Registration Board

**Investment Objective** - The investment objective is Special; to produce some capital growth and income through fixed interest stocks/funds and equity funds.

**Strategy** - Our recommendation is a diversified portfolio comprising direct holdings of UK Government stocks (Gilts / Index-Linked), fixed interest collective funds and UK based investment/unit trusts.

**Suitability** - This recommendation is suitable for an investor with an investment time horizon of three to five years and a lower to medium attitude to risk, which means the Board would only be comfortable with moderate variation or disruption to capital value or current income. You have indicated that the Board has a low ability to bear investment losses which means that preservation of capital is of primary importance and the portfolio will be defensively positioned. This may well limit the potential capital growth, but this is of secondary importance. However, as a "low risk" investment strategy is no longer achievable due to current market conditions (with base rates at a historical low), the Board has agreed to increased diversification which will include equity funds to minimise the risk. Any currency exposure may have an impact on UK and overseas investment returns, but steps will be taken to avoid this additional element of risk. No specific positions will be taken to hedge currencies as any exposure will be minimal.

**Restrictions** - We may only hold fixed interest stocks, corporate bond funds and UK based investment/unit trusts for exposure to equities.

**Reporting** - We will manage the portfolio on a discretionary basis, making changes to securities from time to time to reflect our tactical investment views. We will provide reports incorporating a valuation and a measurement of the overall investment return which takes into account the change in value, income received and all capital and income cash movements.

We will also include an overall performance benchmark which broadly reflects the new asset allocation and higher weighting towards equities. The revised benchmark is 16% Gilts 0-5yrs (*unchanged*), 18% UK Index-Linked 0-5yrs (*reduced from 32%*), 36% Corporate Bonds (*unchanged*) and 30% FTSE All Share (*increased from 18%*). While every effort is made to agree a suitable benchmark, financial circumstances and any constraints you have given us may at times make direct comparison inappropriate, particularly when the Board is keen to limit the downside risk.

The year-end tax pack will be produced as at 31<sup>st</sup> December and posted to Marc Stoner.

**Income** - You have asked us to pay the income out on a monthly received basis to NatWest, sort code 60-09-15 account number 36172618.

Signed:  Dated: 17/7/15

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