

## Introduction

When arranging investments for our clients we are able to use a wide range of product types. In the main we use various forms of collective investments which are managed professionally by external fund managers. In recent years, access to the Cofunds Fund Supermarket and, more recently, the Nucleus Wrap, has increased the ease with which we can administer clients' investments.

We have been keen to promote multi manager funds to our clients as these introduce an additional layer of fund management. Although this additional layer has to be paid for, the benefits to clients from the provision of more active asset allocation, have been clear, especially during the unprecedented markets of 2008.

We are now very excited about the new portfolios which are available to clients through the Nucleus Wrap. These risk-rated portfolios have been put together by Old Broad Street Research (OBSR) and will be reviewed by them quarterly and automatically rebalanced by Nucleus.

All of the investment strategies, products and funds that we use for clients are still based on collective investments. This means that when you invest through us you own a small slice of a very much larger investment fund which is managed on behalf of all of those who have decided to invest. Such funds will typically have between £20m and £500m invested in total and in some cases may have grown to around £2bn.

We are aware that some clients would prefer to have all or part of their investment portfolio managed on a more individual basis. To cater for this we are delighted that we can now offer our clients the services of Citi Quilter.

## Citi Quilter

Citi Quilter has a single focus - personalised investment management services. They have approximately £5.1bn in funds under management (as at 31 December 2008) and their clients include private clients, charities and trusts, pension funds and corporate bodies.

Citi Quilter works closely with us in dealing with our clients. They believe that personal attention is central to meeting the needs of our mutual clients and that it is important to provide this face to face.

If you decided to use the services of Citi Quilter they would appoint a personal investment manager for you and communication between you and your investment manager would be offered through their network of regional offices around the UK, Channel Islands and Ireland.

Citi Quilter is able to benefit from the resources and support they receive from their parent, a leading global financial services company.

## The Services Available

We are delighted that as a result of our involvement with Paradigm Partners LLP, we are able to offer the services of Citi Quilter on particularly favourable terms.

- **The Discretionary Portfolio Service (DPS)** is Citi Quilter's bespoke investment management service. The minimum portfolio size is £200,000. Charges: 1.5% plus VAT pa on first £1m, 1.3% plus VAT thereafter.
- **The Managed Portfolio Service (MPS)** is a discretionary service investing in a wide range of collective investments, with a choice of seven strategies to meet a range of varying financial objectives. The minimum portfolio is £25,000. Charges: 1.35% plus VAT pa.

The annual management fees shown, include all dealing charges and highlight clearly fee share arrangements agreed with ourselves.

## Who Might Benefit From This Service?

The service is available to any of our clients who have sufficient assets to meet the minimum portfolio sizes required by Citi Quilter.

Discretionary management is where the professional investment manager takes responsibility for making all the decisions about the investments in your portfolio at their *discretion*, based on your requirements. This is in contrast to your dealings with most IFA firms, such as Arch Financial Planning Limited, who will only give you advice about investments or act on your specific request.

The following are particular situations that we have identified where the bespoke investment portfolios offered by Citi Quilter might be more suitable than the way that we deal with our clients' investments.

- You would prefer a **bespoke investment portfolio** and a relationship with the Investment Manager of that portfolio.
- You would prefer **discretionary management** of your investment portfolio rather than having any involvement in ongoing investment decisions.

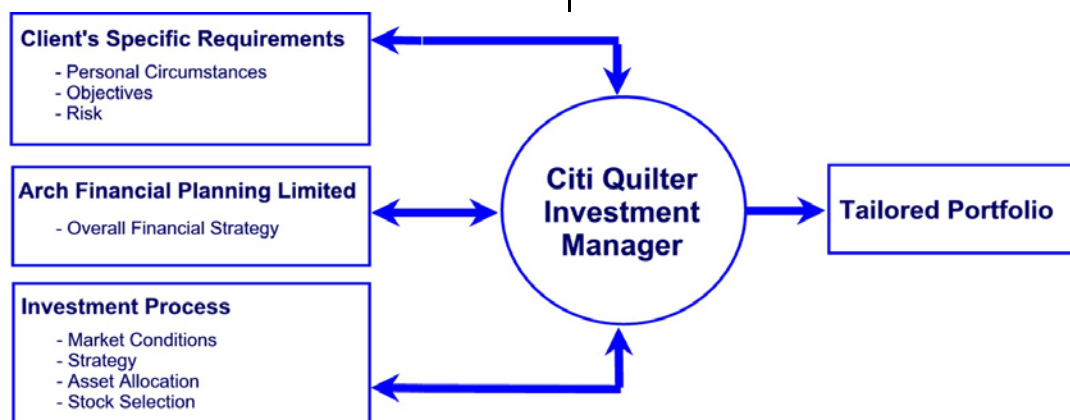
- You already have a **large portfolio of shares and/or investment trusts** which you would like to be managed by a professional investment manager.
- You are a **trustee (possibly a solicitor)** who has responsibility for a large investment portfolio.
- You are a parent or guardian of a **child who has inherited a large amount of money** to invest for the long term.
- You, or someone for whom you are responsible, has received a **personal injury or compensation award**.
- You prefer to **invest directly into shares, gilts and bonds etc** rather than via collective investment schemes.

### The Discretionary Portfolio Service

The Citi Quilter Discretionary Portfolio Service is a tailored management service which allows your portfolio to be constructed to meet your individual investment objectives.

Your investment manager and deputy will, after discussion with you and your Arch adviser, construct your portfolio and actively manage it throughout the time you are with Citi Quilter. The role of the manager is to draw on your needs and objectives to formulate and implement the investment strategy and monitor it on an ongoing basis.

Some of the issues which are taken into account in creating this tailored portfolio are shown in the diagram below.



Within the Discretionary Portfolio Service your investment manager has access to a wide range of investment vehicles from which they will use those which are most suitable for your individual portfolio.

These can include, but are not limited to:

- UK and overseas quoted securities
- Gilts
- Bonds
- Unit and investment trusts
- Open Ended Investment Companies (OEICs)
- Alternative investments such as hedge funds, tracker funds, private equity and property funds
- Structured products
- Cash deposits

Part of your manager's role is to explain to you the way in which these work together and which ones are suitable for you.

### No Outsourcing of Resources

Citi Quilter offer:

- Safe custody and settlement operations carried out in-house, including CGT expertise.
- An unbiased company, they do not have their own funds to sell.
- Superior portfolio system.

A disciplined investment process is followed and uses agreed benchmarks to monitor performance. A highly effective administration team, individual attention and frequent communication ensure an exceptional level of client care.

### To Access The Service

If you would like to investigate the possibility of using the Citi Quilter service please let us know. Unless we feel that their service would not be appropriate for you, we will arrange a meeting with one of the Citi Quilter Investment Managers. This can be at one of the offices of Citi Quilter, or our office, or your home.

## Citi Quilter - Facts



- Citi Quilter is part of Citi Smith Barney.
- As at 31 December 2008, Citi Quilter had approximately £5.1bn of funds under management.
- Expertise is provided at a local level through approximately 310 staff (of which 80 are investment professionals) in 11 offices: Belfast, Birmingham, Bristol, Dublin, Glasgow, Guernsey, Jersey, Leicester, Liverpool, London and Manchester.
- Smith Barney is the global private wealth management unit of Citi. With approximately 13,000 financial advisers in over 600 offices, Smith Barney offers a full suite of investment services, including asset allocation, private investments and lending services, hedge funds, cash and portfolio management, as well as retirement, education and estate planning.
- Independent research is provided through an in-house research team. This team also draws on the research resources of Citi and other external providers.
- Citi Quilter is committed to working with financial intermediaries and other professional advisers - through strategic alliances and complementary advice for clients.
- The firm can trace its ancestry back to 1777.

## Your Relationship With Arch

The Citi Quilter investment management service is designed to compliment our work. When clients use Citi Quilter we maintain control of the overall financial strategy while Citi Quilter provide expert discretionary management of the client's portfolio.

Citi Quilter does not operate as an independent financial adviser (IFA).

Where client meetings are held by Citi Quilter we would normally also be present. At any time both we and our clients can check their portfolio through a secure, password protected website. This provides daily updated valuations and transaction records which can be downloaded in a format compatible with Microsoft Excel and other programmes.

Please note that **this information does not constitute personal advice** and should not be treated as a substitute for specific advice based on your circumstances. If you are in any doubt as to whether the services of Citi Quilter would be suitable for you, then **you should discuss the matter with a suitably qualified independent financial adviser** such as ourselves.

### For personal advice

If you would like to discuss whether the services of Citi Quilter would be suitable for you please ask your usual Arch adviser or contact us via one of the following:

Tel: **0845 3700 661**  
or **01483 204600** (if local)  
Email: **enquiries@arch-fp.co.uk**  
Online: **www.arch-fp.co.uk**



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