

**Whitechurch**  
Securities Ltd  
WEALTH MANAGERS

Direct Equity Service

**Award Winning Wealth Management**

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# Welcome to Whitechurch

**Whitechurch Securities Limited was formed in 1982 and the company has since grown into one of the most highly regarded wealth management boutiques in the country. Whitechurch has a well-respected Investment Management Team and an efficient and helpful Administration Department based at the Bristol head office.**

Whitechurch specialises in wealth management, providing investment solutions tailored to your individual requirements.

The benefits of having your investments professionally managed on a day to day basis is to enhance returns and provide peace of mind that your portfolio is tailored to your personal objectives and risk profile.

The emphasis of our Wealth Management Services is to provide you with investment portfolios that are driven by high quality investment research, sophisticated risk management and efficient administration.

We pursue excellence in all our operations and this has been recognised by personal finance editors of many quality newspapers, who regularly contact our investment managers for expert views on investment products and markets.

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# Whitechurch Securities

## Direct Equity Service

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### Important notes:

**FOR UK FINANCIAL ADVISERS ONLY. NOT TO BE RELIED UPON BY ANY OTHER PERSON.**

This publication is issued and approved by Whitechurch Securities Limited which is authorised and regulated by the Financial Conduct Authority (FCA). The views and opinions expressed are those of the Whitechurch Securities Investment Managers based upon information we consider correct and reliable. It may be subject to change without notice and we do not accept any responsibility for errors or omissions. Information is intended to be of a general nature, will not be suitable for everyone and should not be treated as a specific recommendation. Investment returns cannot be guaranteed, past performance is not a guide to future performance and investors may not get back the full amount invested. Stockmarkets are not a suitable place for short term investments. Levels, bases of, and reliefs from taxation are subject to change and values depend on circumstances of the investor.

### Our Environmental, Social, and Governance (ESG) Credentials:

Whitechurch Securities Limited are fully committed to the FCA's Anti-Greenwashing Rules and have a robust process to ensure all our ethical investment strategies are managed to strict mandates. However, as we rely on third party fund managers for the underlying investment decisions, we cannot guarantee that our own ESG criteria are being met 100% of the time, despite our best efforts to do so. Our ESG fund screening, selection, review and ongoing monitoring process is available on our website or upon request.

# Award winning wealth management

For over 40 years, Whitechurch has operated with a dedicated team of investment managers who work closely with advisers to offer actively managed investment portfolios. We continually pursue excellence in all our operations, and our portfolio services have been independently rated by leading industry researchers and analysts.

November 2022 saw Whitechurch shortlisted in three separate categories for the 2022 Wealth Partnership Awards. **Fund Selection Team of the Year, ESG Advocate** and **Rising Star Individual**. The awards are designed to recognise and reward excellence across key elements of the UK's wealth and asset management businesses. We received the award for **Rising Star in Wealth Management** - the rising star category recognised individuals who had made a big impact within the industry, in a short amount of time.

Whitechurch was declared a **5-star winner in the FT Financial Adviser Services Awards 2021**, rated by advisers themselves. FT Adviser quoted "This year's five-star winners have convinced advisers they have what it takes to deliver the most appropriate returns for clients."

In October 2021 Whitechurch achieved **Best Discretionary Wealth Manager 2021, Awarded Excellence in Ethical Investment Solutions by the Fund Awards 2021**. The Fund Awards employ a dedicated and extensive research, submission and judging process to ensure that every award is issued purely on merit. Research included evaluation of skills, services on offer and fund performance. The wider market reputation was also taken into consideration, along with feedback provided from peers and industry professionals.

In September 2021 Whitechurch was shortlisted as **ESG Investor of the Year** at the Business Green Leaders Awards, which celebrated the many achievements of the green economy ahead of the COP26 Climate Summit in Glasgow.

February 2018 Whitechurch won **Platinum Award for Best Cautious Manager** at the Portfolio Adviser Wealth Manager Awards - highlighting the robustness of our risk management approach. In 2017 we were once again a finalist for the **Best Wealth Manager** category at the Money Marketing Awards. In 2016, we were awarded **Best Overall Small Firm** for the 3rd year running at the Citywire Wealth Manager Awards. For the second year in a row we also won the overall award for **Best Cautious Portfolio** and we were shortlisted for the **Best Balanced Portfolio**.

Whitechurch was declared winner at the prestigious PAM Awards in the **Defensive Portfolio Investment Performance** category in October 2016. Amongst strong competition with multi-billion asset firms, we are proud to have remained a finalist in 2017.

Signatory of:



Also in 2016, Whitechurch achieved an unprecedented clean sweep at the Portfolio Adviser Wealth Manager Awards; winning the highest platinum award for the **Best Cautious Portfolio, Best Balanced Portfolio and Best Aggressive Portfolio**.

This range of accolades, demonstrates our ability to produce consistently strong solutions to all advisers and their clients.

Following comprehensive assessments of services and charging structures, our Prestige Investment Management Service and our Portfolio Management Service have been rated, since 2016, as **5 Star services by Defaqto** – the UK's leading independent researcher of financial products.

## High Standards

We have also held the **ARC 3D Award since 2015** – issued by Asset Risk Consultants (ARC), a leading independent investment consultant for private clients, charities and their advisers. The ARC 3D Award is awarded to investment managers offering genuine private client, multi-asset solutions; and committed to the principles of transparency, engagement and integrity.

We are also signatories of the **UNPRI, Women in Finance Charter, Financial Task Force Vulnerability Charter** and a **UKSIF member**.

We are committed to maintaining our high standards and award-winning performances for many years to come.



# Direct Equity Portfolios

For a minimum investment of £50,000 you can gain access to a standalone discretionary managed portfolio of UK shares. The Direct Equity service invests in a portfolio of 15-25 shares listed on the London Stock Exchange. The shares in which the portfolio is invested will be dependent upon a client's chosen investment objective.

We offer three investment objectives - Yield, Income & Growth and Growth. The portfolios bear a risk level of 7 out of 10. As they are invested wholly in the stockmarket they are only suitable for investors with an above average risk tolerance. See details of each strategy below.

Portfolios	Yield Portfolio Risk Rated 7/10	Income and Growth Portfolio Risk Rated 7/10	Growth Portfolio Risk Rated 7/10
Key Objectives	<ul style="list-style-type: none"> <li>This portfolio is for those who want a high and growing income with the potential for moderate capital appreciation that can be gained from holding a portfolio of high yielding quality companies.</li> <li>The portfolio will be primarily invested in blue chip stocks but will look at medium and smaller companies which meet the portfolio value and yield criteria.</li> <li>The portfolio manager will aim to ensure the portfolio is diversified across a range of market sectors and will look to keep volatility of the portfolio in line with the overall market.</li> <li>The portfolio is likely to contain many key household names and will target a yield above the Investment Association (IA) UK Equity Income Sector Yield.</li> </ul>	<ul style="list-style-type: none"> <li>This portfolio will pursue a balanced approach with the aim of offering an attractive total return through income generation and the potential for capital growth.</li> <li>The portfolio will invest across the UK Stockmarket targeting stocks which meet the income and growth criteria. However, the portfolio manager will be mindful of sector and market cap allocation and will aim to ensure the portfolio is diversified.</li> <li>The portfolio will target a yield in line with or above the Investment Association (IA) UK Equity Income Sector Yield and will look to keep overall volatility in line with the market.</li> </ul>	<ul style="list-style-type: none"> <li>This portfolio aims to produce long term capital growth. However, in line with the Whitechurch Securities Aggregated Values Strategy, we also expect some income generation on the portfolio as dividends form part of our selection criteria.</li> <li>The portfolio will invest across the UK Stockmarket targeting stocks which meet the growth criteria.</li> <li>The portfolio manager will be mindful of sector and market size allocation and will aim to ensure diversification.</li> <li>Portfolio volatility will be closely monitored; nevertheless due to the nature of this portfolio we expect that volatility could be higher than the market average and sector concentration could be greater than within the other Whitechurch Direct Equity Portfolios.</li> </ul>
Income Generated	Any income generated can be withdrawn quarterly, six monthly or annually or reinvested in the portfolio.	Any income generated can be withdrawn quarterly, six monthly or annually or reinvested in the portfolio.	Any income generated can be withdrawn quarterly, six monthly or annually or reinvested in the portfolio.
Risk Factors	Past performance is not necessarily a guide to future performance. Investment returns cannot be guaranteed and you may not get back the full amount you invested. <b>Levels and bases of, and reliefs from, taxation are subject to change and values depend on the circumstances of the investor.</b> Please speak to your Financial Adviser for help in deciding on the level of risk you wish to take with your portfolio.		

# Risk and Return

**A Financial Adviser can assist you in deciding a suitable risk/reward profile based on your personal circumstances.**

There are several types of investments or asset classes and each offers a benefit within a well-diversified portfolio. Each investment vehicle utilised is given a Whitechurch Risk Rating based on volatility, loss potential and other relevant factors. Using a mix of investments allows a portfolio to have parts that are defensive in a falling market and others that maximise the opportunities of a rising market. For this reason we follow a portfolio approach. This means that some of the investments in your portfolio may be lower in risk than your acceptable level of risk. It also means that some investments may be higher than your desired level of risk. However, the portfolio when looked at overall will match your stated attitude to risk.

## Investment term

It is generally accepted that equity investments should be regarded as a long term investment and should be held for a minimum period of five years in order to realise their full potential. High risk strategies should be held for longer.

A Direct Equity Portfolio will not be suitable if you have a cautious attitude to risk (for example, Whitechurch Risk Ratings 1 to 4). However, we can provide Cautious Portfolios under our Prestige Investment Management Service.

# Further considerations

**As well as the risks associated with the stockmarket, from falling share prices to reduced dividends and capital, there are other risks to consider if investing in a Direct Equity Portfolio.**

## ISA transfers

Transferring your ISA will have no effect on its current status or the tax benefits you receive from your ISA investment. There is no guarantee that your new ISA will outperform your existing ISA and there is a possibility of a shortfall during the transfer. As this transfer will be a cash transaction between ISA providers, funds will be out of the market, thus, if the underlying investments rise whilst the ISA transfer is pending there is potential for loss of income or capital. Please check if there are any exit charges from your current ISA provider before transferring. Also, if you wish to stop an ISA transfer, you may find your previous ISA manager is not able or willing to undo their side of the transfer out. If this is the case you will lose your ISA and tax free status and your investments may become subject to taxation.





# Choosing your level of risk

Risk is defined as the risk to the capital or original investment (based on a minimum 5 year investment term). Attitude to risk may vary from one investment area to another. Listed below are the Whitechurch Securities risk ratings from 1 to 10. This information is for guidance only and does not represent a recommendation.

Please note all Direct Equity Portfolios are invested at Risk Level 7

- 1 You have a cautious attitude and would not be prepared to accept any fluctuations in or loss of capital. You understand that this may result in low rates of return and that inflation could erode the capital value over time.

**0% invested in equities**

- 2 You are cautious and are attracted to lower risk investments, probably away from equity investments. You prefer any loss to be small and unlikely. You accept the lower potential growth in return for a high degree of security and understand that inflation could erode your capital over time.

**0% invested in equities**

- 3 You are attracted to lower risk investments but are prepared to accept a degree of risk and fluctuations in the value of your capital. Whilst there is an inflation risk, the risk of fluctuation of capital is restricted to a small portion of your investment. You could not cope with any significant loss.

**Up to 20% invested in equities.** *The balance of the portfolio will be invested across other asset classes such as cash, fixed interest, property and absolute return funds, with the objective of increasing diversification and reducing overall risk.*

- 4 You are keen to keep some degree of security of your capital but accept that part of your investment is exposed to an element of risk with the aim of higher potential growth, with a view to combating inflation. Some loss of your capital is possible over some periods.

**20% to 35% invested in equities.** *The balance of the portfolio will be invested across other asset classes such as cash, fixed interest, property and absolute return funds, with the objective of increasing diversification and reducing overall risk.*

- 5 You are a balanced investor and accept a degree of risk whilst including some security of capital within your investment. You accept that the overall portfolio could show losses but you also accept the risk for a potentially higher return over the long term.

**35% to 60% invested in equities.** *The balance of the portfolio will be invested across other asset classes such as cash, fixed interest, property and absolute return funds, with the objective of increasing diversification and reducing overall risk.*

- 6 You are prepared to accept a higher degree of risk with the aim of a potentially higher return over the longer term. You accept that this strategy requires a greater exposure to equity investments with the associated volatility which results in the value of investments rising and falling.

**60% to 80% invested in equities.** *The balance of the portfolio will be invested across other asset classes such as cash, fixed interest, property and absolute return funds, with the objective of increasing diversification and reducing overall risk.*

- 7 You are within the higher risk categories and are prepared to take a higher risk approach. Your aim is a higher potential growth whilst accepting that losses of capital do occur. You understand that there may be the additional risk of currency fluctuations and political risks via investment in overseas markets. You are able to cope with all fluctuations, the possibility of investing in a narrow range of asset classes, and are in a position to be flexible in the timing of encashments.

**Up to 100% invested in equities.** *Any balance of the portfolio will be invested across other asset classes such as cash, fixed interest, property and absolute return funds, with the objective of increasing diversification and reducing overall risk.*

- 8 You are willing to take a high risk with your investment. You accept that at this level losses are common, in return for higher potential growth. You understand that some investments in this category may not be readily realisable or may have to be held long term.

**Up to 100% invested in equities.** *Any balance of the portfolio will be invested across other asset classes such as cash, fixed interest, property and absolute return funds, with the objective of increasing diversification and reducing overall risk.*

- 9 This very high risk strategy is suitable for only a few investors, or a small part of a portfolio, accepting exposure to, for example, specialist areas and stocks. Funds with a more aggressive approach may be included and, as with venture capital, could show no return of capital. You realise that data for valuing such investments may be restricted. Investors at this level enjoy the high returns that are possible but are able to withstand major losses.

**Up to 100% invested in equities.** *Any balance of the portfolio will be invested across other asset classes such as cash, fixed interest, property and absolute return funds, with the objective of increasing diversification and reducing overall risk.*

- 10 As well as the high risk issues detailed above, you have a highly speculative nature and are aware that this approach incorporates an element of gambling and uses the highest risk investments.

**Up to 100% invested in equities.** *Any balance of the portfolio will be invested across other asset classes such as cash, fixed interest, property and absolute return funds, with the objective of increasing diversification and reducing overall risk.*

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# How your portfolio will be managed

## Investment process

Portfolios are proactively managed by our in-house investment managers on a day to day basis. We take the necessary action to ensure that portfolios are positioned to suit the prevailing climate.

## Direct Equity

The Direct Equity Portfolios are constructed using a stock selection process based on company fundamentals and valuation metrics. UK Equities held will consist of between 15-25 shares which reflect our view of the best opportunities in the market.

When investing in UK Equities, stocks are selected using the Whitechurch Aggregated Values Strategy. Stocks are screened based on a number of factors which look at value, price, dividends, earnings and balance sheet strength compared to sector and market average. This provides a robust process to ensure that companies we invest in meet our stringent requirements.

However, the portfolio must also be positioned based upon our top down view of the world. This approach means we take a “big picture” perspective before drilling down and carrying out more in depth analysis of different sectors and markets. The investment team meet formally each month to discuss the UK and global investment markets to determine our in-house asset views. Formal portfolio meetings also take place once a month to review holdings, portfolio asset allocations and stock screens with dialogue and actions taking place on a continual basis.

# Charging structure

**Investments held within the Whitechurch Direct Equity Service are charged as follows:**

## Initial fee

We do not impose an initial fee on investments.

## Whitechurch Securities annual fees

- We charge a Custodian fee of 0.52% per annum for holding investments. This fee is capped at £1,300 per annum.
- Our Investment Management fee is 0.40% (plus VAT) per annum.

## Stockbroker fees (Shares, Investment Trusts, ETPs)

Third party stockbroker fees will apply to trades in UK Equities, Investment Trusts and Exchange Traded Products. Fees are 0.25% of the value of each transaction. The minimum charge for each transaction is £20 for Investment Trusts and ETPs. The minimum charge for Shares is £16.50. In certain circumstances the minimum charge may be reduced. There will also be a Settlement and Compliance charge of £10.

## Collective Investments (OEICs, Unit Trusts)

- We take no initial or ongoing commission on the purchasing of Unit Trusts and OEICs. We aim to minimise charges when buying and selling these within portfolios. We generally invest at 0% initial charge; as, in most instances there is no charge for buying or selling (although a bid/offer spread may apply).
- However, charges for collective investments are levied by the investment groups. Unit Trusts/OEICs and Investment Trusts held in portfolios will be subject to annual management charges levied by the fund management houses.

## Stamp Duty

Stamp duty applies to trades in UK equities, Investment Trusts and Exchange Traded Products. It applies to purchases and does not apply to sales. It is charged at 0.50% of the value of the purchase transaction.

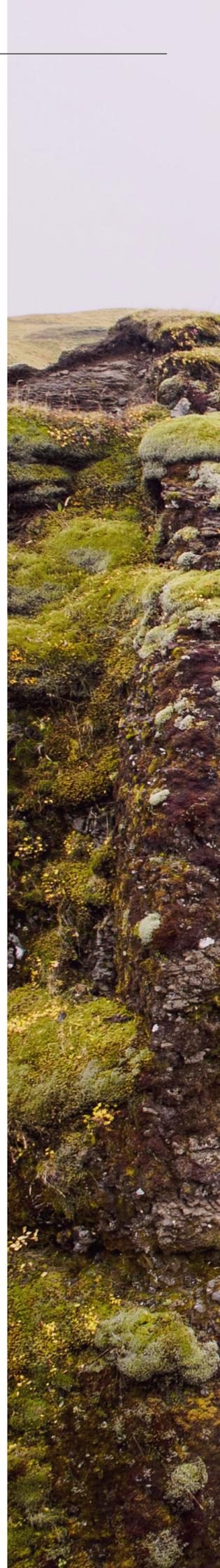
## Financial Adviser fees

Advisory fees should be agreed with your Financial Adviser before any investment is made.

## Individual and Omnibus Segregated Accounts

By default, Whitechurch holds securities with Central Securities Depositories in an omnibus account. Should you wish for your securities to be held within an individual segregated account a set-up fee and increased annual custody charge will be incurred as set out in the agreement.

**Please read the Discretionary Management Service Agreement in the Investment Application pack, particularly the full details of charges and fees.**





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# Making your investment

## Investment amount

The minimum investment amount into a Whitechurch Direct Equity portfolio is £50,000.

Existing holdings can be transferred directly into your Whitechurch portfolio if they fit within the already chosen strategy. Otherwise, they may initially be encashed until they are reinvested. This could lead to a tax liability, please seek advice if you are unsure about this.

## Investment wrappers

Your portfolio can be held as a standalone actively managed portfolio or held within the following wrappers. Please speak to your Financial Adviser regarding the suitability of any wrapper:

- **Individual Savings Account (ISA)** – Whitechurch will accept ISA subscriptions for the current tax year as well as ISA transfers from current and previous tax years (including Cash ISAs). You will need to complete a separate application form.
- **Self Invested Personal Pension (SIPP) \*** – Your portfolio can be held in a Self Invested Personal Pension (SIPP) with a number of providers.

**\*Holding your Direct Equity portfolio within a SIPP or bond wrapper will involve extra charges and separate terms and conditions with the SIPP or bond administrator.**

# Completing your application

## Application procedure

Once you have decided on your risk and return profile you can carry out the following steps:

1. **Read the Discretionary Management Service Agreement carefully. This is very important, if there are any areas you do not understand, please speak to your Financial Adviser or contact us directly.**
2. Agree advisory fees with your Financial Adviser.
3. Complete the application form(s) for each portfolio and/or ISA, ensuring you fill in:
  - Personal details (Title, Name, Date of Birth, National Insurance Number, Address, Telephone Number and E-mail Address). Completed for both applicants if the portfolio is to be jointly held
  - Investment amount(s)
  - Investment objective (Yield, Income & Growth, or Growth)
  - Portfolio risk level
  - If and how you would like to receive regular withdrawals
  - Bank details, if you require income or regular withdrawals

Then read the declaration and ensure that all applicants sign and date the form(s).

Return to: **Whitechurch Securities Ltd, The Old Chapel, 14 Fairview Drive, Redland, Bristol, BS6 6PH**, together with your cheque for any new proceeds - ensuring payee details are entered on the form(s).

Upon receipt we will acknowledge the application form(s) and the money will be invested into your portfolio once funds have been cleared.

**We strongly recommend that you read the Discretionary Management Service Agreement and this brochure in detail before signing and should you have any queries please contact your Financial Adviser.**

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# Our ongoing services to you

## Reporting

Every three months you will receive a comprehensive valuation and progress report on your investments.

Reports will be issued within twenty-five business days of the reporting dates of 31 March, 30 June, 30 September and 31 December.

Reports will be issued electronically with notification via an email alert. Reports may be posted, if requested, and a charge will be applied for this postal service.

### Investment reports will detail:

- Investment manager commentary, on investment views and the rationale behind investment decisions
- Comprehensive valuation of your portfolio
- Changes made within your portfolio during the reporting period
- Schedules of all cash movements
- Fees deducted during the reporting period. At least annually we will provide a summary of total aggregated costs subject to information available to us from 3rd parties
- Consolidated tax statements, provided annually at the end of each tax year
- Capital Gains Tax report on sales and purchases made during the tax year
- We will report to you if your portfolio depreciates by 10%, and thereafter at multiples of 10% from the last report date

## Online portal

The Whitechurch online portal gives you access to investment information, secure messaging and the ability to login via a mobile application on smartphones and tablets.

You will be able to view your portfolio 24 hours a day and your portfolio valuation will be updated each working day.

The portal also has a document vault for all correspondence and your reports; removing the burden of filing paper information.

## Income distributions

If you require income to be paid out you should be advised that, due to ex-dividend dates and depending on the dealing date, income distributions can take 2 - 3 months to arrive following the initial investment. Accordingly, initial dividend payments may be quite low but should increase quickly thereafter.

The natural yield on your portfolio can be paid out quarterly, six monthly or annually, or reinvested into the portfolio.

## Withdrawals

Should you decide to withdraw capital from your investment account, please note that there is a minimum holding requirement which you will need to be aware of. Please speak to your Financial Adviser beforehand.

Regular withdrawals can be made but need to be first discussed with your Financial Adviser and the Whitechurch Investment Manager.

If your holdings fall below the minimum requirement you can transfer into one of our other Discretionary Management Services, upon consultation with your Financial Adviser.

## Change of strategy

It is generally accepted that investments should be held for the long term. However, we acknowledge that circumstances can change, leading to a change of strategy which we can facilitate for you. We would recommend that you take financial advice beforehand as there may be a number of factors to consider. These include:

- Tax considerations
- Risk profile
- Investment objective
- Investment term

**Whitechurch**  
Securities Ltd  
WEALTH MANAGERS

Whitechurch Securities Limited is authorised and regulated by the Financial Conduct Authority.  
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