CASTERBRIDGE

WHAT IS A DISCRETIONARY FUND MANAGER?

January 2022

WHAT IS A DISCRETIONARY FUND MANAGER AND WHAT DO THEY DO FOR ME?

A Discretionary Fund Manager (DFM) is a company of investment specialists, known as Investment or Portfolio Managers. Investment Managers concentrate solely on the day-to-day management of your investment portfolio. They make the ongoing day to day investment decisions, for example, buy Vodafone and sell BP or increase exposure to shares and decrease your exposure to bonds. In line with the amount of investment risk you are comfortable taking, the aim is to meet your longer term financial goals and aspirations.

The term "discretionary" refers to the fact that your Investment Manager has discretion over the investment decisions they make on your behalf. This means that they need to work very closely with your Financial Adviser to fully understand your needs and objectives.

Working together with your Financial Adviser and Investment Manager.

This relationship has another key benefit as it promotes specialism. Your Financial Adviser focuses on your holistic financial planning needs and your Investment Manager concentrates solely on managing your day to day investment goals, undistracted by anything that isn't investment related.

WHAT MIGHT MY DFM PORTFOLIO LOOK LIKE?

Your Investment Manager will build your investment portfolio, constructing it with different assets. It may contain equities or shares, commercial property (such as offices and warehouses), bonds, commodities and cash in different weights. The weights or allocations to these investments within your portfolio is known as your 'Strategic Asset Allocation' – this will be the basis of how your portfolio will look over the coming years and reflects the amount of investment risk you are comfortable taking.

In addition to the longer-term Strategic Asset Allocation, your Investment Manager can make shorter-term adjustments to your portfolio to take advantage of market movements or trends.

AN EXAMPLE OF DISCRETIONARY INVESTMENT MANAGEMENT IN ACTION...

If stock markets fall in value, it may be seen as an opportunity to buy more shares (at a cheaper price), as the long-term prospects for those companies may remain exciting. In the same way, if the price of shares has risen strongly over a period, your Investment Manager may sell some shares to lock in the strong price and potentially look to buy the same shares back at a lower price in the future.

See our 'latest news' page on our website for portfolio activity updates and how you manager has been running your portfolio...Casterbridgewealth.co.uk/News

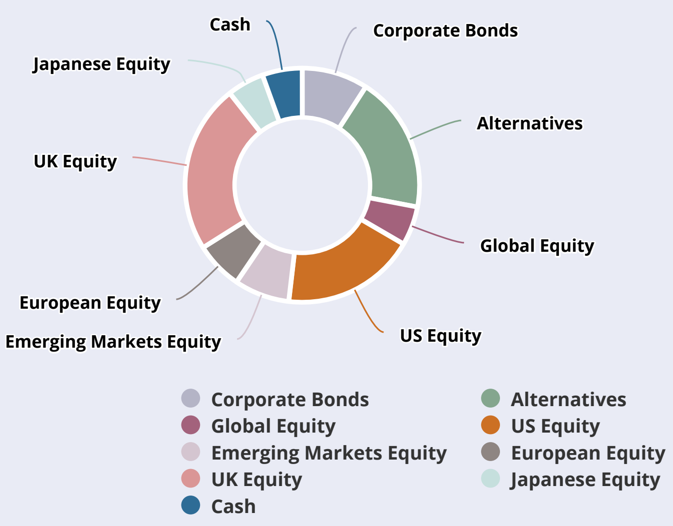
WHAT MIGHT MY DFM PORTFOLIO LOOK LIKE?

Here we take a closer look at what your DFM portfolio might look like. For this purpose we have used a 'snap-shot' of an example portfolio for a client who has a medium to long term investment horizon and to invest £500,000 and is comfortable taking a balanced level of risk.

In practice, your portfolio will be different to this as it will be built around your specific individual circumstances and goals. This example portfolio illustrates the depth and breadth of assets your Investment Manager may hold on your behalf.

The pie chart below shows the 'high level' asset allocation of the portfolio, illustrating the exposure to each asset class. The corresponding list on the right shows the individual investments held within each asset class and the income they pay.

A diversified Asset Allocation



Asset Class & Stock Name	Holding	Yield	Income
UK Gilts			
Royal London UK Government Bond Fund	£13,440.00	1.08%	£144.79
Vanguard USD Treasury Bond - ETF	£14,560.00	1.15%	£166.85
Corporate Bonds			
PIMCO F Global Investment Grade Credit ESG Fund	£12,905.81	1.49%	£192.54
Rathbone High Quality Bond Fund	£15,144.20	2.54%	£384.07
Nomura EM Local Currency Debt Fund	£15,000.00	1.90%	£285.18
Alternatives			
International Public Partnerships Ltd	£12,506.25	4.45%	£556.08
Trium ESG Emissions Impact Fund	£12,506.25	0.00%	£0
WisdomTree Physical Gold	£10,005.00	0.00%	£0
BlackRock European Absolute Alpha Fund	£16,675.00	0.00%	£0
HG Capital Trust PLC	£15,001.00	1.15%	£173.22
Welltower	£10,000.00	2.78%	£278.44
Sixth Street Specialty Lending	£12,500.00	6.90%	£862.43
Global Equity			
AXA Framlington Health Fund	£9,999.50	0.30%	£30.17
Wheaton Precious Metals Corp.	£5,454.00	1.54%	£84.12
Polar Capital Technology Trust PLC	£9,999.50	0.00%	£0

Asset Class & Stock Name	Holding	Yield	Income
US Equity			
Activision Blizzard	£6,842.75	0.74%	£50.39
Alphabet	£8,231.50	0.00%	£0
Coca-Cola Company	£5,454.00	2.78%	£151.53
General Electric Company	£4,216.75	0.32%	£13.50
Intuitive Surgical	£6,842.75	0.00%	£0
JPMorgan Chase & Co.	£6,842.75	2.42%	£165.36
Microsoft Corporation	£6,817.50	0.79%	£53.87
NVIDIA Corporation	£6,842.75	0.06%	£3.89
ServiceNow	£6,842.75	0.00%	£0
Kraft Heinz Company	£3,358.25	4.34%	£145.89
Walt Disney Company	£5,454.00	0.00%	£0
T-Mobile US	£5,454.00	0.00%	£0
Union Pacific Corporation	£4,216.75	1.86%	£78.52
Visa Inc	£5,454.00	0.68%	£37.23
Walgreens Boots Alliance	£4,216.75	3.64%	£153.58
Emerging Markets Equity			
RWC Global Emerging Markets Fund	£13,500.00	0.00%	£0
Allspring Emerging Markets Equity Fund	£22,500.00	0.00%	£0
European Equity			
L'Oreal SA	£5,454.00	0.97%	£52.82
LVMH Moet Hennessy Louis Vuitton SE	£4,216.75	0.96%	£40.60
Novartis AG	£5,605.50	3.68%	£206.08
Sanofi	£5,454.00	3.63%	£198.01
Schneider Electric SE	£7,019.50	1.51%	£106.08
TUI AG	£3,358.25	0.00%	£0

Asset Class & Stock Name	Holding	Yield	Income
Japanese Equity			
Fidelity Index Japan Fund	£11,250.00	1.82%	£204.47
Mitsubishi Gas Chemical Company	£6,438.75	4.00%	£257.29
Nintendo Co	£6,438.75	2.81%	£180.81
UK Equity			
AstraZeneca	£5,454.00	2.42%	£131.98
Aviva	£4,216.75	5.01%	£211.38
Babcock International Group	£4,216.75	0.00%	£0
BAE Systems	£3,232.00	4.40%	£142.26
BP	£6,716.50	3.23%	£216.76
British American Tobacco	£5,605.50	7.67%	£430.16
BT Group	£4,090.50	4.39%	£179.42
Experian	£4,090.50	1.05%	£42.89
HSBC Holdings	£6,842.75	3.39%	£232.20
Just Eat Takeaway.com	£5,605.50	0.00%	£0
Legal & General Group	£4,090.50	5.94%	£242.98
Lloyds Banking Group	£4,216.75	2.38%	£100.55
National Grid	£5,454.00	4.68%	£255.37
Ocado Group	£6,842.75	0.00%	£0
Persimmon	£4,090.50	8.39%	£343.31
Rio Tinto	£6,842.75	12.33%	£843.50
Royal Dutch Shell	£6,716.50	3.83%	£257.23
SSE	£4,090.50	5.05%	£206.66
Taylor Wimpey	£5,454.00	4.74%	£258.64
Vodafone Group	£4,090.50	6.59%	£269.63
Keywords Studios	£4,216.75	0.03%	£1.06
Beazley	£3,787.50	0.00%	£0

HOW MUCH WILL MY DFM PORTFOLIO COST?

Did you know? DFMs can also be known as Discretionary Investment Managers, Wealth Managers or Stockbrokers. Although the term 'Stockbroker' is old fashioned and a somewhat outdated name, it refers to brokers that only dealt with stocks and shares rather than all investable assets for a client.

When it comes to costs and charges, your DFM will charge what is known as an Annual Management Charge (AMC); this is the charge that covers the cost of the day to day management of your investment portfolio, the investment teams, stock and fund research, economic and macro strategy and the systems and staff required to offer you the very best service and performance.

There will also be some additional charges for certain types of transactions such as buying or selling international shares and the cost of holding any underlying investment funds, these are known as the Ongoing Charge Figure (OCF).

Below is an example of what the likely costs and charges might be over a five-year period and the effect they will have on your portfolio growth.

For the purposes of this example, we are going to use the same client who invested £500,000 and use an illustrative portfolio growth rate of 5% per year...

Portfolio Start Value	**£500,000**
Illustrative annual growth rate	5.00%
AMC ex VAT	0.90%
OCF	0.30%

HOW MUCH WILL MY DFM PORTFOLIO COST?

Your estimated charges over a five-year period may look like this:

Estimated Charges	*1st year*	*2nd year*	*3rd year*	*4th year*	*5th year*
Annual Management Charge (AMC)	£4,725.00	£4,961.25	£5,209.31	£5,469.78	£5,743.27
Ongoing Charge Figure (OCF)	£1,575.00	£1,653.75	£1,736.44	£1,823.26	£1,914.42
Estimated total costs & charges	£6,300.00	£6,615.00	£6,945.75	£7,293.04	£7,657.69

...the table below show how the charges will affect what you might receive back and the effect these charges have when comparing the illustrative return, before and after fees.

Illustrative year end value...	*1st year*	*2nd year*	*3rd year*	*4th year*	*5th year*
before charges	£525,000	£551,250	£578,813	£607,753	£638,141
and after charges	£519,000	£538,722	£559,193	£580,443	£602,500

Estimated total annual charge as % of year end value (inc VAT)	1.20%	1.20%	1.20%	1.20%	1.20%
Illustrative growth of your portfolio after all expected charges	3.80%	3.80%	3.80%	3.80%	3.80%

WHY CHOOSE CASTERBRIDGE TO MANAGE YOUR FINANCIAL FUTURE?

We are an independent, multi award-winning Discretionary Fund Management business, inspired by the lack of choice and variation available to clients in the market place. We offer you something a little different; independent, adaptive, responsive and agile investment management and we focus on achieving your financial dreams and aspirations.

In 2016, we brought together a select team who have long and impressive track records, with over 80 years of investment experience spanning more than three decades. Validation of our early achievements is illustrated by what we believe to be our impressive awards tally. Since launch, we have lifted a number of professional awards including the 'Best DFM' at the Money Marketing 2020 Awards and the 'CityWire Wealth Manager Regional Stars South West', three years in a row since 2018 and received a 'Highly Commended' accolade at the Money Marketing Awards 2019.

In a time where financial news, both fake and real is more widespread and readily accessible than ever before, the real skill of an Investment Manager is interpreting the 'noise' within the market and acting (or not) upon it! Experience, knowledge and flexibility are essential for managing your future in today's markets.

money marketing AWARDS 2020
WINNER
BEST DISCRETIONARY FUND MANAGER

Key benefits of choosing Casterbridge Wealth

- Our investment team has over 80 years experience, spanning more than three decades.
- Multi award-winning team – Regional Stars three years in a row 2018, 2019, 2020.
- Best DFM - Money Marketing 2020 Awards.
- A fully personalised bespoke service tailored to your requirements.
- Portfolios embracing Environmental, Social and Governance (ESG) considerations.
- Agnostic blend of active and passive investment funds.
- Access to the world's leading fund managers.
- Open access to your dedicated personal Investment Manager.
- Your investments are securely ring fenced at our global custodian – Pershing Securities.
- In-house administration and client support teams.

Please talk to your Financial Adviser to find out how Casterbridge can help you...

If you have any questions or need any further information on the details mentioned in this document, please do not hesitate to contact your Financial Adviser or a member of the Casterbridge team on:

Tel: 01722 466110
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Web: casterbridgewealth.co.uk

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IMPORTANT INFORMATION

What you should know about investment past performance

You should be aware that past performance is not an indication of future performance, the value of investments and the income derived from them may fluctuate and you may not receive back the amount you originally invested.

Important information about this brochure

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About us

We, Casterbridge Wealth Limited, are authorised and regulated by the Financial Conduct Authority (FCA). Details of our authorisation are available on the FCA register under firm reference number 727583; www.fca.org.uk/register.

Casterbridge Wealth Limited is a registered Company in England and Wales.

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