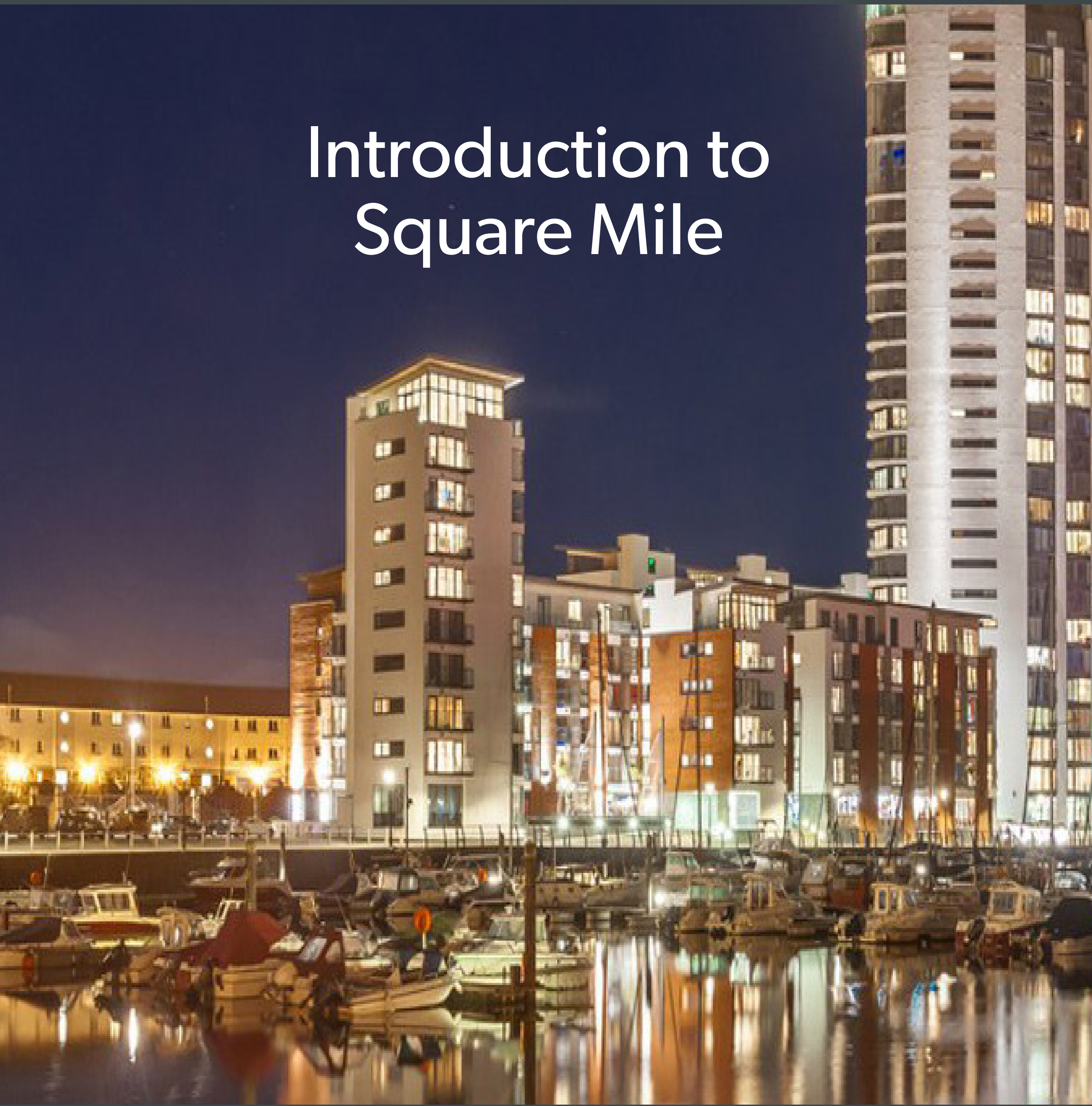
PORTFOLIO
WEALTH MANAGEMENT

Introduction to Square Mile



Introducing our new Investment Research Partner - Square Mile

Square Mile is an investment research and fund ratings firm, dedicated to discovering the investment funds that they believe have the best prospects to make your money work hard to build you a secure future.

The research team capability is recognised as one of the strongest, most knowledgeable, experienced and effective in the UK retail investment market. The investment professionals at Square Mile have generated highly regarded fund research and ratings designed to help investors to make the right choices.

It is important to note that we at Portfolio Wealth Management still remain responsible for all aspects of your financial planning services and advice matters.

What Square Mile do

- Square Mile offer independent research across the investment market to enable them to choose the most appropriate funds.
- Their experienced team spend their time researching, analysing and assessing funds and their managers to understand exactly what each fund is trying to achieve, thus seeking to establish how the funds meet their objectives through differing market and economic cycles.
- They work in the heart of the fund management community; meeting with quality managers regularly throughout the year to ascertain how they believe their funds will perform. They do not expect that a fund will meet its objectives through all market and economic cycles but that a manager will deliver its objectives over the longer term.
- To identify the right investments, they undertake in-depth research to scrutinise each fund. This extensive fund research process provides a distinctive edge in portfolio construction.

Working with Portfolio Wealth Management, Square Mile have created a range of model portfolios across a spread of risk profiles from capital preservation to growth, including a specific Income portfolio.

Square Mile is an independent investment research & consulting business

The Investment Research Team

The real value comes from truly understanding Fund Managers and this can only be achieved through an in depth knowledge of how they think and work.

To deliver such research Square Mile have invested in professional, qualified and experienced individuals who meet with the Fund Managers to understand how those managers work, think and react to markets. They listen, observe, test, challenge, discuss, and deliberate and from this they form opinions regarding suitability of individual funds to be included in portfolios.

Building you a successful portfolio

A crucial step in building our clients' portfolios is to determine what specific exposure is required and specifically to which markets and to which asset classes to invest. Square Mile determine what percentage of each portfolio should be held in Government Bonds, Corporate Bonds, UK Equities, International Equities, Commercial Property, Cash and Alternative asset classes. This allocation is based upon their expectations for market returns and an assessment of how each asset class relates to the others in terms of risk. This is known as the Strategic Asset Allocation.

Shorter-term exposures within market cycles are then applied as a Tactical Asset Allocation overlay. This process takes into account the current market views to supplement the long-term trends of the Strategic Asset Allocation.

It is the role of the portfolio manager to constantly monitor the Strategic Asset Allocation and Tactical Asset Allocation of the portfolios, as well as the fund selection. This will ensure that they provide the opportunity to deliver investment returns within the risk tolerances agreed with Portfolio Wealth Management.

Running a successful portfolio

The assets within your portfolios remain with the platform or product recommended by Portfolio Wealth Management. Square Mile's role is to advise Portfolio Wealth Management of any changes we need to make to the portfolios. This means that where changes need to be made to respond to market movements, they can be communicated and efficiently implemented. As this is an advised process it still remains very reliant on you, our clients, engaging with Portfolio Wealth Management and responding to recommendations swiftly.

Investors will see minor adjustments recommended from time to time, as a result of changes in the Strategic Asset Allocation. They will also see changes of funds that relate to more tactical positioning of their portfolios. Square Mile do not aim to second-guess market activity. Instead, they manage portfolios with a long term view and where the management of risk is paramount.

They will only recommend changes to portfolios that are relative to the investment risk that you are prepared to take and all changes and the rationale for such changes are communicated to you, by Portfolio Wealth Management, so you are aware what is happening with your investments at all times.

Portfolios are continually monitored to make sure each fund is performing as it should, and that it suits the current market conditions. This allows changes to be made in the best way to take advantage of current trends to deliver strong performance.

Whilst everything Square Mile do is focused on helping our clients and individuals invest their money wisely and all of their services are designed to continually improve investor outcomes, they do not provide these services directly to private investors. They work, and are contracted directly with us at Portfolio Wealth Management, and we relay their recommendations to our clients.

Understanding what an investor is seeking to achieve and determining a risk profile is all part of our advice process, which provides guidance to what type of portfolio may be suitable to you, and further provides the opportunity to meet your desired needs within the risk parameters agreed with you.

It is this planning process, undertaken by us, that will determine what type of portfolio is appropriate to meet your needs. By way of example, for an investor who may be low risk and requires the returns associated with a lower risk portfolio to meet their investment objectives, a portfolio such as this may contain a lower exposure to Equities and a higher exposure to corporate or Government Bonds. The opposite could be true of a higher risk investor.

Portfolio Wealth Management still remain responsible for your financial plan; determining which portfolio is best for you according to your investment goals, within your agreed risk tolerance; and for all aspects of managing your relationship. It is also our responsibility to continue to carry out continuous due diligence on Square Mile and to withdraw you from this service, if we feel it is appropriate.

Square Mile will not have access to your personal details and will not hold the assets that you have in your portfolios. The assets within your portfolios remain with the platform or provider recommended by us. Square Mile's role is to advise us of any recommended changes to make to the portfolios.

It will remain Portfolio Wealth Management who determines the suitability of a portfolio to meet your needs and we will illustrate the related costs when an investment agreement is made.

Please also be assured that the service Square Mile provides is funded by Portfolio Wealth Management and does not impact on costs to our clients.

Important Information