

Discretionary Service

for Professional Investors



A guide for professional investors,
corporate clients, financial intermediaries
and UK Charities



COLLINS SARRI STATHAM
INVESTMENTS

Service Overview

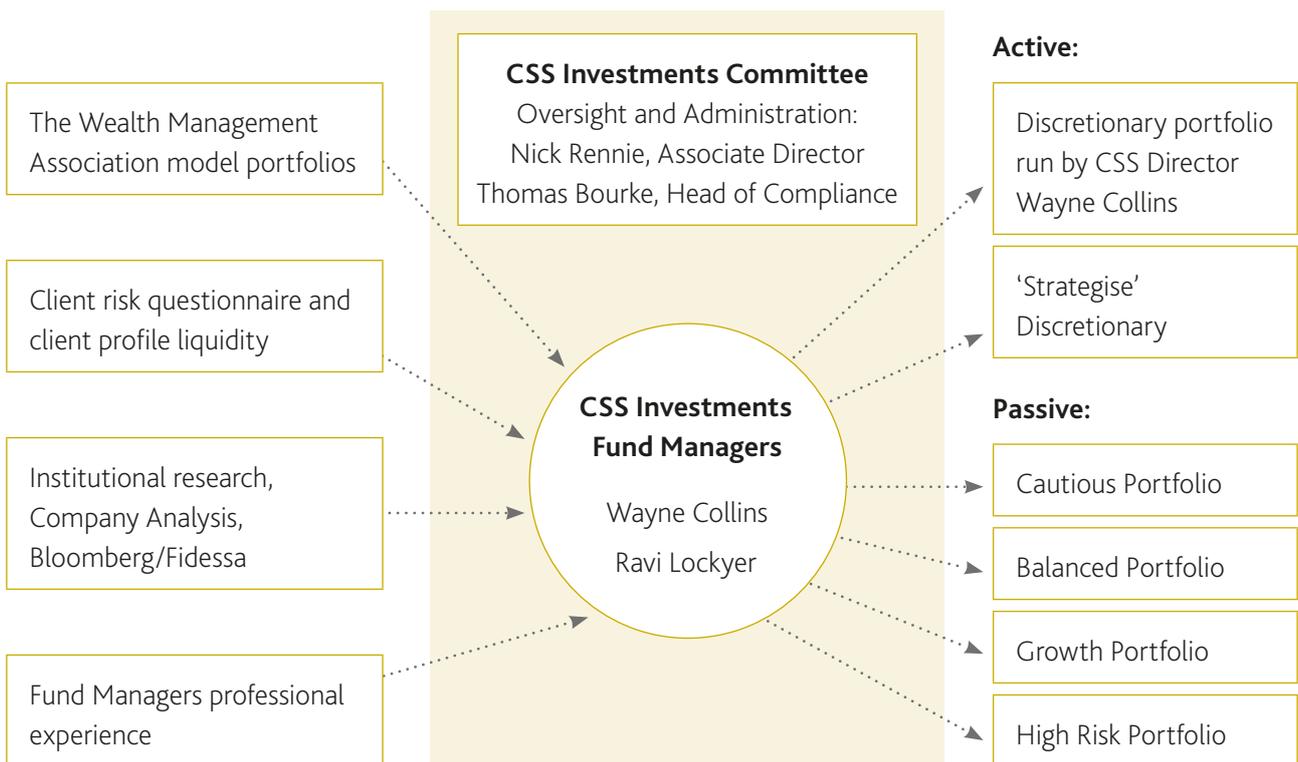
What is the Discretionary Service?

CSS Discretionary provides you with:

- An outsourced solution for your investment objectives.
- A diversified multi-asset investment portfolio that meets your investment objectives AND risk appetite.
- A choice between an 'Active' or 'Passive' approach, or a combination of both to suit your risk profile and appetite.
- Professional management and portfolio oversight by the CSS Investment Committee.

Overview of an 'Active' or 'Passive' investment style

Based on the risk score derived from the risk questionnaire and discussion with the client, the CSS Discretionary Service will determine the type of portfolio most suited to the client's risk profile and appetite. These might be 'Conservative', 'Balanced', 'Growth' or 'High Risk'.



Active Approach

The 'Active' investment strategy pursues portfolio growth using a style blend that mixes 'Growth' and 'Value' styles in tandem with a market context.

Passive Approach

The CSS Discretionary 'Passive' style will follow Wealth Management Association guidelines relating to asset weightings of model portfolios.



Why Choose Our Discretionary Service?

A risk adjusted multi-asset diversified investment portfolio

- CSS Discretionary is built on solid foundations of rigorous analysis and the implementation of careful risk management on asset and investment allocation.
- Peace of mind that your capital is working hard for you within carefully constructed risk parameters.
- CSS Discretionary focuses on net returns for client portfolios whether they are professional, corporate, or institutional clients, or charities.

An outsourced solution for your investment objectives

- Simply put, CSS Discretionary will remove any day-to-day stress around your portfolio management by handing over this job to us.
- You remove one of the biggest challenges facing investors; the short term issues that can result from volatile trading conditions.

Professional management of your investment portfolio

- The hard work is done for you by a professionally designed approach.
- Combined 80 years of market knowledge and investment experience.
- Comprehensive performance reviews are fundamental to this approach. An Investment Committee will oversee and review the Fund Managers, providing critical assessment.
- You can talk directly to your Fund Manager via a dedicated phone number and email.
- The service allows you to withdraw your income/capital on giving the requisite notice.

An online solution for portfolio administration

- You receive a professional discretionary service, a quarterly report via an online account login and total account transparency.
- Efficient administrative support.
- Communication is simple and questions quickly answered.
- Strong commitment to client care via an advanced online platform.



How Does It Work?

- The Client Risk Questionnaire identifies your risk appetite. The Fund Manager then recommends a relevant approach best suited to your risk appetite. The client then agrees to take a given risk approach. The Client then funds their account.
- CSS Discretionary is obliged under FCA rules to carry out an assessment of your application to ensure you fulfil the requirements of a professional client under their rules.
- The CSS Fund Managers invest in multi-asset portfolios that fit your risk profile.
- The 'Active' discretionary approach will be run by Wayne Collins, Director of CSS Investments. He will invest on the basis of a liquid core/satellite approach with some exposure to derivatives.
- The 'Active Strategise' approach will be based on one or more of the CSS Strategise portfolios. This approach will not use derivatives.
- The 'Passive' discretionary approach will be run by Ravi Lockyer, Head of Strategy and Senior Financial Analyst and will aim to provide a mix of ETF investments based on the Wealth Management Association's asset allocation mix.
- Your account will be held with one of two possible counterparties; Saxo Capital Markets (UK) Limited, or Jarvis Investment Management Limited. We will discuss with you the most appropriate counterparty given the discretionary approach you are looking to adopt. (However all investment decisions, including divestment will be required to have come from CSS.)
- The CSS Investment Committee oversees both the 'Active' and 'Passive' discretionary services. The Committee reviews both administration and investment performance. It will draw on institutional research and the investment management expertise of its members in order to ensure that the Fund Managers adhere to the parameters chosen by the client.

Is it right for you?

CSS Discretionary service provides a range of bespoke investment capabilities fine-tuned to diverse client requirements. The following illustrations will help you decide if it can work for you:

Professional Investor

*A UK resident professional client has inherited a substantial portfolio but wants to vary the portfolio's risk profile and then leave the portfolio under management for a couple of years.**

Financial Intermediary

A UK based Independent Financial Adviser (IFA) requires his clients have access to their portfolios online via a secure platform.

Corporate Client

A UK resident institutional investor wants to diversify its financial advisers, use a different platform and outsource the management of a category of his portfolios.

UK Charity

A UK registered Charity requires discretionary investment management services for its fund that needs to cover charitable distributions.

**Minimum investment is £50,000. The minimum timeframe for the CSS Discretionary Service for professional clients is six months.*



Next Steps

What is a 'Professional Client'?

CSS Investments Discretionary Service is currently only offered to Professional Clients.

In order to be classified as a Professional Client under the FCA Client Classification rules, CSS is required to assess a client's expertise, experience and knowledge of the services the client is looking to undertake. This will be undertaken as part of the fact find we undertake with you when exploring how the Discretionary Service can benefit your investment profile.

CSS is also required to assess whether a client satisfies 2 of the following 3 FCA qualitative requirements. These are:

- Confirmation from the client that they have carried out an average of 10 transactions per quarter, within the past year.
- Have financial resources in excess of €500,000.
- The client has worked in a professional capacity within the financial services industry.

Different criteria apply for charities, and corporate clients and we will be able to advise you on the requirements if this applies.

What are the costs?

The CSS Discretionary service is highly competitive. Please refer to the fee sheet attached.

Ok, I'm interested, what do I do next?

Great! We want to make sure that all your questions and concerns are answered so we would advise you to join us at our office so we can take you through the details of the service and fully explain the options available to you. We would advise you to either call, email or meet us at our office. If that is not convenient, we can come to you or a mutually agreeable location.

We can also take you through the Client Risk Questionnaire and give you an indication as to which approach is best suited to you.

Contact Wayne Collins

+44 (0)207 264 2366 or email: wcollins@css-investments.com

Collins Sarri Statham Investments Ltd. 6th Floor, 5 Lloyds Avenue, London EC3N 3AE

Tel: +44 (0)20 7264 2360 Fax: +44 (0)20 7264 2361

Web: www.css-investments.com Email: info@css-investments.com

Collins Sarri Statham Investments Ltd. is authorised and regulated by the Financial Conduct Authority (Registration No 483868). Registered in England and Wales (Company No 6539190).



Risk Warnings

The CSS Discretionary Service is currently opened only to clients who fulfil the FCA requirements for assessment as a Professional Client. As a Professional Client, CSS assumes that you:

- Have the necessary experience and knowledge in order to understand the risks involved in undertaking this service and the particular investment transactions types envisaged being used as part of this service.
- Understand that you are responsible for keeping CSS informed about any changes that could affect your categorisation as a professional client and to do so promptly and clearly where these include notification of changes in your personal situation.
- Understand that, as a consequence of being categorised as a professional client, you have lost some of the protections afforded to retail clients.
- Have the financial resources to bear any related investment loss.

General Risk Warning

Trading in the products and services offered by Collins Sarri Statham Investments Ltd (CSS) may, result in losses as well as profits as the value of investments may go down as well as up. You may not get back the full amount you have invested. Any reference to past performance should not be viewed as an indication of any future performance. Investments held in overseas markets are subject to the effects of changes in exchange rates which will impact on the value of the underlying investment. Investments made in AIM and penny shares carry an increased risk due to the difficulty in creating a market in these shares. There may be a substantial difference in the buy and sell price. Leveraged products such as Contracts for Difference (CFDs), derivatives, commodities & Foreign Exchange (FX), carry a higher risk to your capital. They can lose their value rapidly and you may lose substantially more than your initial investment.

ETFs Risk Warning

ETFs are highly complex financial instruments that carry significant risks. They are suitable for investors who understand their strategy, characteristics and risks. You should ensure that the ETF meets your own objectives and circumstances, and consider the possible risks and benefits of purchasing the ETF before investing. ETFs are more complex in structure and carry a much increased level of risk. It is essential you understand the risks involved. If you are unsure about the suitability of ETFs for your own investment needs you should contact your broker for advice and further information. Before making a decision to invest in ETFs, you should discuss the product with your broker and read the ETF Prospectus carefully to ensure that you fully understand the ETF you are intending to purchase. The Prospectus will detail how the ETF aims to meet its investment objectives. Whilst most ETFs can achieve their objectives by purchasing a diversified pool of assets, some achieve their objectives through the use of derivatives, typically swaps, which carry counterparty risk. If the counterparty does not pay the sums due, the investor will see a reduced return regardless of the performance of the underlying assets.

ETFs can often have unique compounding, daily reset and leverage features that may significantly amplify risk, particularly for medium and long-term investors, and in periods of high market volatility. The value of an ETF may be affected by market values, interest rates, exchange rates, volatility, dividend yields and issuer credit ratings. These factors are interrelated in complex ways, and as a result, any losses or gains could be magnified.

