



The information given herein is correct as at December 2020, and was completed by  
**John Flynn**  
Head of Compliance

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[www.suggestus.com](http://www.suggestus.com)

### ***About Asset Risk Consultants***

Asset Risk Consultants (ARC) is a leading investment consulting practice working for a global client base. As an independent, regulated firm we have an established track record in delivering impartial, proactive investment advice to wealthy families and their advisers.

Find out more at [www.assetrisk.com](http://www.assetrisk.com)



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## **Disclaimer**

# COMPANY BACKGROUND



## 1.1 COMPANY INFORMATION

1.1.1 Company name

Albert E Sharp LLP

1.1.2 Address

Address Line 1	7 Elm Court
City	Stratford-upon-Avon
Postcode	CV37 6PA
Country	UK

1.1.3 Website

[www.albertesharp.com](http://www.albertesharp.com)

1.1.4 General contact numbers

	Country	Area Code	Number	Ext.
Telephone	+44	01789	404000	
Fax				

1.1.5 Contact(s) name, position & details (*email, direct line etc.*)

John Flynn, Head of Compliance, [john.flynn@albertesharp.com](mailto:john.flynn@albertesharp.com)

1.1.6 Credit rating & rating body (*if applicable*)

Not applicable. Albert E Sharp has zero debt.

## 1.2 COMPANY STRUCTURE

1.2.1 How would you characterise your company?

Investment Manager  
We do not provide any other services.

1.2.2 Brief history of company (and group (*if applicable*))

Albert E Sharp started in 1911 as a stockbroker for local families in the Midlands. The firm grew over the years until, in 1946, Kenneth H Sharp became Senior Partner and established a corporate finance and research department specialising in the engineering and industrial sectors. The firm's success propelled it to a position of pre-eminence outside London, which led to further expansion into related business areas including discretionary investment management.

In 1975 the role of Senior Partner was taken up by Albert's grandson, Simon Sharp. Under his leadership the business continued to expand, offering corporate finance, institutional brokerage, unit trust management and private client services with assets of over £4bn in the 1990s. The firm was acquired by Old Mutual in 1998 and merged with Capel-Cure Myers. By 2003 Barclays Bank had purchased the retail stockbroking businesses from Old Mutual.

In 2009 Giles Sharp, Albert's youngest grandson, negotiated to acquire the Albert E Sharp name from Barclays Bank and the company was re-established as an LLP. The Partnership continues to represent the values of professionalism, service and integrity which have been traditionally associated with the Sharp family name.

1.2.3 Legal & ownership structure

Limited Liability Partnership, wholly owned by the individual partners

# COMPANY BACKGROUND



1.2.4	Full legal name of the entity with which the client would contract	Albert E Sharp LLP					
1.2.5	Detail any parental guarantees supporting the entity should its own capital be insufficient to support continuing operations	There is no parent					
1.2.6	Indicate the percentage of company (and group) revenue derived from investment management activities	<table border="1" style="width: 100%; text-align: center;"> <thead> <tr style="background-color: #1a3d54; color: white;"> <th style="width: 50%;">Company</th> <th style="width: 50%;">Group (if applicable)</th> </tr> </thead> <tbody> <tr> <td>100%</td> <td>N/A%</td> </tr> </tbody> </table>		Company	Group (if applicable)	100%	N/A%
Company	Group (if applicable)						
100%	N/A%						

## 1.3 CORPORATE GOVERNANCE

1.3.1	Please give details of your corporate governance policy? Is it documented? How long has it been in existence and when was it last revised?	Albert E Sharp is a limited liability partnership, managed by the Board of designated members. Since our inception, corporate governance has been directed by our compliance policies and procedures which are continuously reviewed and adapted as the industry environment, operational conditions and regulatory requirements change.
1.3.2	Please give details on how you ensure compliance with your own corporate governance standards.	Albert E Sharp employs a dedicated compliance manager who is responsible for ensuring we comply with FCA rules, industry best practice and other regulations. The compliance manager attends board meetings ensuring any key compliance issues are escalated and reviewed. All decisions are minuted and associated actions are monitored by the compliance manager.
1.3.3	What measures have you taken to improve the environmental and/or social impact of your business?	Albert E Sharp is aware of the environmental and social impact of our business. High efficiency lighting and heating is installed throughout our office. We recycle waste where possible and take an active role in the local community.
1.3.4	Are you a member of any trade bodies, thought leadership organisations (formal or informal) or similar. Please give details	Each investment manager is affiliated with CISI or the CFA.
1.3.5	Who are the Directors & what are their effective roles?	<p>Bill Roden, Chief Investment Officer/CEO</p> <p>Alan Henson, Investment Manager</p> <p>Rupert Neal, Investment Manager</p> <p>Mark Atherton, Investment Manager</p> <p>James Crocker, Investment Manager</p> <p>Andrew Lidsey, Investment Manager</p> <p>John Smith, Investment Manager,</p> <p>David Gilbert, Investment Manager</p> <p>Barrie Tyler, Investment Manager</p> <p>Patrick Keats, Investment Manager</p>

# COMPANY BACKGROUND



		Martin Pointer, Investment Manager Simon Sharp, Investment Manager Alex Fraser, Accountant
1.3.6	Frequency of Board of Directors meetings	Every 2 months
1.3.7	Detail any Independent Directors	None
1.3.8	Do you support any specific charities, ethical, environmental and/or social causes? Please give details	No
1.3.9	Are you a signatory to the UN Principles for Responsible Investment? If so, from what date? Please also provide detail on any other environmental /social governance policies you adhere to.	No
1.3.10	Do you have a AAF01/06 control report and is it available for potential clients to view?	No, although our custodian, Platform Securities, has one which is available to our clients.

## 1.4 REGULATION & INSURANCE

1.4.1	Indicate the jurisdictions in which the company is regulated for investment business	United Kingdom
1.4.2	Date of most recent review by your regulatory body	2009
1.4.3	Provide details of any disciplinary action by regulators in the last 3 years & any outstanding issues	None
1.4.4	Provide details of the number of client complaints received in the last 3 years, and the number that remain outstanding after 12 months	4 complaints, none outstanding
1.4.5	Would an investor be covered by any guarantee and/or compensation scheme with regards to securities or cash? To what maximum amount?	Yes, by the Financial Ombudsman Service (up to £150,000) and by the Financial Services Compensation Scheme.
1.4.6	What Professional Indemnity insurance is held?	Up to a limit of £5 million in the aggregate and for each and every claim. We also have Directors and Officers cover up to a limit of £5 million.
1.4.7	How have you assured yourselves and your regulatory	Our Professional Indemnity Insurance meets regulatory requirements and is reviewed annually to ensure that cover against value of client assets

# COMPANY BACKGROUND



	body(s) that your insurance cover is appropriate & suitable?	(severally and separately) and the investment activity undertaken is appropriate.
1.4.8	FATCA – will you be a Foreign Financial Institution (FFI) or a Participating FFI? Who checks investors/beneficial owners for US connection?	Albert E Sharp is a registered deemed-compliant FFI
1.4.9	Following the implementation of the Retail Distribution Review (RDR) in the UK, are you be classified as independent or restricted?	Restricted to advising on our own investment management service.

## 1.5 RESOURCING

1.5.1	Number of permanent staff	<table border="1"> <thead> <tr> <th>Permanent Staff</th> <th>Effective Date</th> </tr> </thead> <tbody> <tr> <td>25</td> <td>12-2020</td> </tr> </tbody> </table>	Permanent Staff	Effective Date	25	12-2020								
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1.5.2	Number of investment professionals	<table border="1"> <thead> <tr> <th>Investment Professionals</th> <th>Effective Date</th> </tr> </thead> <tbody> <tr> <td>16</td> <td>12-2020</td> </tr> </tbody> </table>	Investment Professionals	Effective Date	16	12-2020								
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1.5.3	Split of investment professional responsibility	<table border="1"> <thead> <tr> <th>Area</th> <th>Number of investment professionals</th> <th>Effective Date</th> </tr> </thead> <tbody> <tr> <td>Discretionary investment management</td> <td>15</td> <td rowspan="4">12-2020</td> </tr> <tr> <td>Fund managers</td> <td>0</td> </tr> <tr> <td>Research function (i.e. analysts/economists/etc.)</td> <td>2</td> </tr> <tr> <td><b>Total</b></td> <td>17</td> </tr> </tbody> </table>	Area	Number of investment professionals	Effective Date	Discretionary investment management	15	12-2020	Fund managers	0	Research function (i.e. analysts/economists/etc.)	2	<b>Total</b>	17
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1.5.4	Provide staff turnover metrics for professionals included under 1.5.2 & explain any significant turnover	<table border="1"> <thead> <tr> <th>Year</th> <th>Joiners</th> <th>Leavers</th> <th>Total Professional Staff</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>2</td> <td></td> <td>10</td> </tr> <tr> <td>2016</td> <td>4</td> <td></td> <td>14</td> </tr> <tr> <td>2017</td> <td>2</td> <td>2</td> <td>14</td> </tr> <tr> <td>2018</td> <td>2</td> <td>0</td> <td>16</td> </tr> <tr> <td>2019</td> <td>1</td> <td>1</td> <td>17</td> </tr> <tr> <td>2020</td> <td>0</td> <td>0</td> <td>16</td> </tr> </tbody> </table>	Year	Joiners	Leavers	Total Professional Staff	2015	2		10	2016	4		14	2017	2	2	14	2018	2	0	16	2019	1	1	17	2020	0	0	16
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2017	2	2	14																											
2018	2	0	16																											
2019	1	1	17																											
2020	0	0	16																											
1.5.5	Details of <b>key</b> investment personnel, including area of	Bill Roden has more than 20 years' investment management experience and is a Chartered Financial Analyst®, the industry's highest qualification and an																												



responsibility, title, brief biography and years of industry experience

Associate of the Institute of Investment Management and Research. Prior to Albert E Sharp Bill was Head of Emerging Markets at AXA Investment Managers, one of the world's largest investment managers. Today he specialises in UK equities and gilt-edged securities. Bill's clients include private individuals and charities.

Alan Henson has worked in the industry for more than 30 years, is an Associate of the Pensions Management Institute, an Associate Member of the London Stock Exchange and is an Associate of the Institute of Investment Management and Research. He graduated from Oxford University and won a Micropal Award for his role in the performance of a UK equity income unit trust and has also served on the National Association of Pension Funds' Investment Committee. He was previously Chief Investment Officer of a subsidiary of ABN-AMRO and Managing Director at a division of Hill Samuel. He specialises in investment strategy and is Head of the Asset Allocation Committee.

James Crocker has worked in the industry for over 20 years, is a Chartered Financial Analyst®, the industry's highest qualification and has an MA in Finance and Investment from University of Exeter. He previously worked at Williams de Broë in the UK institutional sales & research team and at Merchant Securities where he was instrumental in building the research and portfolio management function. James then joined Mirae Asset, one of Asia's leading fund managers, running a global consumer fund. At Albert E Sharp he specialises in constructing risk-rated model portfolios and managing client portfolios invested in collective investments.

Alastair Power – Analyst. Alastair holds a degree in Economics and Finance from the University of Exeter and is a CFA® charterholder. He supports the analysis of trusts, funds and securities held across the investment portfolios.

1.5.6 Explain any succession planning or other Key Man risk defence

Investment team ages range from 25–70. No intention of retirement for any member within the next five years. A key person risk process is undertaken to ensure cover for all key operational and leadership tasks. Each client has an investment manager and a back-up investment manager. All investment managers work together as a team.

1.5.7 Please include an organisational chart

Attached

1.5.8 Do you have a dedicated team for dealing with Charities? Give details

Charities are currently supported through the same teams as our private and institutional clients.

## 1.6 COMPENSATION OF PERSONNEL

1.6.1 Please explain your employee compensation / bonus scheme

All employees are on a basic salary which is a large proportion of their total remuneration.



1.6.2 How are the objectives of key discretionary investment personnel aligned with those of the private client investor (e.g. staff co-investment and equity participation)?

Investment managers are largely remunerated based upon client portfolio valuations.

## 2.1 INVESTMENT ACTIVITIES

2.1.1 Total Assets Under Management (AUM)

Currency	AUM	Effective Date
GBP	£617,475,353.14	12-2020

2.1.2 Please detail gross and net new client inflows per calendar years

Year End	Gross Inflow (£)	Net Inflows (£)
2016	57,509,202.86	56,616,364.52
2017	58,245,370.72	55,746,951.24
2018	41,217,706.15	37,648,753.29
2019	46,852,154.20	43,924,647.81
2020	76,193,832.64	73,483,268.29

2.1.3 Total AUM and percentage growth figures over calendar years.

Year End	AUM (£)	% Change
2016	385,248,697.97	23
2017	451,399,033.82	18
2018	463,882,714.82	3
2019	541,281,520.50	16.7
2020	617,475,353.14	14.08

2.1.4 Split of assets by investor group

Group	AUM (£)	%
Private client	361,747,672	59
Institutional/Pension	171,644,646	28
Charity	14,928,637	2
Fund		
Other ( <i>specify</i> )*	69,154,398	11

\*On external platforms such as Standard Life, Transact, etc.

2.1.5 Split of **private client** and **charity** assets by management type

Type	Private Client		Charity	
	AUM	%	AUM	%
Discretionary	496,518,137	80		
Advisory	90,599,894	15		
Execution only	19,749,360	5		
Other ( <i>specify</i> )				
<b>TOTAL</b>				

2.1.6 Split of **private client** and **charity** assets by currency

Currency	Private Client %	Charity %
Sterling	97.8	2.0
US Dollar	0.1	
Euro	0.1	
Swiss Franc		
Canadian Dollar		
Other ( <i>specify</i> )		

2.1.7 Approximate split of **new private client** assets by introducer type over the last 3 years (please provide greatest granularity available)

Introducer Type	%
Existing client	47.25
Professional intermediaries - <i>Accountant</i>	0.5
Professional intermediaries - <i>Lawyer</i>	0.5
Professional intermediaries - <i>Trustee</i>	
Professional intermediaries - <i>IFA</i>	51.75
Other ( <i>specify</i> )	

## 2.2 DISCRETIONARY PRIVATE CLIENT RELATIONSHIPS

2.2.1 Who is the client's primary point of contact? (*E.g. relationship manager, investment manager, etc.*)

Each client and professional adviser can have a direct relationship with their dedicated investment manager.

2.2.2 Which jurisdictions do your investment managers operate from? Do you have relationship managers in additional locations?

UK only.

2.2.3 Please list your regional office locations (*if applicable*)

Not applicable.

2.2.4 Typically, how many **discretionary private client**

relationships will each investment manager / point of contact be responsible for?

Between 50 and 150 each.

2.2.5 How many **discretionary private client** relationships does the company manage in total?

Year	New Clients	Clients Lost	Total
2016	196	9	1223
2017	321	11	1535
2018	240	17	1775
2019	276	24	2027
2020	502	36	2493

2.2.6 What is the average **discretionary** client size?

Currency	Value	Effective Date
GBP	£255,250.00	12-2020

2.2.7 What is the smallest **discretionary\*** client size considered?

\*Bespoke

Currency	Value
GBP	£50,000.00

2.2.8 What percentage of AUM is accounted for by the 5 largest clients? Please indicate the client types (*private, charity, institutional, fund, other*)

Client	Type	% of AUM
1	Private	6.0
2	Charity	2.1
3	Pension	1.3
4	Private	0.8
5	Private	0.6

## 2.3 CHARITY CLIENT RELATIONSHIPS

2.3.1 Who is the client's primary point of contact? (*E.g. relationship manager, investment manager, etc.*)

Investment Manager

2.3.2 Which jurisdictions do your investment managers operate from? Do you have relationship

UK Only

managers in additional locations?

2.3.3 Typically, how many **charity** relationships will each investment manager / point of contact be responsible for?

1

2.3.4 How many **charity** type relationships does the company manage in total?

Year	New Clients	Clients Lost	Total
2016	0	0	3
2017	0	0	3
2018	1	0	4
2019	0	0	4
2020	0	0	4

2.3.5 What is the average **charity** client size?

Currency	Value	Effective Date
GBP	3,206,583	12-2020

2.3.6 What is the smallest **charity** client size considered?

Currency	Value
GBP	0.5m

## 2.4 INVESTMENT PHILOSOPHY

2.4.1 Describe your investment philosophy

Our goal is to maximise the value of our client portfolios for a given level of risk.  
 Core to the philosophy is our proprietary *7-Step Investment Process*. This is a dynamic exercise in qualitative and quantitative analysis, whereby the investment committee's macro-view forms a top-down overlay and securities are selected on a bottom-up basis.  
 We believe that superior performance stems from a combination of rigorous analysis, discipline and patience.

2.4.2 How has your philosophy altered over the last three years? Have there been any significant changes over the long-term?

Our investment philosophy has not changed as we believe it has stood the test of time and anticipate it will remain appropriate going forward.

2.4.3 In what ways do you believe your characteristics differentiate you from peers?

- **Process.** Albert E Sharp is differentiated by our proprietary *7-Step Investment Process*.
- **Experience.** With an average of 20+ years, our investment team has a much greater level of high-profile City experience than many of our peers in the DFM industry.

- **Size.** We are able to invest in a wider range of vehicles than our competitors, whose size may carry liquidity issues. Consequently, Albert E Sharp has a broader investment universe, creating scope for superior performance.
- **Agility.** With an investment team based in one office, decisions are made swiftly, unencumbered by layers of management and politics.
- **Incentive.** Investment managers' remuneration is directly impacted by portfolio performance.
- **Independence.** With no outside shareholders or corporate finance department, the Albert E Sharp investment team is completely independent and able to invest freely..

## 2.5 INVESTMENT PROPOSITION

2.5.1 What types of investment solution are available to clients? At what minimum portfolio sizes do these offerings become available?

Albert E Sharp offers discretionary investment management (both model portfolios and bespoke) and advisory stockbroking.

Minimum portfolio sizes are as follows:

Models	No minimum
Bespoke	£50,000
Advisory	£1,000,000

2.5.2

Please indicate which of the mandates you feel you can deliver against (by way of a ✓), & also which areas you believe to be your particular strength (by way of a ★)

	Cautious	Balanced	Steady Growth	Equity Risk	Cash +
<i>Relative Risk to World Equities</i>	0-40%	40%-60%	60%-80%	80%-110%	
GBP	✓★	✓★	✓★	✓★	
USD	✓★	✓★	✓★	✓★	
EUR	✓	✓	✓	✓	
CHF	✓	✓	✓	✓	
CAD	✓	✓	✓	✓	
Other	✓	✓	✓	✓	

2.5.3

Please indicate where you offer a pooled vehicle for your private client discretionary solution by giving the name of the vehicle and the minimum investment required

	Cautious	Balanced	Steady Growth	Equity Risk	Cash +
<i>Relative Risk to World Equities</i>	0-40%	40%-60%	60%-80%	80%-110%	
GBP					
USD					
EUR					
CHF					
CAD					
Other					

2.5.4

Can clients access your discretionary solution via a Wrap Platform? If so, please list the platforms used (e.g. Novia Financial, AXA Elevate, Fidelity FundsNetwork, etc.)

Aegon ARC	Novia
Ascentric	Nucleus
Aviva	Old Mutual
Utmost	Platform Securities (our main custodian – UK fund sub-custody provided by CoFunds)
Canada Life	Praemium
Fidelity	Standard Life Hub
James Hay	Standard Life Elevate
LV=	Transact
La Mondiale	True Potential

2.5.5

Detail any tax/insurance wrappers that can invest in your discretionary solution(s)

ISAs, JISAs, Pension schemes (e.g. SIPPs and SSASs), Trusts, Corporates and Offshore Bonds.

2.5.6

What is your policy regarding client suitability? Describe the process. Is the situation the same across all investment solutions/portfolio sizes?

We complete a client fact find and analyse the client's attitude to risk utilising Distribution Technology's Dynamic Planner® or using information and analysis provided by the regulated professional adviser with whom we have an undertaking. We then agree upon a mandate based upon the objectives, needs and risk profile of the client, propose a portfolio based on our current asset allocation, security selection and assign a benchmark. For the Bespoke Portfolio Service

the client can be involved in the selection of the benchmark, parameters, asset allocation and security selection.  
 For model portfolios, the client is invested in the model which most closely resembles his or her risk appetite moderated by factors such as time horizon and income requirements.

## 2.6 INVESTMENT PERFORMANCE

<p>2.6.1 Please provide the performance figures you would present to potential clients for your key discretionary offerings or pooled investment vehicles, including comparisons with the relevant benchmarks for each of the last 3 calendar years (state net or gross of fees).</p>	<p>From January 2017 ARC PCI comparative data has been provided. We do have over five years performance data for most of our model portfolios also submitted to ARC.</p>
<p>2.6.2 Please include as a separate attachment, the discrete monthly performance for each of the return series in 2.6.1</p>	<p>This is provided on a quarterly basis to ARC.</p>
<p>2.6.3 List any major industry awards your firm has received in connection to any services of relevance in the past 5 years.</p>	<p>Albert E Sharp holds the ARC 3D award. PAM Awards Finalist 2018.2020 &amp; 2021.. Additionally, Defaqto have assigned their five diamond and star ratings to both platform model portfolio and bespoke portfolio services..</p>
<p>2.6.4 Do you subscribe to any independent discretionary performance verification services? (GIPS®, ARC Private Client Indices, Trustee MPI, Financial Express, Defaqto etc.) Are the outputs available to intermediaries on request?</p>	<p>ARC PCI Core and AIM/IHT indices.          Financial Express – FE Analytics          Defaqto service and portfolio risk ratings.</p> <p>This data could be made available on a case by case basis with due consideration given to data protection and client confidentiality.</p>

## 2.7 INVESTMENT PROCESS

2.7.1 Describe your investment process, including how house views on asset allocation and instrument selection influence individual client portfolio construction

The *AES 7-Step Investment Process* is a defined methodology developed by the Albert E Sharp investment team. This covers the asset allocation decision-making process, security selection and portfolio optimisation.

All investment managers contribute to the formation of our long term strategic and macro economic view which forms our top down asset allocation strategies. This is followed by bottom-up security selection which is primarily driven by our “best in class” approach.

The Process provides the framework upon which a Partner can build a portfolio bespoke to the requirements and needs of each client.

Albert E Sharp can access a vast universe of investments including collectives, direct equities, fixed income securities and structured products from which portfolios may be constructed.

Each client portfolio is constructed applying the most appropriate “risk rating” and “capacity for loss” analysis. Thereafter, we actively manage the portfolio taking into consideration market conditions and tax implications.

Where clients have several portfolios (pensions, offshore bonds, trusts, ISAs or general investment accounts) we can manage them in aggregate or individually.

Asset allocation and security selection is constantly monitored and changes are made in conjunction with the regular formal committee process in addition to ad hoc analysis meetings.

2.7.2 Are there any asset classes / strategies that you would not consider investing in, or particularly favour?

Unregulated products and derivatives.

2.7.3 Please provide the model asset allocation ranges for your typical strategic neutral offering in each risk category

Asset Class	Cautious	Balanced Asset	Steady Growth	Equity Risk
<i>Risk Budget (relative risk to World Equities)</i>	0 - 40%	40% - 60%	60%-80%	80% - 110%
Equity range	0-35%	35.25-71%	71-91.5%	91.5-100%
Bond range	0-83%	29%-64.75%	8.5%-29%	0-8.5%
Cash range	0-100%	0%	0%	0%
Hedge range	0%	0%	0%	0%
Property range	0-7%	0-9%	0-9%	0-9%
Commodity range	0%	0%	0%	0%
Absolute Return	0-50%	0-45%	0-18%	0%

2.7.4	On what basis and when might your model strategic asset allocation change?	A fundamental shift in the macroeconomic outlook.
2.7.5	How does an investment become a 'buy', & how does an investment become a 'sell'?	Our decision to buy or sell securities is driven by our own 7-step investment process which is approved and documented by the investment committee.
2.7.6	Do you take into account corporate governance standards during the investment decision making process? Please give details.	Yes, our internal research considers the corporate governance of any potential investment as an integral part of the Albert E Sharp 7-Step investment process. We refer to the Cadbury Report as a useful guideline.
2.7.7	Please provide an example of an investment that was rejected on governance grounds	Avoidance of RBS.

## 2.8 INVESTMENT TAILORING

2.8.1	Do you provide client risk profiling, & if so by what method? How often is this risk profile revisited?	We use Distribution Technology's Dynamic Planner Oxford Risk Rating tool which clients and IFAs can utilise. For details, please see our website <a href="http://www.albertesharp.com">www.albertesharp.com</a> . The risk profile is revisited everytime a meeting is held with the client which is usually at least annually. Where the adviser has subsequently met the client and re-assessed their risk profile we ask them to provide confirmation of this.
2.8.2	Describe how portfolio construction works for a specific client. Can the investor be involved in this process?	We agree the mandate with the client, which will contain parameters for risk and we will apply a relevant benchmark. Clients using our Bespoke Portfolio Service can be involved in portfolio construction alongside the appointed Investment Manager, subject to the risk profile and the mandate with Albert E Sharp.
2.8.3	Can you provide ethical screening for portfolios? Please explain the processes and systems involved (if applicable)	Ethical screening can be provided through specialist ethical funds, Bloomberg ethical functions and through the use of online tools such as Morningstar.
2.8.4	Can you offer Sharia compliant investment mandates? If so, can you expand on the approach taken to this service offering?	Sharia mandates can be managed as a bespoke mandate. Screening will be used to compile an investable universe of compliant funds from which the portfolio will be constructed.
2.8.5	How much discretion does an individual investment manager have over the construction and operation of a client's portfolio vis-à-vis in-house models etc.?	Investment managers maintain overall discretion in managing portfolios. We do not constrain the level of discretion nor require absolute adherence to in-house buy-lists or asset allocations.

## 2.9 INVESTMENT RISK MANAGEMENT

<p>2.9.1 Please give details of your investment risk management policy and procedures</p>	<p>Each portfolio risk category/model makes reference to a benchmark for risk control and performance measurement purposes. Minimum and maximum exposures to each asset class are set by the investment management team. A representative index for each component of the benchmark is allocated. A proposed portfolio is generated and capacity for loss analysis is applied in order to assess the risk and return trade off.</p>
<p>2.9.2 How do you incorporate investment restrictions (<i>Islamic or ethical constraints, credit risk limits, min/max exposures etc.</i>) into your day-to-day management of portfolios?</p>	<p>Our investment administration system (Figaro) will flag constraints that apply to a client account, prior to any deal being incepted.</p>
<p>2.9.3 Describe how you monitor and control counterparty risk (<i>prime brokers, banking/cash management providers</i>)</p>	<p>We do not have direct counterparty risk when buying or selling assets as we do not hold client assets. Platform Securities, our custodian deals in the market on our behalf and have robust systems in place for controlling counterparty risk. We bank with HSBC and have no concerns about their financial strength.</p>
<p>2.9.4 Has any product / fund / holding in your discretionary client portfolios been written down to zero in the last 3 years? If so, please give details</p>	<p>No</p>
<p>2.9.5 Please explain your currency hedging policy. Does this apply equally to all asset classes?</p>	<p>We do not directly hedge currency risk. That said, we may occasionally invest in a collective investment which utilises currency hedging policies if deemed appropriate.</p>
<p>2.9.6 Do you ever use derivatives for non-currency hedging purposes?</p>	<p>No</p>

## 2.10 FUND INVESTMENT

<p>2.10.1 Do you use internal / external funds in your discretionary investment portfolios?</p>	<p>We use external funds. We do not have internal funds.</p>
<p>2.10.2 Describe the company's due diligence process when considering investment in a particular fund solution</p>	<p>The Albert E Sharp due diligence process to shortlist funds is as follows:</p> <ul style="list-style-type: none"> <li>• All funds must be regulated</li> <li>• Execution and liquidity is reviewed - exchange, settlement period, etc.</li> <li>• Quantitative analysis is performed on funds, preferably with a 5-year+ history. We then assess metrics such as maximum drawdown, outperformance, charges, attribution analysis and Sharpe ratio.</li> <li>• Qualitative assessment of fund management group including team moves and new fund launches.</li> <li>• Fund manager interviews covering their incentive plan, equity participation as well as analysis of their methodology, process, philosophy, etc.</li> </ul> <p>Once shortlisted, funds are further reviewed by the investment committee and added to portfolio models alongside existing funds or reviewed as part of a sell/switch decision.</p>

		The investment committee hold formal monthly meetings to review existing holdings and accept or reject new funds to the Albert E Sharp Approved Fund List. Additionally, ad-hoc meetings will be held when necessary.
2.10.3	What liquidity profiles do you require; are “gates”, lock-ups, exit restrictions tolerated? Please give details.	Potential liquidity issues form an integral part of our fund selection process. Issues such as lock-ups are considered on a case by case basis.
2.10.4	What level of transparency do you require from such funds?	We only buy regulated vehicles, which are required to provide high levels of transparency.
2.10.5	Is there an approved list of funds? If so, how many funds are on it & do discretionary managers have the ability to invest in other, non-approved funds?	Yes. The Albert E Sharp approved fund list contains 160 approved funds, as at 1st January 2021.

### 3.1 CUSTODY

3.1.1	Please confirm the full legal title & address of your nominated custodian bank, & where appropriate, the ultimate parent holding company of the custodian	Custodian: FIS Platform Securities LLP, 25 Canada Square, London, E14 5LQ Ultimate Parent: Fidelity Information Services International Holdings Inc, 601 Riverside Avenue, Jacksonville, FL 32204 USA.
3.1.2	Can the nominated custodian provide custody for all instruments and investment types?	Yes, including offshore.
3.1.3	Can the client nominate a specific custodian? If so, can the client nominate an offshore custodian?	Yes, we have numerous agreement in place with custodians including Platform Securities and Canada Life. If possible, we will create new agreements when required. Albert E Sharp charges custody services at cost.
3.1.4	How are client assets held (i.e. pooled nominee account, individual segregated accounts, etc.)?	Segregated accounts which hold client money in trust status, as required by CASS rules.
3.1.5	Do you maintain separate records to the custodian & how often are custodian statements reconciled to client statements?	The primary responsibility for reconciliation is that of Platform Securities who carry out dealing, settlement and custody on our behalf.  In addition, our internal valuation process performs a check of material changes in the custodian valuation from the previous day. All data is duplicated and held separately.
3.1.6	How are exceptions from the reconciliation process investigated and cleared? Typically, what is the current length of time an item will be remain unreconciled for?	The primary responsibility for reconciliation is that of Platform Securities who carry out dealing, settlement and custody on our behalf.
3.1.7	Please describe the procedures & controls in place to prevent the nominated custodian from engaging in unauthorised lending of client stock	The custodian is contractually prohibited from lending any securities.

3.1.8	What processes are in place to monitor and minimise counterparty risk?	We review the choice of our custodian on a regular basis, and pay particular attention to their financial strength and AAF 01/06 Report.
3.1.9	Which legal entity will physically hold client cash?	Platform Securities Nominees Limited.
3.1.10	Do you have the capability of offering “gross nominee” arrangements?	Yes, our custodian is able to hold ISA and pension assets and pay income from these assets gross.

## 3.2 FEES & CHARGES

3.2.1 Please provide your typical **private client discretionary** investment management fee scale.

Portfolio Size	Management Fee (p.a., exc VAT*)	Management Fee (p.a., inc VAT*)
Less than £500k	0.5%** or 1.0%	0.6%** or 1.2%
£500k to £1m	0.5%** or 1.0%	0.6%** or 1.2%
£1m to £2.5m	0.5%** or 1.0%	0.6%** or 1.2%
£2.5m to £5m	0.5%** or 1.0%	0.6%** or 1.2%
£5m to £10m	0.5%	0.6%
£10m to £25m	0.5%	0.6%
Greater than £25m	0.5%	0.6%

\* or applicable local taxes

\*\*

Management fee for the Model Portfolio Service is a flat 0.5% p.a. (exc VAT), 0.6% p.a. inc VAT

Bespoke Portfolio Service is a tiered rate starting at 1.0% p.a. (exc VAT), 1.2% p.a. inc VAT

NB for portfolios in excess of £10m AMC is negotiable subject to service levels etc.

3.2.2 Provide details of all other fixed or percentage fees / charges that are not included in the scale above

Fee Type	% p.a. charged
Banking	0
Custody	0.1% (inc VAT)
Dealing / Trading / Brokerage Commission	£12.50 per trade (max)
Trade Settlement	0
Other (specify)	N/A

3.2.3 Provide the indicative **total** transaction costs incurred on the following £100,000 asset transactions

Instrument Type & Value (GBP 100,000 or currency equivalent)	Amount Charged (£/bps)
Large cap UK listed equity	£12.50
Large cap US listed equity	£12.50
UK corporate bond	£12.50
UK government bond	£12.50
UK equity fund (OEIC) (assume no initial charge)	£12.50
Large cap equity Exchange Traded Fund (EFT)	£12.50

3.2.4 How are cash balances and in-house funds treated when calculating fees?

Fee Treatment	
Cash balances	Included
Internal / in-house funds	N/A

3.2.5 Do you receive retrocessions from third party managers, & if so, how do you account to the client for this revenue?

Yes, we do sometimes receive unit rebates. These are allocated on a pro-rata basis to all clients holding the relevant fund.

3.2.6 Please provide an estimated Total Expense Ratio (TER<sup>†</sup>) for your typical 'Balanced' client. **NB The TER should include the appropriate management fee.**

Portfolio Size	Total Expense Ratio (p.a., ex VAT*)	Total Expense Ratio (p.a., inc VAT*)
Less than £500k	1.20%** or 1.70%	1.30%** or 1.90%
£500k to £1m	1.20%** or 1.70%	1.30%** or 1.90%
£1m to £2.5m	1.20%** or 1.70%	1.30%** or 1.90%
£2.5m to £5m	1.20%** or 1.70%	1.30%** or 1.90%
£5m to £10m	1.20%** or 1.60% to 1.70%	1.30%** or 1.75% to 1.90%
£10m to £25m	1.20%** or 1.45% to 1.6%	1.30%** or 1.57% to 1.75%
Greater than £25m	1.20%** or up to 1.45%	1.30%** or up to 1.57%

\* or applicable local taxes on the management fee component.  
\*\*  
As of April 2021, MPS charging is no longer be subject to VAT  
Model Portfolio Service is 1.20% (ex VAT)/1.30% (inc VAT),  
Bespoke Portfolio Service is 1.70% (ex VAT)/1.90% (inc VAT)  
NB model portfolio service AMC=0.5%; bespoke portfolio service AMC is tiered.  
Underlying portfolio OCF=0.70%.

3.2.7 Please give details of any assumptions used to calculate the above TER figures  
Based on current balanced (5) Albert E Sharp model portfolio.

3.2.8 Please give details of your fee calculation process (valuation basis, calculation frequency, vehicles with lagged pricing, etc.)  
Our fee process is based on month end valuation, charged monthly in arrears at a rate of 1/12 the annual management fee.

3.2.9 How are fees / charges claimed (and reimbursed)? Are fees charged to client accounts, or invoiced then settled?  
Fees are charged to client accounts and reported on the quarterly statement.

3.2.10 Do/can you levy performance fees? Please give details.  
No.

3.2.11 Do you offer a facility to use a client portfolio as collateral in a lending arrangement? Give details of fees/charges.  
No.

3.2.12 Do you offer an "adviser charging" facility? Give details  
Yes, we are able to accommodate adviser charging subject to the completion of a formal instruction to us by the IFA's client.

† **Total Expense Ratio (TER)** should include all charges and fees such as management, dealing, performance, administration and custody charges; and also underlying fund fees & charges where possible. Assumptions are for a typical "balanced" or equivalent) portfolio, achieving it's performance target with 20% turnover (20% buys & 20% sells) in a typical calendar year.

### 3.3 FEES & CHARGES FOR CHARITY CLIENTS

3.3.1

Please provide your typical **charity client discretionary investment management fee** scale.

Portfolio Size	Management Fee (p.a., exc VAT*)	Management Fee (p.a., inc VAT*)
Less than £500k	0.5%	0.6%
£500k to £1m	0.5%	0.6%
£1m to £2.5m	0.5%	0.6%
£2.5m to £5m	0.5%	0.6%
£5m to £10m	0.4%	0.48%
£10m to £25m	0.4%	0.48%
Greater than £25m	0.3%	0.36%

\* or applicable local taxes

3.3.2

Provide details of all other fixed or percentage fees / charges that are not included in the scale above

Fee Type	% p.a. charged
Banking	0
Custody	0
Dealing / Trading / Brokerage Commission	0
Trade Settlement	0
Other (specify)	

3.3.6

Please provide an estimated Total Expense Ratio (TER<sup>†</sup>) for your typical 'Balanced' charity client. **NB The TER should include the appropriate management fee.**

Portfolio Size	Total Expense Ratio (p.a., ex VAT*)	Total Expense Ratio (p.a., inc VAT*)
Less than £500k	1.40%	1.50%
£500k to £1m	1.40%	1.50%
£1m to £2.5m	1.40%	1.50%
£2.5m to £5m	1.40%	1.50%
£5m to £10m	1.30%	1.38%
£10m to £25m	1.30%	1.38%
Greater than £25m	1.20%	1.26%

\* or applicable local taxes on the management fee component.

3.3.7

Please give details of any assumptions used to calculate the above TER figures

AMC charges based on the tiering in 3.3.1  
Assuming a 0.80% portfolio cost and 0.1% custody fee  
Trades assumed to be bulked with other clients, incurring a negligible £5.50 cost per trade.

<sup>†</sup> **Total Expense Ratio (TER)** should include all charges and fees such as management, dealing, performance, administration and custody charges; and also underlying fund fees & charges where possible. Assumptions are for a typical "balanced" or equivalent) portfolio, achieving it's performance target with 20% turnover in a typical calendar year.

## 3.4 CLIENT REPORTING AND RELATIONS

3.4.1	Typically, how often are portfolio valuations sent out to the client?	Quarterly. Clients receive a pack containing a statement, valuation and performance report. Clients can also access full portfolio reporting online at any time through the Albert E Sharp client portal.
3.4.2	Can historic valuations be generated for any given date?	Yes.
3.4.3	Do you provide clients with online account access / valuation facilities?	Yes, clients are able to access a valuation of their portfolio, contract notes and statements through the Albert E Sharp online portal service.
3.4.4	Are you GIPS (or similar) compliant? Are your discretionary portfolio performance statistics externally reviewed and/or verified?	Our portfolios form part of the ARC PCI.
3.4.5	Please provide an example of a typical client valuation	Attached.
3.4.6	On what basis are securities valued?	Mid price
3.4.7	Please give details of your security pricing policies & sources (including direct securities, open & closed ended collectives, foreign exchange rates, etc.)	Securities are priced by our custodian.
3.4.8	Detail the process for accounting for self-certified and stale prices	There are no self certified securities, all pricing is supplied and verified by 3 <sup>rd</sup> party valuation data providers
3.4.9	Please give details of any seminars and educational events offered to private clients and professional intermediaries/charitable trustees	Presentations and training are provided on an ad-hoc basis to a variety of audiences.
3.4.10	Do you regularly publish investment insights or research?	Yes, we provide a quarterly commentary to our clients (with their valuation pack) and a monthly investment outlook. This is communicated via email, post, the Albert E Sharp website and our Twitter feed.

## 3.5 TAX CONSIDERATIONS

3.5.1	Do you provide clients with tax advice and / or tax solutions?	Advice is provided within our permitted remit – to be clear, Albert E Sharp is not a tax advisor. A wide range of solutions (portfolios managed within tax efficient wrappers) is provided including ISAs, offshore bonds, trusts and pensions (including SIPPs and SSASs etc).
3.5.2	Do you provide UK tax reporting?	We produce annual consolidated tax certificates and capital gains tax reports for clients with our designated custodian.
3.5.3	Do you provide US / other tax reporting?	No.
3.5.4	Do you offer a Tax Reclamation service?	No.

## 3.6 CLIENT TAKE ON & DEPARTURE PROCESS

3.6.1	Describe the client take-on process	New clients are provided with a proposal, detailing the service we intend to provide to them. If this is acceptable they complete our Client Fact Find and Risk Questionnaire – this process is usually undertaken by the financial advisor. We use the information gathered to agree a mandate with the client, then undertake the client due diligence process (described below). Once agreed, an Investment Management Agreement is issued and signed by the relevant parties and an account is opened.
3.6.2	Can a new client transfer their existing portfolio <i>in specie</i> ? Please detail the process and include any charges.	Yes – there is no additional charge for doing so. Our administration team require a letter of authority from the client and will then oversee the entire transfer process.
3.6.3	Detail the new client due diligence process	We carry out ID verification and Client Due Diligence using electronic verification via the SmartSearch system. This sources data from both Experian and Equifax to verify the client (both individual and corporate). Once the client has been entered onto this system they will be continually monitored so we will be notified if they appear on a PEP or Sanctions database.
3.6.4	Describe client/portfolio exit procedures	Clients can exit on provision of written instructions. There are no exit fees and no charge for in-specie transfer out. Management fees and custody cease immediately once assets have been transferred out.

## 4.1 SYSTEMS

4.1.1	What investment management, analysis, reporting, and risk control systems do you use? When were they installed? Are there any recent or planned upgrades?	Since 2010, Albert E Sharp has utilised Bloomberg® Portfolio Analytics to carry out portfolio testing including VaR and “What- If” analysis. Bloomberg’s services and associated applications are frequently upgraded.
4.1.2	Please detail the trade execution process once a decision to buy or sell is made	Trades are entered through our front office system, Figaro. These are passed to the dealing team at Platform Securities who carry out the trades.

		Best execution is the responsibility of Platform Securities who conduct all of Albert E Sharp's dealing function.
4.1.3	Is there an in-house dealing function?	No, deals are instructed through our front office system and dealt by the dealing team at our custodian.
4.1.4	If in-house or affiliated brokers are used, what percentage of transactions is placed through them?	N/A

## 4.2 SERVICE PROVIDERS

		<table border="1"> <thead> <tr> <th>Service Provider</th> <th>Name</th> <th>Duration of Relationship</th> </tr> </thead> <tbody> <tr> <td>Legal Advisor</td> <td>Weightmans</td> <td>11years</td> </tr> <tr> <td>Auditors</td> <td>RMY Clements Limited</td> <td>6 years</td> </tr> <tr> <td>Bankers (<i>if different from custodian</i>)</td> <td>HSBC</td> <td>11 years</td> </tr> <tr> <td>Administrators (<i>if applicable</i>)</td> <td>N/A</td> <td>N/A</td> </tr> </tbody> </table>			Service Provider	Name	Duration of Relationship	Legal Advisor	Weightmans	11years	Auditors	RMY Clements Limited	6 years	Bankers ( <i>if different from custodian</i> )	HSBC	11 years	Administrators ( <i>if applicable</i> )	N/A	N/A
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Bankers ( <i>if different from custodian</i> )	HSBC	11 years																	
Administrators ( <i>if applicable</i> )	N/A	N/A																	
4.2.1	Please provide details of major service providers																		
4.2.2	Provide details of any other key outsourced service providers	IT Support: James Brookes Partnership																	



## ADDITIONAL INFORMATION

Please provide the following documents where available, in separate pdf documents. This information will be appended as appropriate to the due diligence documentation that we will make available to Professional Wealth Advisers with your permission.

- Investment Biographies for all Key Discretionary investment Staff – see 1.5.5 above
- Example Client Reporting/Quarterly Valuation
- Standard Client Presentation for a typical ‘Balanced’ client
- Client Take-on documentation
- Standard Terms of Reference / Outsourcing Agreement for advisers – attached financial adviser agreement
- Standard Term & Conditions (see attached IMA)
- Standard fee/rate card (see attached IMA)
- Most recent audited accounts (if available)
- SAS 70, AAF 01/06, ISAE 3402 or similar report – AAF 01/06 for our custodian Platform Securities attached.
- Written Risk Management Policy (Not Applicable)
- Risk Profiling documents (*if available*)
- Internal Due Diligence Reports/Working Papers used to review Potential Fund Investments (*if available*)

# INVESTMENT STYLE (OPTIONAL)



Manager style is important in matching client needs or wants with the various methods of investing client monies.

As part of ARC's due diligence process, each manager is independently assigned a style assessment across six spectrums following the methodology outlined below. ARC will share the results with you once the due diligence questionnaire has been processed.

## ARC STYLE ASSESSMENT OVERVIEW

The table below describes the six style assessment categories. There is no "right" or "wrong" answers, the assessment is simply an expression of the way your firm approaches, and executes, the investment management of clients' funds.

<i>Headline</i>	<i>Ranges</i>	<i>Description</i>
Asset class blend	Traditional vs. Alternative	The asset class mix utilized by the manager
Portfolio manager discretion	Significant vs. Minimal <i>(Bespoke vs. Model)</i>	The degree to which portfolio managers are able to express their own opinions when constructing portfolios
Points of reference	Contrarian vs. Benchmark Aware	The degree to which portfolio performance should be correlated with a particular benchmark
Investment approach	Bottom-up vs. Top-down	The viewpoint from which the manager decides asset allocation and investment selection
Investment diversity	Concentrated vs. Diversified	The range of underlying investments within each asset class that should be held within a portfolio
Decision making input	Judgmental vs. Quantitative	The primary driver in the manager's decision making process

# INVESTMENT STYLE (OPTIONAL)



## ARC STYLE ASSESSMENT QUESTIONNAIRE

Mark where you feel your firm sits on each style characteristic with an “x”.

Question		Strongly Agree	Agree	No firm view	Disagree	Strongly Disagree	
The costs / risks associated with investing in alternative asset classes outweigh the potential benefits	<i>Traditional</i>	X					<i>Alternative</i>
An individual portfolio manager should be allowed, or able, to deviate from the "house view"	<i>Significant (Bespoke)</i>		X				<i>Minimal (Model)</i>
A portfolio's benchmark should serve as a guide to the investment decisions made in order to ensure a consistent performance pattern	<i>Benchmark Aware</i>		X				<i>Contrarian</i>
Investment decisions should be based more on how individual companies might respond to the market conditions rather than how current events might shape those market conditions	<i>Bottom-up</i>			X			<i>Top-down</i>
Managers should concentrate on a small collection of their most strongly held views, rather than diversifying across a range of ideas with less conviction	<i>Concentrated</i>			X			<i>Diversified</i>
A manager's experience and instincts should be given precedence over analysis and computation	<i>Judgmental</i>	X					<i>Quantitative</i>

These two pages will not form part of the final due diligence pack and will purely be used to assist in the construction of the appropriate style conclusion.

# DISCLAIMER

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*Any advice or recommendation rendered by us to you or the results of any researches carried out on your behalf is provided solely for the purpose of this engagement and for your benefit.*

*No liability is assumed to any other person therefore and such advice, research and recommendations may not be passed to, copied, used or relied upon by any other person without our prior written consent.*

*The price of investments may go down as well as up and no responsibility is assumed for the diminution or loss of any portfolio or failure to meet or exceed performance criteria.*

*The past in any event is not necessarily a guide to the future.*

*No liability is accepted for the accuracy of any data.*

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## IMPORTANT NOTE

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