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Portfolio Management Strategy

When it comes to investing money, whether through Pensions, ISAs, property or the Stockmarket, it is vital that you seek independent advice, not just on the funds themselves but also on the most tax efficient way of investing.

Here we set out the methods we use to advise clients on all matters to do with investments.

Our starting point is assessing a client's attitude to risk, this is the most important issue, we either ask you to complete a questionnaire or ask a series of questions to determine acceptable levels of return. All clients have differing requirements, be it long term capital growth, short term income requirements or a combination of both. We will also discuss your capacity for loss, as this is an important part of assessing a client's risk profile.

Having agreed a client's attitude to risk, we then recommend an appropriate asset allocation, ie a split of investments across UK Equities, International Equities, Property, Fixed Interest, Cash etc as appropriate.

This asset allocation is then used to help us to determine which Investment Funds best fit the investment portfolio. Depending on the funds available for investment, we usually recommend a 'multi-manager' Fund approach by using our Strategic Portfolio range of funds: <http://www.hfsmilbourne.co.uk/temp/services/strategic-portfolio-service/>. This gives us maximum flexibility to choose the very best Funds from an extremely wide range of Funds on the Market. We prefer this approach rather than having to select a rather more limited range of Funds from one or two Insurance Companies. This method has proved to be much more effective, allowing us to obtain the very best performing investments for our clients.

We aim to diversify our client's funds across separate areas to give a balanced approach, so that for example if Equities under-perform, the fund is counterbalanced by other assets in the portfolio. We look for non-correlating Funds, without spreading the risk too far and wide, and look for consistently outperforming Funds.



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We have ten main risk categories for our clients, ranging from very conservative to extremely speculative. A full explanation of our risk categories can be found here

<http://www.hfsmilbourne.co.uk/temp/wp-content/uploads/2014/06/LINK-Risk-Categories.pdf>

Our investment committee, which consists of our Board of Directors and an external fund specialist, is responsible for reviewing the past performance of Funds and Sectors, and sets specific guidance to all staff on how to design and arrange clients' portfolios.

In selecting the best Funds, we take into account the historic performance of the Fund, the sectors in which it operates and also the quality of the Fund Manager itself. We use external research to arrive at our conclusions from, amongst others, Fund Managers, rating agencies, leading economists and the Bank of England.