

# CARDALE | Asset Management

investment management • stockbroking • capital planning







Ashley Alger - CEO

“Cardale’s business revolves around truly personal service backed by independence and administrative excellence.”

Cardale’s business is dedicated to the management of private wealth. We recognise that the strength of our business is entirely based on building lasting relationships with our clients and their other professional advisers.

This means that as a client of this firm you will have a direct personal relationship with the investment manager who manages your money. That investment manager will be ultimately responsible for the decisions taken on your portfolio and accountable to you for them. He or she will be readily contactable and will write to you regularly detailing the background to their investment decisions and periodically explaining overall portfolio performance – this is what personal service means to us.

Investment performance is at the heart of what you expect and Cardale’s investment process is geared toward the long term preservation and growth of wealth in line with your individual needs, expectations and risk attitude. At the same time we recognise that the story does not stop with investment management.

Independence of thought and action is central to Cardale’s business. We are not dictated to by external investors; Cardale is owned by the people who have built the business or work in the business. Our choices of investments are in no way influenced by “related party” considerations nor are our people incentivised with sales targets. Our independence extends to all aspects of our business including substantial balance sheet strength and outstanding business administration capability.

Many businesses have pursued “outsource solutions” for their key back office and administrative requirements. At Cardale we do not believe in placing critical aspects of our business in the hands of outside third parties; we conduct all aspects of back office administration in house; only this allows us to underwrite the quality of our administration to our satisfaction.

All areas of Cardale’s business are staffed by teams of individuals with substantial experience in the key specialisms required by the private client asset management industry. Our people all recognise that Cardale’s business revolves around truly personal service backed by independence and administrative excellence.

As Chief Executive I am determined that we will strive to continue to offer the highest standards of professional competence and client service to individuals, advisers and trustees who value true independence of thought and action together with absolute commitment in the management of their money. If you wish to discuss any aspect of this publication or Cardale’s business with me, I am available via the contact details below, please feel free to call.

Ashley Alger  
Chief Executive Officer

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## Private client services



Richard Whiteley - Investment Director

- Investment Management for charities and pension funds
- Discretionary Portfolio Management for individuals and trustees
- SIPP and ISA Management
- Advisory Portfolio Management
- AIM Portfolios
- Stockbroking
- Cash Management
- Nominee and Custody
- Tax Compliance and Advice
- Financial Planning
- Probate service

**We would particularly draw your attention to the Risk Warning printed on the inside back cover of this brochure. This should be read as an essential complement to the subsequent statements in this document.**

## Our investment philosophy

At Cardale, you are the centre of all that we do. From the moment we meet with you, to every subsequent conversation and on each and every occasion we review your assets under our care, this does not change. As an independent house, with its own in house research capability, we do not have the conflicts of interest that beset many other wealth managers and this ensures that our commitment to you is never compromised.

We treat each client as an individual and tailor everything we do to meet your own particular circumstances and requirements. As these change, so may the structure of your assets, not only to reflect what is happening in your own life but, also to take into account the impact of the ever-changing economic and financial world and your attitude to risk and the returns that you hope to achieve.

Our starting point is an initial, in-depth discussion with your own personal investment manager. The discussion, based on your financial assets, will set your initial objectives. As wealth managers we want to understand not only your immediate and longer term financial requirements but also your family circumstances.

## Our investment process

At the core of our investment approach is our “top down” look at the economy and financial world. After looking at the “big picture” we analyse the various asset classes available to us and select those which we believe will benefit most from the prevailing economic conditions, deliver the best risk-adjusted returns and meet your financial objectives.

Having decided on the structure of the portfolio that we think is appropriate for you, we will then look at each of the asset classes separately to see where we can add value on either an active or a passive basis.

**Irrespective of the asset class, the majority of our time is spent analysing potential risks in order to deliver the best possible risk-adjusted returns. We have a highly experienced research department which is supported by first class technology and bespoke systems which we believe gives us a distinct competitive advantage in delivering long-term outperformance.**

Following this, we perform an in depth fundamental analysis designed to ensure the potential investment represents a secure and sustainable business proposition. The final part of our process is valuation. We believe it is important, where possible, to purchase assets that are trading at a discount to fair value. Only when an investment has satisfied all aspects of this process is it considered for inclusion as part of our investment portfolios.



“we appoint a personal investment manager to each account”

“we endeavour to balance risk and potential reward in accordance with your expressed requirements”

### **Balancing risk and reward**

Historically, stockmarkets have borne witness to the fact that high risk does not necessarily go hand-in-hand with high reward.

At Cardale we try to satisfy a client's investment objectives through a combination of suitable asset classes. These can include:

- Equities
- Fixed Interest
- Collective Investments (Unit Trusts, OEICs)
- Property
- Cash
- Hedge Funds
- ETFs
- Structured Products
- Commodities

As a firm, we endeavour to balance risk and potential reward in accordance with your expressed requirements. Each client has their own definition of risk and their own approach to it. By understanding this, we look to build a portfolio that is tailored to both the client's time horizons and tolerance to risk. Following a meeting with a client, we will be able to form a clear picture of their preferences and requirements within any agreed parameters, as defined in our Terms of Business. Our judgement of what is suitable will then be reflected in the structure and content of the client's portfolio.

Our in-house systems enable us to construct and analyse your portfolio for risks and rewards, on a day to day basis and to make any necessary changes both quickly and effectively in order to generate the best possible long term rewards.





## **Creating your portfolio**

The heart of our approach is creating an investment portfolio that best suits you as an individual.

The financial world today is complex and frequently turbulent, as markets are buffeted by unpredictable world events. At Cardale, we explain our strategies and investment choices in plain and simple terms, in order to ensure that you understand the recommendations that we make.

Our approach is structured but also flexible. We will discuss asset class selection, outline the rationale behind choosing certain geographic areas and explain our preference for particular industry sectors. We do all this to create a real partnership of understanding before we make a start on the underlying stock selection process.

We can then use our independence of thought and extensive experience to act decisively in whatever way we judge to be in the best interests of our clients.

Portfolio asset allocation is the main driver of investment performance and the combination of asset classes within each portfolio is derived primarily from the client's investment time horizon, attitude to risk, investment objective and tax status. Once these elements have been considered we will recommend a portfolio asset allocation that we believe best meets the client's requirements and expectations.

“we explain our strategies and investment choices in plain and simple terms.”

“our aim is to maximise performance whilst minimising risk”

### **Measuring performance**

Whilst we are fully aware of market and sector weightings for benchmark purposes, we believe that active portfolio management is where we can add value for you in the long term within our internal risk parameters. If we believe it is in your best interest to be underweight or overweight in any particular asset class or industry group, then we will act to adjust the content of your investment portfolio accordingly and the last few years has shown that a passive buy and hold strategy is no longer appropriate in modern times.

The benchmarks we use will depend upon your individual requirements and can be based against cash, an appropriate stockmarket index or, the APCIMs set of indices which are commonly used as the industry standard.

Without exception, our aim is to maximise performance whilst minimising risk in order to consistently generate long-term performance and security for our clients. We are proud of our performance and our risk reward ratios and would be delighted to discuss this with you in more detail.





## Strategic partnerships

We fully appreciate the complexities involved in managing client assets within the wider financial planning picture. Many clients delegate their affairs to professional intermediaries and we are happy to liaise with and accept instructions from them in order to build effective working relationships to benefit our mutual client.

We work daily in professional partnership with independent financial advisers, solicitors and accountants. We offer a relationship that is open and transparent, using our specialist knowledge and expertise, built up over many years in the industry, to complement their services.

At Cardale, we fully appreciate that the portfolios created for clients introduced by our professional partners must reflect their individual risk parameters and investment requirements.

As part of our core partnership service we :-

- manage portfolios that include Direct Equities, Gilts, Unit Trusts, OEICS, Investment Trusts, Hedge Funds, ETF's, and Structured Products where appropriate
- manage ISAs and AIM portfolios in conjunction with your client's main portfolio in order to facilitate tax planning

- manage Self Invested Personal Pensions (SIPPs) and Small Self Administered Schemes (SSASs)
- prepare a comprehensive fiscal reporting package, including CGT schedule, income schedule and consolidated tax certificate, at the end of each tax year

Our portfolio management services are also available within a wide range of 'wrappers' as Cardale is already an authorised investment management company with a number of the UK's leading Life and Pension providers. Once asset allocation has been agreed between the financial adviser, the client and ourselves, Cardale can manage the resulting portfolios across numerous accounts:

- Directly held assets
- Consolidated ISA
- SIPP/SSAS account with protected rights option
- Offshore bond
- Onshore bond

“build effective working relationships to benefit our mutual client.”



Charles Kerr - Executive Director

“a justifiable reputation for the quality and accuracy of our reporting systems.”

### Reporting and administration

All administration relating to the business of Cardale is carried out internally. We believe that the quality of any administrative system is directly linked to the degree of control the firm has over the system, together with the capability of the individuals involved.

The Cardale administration team is composed of highly experienced professionals with a justified reputation for the quality and accuracy of the reporting systems. Discretionary investment management eases the administrative burden by eliminating time consuming paperwork from what is now, more than ever, a stringently regulated business.

We provide a full nominee service that holds stock on behalf of clients, coupled with cash management accounts to ensure the quick and efficient settlement of trades and the administration of corporate events that relate to client portfolios.

Dividends and interest payments are paid into clients' cash management accounts, which will

also hold any un-invested cash, pending re-investment

As part of our service we:-

- produce formal six-monthly reports on the performance and structure of portfolios
- provide valuations on request
- correspond with clients to explain all transactions undertaken on their behalf

In addition, at the end of each fiscal year, we issue a detailed report that includes:-

- a consolidated dividend and interest statement and tax voucher
- details of all transactions during the year
- cash movement schedule

### The next step

If you would like further information about any of the issues covered in this brochure or are interested in any of the services provided by Cardale Asset Management, please contact:-

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Investment Director  
Cardale Asset Management Ltd  
2 Greengate, Cardale Park, Harrogate, HG3 1GY  
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[www.cardale-asset.co.uk](http://www.cardale-asset.co.uk)

## Compliance, Legal and Risk

This document has been issued and approved by Cardale Asset Management Limited, a Member of the London Stock Exchange and regulated by the Financial Services Authority. It is intended for private investors and business customers of Cardale Asset Management Limited, to whom it is distributed.

The information in this section contains the legal and regulatory restrictions which apply to the services we offer and which are referred to in this document.

Nothing in this document shall exclude, limit or restrict our duties and liabilities to you under the Financial Services and Markets Act 2000 or any related conduct of business rules with which we are bound to comply.

We would particularly draw your attention to the following general risk factors which apply in respect of the services we provide and any advice we might offer:

- This document should not be construed as an offer, or the solicitation of an offer, to buy and/or sell any securities
- The price of securities and the income paid on them may fall as well as rise. For these reasons, investors may not get back the amount originally invested
- Past performance cannot be taken as a guide to future performance
- The level and bases of taxation can change
- Changes in rates of exchange may cause the value of overseas securities to fall or rise
- If you do consult us for advice, please ensure that you have considered fully and to your entire satisfaction the suitability of any form of investment referred to in this publication in the context of both your financial situation and investment requirements

### Security and Compensation

Cardale Asset Management Ltd is a participant in the Financial Services Compensation Scheme established under the Financial Services and Markets Act 2000 which, subject to certain exceptions, provides limited compensation in respect of eligible liabilities if the firm is declared in default. At the date of publication the compensation scheme covers the first £50,000 of a valid claim in full. For joint investments, both partners would be eligible to receive up to a total of £48,000 each. The right to claim under this scheme will only arise if you qualify as an eligible investor for the purposes of this scheme.

Cardale Asset Management Ltd has arranged, via HSBC, errors and omissions insurance, which provides cover of up to £2 million in respect of each and every claim with an aggregate of £4 million in total, and direct financial loss insurance, which provides cover of up to £6 million for each and every loss.

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