Bearing up: Is the longest bull run since World War II coming to an end?

Charity investors are already encountering heightened volatility in markets, and fear there may be worse to come, finds Diane Sim.

> “As the tide of quantitative easing goes out, we may be surprised by how many have been swimming naked”

IN AUGUST the US stock market celebrated its longest bull market since World War ll, having risen 300 per cent in nine years since March 2009. Yet in early October there was a setback as it fell to an eight-month low, triggering comparable falls in major stock markets around the world.

The jury may be out on whether the long bull run in equity markets has at last run its course, but there can be no doubt that high levels of volatility have returned to global investment markets.

Charity Finance's 2018 Charity Fund Management Survey canvassed the views of fund managers and investors in late August and early September before the October sell-off. For many commentators, however, the writing was already clearly on the wall.

“Despite experiencing the longest bull run in history, many of our clients are very much aware that all good things must come to an end. With this in mind, we are having discussions about how best to position our clients' portfolios for when the bull run ends,” says Helen McDonald, director at UBS.

And Heather Lamont, director of client investments at CCLA Investment Management, says: “Trustees are increasingly conscious that most of the major markets have been doing well for an unusually long time. Some are beginning to wonder when the bulls will run out of steam, and if we are heading for a big market downturn.”

The writing has arguably been on the wall for quite some time. Monetary easing measures, introduced as a result of the 2008 financial crisis, have led to low and no returns on cash and bonds, and fuelled demand for riskier assets such as equities and property. Market commentators have warned for some time that demand has pushed valuations up beyond sustainable levels and that a market correction is imminent. Now the gradual tightening of monetary policy by central banks around the world looks set to reduce demand for riskier assets, adding to the likelihood of a market downturn.

Nancy Kilpatrick, head of not-for-profit relationships at Legal & General Investment Management, says we have enjoyed extraordinary times since the financial crisis, but this is likely to be coming to an end. “As long as economic growth and corporate earnings remain robust, then equity and credit markets may maintain their lofty valuations. But as the tide of quantitative easing goes out, I suspect we may be surprised by how many have been swimming naked.”

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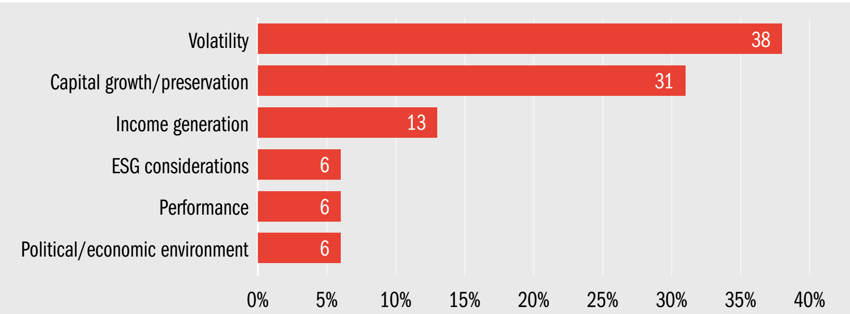
FIGURE 1: MAIN INVESTMENT CONCERNS OF CHARITY INVESTORS

■ Volatility tops investor concerns ■



Source: *Charity Finance* poll of 20 charity investors

> "Cazenove Charities retains the market-leading position it has occupied since 2013"

INVESTMENT MANAGERS

These are clearly challenging times for charities and their fund managers, so it is good news that there is plenty of choice. Over 40 firms participated in this year's survey, ranging from independent players to investment units within banks, insurers and other financial institutions. Correspondingly, charity funds under management account for anything from less than one per cent to 100 per cent of all funds under management.

Collectively, the firms listed on pages 34 and 36 manage £75.6bn on behalf of almost 73,000 charity investors. The 40 firms that participated in the survey both this year and last year have seen their charity funds under management grow by 6 per cent, while charity client numbers have stayed roughly at the same level.

The composition of the top three fund managers remains the same, though the pecking order has shifted slightly. Cazenove Charities retains the market leading position it has occupied since 2013 following its merger with Schroders, with almost £2.3bn of charity funds under management separating it from its closest rival. But CCLA and Sarasin & Partners switch position, with the former moving into second place as a result of an 8 per cent increase in charity funds under management and the latter moving into third position as a result of a 3 per cent fall.

The ranking of the top ten fund managers, based on charity funds under management, is remarkably stable, with just one new entrant. Royal London Asset Management (RLAM) moves into tenth position, switching places with Goldman Sachs Investment Management, which moves into 11th. The rise of the former has been fuelled by a 20 per cent increase in charity funds under management, likely reflecting the increased appeal of cash and money market funds now that interest rates have started to rise, albeit modestly.

Rathbones stays in fourth position though it is rapidly catching up with its larger rivals. It has posted an impressive 30 per cent increase in charity funds under management and a 55 per cent increase in charity clients from 1,282 to 1,938.

According to James Brennan, investment director and head of business development for charities, just over half of this increase derives from Rathbones' £104m acquisition of Scottish fund manager Speirs and Jeffrey in August. "The acquisition of Speirs and Jeffrey, which had 538 charity clients and £701m charity funds under management at 30 June 2018, makes Rathbones the number one wealth manager in Scotland," he says.

The deal follows last year's brief merger talks between Rathbones and Smith and Williamson, which were called off when neither party could reach an agreement that was in the interests of its respective shareholders.

A notable new player in this year's ranking is Aberdeen Standard Investments, which occupies position 20. It was formed by the merger of Standard Life and Aberdeen Asset Management in August 2017, which created Europe's second largest fund manager with assets of £670bn. p38

Glossary of terms

Advisory or non-discretionary investment management
An investment manager will provide advice to clients, but trading decisions must be discussed and approved by clients before taking place.

Bear market
Period of sustained stock market decline.

Bull market
Period of sustained stock market growth.

Clean fees
All-inclusive fund management fees, to which no additional charges (e.g. custody, administration) will be added.

Discretionary investment management
A form of investment management where trading decisions are made for clients at the investment manager's discretion.

Pooled fund
Investment vehicle in which a number of investors pool their assets so that they can be managed on a collective basis.

Segregated portfolio
Investment portfolio which is managed on behalf of a single client and has separately identifiable assets (as opposed to being held collectively in a pooled fund).

FIGURE 2: CHARITY FUND MANAGERS BY TOTAL FUNDS UNDER MANAGEMENT (FUM)

	Fund manager (2017 rank in brackets)	Total UK charity funds at 30.06.18 (£m)	Percentage incr/(decr) since 2017	Discretionary clients		Advisory/non-discretionary clients		Clients only in own CIFs/pooled vehicles exclusive to charities	
				Number of clients	Funds £m	Number of clients	Funds £m	Number of clients	Funds £m
1	Cazenove Charities (1)[a]	9,142.0	5	671	7,325.0	245	1,817.0	145	656.0
2	CCLA Investment Management (3)	6,857.9	8	34,882	6,857.9			34,867	6,258.4
3	Sarasin & Partners (2)	6,269.7	-3	398	6,206.0	84	63.7	377	1,897.0
4	Rathbone Investment Management (4)[b]	5,600.0	30	1,938	5,600.0			79	289.0
5	BlackRock (5)	4,599.0	9	34	1,344.5	20	639.7	3,464	1,509.0
6	Brewin Dolphin (6)	3,436.4	0	1,639	3,300.4	56	136.0		
7	Investec Wealth & Investment (7)	3,246.0	-2	1,007	2,977.0	188	269.0		
8	Newton Investment Management (8)	3,013.0	-8	31	2,107.0	293	906.0	281	820.0
9	Legal and General Investment Management (9)	2,632.6	5	60	2,632.6			15	270.8
10	Royal London Asset Management (11)[a]	2,516.1	20	94	2,516.1			87	1,083.2
11	Goldman Sachs Investment Management (10)	2,474.8	5	96	2,474.8				
12	Ruffer (12)	2,156.0	5	324	2,156.0			25	76.5
13	UBS (18)	2,010.0	29						
14	Smith & Williamson Investment Management (13)[c]	1,971.0	3	742	1,774.0	82	197.0		
15	Quilter Cheviot Investment Management (14)	1,845.0	7	584	1,713.0	61	132.0		
16	Barclays Bank (15)	1,827.0	12	364	1,380.0	85	447.0	201	197.0
17	M&G Investments (16)	1,600.0	0					11,450	1,400.0
18	J.P. Morgan (19)	1,566.8	17	47	967.2	27	599.6		
19	Charles Stanley & Co. (17)	1,497.0	-5	608	1,133.0	235	364.0		
20	Aberdeen Standard Investments (-)	1,425.4		101	486.0	79	939.4		
21	Savills Investment Management (20)	1,285.0	11	1,972	1,285.0			1,972	1,285.0
22	Rothschild Wealth Management (21)	941.0	-2	74	899.0	6	42.0		
23	Epworth Investment Management (24)	831.0	3	31	145.0	>7,000	686.0	>7,000	823.0
24	Tilney (22)	803.0	-12	191	545.0	43	258.0		
25	Barings (-)	691.0		74	691.0			66	79.0
26	Veritas Investment Management (29)	645.0	13	54	645.0				
27	CAF Financial Solutions (26)[d]	622.5	0					838	622.5
28	JM Finn & Co (27)[a]	619.9	3	318	493.1	52	125.5	11	1.3
29	Waverton Investment Management (30)	614.0	14	114	614.0				
30	Mayfair Capital Investment Management (31)	579.3	14	1,081	579.3			1,081	579.3
31	Coutts & Co. (25)	559.0	-13	347	554.0	2	5.0		
32	Artemis Investment Management (33)	377.0	3	20	377.0				
33	OLIM (34)	255.0	-10	13	255.0			1	21.0
34	Close Brothers Asset Management (35)	250.0	32	80	250.0				
35	James Hambro & Partners (36)	187.0	11	41	187.0				
36	Heartwood Investment Management (37)	136.8	-6	55	122.6	5	14.2	42	42.5
37	GAM (38)[b]	135.6	2	22	100.2	3	35.4	25	120.2
38	EdenTree Investment Management (39)	102.0	9	1	58.2			111	43.8
39	Psigma Investment Management (40)	92.2	4	32	79.5	10	12.6		
40	Seven Investment Management (41)	91.8	6	30	26.2	34	65.6		
41	Resonance Impact Investment (42)	53.0	-7					15	53.0
42	Church House Investment Management (43)	10.0	-9	12	10.0				

(a) Breakdown of segregated client figures includes all clients.
(b) Pooled funds that are part of segregated client accounts appear in both categories.
(c) 824 separate accounts, comprising 717 charity clients.
(d) Discretionary service provided in association with Octopus Investments based on pooled funds.

FIGURE 2: CHARITY FUND MANAGERS BY TOTAL FUNDS UNDER MANAGEMENT (FUM) (CONTINUED)

Fund manager (2017 rank in brackets)	Segregated clients		Number of segregated clients by portfolio size (£m)								UK charity FUM as % of total UK FUM
	Number of clients	Funds £m	<1	1-5	5-10	10-20	20-50	50-100	100-200	200+	
1 Cazenove Charities (1)	771	8,486.0	*326*[a]	*303*	*122*	*72*	*60*	*18*	*13*	*2*	22.4%
2 CCLA Investment Management (3)	15	599.5	2	1	2	4	1	3	2		81.8%
3 Sarasin & Partners (2)	105	4,372.0	3	15	10	24	28	16	6	3	65.9%
4 Rathbone Investment Management (4)[b]	1,938	5,600.0	1,082	598	139	71	39	8	1		14.0%
5 BlackRock (5)	54	1,984.2	1	2	9	12	16	12	2		0.9%
6 Brewin Dolphin (6)	1,695	3,436.4	1,121	411	100	49	11	2	1		8.1%
7 Investec Wealth & Investment (7)	1,195	3,246.0	683	345	81	67	15	3	1		9.6%
8 Newton Investment Management (8)	31	2,107.0	0	0	1	2	16	7	3	2	8.0%
9 Legal and General Investment Management (9)	4	1,160.8				2				2	0.3%
10 Royal London Asset Management (11)	7	1,432.9	*27*[a]	*23*	*14*	*8*	*9*	*9*	*2*	*2*	2.1%
11 Goldman Sachs Investment Management (10)	96	2,474.8	22	17	14	25	9	4	2	3	
12 Ruffer (12)	161	1,519.0	46	59	21	18	13	2	1	1	9.7%
13 UBS (18)	224	2,010.0	83	68	33	20	11	5	3	1	5.0%
14 Smith & Williamson Investment Management (13)[c]	824	1,971.0	489	238	58	23	15	1			
15 Quilter Cheviot Investment Management (14)	645	1,845.0	357	188	56	29	14	1			
16 Barclays Bank (15)	163	1,183.0	79	31	28	14	6	3	2		
17 M&G Investments (16)											
18 J.P. Morgan (19)	47	967.2									
19 Charles Stanley & Co. (17)	843	1,497.0	571	209	29	22	9	2	1		6.0%
20 Aberdeen Standard Investments (-)	50	390.1	8	16	15	8	3				0.4%
21 Savills Investment Management (20)											29.9%
22 Rothschild Wealth Management (21)	49	862.0	3	14	11	11	6	2	2		9.3%
23 Epworth Investment Management (24)	2	8.0		2							59.4%
24 Tilney (22)	234	803.0	140	71	9	6	4	3	1		3.4%
25 Barings (-)	3	567.0		1			1			1	4.8%
26 Veritas Investment Management (29)	52	643.0		19	9	18	4	2			23.0%
27 CAF Financial Solutions (26)[d]											100.0%
28 JM Finn & Co (27)	370	618.6	*250*[a]	*106*	*17*	*6*	*2*				6.6%
29 Waverton Investment Management (30)	114	614.0	47	33	12	16	6				14.3%
30 Mayfair Capital Investment Management (31)											43.5%
31 Coutts & Co. (25)	349	559.0	224	104	9	9	3				1.9%
32 Artemis Investment Management (33)	1	59.0						1			1.3%
33 OLIM (34)	12	234.0		1	5	2	3	1			52.9%
34 Close Brothers Asset Management (35)	80	250.0	35	38	4	2	1				2.1%
35 James Hambro & Partners (36)	41	187.0	15	15	6	3	2				7.4%
36 Heartwood Investment Management (37)	18	94.2	5	7	1	5					4.0%
37 GAM (38)[b]	19	130.1	4	7	3	2	3				
38 EdenTree Investment Management (39)	1	58.2						1			3.6%
39 Psigma Investment Management (40)	42	92.2	29	8	3		2				3.1%
40 Seven Investment Management (41)											0.8%
41 Resonance Impact Investment (42)											28.3%
42 Church House Investment Management (43)	12	10.0	9	3							

(a) Breakdown of segregated client figures includes all clients.
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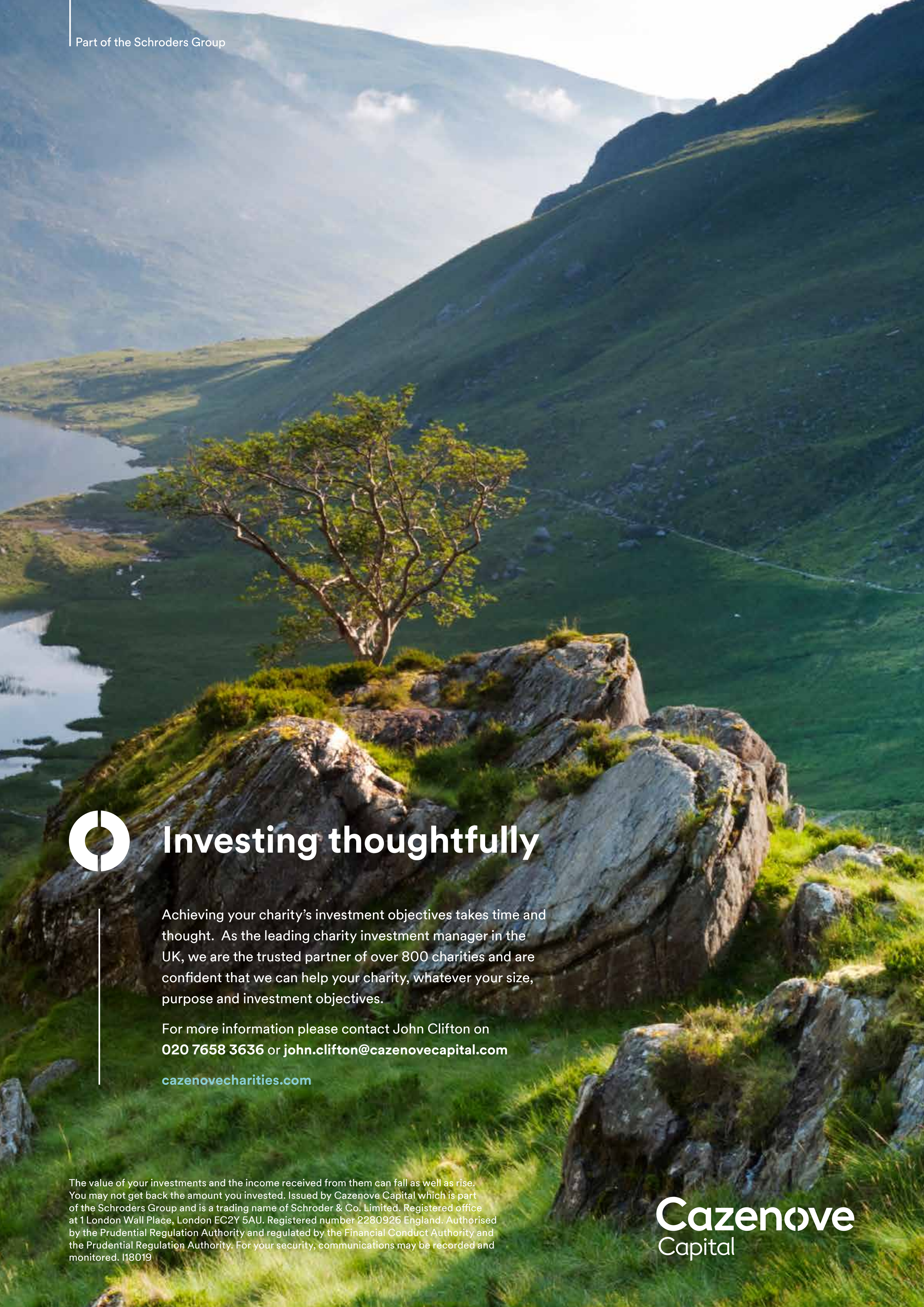
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> “Charity investors are talking about protecting against downside risk as the economic cycle turns, without sacrificing too much upside”

According to Patrick Trueman, head of charities at Standard Life Wealth, Aberdeen Standard Investments manages £1.4bn of charity funds on behalf of 180 charity clients. Standard Life Wealth, a wholly-owned subsidiary, accounts for 56 per cent of the group’s charity clients and 34 per cent of charity funds under management. “The merger between Standard Life and Aberdeen Asset Management has provided us with a broader range of investment capabilities and the ability to build portfolios which can meet a wider set of requirements for charities,” says Trueman.

The other new participant in this year’s survey is Barings, which enters the ranking in position 25 with £691m of charity funds under management and 74 charity clients.

Mid-sized fund managers in the ranking that have fared relatively well, increasing charity funds under management by 10 per cent or more, include UBS in position 13, Barclays Bank (16), J.P. Morgan (18), Savills Investment Management (21), Veritas Investment Management (26), Waverton Investment Management (29) and Mayfair Capital Investment Management (30).

Smaller players that have increased their charity funds under management by 10 per cent or more include Close Brothers Asset Management in position 34, James Hambro & Partners (35) and Church House Investment Management (42).

Firms that participated in the survey last year but were unable to take part this year include European Investment Management and BMO Global Asset Management.

TIMING ISSUES

With the return of high levels of volatility to investment markets and increasing expectations of a sustained downturn, many charity investors appear to feel that market timing is becoming increasingly important.

“Charity investors have enjoyed a period of strong investment returns over the last decade, which has helped them to cope in the face of increasing need, particularly for those charities operating in areas where austerity measures have reduced local government support,” says Kate Rogers, head of policy at Cazenove Charities. “When will this end?’ is a common question at trustee meetings.”

According to Kilpatrick at Legal & General: “The question of timing a market turn becomes more and more difficult, with many investors regretting the de-risking of portfolios too early on the basis that valuations are at the highest levels in history. At the same time, fear of missing out on equity returns drives a confused market for most investors.”

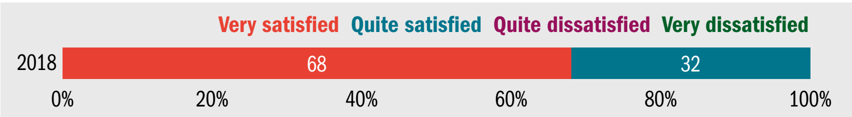
Indeed, charity investors surveyed this year talk about “protecting against downside risk as the economic cycle turns, without sacrificing too much upside”, and managing “the tension between missing out on returns and anticipating a major downturn.”

A related question is whether and when to cash in the gains made. Ruth Murphy, head of charities at Brewin Dolphin, says: “The main issue charity investors are raising with us is the prospect of a recession, the length or stage of the economic cycle, and how to finesse any drawdown.

“At one end of the spectrum, most of the industry has cautioned about single-digit returns being the future norm, but markets have been strong for some time and investors may feel this is simply being over-cautious. At the other end, there are some investors who have enjoyed and been surprised by strong returns, and are ▶ p40

FIGURE 3: CHARITY INVESTORS’ SATISFACTION WITH FUND MANAGERS

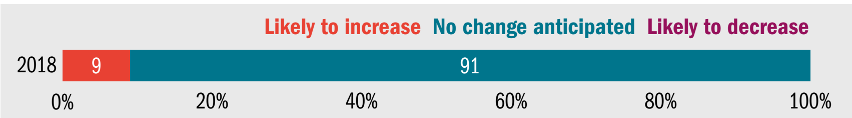
■ Two thirds say they are very satisfied ■



Source: *Charity Finance* poll of 20 charity investors

FIGURE 4: APPETITE FOR ABSOLUTE-RETURN INVESTING OVER THE NEXT 12 MONTHS

■ Charities anticipate a modest increase in absolute return investing ■



Source: *Charity Finance* poll of 20 charity investors

> "In many cases, charity portfolios have been a net beneficiary of Brexit uncertainty"

wondering if they should now take some funds out of the market."

Similarly, Andrew Wauchope, senior investment director at Psigma Investment Management, observes that "after a long run in markets, trustees are looking to protect some of their gains and look at strategies which seek to manage drawdowns when markets fall."

IMPACT OF BREXIT

Of course, a major contributor to the uncertainty of UK markets is the Brexit negotiations, which according to many commentators are insufficiently well progressed given the 29 March 2019 deadline.

Trueman at Standard Life Wealth comments: "Our key concern is the lack of certainty on the UK's future relationship with the EU. The lack of clarity, so close to the UK's withdrawal, is challenging."

Jeremy Wells, client director at Newton Investment Management, adds: "With the deadline for a Brexit agreement fast approaching, much still remains to be achieved. It is unclear whether any politically acceptable solution can be agreed by all of the UK Parliament, the European Commission, the 27 other member states and the European Parliament."

However, while some managers believe the risk of a "no deal" scenario is high, others are of the opinion that there is sufficient political will on both sides of the fence to avert that possibility. Hugh Tottenham, client director at Heartwood Investment Management, observes: "As any deal offered to Parliament and the electorate would be better than no deal at all, we believe that the threat of a so-called 'no deal' Brexit should, ironically, discourage that eventuality."

According to some managers, even if a deal is struck, it may not lead to anything more than a brief respite from uncertainty. Given the complexity of the issues involved, any deal will most likely be light on detail and followed by more negotiations over the practicalities.

Candida de Silva, head of UK charities and endowments at BlackRock, says: "A no-deal Brexit is possible but we believe that the likelihood of this is low. We expect an extended transition period to begin in March 2019 with key future-relationship decisions kicked down the road. Brexit-related uncertainty may weigh on the UK economy well past quarter one next year."

The real issue for charity investors of course is the impact of this ongoing uncertainty on investment returns. For most investors the main risk of Brexit is the currency implications, says Wauchope at Psigma Investment Management. But even this, he believes, should be manageable. "The UK market is very international, with many large companies reporting in currencies other than sterling, so even a fall in sterling is unlikely to have a serious impact on a properly diversified portfolio," he says.

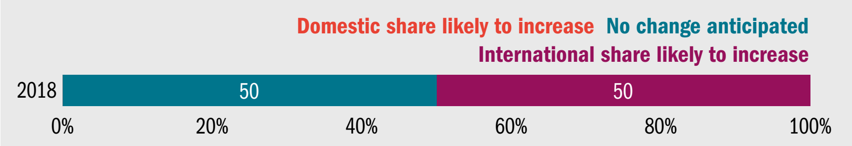
William Reid, head of charities at Quilter Cheviot, observes: "In many cases, charity portfolios have been a net beneficiary of Brexit uncertainty, with a weaker sterling aiding relative valuations of overseas investments and the value of foreign denominated income receipts."

Paul Fleming, head of investment solutions, UK charities, endowments and foundations at Mercer, echoes this view: "Brexit may in some cases have been beneficial for charities. For example, endowed charities with unhedged currency exposure will have benefited from the fall in sterling after the Brexit vote."

Nandu Patel, head of charities at Rothschild Wealth Management, points out that UK investors can gain many of the benefits of investing overseas by investing in UK companies in the FTSE 100, which generate three-quarters of their earnings overseas. "The most visible portfolio impact of Brexit has come about through the fall in the pound, which has boosted the sterling value of overseas assets, and of the overseas business of many ▶ p42

FIGURE 5: ANTICIPATED BALANCE OF DOMESTIC/INTERNATIONAL INVESTMENTS OVER THE NEXT 12 MONTHS

■ Charities predict strong demand for cross-border investments ■



Source: *Charity Finance* poll of 20 charity investors

> “In a post-credit-crisis world where central banks have been competing to weaken their currencies, Brexit has allowed the UK to achieve that”

of the larger UK-quoted companies. The FTSE 100 index is dominated by internationally-active companies; purely UK-focused businesses are relatively few, or concentrated in the second-tier indices,” he says.

Nevertheless, says Richard Maitland, head of charities at Sarasin & Partners, the uncertainty around Brexit has clearly had a negative impact on investment in the UK from outside. “UK assets continue to be priced at a discount to their international equivalents, reflecting negative sentiment and heightened uncertainty.”

Murphy at Brewin Dolphin notes “something of a hiatus in respect of investing in UK equities globally”, while Trueman at Standard Life Wealth says that “the continued uncertainty around the direction of travel will continue to depress investment in the UK.”

Investor sentiment towards the UK of course has a knock-on effect on charity portfolios, which are reducing UK assets in favour of increased overseas exposure, and adopting appropriate hedging strategies. Lamont at CCLA says: “We have reduced our exposure to companies whose performance depends on UK activity, and our currency hedging positions reflect our view that we shouldn’t expect a marked or persistent rise in the value of the pound relative to other major currencies.”

Fund manager David Osfield at EdenTree Investment Management says: “Brexit is causing an increased diversification away from pure UK mandates to globally orientated solutions”, while portfolio director Arun Shetty at GAM Investments notes: “We are currently underweight in the UK due to the ‘Brexit fog’ that is hanging over the equity market and the economy.”

According to Christopher Querée, head of charities at Ruffer, “the risk of a bad Brexit outcome is one of the reasons for having about 30 per cent of the portfolio in other currencies”. He adds: “A weaker currency also boosts inflation, so our inflation-linked bonds are likely to benefit from any sharp drop in the pound.”

Querée is far more optimistic than most other managers on the prospects for UK equities, pointing out that the worst may be over: “Concern over Brexit has already hit the currency and caused the UK to be one of the worst performing equity markets since the referendum.

“In a post-credit-crisis world in which central banks have been competing to weaken their currencies, Brexit allowed the UK to achieve that. And for a very open economy like the UK, a weak currency in a period of strong global growth is a tremendous advantage. We therefore don’t want to have too low an exposure to sterling at this stage, and added to UK equities at the end of the first quarter of this year, particularly the battered retailers.”

A round up of views on trends in the balance of domestic and international investments is set out on page 50.

ESG INVESTMENT

There is a strong consensus that the appetite for investment policies that take into account environmental, social and governance (ESG) considerations has increased markedly over the last year. Indeed, several fund managers indicate that ESG investment is the single most important issue on which charities have sought their advice over the last 12 months.

Barclays’ senior charity adviser Ian Chesham says: “The primary issue we have been advising on and discussing with our charity clients is the move towards either a lower carbon portfolio or a ‘fossil fuel’ free investment strategy.”

According to Nicola Barber, head of charities at James Hambro & Partners: “The issue that may have perplexed trustees the most is around ESG matters. Historically, trustees have tended to implement a negative investment policy around specific sectors and companies that operate in areas that are deemed

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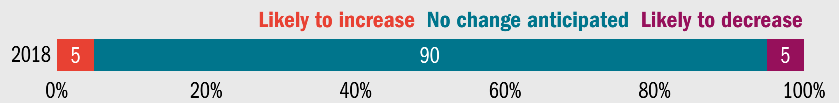
FIGURE 6: PREDICTED PROPORTION OF CHARITY FUNDS SUBJECT TO ESG CRITERIA OVER THE NEXT 12 MONTHS

Charities see their level of ESG investment holding steady



Source: *Charity Finance* poll of 20 charity investors


A SHINING LIGHT
FOR CHARITY
INVESTMENTS
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> “Charities are under greater pressure from donors and beneficiaries to offer clarity over their investments”

contrary to their mission. More recently, however, enquiries have also included a focus on sustainable and environmental investing.

“In terms of positive screening, we consider voting and engagement, and identify certain factors within a company’s fundamentals that align with long-term sustainability issues. We support corporate governance structures that encourage accountability and transparency, and ideally wish to buy and hold a company into perpetuity.”

Nandu Patel says that Rothschild Wealth Management has been stepping up its activities to keep pace with client demand. “We now have a formal ESG policy and we also produce an annual ESG report documenting our engagement with our portfolio companies in these areas,” he says. “Over the last 12 months we have become signatories to the United Nations Principles of Responsible Investment (UNPRI) as well as to the UK Stewardship Code.”

ESG investment has been spurred in recent years by the changing regulatory framework allowing for social as well as financial returns, and by negative media coverage of charities which have been deemed to be lacking in this area. This is illustrated by Christophe Borysiewicz, head of investment management at Epworth Investment Management, who notes “an increase in questions from trustees and finance directors worried about the reputational risks of their investment portfolios and the potential damage to perceptions among donors and the public.”

While Tottenham at Heartwood Investment Management adds: “Charities are under greater pressure from donors and beneficiaries to offer clarity over their investments, notwithstanding greater attention from the media.”

Lamont at CCLA points out that charities should not necessarily view this as a defensive strategy employed at the expense of financial returns. “Clients who want to follow ethical policies to protect their reputation, for example by excluding certain types of company from their portfolios, have benefited from a growing base of evidence that such policies, if intelligently implemented, needn’t damage financial returns.”

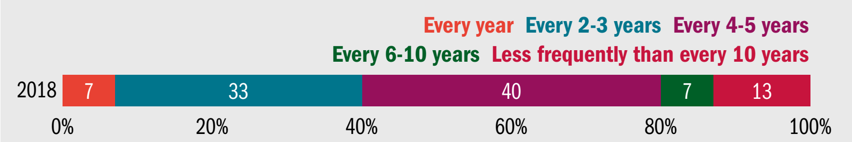
REGULATORY CHANGE

From the start of this year, fund management firms have had to comply with MiFID II. This is a revised and enhanced version of the Markets in Financial Instruments Directive (MiFID), which was implemented in November 2007 and intended to integrate Europe’s financial markets, enhance investor protection and attract new investors to the EU capital markets.

MiFID II, approved in April 2014, introduces new rules concerning areas

FIGURE 7: FREQUENCY OF FUND MANAGER REVIEW BY CHARITIES

■ Majority of fund manager reviews take place every two-to-five years ■



Source: *Charity Finance* poll of 20 charity investors

such as the assessment of the suitability and appropriateness of investments, the statement of cost and charges for portfolio management services, and more stringent regulatory reporting requirements. Changes that investors will experience as a result of MiFID II include: quarterly valuations; formal notification if a portfolio falls by 10 per cent or more in a quarter; and an annual valuation detailing costs and charges, including underlying fund charges for pooled or collective investments in the portfolio and their effects on returns.

According to Maitland at Sarasin & Partners: "While clients going through retendering projects will have already received much more transparent information about costs, the vast majority of charities will not see the new transparent cost reporting standards until 2019. At that point, we expect managers with higher total costs to come under pressure. A few managers with higher-than-average costs have already moved to reduce fees: we expect others will reduce their fees or change their management styles to reduce costs in due course."

Maitland is one of a number of fund managers who believe that MiFID II transparency still doesn't equate to full transparency on costs. For example, Wauchope at Psigma Investment Management says: "The new rules will hopefully make cost comparisons more meaningful, though there are still costs which are not included."

Nick Murphy, head of charities at Smith & Williamson Investment Management, says that there is still confusion among trustees about charges as not all investments in third-party funds have their costs included: "The overall impact on performance of these third-party charges is hidden, as some funds' performances are shown net of fees."

Lamont at CCLA says: "Managers with less transparent portfolio structures will be finding it difficult, if not impossible, to quantify the true underlying costs of third-party vehicles in their portfolios, and at least over the short-term they may have different interpretations of what it means to report the full costs of investing.

"We therefore worry that the new MiFID rules may present the illusion of greater comparability between different cost structures, while in fact doing the opposite."

De Silva at BlackRock comments: "More granularity on costs and charges can help investors to make more informed investment decisions, so we welcome the new era of transparency. However, we believe there needs to be additional clarity on the difference between charges and costs, and greater standardisation across managers and regions for this drive for transparency to be of genuine benefit to investors."

Wells at Newton concurs that the new rules may need "one or two further iterations for the full benefit to charity clients to be felt".

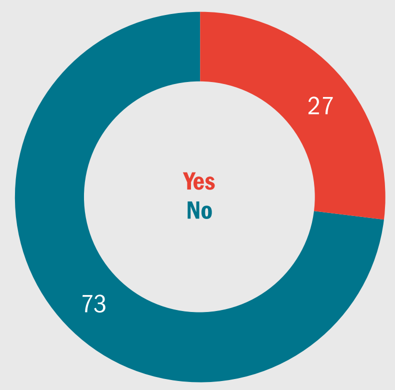
OUTLOOK

Overall, 2018 may not be the year that the bull market ran out of steam, but it is, according to Helen McDonald, director at UBS, "the year that volatility returned". She expects this to continue, "given Brexit, the potential for a trade war, and central

> "A few managers with higher-than-average costs have already moved to reduce fees"

FIGURE 8: USE OF INVESTMENT CONSULTANTS

■ Over a quarter of charities have used consultants in the last year ■



Source: *Charity Finance* poll of 20 charity investors

> With markets having been so strong for several years, we are expecting lower returns going forward

bank monetary tightening continuing to pose threats to markets."

Many fund managers expect investment returns to fall this year. Candida de Silva at BlackRock says: "We expect returns across asset classes to be lower than last year, and believe that increasing portfolio resilience is crucial given the uneasy equilibrium we see between rising uncertainty and strong earnings."

Mike Marsham, head of charities at Investec Wealth & Investment, adds: "With markets having been so strong for several years and having delivered returns well in excess of inflation, we are now expecting lower returns going forward. The divergence of responses from our clients on this topic, with some prepared to accept a higher level of volatility in order to achieve their return target, and others lowering their return assumptions to maintain their existing risk profile, underlines the importance of our partnership approach."

A major contributor to this state of affairs is the level of risk in the macro-economic environment. Nandu Patel, head of charities at Rothschild Wealth Management, sums up the threats, both international and domestic:

"Internationally, the US administration under President Trump is volatile, and protectionist in instinct: the US is flirting with a full-blown trade war with China in its attempt to level the playing field in international trade and investment. Wider geopolitical stresses remain: tension in North Korea has subsided, but the humanitarian crisis in and around Syria continues, and Russia's interventionist strategies are unsettling. Less dramatically, but still a potential source of financial volatility, is Italian politics, which remains dysfunctional.

"Domestically, uncertainties surrounding the UK's pending secession from the European Union persist, and a weak Conservative administration faces the least business-friendly opposition party in modern times. Meanwhile, the continuing low level of UK interest rates and yields means that the investment income which many charities seek can only be obtained by taking significant investment risk."

Whilst this backdrop is undoubtedly challenging, many of the fund managers surveyed this year still believe that there are attractive investment opportunities out there. Mark Powell, investment director for charities at JM Finn, says: "We have spent a lot of time with trustees discussing the merits of alternative asset classes like infrastructure and property. These have both been central to our approach in maintaining real income levels, with many of the cash flows index-linked."

Marsham at Investec says: "Our charity portfolios have increased exposure to alternative assets in areas such as social housing and renewable energy, which offer the appealing combination of limited downside economic vulnerability, attractive income returns and some inflation proofing of future cash flows."

And at GAM, portfolio director Arun Shetty comments: "We are increasingly designing portfolios that incorporate exposures to specialist equity, credit, macro and absolute return managers as well as innovative investment approaches that are designed to generate sustainable income, such as insurance-linked bonds and junior debt of financially secure companies."

Note on the tables

The data on pages 34-36 and 52-56 was supplied by fund managers.

The charts on pages 52 and 54 present details of managers' fee structures, including the total fees and charges for managing a model charity portfolio of £1m, £5m, £10m, £20m and £50m. The model portfolio used for these purposes is assumed to be an existing client, already fully invested, with 40 per cent in UK equities, 30 per cent in overseas equities, 15 per cent in UK fixed interest, 10 per cent in alternatives and 5 per cent in cash. Turnover in direct equity investments (the proportion bought and sold in any one year) is 50 per cent, while turnover in pooled investments is 20 per cent per year.

It is worth bearing in mind that variations from this model portfolio may well make a difference to the cost of running the fund. For example, a manager whose turnover is typically lower than that assumed here could offer lower fees. Similarly, multi-manager funds will include higher third-party fees than those managed in-house. All fees are quoted inclusive of VAT unless indicated, and please note that other fees may be charged on top of these management ones. The chart on page 56 covers the various services provided by fund managers.

All information was supplied as at 30 June 2018, except where noted, and confirmation should be sought directly from the fund manager of any details on which decisions are based. Most fund managers will be happy to discuss individual needs directly with charities.

CAIFs catching on: the new pooled fund structure assessed

There are clear signs in this year's survey that the Charity Authorised Investment Fund (CAIF) structure is gaining traction.

Launched in October 2016, the CAIF structure reduces costs by removing the VAT on the investment management fees that are currently paid on common investment funds (CIFs). CAIFs are also authorised by the Financial Conduct Authority (FCA) and the Charity Commission, improving the regulatory position of charitable pooled funds. At the same time, the CAIF retains the main benefits of the pre-existing CIF structure, such as the tax advantages of being a registered charity.

Sarasin & Partners was the first fund manager to relaunch its CIFs as CAIFs, and head of charities Richard Maitland notes a marked pick-up in demand. "With costs having been reduced by between 10 and 20 per cent, our CAIFs have become an even more compelling proposition. We are also aware that a few very large charities are looking at setting up their own CAIFs to reduce costs and administration."

According to Kate Rogers, head of policy at Cazenove Charities: "We have transitioned all of our funds to the new CAIF structure and were delighted that investors were unanimously in favour. This restructuring has allowed our clients to make savings on investment management costs, as the funds are now VAT exempt."

BlackRock is in the process of converting its six CIFs to CAIFs and launching a new charity ESG multi-asset strategy in a CAIF structure. Similarly, Barings is in the process of converting its Targeted Return Fund from a CIF to a CAIF. And other managers including Epworth and Waverton are doing similar.

Christophe Borysiewicz, head of investment management at Epworth, notes: "The shift to the new structure also allows us to broaden the fund range, as the Charity Commission had been wary about approving new CIFs."

The shift towards CAIFs is clearly gaining momentum, but is not quite a stampede. Other managers are resisting the transition to CAIFs, pointing out that their existing funds offer comparable benefits.

"The Newton range of charity funds were relaunched in a non-UCITS retail scheme (NURS) regulatory structure in 2014. We believe that the NURS structure offers charity clients the same benefits as a CAIF and we therefore do not plan to make any changes to our fund range," observes Jeremy Wells, client director at Newton Investment Management.

> “Charities have a slightly cautious ‘wait and see’ attitude”

Similarly, Philip Baker, head of charity business development at EdenTree Investment Management, notes: "When we launched our charity funds in 2011, we utilised a fund structure that qualifies for the tax benefits afforded to charities, did not incur VAT on fees, and importantly was regulated by the FCA. Our view is this fund structure continues to serve the needs of our charity clients and we will not be converting to CAIFs."

OTHER CONSIDERATIONS

Other managers say that the advantages provided by the CAIF structure must be seen in a wider context and set against other considerations. Heather Lamont, director of client investments at CCLA, says: "The CAIF structure offers one cost advantage – no VAT on the fund manager's overall portfolio charge – but that saving will often be overshadowed by other investment costs in the portfolio, for example if the CAIF uses third-party funds which come with their own costs. Meanwhile, the potential for CAIFs to deliver strong risk-adjusted returns may be compromised by the limitations on the types of investment they can hold; for example, they won't be able to use the unlisted and specialist vehicles through which a fund manager would typically access alternative assets such as infrastructure and contractual income."

Nancy Kilpatrick, head of not-for-profit relationships at Legal & General Investment Management (UK), adds: "We welcome the improved treatment afforded by CAIFs for charities already invested in CIFs, but for our clients with index-tracking mandates, which form the core of our portfolios, there are wider considerations.

"As our index-tracking unit trust funds are significantly larger in size, the total cost of investment in these vehicles is somewhat lower than costs on most CAIFs in the market, regardless of the additional tax benefits, so the majority of our clients favour our mainstream unit trust funds. The exception to this is UK equities, where the stamp duty exemption benefits for charity investors are of greater financial impact."

Whilst managers that have launched CAIFs report a positive reception on the part of their charity clients, the move towards CAIFs does seem to have been driven primarily by managers rather than their clients. Herring at Barings says that "recent discussions with our charity clients focused on expanding the scope of assets in their portfolios have not been predicated upon having CAIF vehicles to fulfil that expanded remit".

The charities we surveyed this year have a slightly cautious "wait and see" attitude to CAIFs, citing the small range of funds currently available and the lack of historical data upon which performance might be gauged. Clearly the gathering momentum of suppliers converting CIFs to CAIFs and launching new CAIFs should over time go some way to addressing these concerns.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Follow the money: trends in overseas investment

"We continue to broaden our geographical exposure. The outlook for domestic companies has not been helped by Brexit uncertainty, and the lack of technology opportunities in the UK market has also impacted weightings."
Kate Rogers, Cazenove Charities

"The balance between UK and overseas assets has shifted in favour of overseas assets and will probably continue to do so. Care must be taken, however, as we are seeing a growing divergence in the fortunes of overseas markets. For the time being the US remains the most attractive geography, with growth in Japan and Europe slowing and emerging markets struggling on a number of fronts."
Mike Marsham, Investec Wealth & Investment

"We have reduced our exposure to UK equities over the past 12 months in favour of international equities since we currently see greater opportunities in areas such as the US, emerging markets and Japan. In spite of this, we are carefully monitoring developments with regards to Brexit and note that the UK has become an unloved part of the market, which could provide opportunities to re-engage in the near future, irrespective of whether a deal is done with the EU."
Arun Shetty, GAM Investments

"Looking at the last 12 months, we reduced UK exposure early in the period while adding to European assets, but more recently we have added to UK assets where we see reasonable valuations."
Malcolm Herring, Barings

"Over the past year, the shift in fixed interest exposure to shorter maturities, higher quality credit and the introduction of some overseas index-linked exposure has been maintained. On the equity side, the significant shift away from the UK has been maintained, partly as a result of the impact of Brexit uncertainty on UK growth but also reflecting the greater opportunity set overseas and the diversification benefits offered."
Nick Murphy, Smith & Williamson Investment Management

"There continues to be a shift towards more international investments and our new sustainable investment strategy has a global focus with only a small true earnings exposure to the UK domestic economy."
Ian Chesham, Barclays

"Besides the ongoing Brexit negotiations, a number of headwinds face the UK economy: a twin deficit, falling real incomes, high levels of consumer debt, falling business confidence, and a consequent lack of investment. In the short term, we anticipate these issues will continue to lead investors to remain underweight in UK domestic exposure. That said, a lot of these factors are already priced into markets, with domestic equities trading at low valuation multiples and sterling weak. Much will depend on how Brexit negotiations develop."
Hugh Tottenham, Heartwood Investment Management

"We have seen charities continue to reduce their home bias and gravitate to a more global approach. Over the last 12 months we have consistently been overweight in global equities relative to UK equities, as the global economic backdrop has remained strong and Brexit uncertainties have weighed on the UK economy.

More recently, with global monetary tightening sitting alongside the possibility of a trade war, we have slightly trimmed our overweight allocation to global equities. However, with economic fundamentals still supportive of the global economy, we remain positive on global equities. Domestically, we remain neutral on UK stocks, as UK earnings growth for the next 12 months is likely to lag that of global equities."
Helen McDonald, UBS

"At a headline level, our client portfolios have been underweight in UK equities relative to international equities since December 2014."
Nicola Barber, James Hambro & Partners

"The balance of domestic and international investments in charity portfolios has been relatively static over the last 12 months. Of more interest is the move over the last 12 years. According to WM statistics, 12 years ago the average UK charity had 55 per cent invested in UK equities and 20 per cent in overseas equities.

"Today, at Quilter Cheviot, the overall equity exposure for a medium-risk client remains broadly similar, but the UK component has reduced to 30 per cent, with overseas now representing the majority."
William Reid, Quilter Cheviot

"As an asset class, UK equities now seem cheap relative to history. The BofA Merrill Lynch Fund Manager Survey tells us that investors around the world are now more underweight in UK equities than the poll has ever recorded before. If extreme sentiment is a reliable contrarian indicator, then the UK market should start to recover some of the underperformance seen since the Brexit vote just over two years ago."
James Brennan, Rathbone Investment Management

"We expect to see charities continue to invest more money outside the UK equity market, which we believe is overly represented in many charity portfolios."
Paul Fleming, Mercer

"There has been a consistent shift towards overseas equities to better reflect a global investment market and to take advantage of a wider opportunity set."
Nancy Kilpatrick, Legal & General Investment Management (UK)

FIGURE 9: FUND MANAGERS AND THEIR FEES

				Annual fees and charges for model portfolio sizes (ex VAT)				
Fund manager	**Min seg portfolio £m**	**Min clean fee pa (ex VAT) £**	**Clients paying clean fees**	£1m	£5m	£10m	£20m	£50m
Aberdeen Standard Investments	1.0	Negotiable	ALL	Negotiable	Negotiable	Negotiable	Negotiable	Negotiable
Artemis Investment Management	Negotiable	Negotiable	ALL					
Barclays Bank	1.0	7,500	ALL	13,375	37,000	74,000	142,000	325,000
Barings[a]	50.0	225,000	ALL					409,504
BlackRock	30.0	Negotiable	ALL					Negotiable
Brewin Dolphin	1.0	1,000	ALL	9,936	44,816	76,416	139,616	329,216
Cazenove Charities	1.0	Depends on mandate	SOME	Negotiable	Negotiable	Negotiable	Negotiable	Negotiable
CCLA Investment Management	10.0	Depends on mandate	ALL			Negotiable	Negotiable	Negotiable
Charles Stanley & Co.	0.25	Negotiable	SOME					
Church House Investment Management	0.25	500	ALL	14,026	67,205	Negotiable	Negotiable	Negotiable
Close Brothers Asset Management	0.1	750	ALL	14,793	Negotiable	Negotiable	Negotiable	Negotiable
Coutts & Co.	1.0	3,500	ALL	13,305	61,025	118,175	Negotiable	Negotiable
EdenTree Investment Management	7.0	Negotiable	ALL					
GAM[a]	2.0	5,000	ALL	9,000	45,000	90,000	170,000	400,000
Goldman Sachs Investment Management	10.0	50,000	SOME					
Heartwood Investment Management[a]	3.0		ALL	17,300	72,750	134,250	257,250	626,250
Investec Wealth & Investment	1.0	8,000	ALL	13,012	48,260	83,320	153,440	363,800
JM Finn & Co	0.1	1,000	SOME	Negotiable	Negotiable	Negotiable	Negotiable	Negotiable
J.P. Morgan	20.0		ALL					
James Hambro & Partners	1.0	On request	SOME					
Legal and General Investment Management	85.0	102,000	ALL					
Mayfair Capital Investment Management	100.0	500,000	ALL					
Newton Investment Management	Negotiable	Negotiable	ALL				Negotiable	Negotiable
OLIM	2.0	10,000	ALL	12,850	34,250	68,500	131,250	295,250
Psigma Investment Management	0.25	1,000	ALL	11,900	59,500	Negotiable	Negotiable	Negotiable
Quilter Cheviot Investment Management	No minimum	2,000	ALL	9,800	37,275	66,150	111,900	Negotiable
Rathbone Investment Management[b]	0.5	3,750	ALL	9,000	30,000	48,000	96,000	180,000
Resonance Impact Investment								
Rothschild Wealth Management	5.0	40,000	ALL		Negotiable	Negotiable	Negotiable	Negotiable
Royal London Asset Management	Depends on mandate	Depends on mandate	ALL	Negotiable	Negotiable	Negotiable	Negotiable	Negotiable
Ruffer			ALL	14,472	71,832	133,497	259,008	609,556
Sarasin & Partners	8.0	52,500	ALL	9,494	44,471	74,441	148,850	309,127
Savills Investment Management			ALL					
Seven Investment Management			ALL	Negotiable	Negotiable	Negotiable	Negotiable	Negotiable
Smith & Williamson Investment Management	0.1	750	ALL					
Tilney[b]	0.25	1,875	ALL	9,000	31,800	Negotiable	Negotiable	Negotiable
UBS	5.0	30,000	ALL		Negotiable	Negotiable	Negotiable	Negotiable
Veritas Investment Management	5.0	37,500	ALL		54,500	109,000	200,000	473,000
Waverton Investment Management	1.0	10,000	ALL	13,491	48,904	84,320	Negotiable	Negotiable

(a) Model portfolio fees do not include VAT.
(b) Model portfolio fees do not include third-party charges.

FIGURE 9: FUND MANAGERS AND THEIR FEES (CONTINUED)

Fund manager	Summary of management fee basis (please contact fund manager for more details)
Aberdeen Standard Investments	Percentage scale based on value of portfolio and asset type.
Artemis Investment Management	0.75% annual management charge for an investment in an institutional pooled fund.
Barclays Bank	0.75% on £1m to £3m; 0.6% on £3 to £5m; 0.45% on £5m to £10m; 0.4% on next £15m; 0.35% on next £15m; 0.3% on next £15m; 0.25% thereafter.
Barings[a]	0.5% on first £50m; 0.45% on £50m-£100m; 0.4% on >£100m.
BlackRock	Percentage scale based on value of portfolio and asset type.
Brewin Dolphin	0.6% on first £1m; 0.5% on next £4m; 0.3% thereafter.
Cazenove Charities	Variety of fee arrangements depending on MiFID classification (professional or retail), product and mandate. Fee rate calculated as % of assets under management, with rates tiered by size and determined by mandate and investment approach. No commissions, front end or exit charges on in-house funds. Advice and custody included in fee.
CCLA Investment Management	Tiered scale based on portfolio size and nature of mandate/asset type.
Charles Stanley & Co.	Percentage scale
Church House Investment Management	1% on first £1m; 0.5% on next £9m; 0.25% on >£10m.
Close Brothers Asset Management	From 0.75%, negotiable as funds increase.
Coutts & Co.	Flat annual management charge of 0.35% on fund value plus tiered platform fee: 0.35% on first £0.25m; 0.2% on £0.25m to £1m; 0.1% on £1m to £5m and 0.05% on >£5m.
EdenTree Investment Management	Percentage charge based on value of portfolio.
GAM[a]	Management fee is calculated as a % of the month-end value of the portfolio, charged quarterly in arrears.
Goldman Sachs Investment Management	Percentage scale based on value of portfolio and asset type.
Heartwood Investment Management[a]	1% on first £1m; 0.75% on next 2.5m; 0.5% thereafter.
Investec Wealth & Investment	0.8% on first £1.5m; 0.4% on next £3.5m; 0.3% thereafter.
JM Finn & Co	Fees can be charged on a sliding scale or at a fixed rate throughout or a combination of fee and commission can be charged.
J.P. Morgan	Percentage scale based on value of portfolio and asset type.
James Hambro & Partners	Negotiable
Legal and General Investment Management	There is no annual management fee, just the underlying fees on LGIM pooled funds, which are quoted at total cost and taken from each fund on a daily basis.
Mayfair Capital Investment Management	Management fee charged as a percentage of portfolio value: 0.65% of the first £40m; 0.5% thereafter.
Newton Investment Management	Fee scale tiered and dependent on level of assets and strategy proposed.
OLIM	0.5% on first £25m; 0.25% thereafter.
Psigma Investment Management	0.55% on up to £5m; 0.45% on £5m – £7m; negotiable thereafter. Managed portfolio service at a flat 0.4%, negotiable for FUM >£7m.
Quilter Cheviot Investment Management	Annual management charge based on value of portfolio: 0.6% on first £2m; 0.5% on next £3m; 0.4% on next £10m; 0.3% thereafter.
Rathbone Investment Management[b]	Fees charged quarterly based on total fund value. Standard fee is inclusive of custody, reporting, administration and dealing including charges of third-party brokers.
Resonance Impact Investment	Management fee on Resonance social impact funds ranges from 0.75% to 1.5%.
Rothschild Wealth Management	0.8% on portfolios up to £5m; negotiable thereafter.
Royal London Asset Management	Percentage charge based on value of portfolio and asset type.
Ruffer	1% on first £10m; 0.9% on next £15m; 0.8% on >£25m
Sarasin & Partners	0.75% on the first £5m; 0.5% on the next £10m; 0.35% thereafter.
Savills Investment Management	Fund manager's and property manager's fees are combined into one management charge. 0.7% on NAV up to £100m; 0.525% on £100m-£500m; 0.45% on >£500m.
Seven Investment Management	Clean fee as a percentage of FUM, depending on allocation between active and passive investment strategies.
Smith & Williamson Investment Management	0.75% for the first £2m; 0.6% on next £5m; 0.4% thereafter.
Tilney[b]	0.75% up to £1m; 0.5% on £1m – £3m; 0.45% on £3m – £5m; negotiable thereafter.
UBS	Percentage scale based on value of portfolio and asset type.
Veritas Investment Management	0.75% on the first £10m; 0.6% thereafter.
Waverton Investment Management	1% on the first £1m; 0.6% on next £14m; negotiable thereafter.

(a) Model portfolio fees do not include VAT.
(b) Model portfolio fees do not include third-party charges.

FIGURE 10: FUND MANAGERS AND THEIR SERVICES

Fund manager	Ethically managed funds %	Able to report more frequently than quarterly	Usual remittance frequency	Dedicated charity team?	Fund managers spending >50% time on charities	Fund managers' average experience (years)	Fund managers' average charity experience (years)
Aberdeen Standard Investments	55	y	As req	y	5	18	11
Artemis Investment Management		y	h	n		20	
Barclays Bank	80	y	m, as req	y	5	17	10
Barings	100	y	q	y	2	26	23
BlackRock	20	y	m,q,as req	y	5	18	16
Brewin Dolphin	49	y	m,q, as req	y	32	17	14
CAF Financial Solutions		y	m,q,h,a, as req	y			
Cazenove Charities	33	y	As req	y	16	17	15
CCLA Investment Management	97	y	q, as req	y	38	18	7
Charles Stanley & Co.		y	As req	y	5	12	9
Church House Investment Management		n	As req	y	2	20	7
Close Brothers Asset Management		y		n		18	
Coutts & Co.	100	y	As req	y	1	20	5
EdenTree Investment Management	100	y	q	y	1	18	11
Epworth Investment Management	100	y	q	y	9	13	10
GAM		y	As req	y		19	7
Goldman Sachs Investment Management		y	As req	y			
Heartwood Investment Management		y	As req	n		20	7
Investec Wealth & Investment	46	y	q	y	7	27	18
JM Finn & Co	20	y	As req	y	2	18	10
J.P. Morgan		y		y	3	22	
James Hambro & Partners	51	y	q, as req	y	3	18	5
Legal and General Investment Management	29	y	h	y			
M&G Investments		y	m,q,h	y	2	19	6
Mayfair Capital Investment Management	100	n	m	y	2	25	10
Newton Investment Management	54	y	As req	y	5	28	17
OLIM		y	As req	y	3	25	15
Psigma Investment Management		n	m,q,h,a, as req	y	2	19	5
Quilter Cheviot Investment Management	29	y	As req	y	7	20	15
Rathbone Investment Management	40	y	m,q,a,as req	Y	21	21	9
Resonance Impact Investment		y	q	n			
Rothschild Wealth Management	22	y	As req	y	6	13	3
Royal London Asset Management		y	m,q,h	n		22	8
Ruffer	42	y	m,q,h	y	5	12	9
Sarasin & Partners	50	y	m	y	16	20	8
Savills Investment Management		y	q	y	2	18	12
Seven Investment Management	1	y	m,q,a, as req	n		18	6
Smith & Williamson Investment Management		y	q	y	16	20	12
Tilney	16	y	As req	y	8	24	12
UBS	40	y	As req	y	4	23	9
Veritas Investment Management	50	y	As req	y	5	19	6
Waverton Investment Management	23	y	q, as req	y	3	27	12

m = monthly, q = quarterly, h = half-yearly, a = annually