



Knightsbridge  
Wealth

Knightsbridge Wealth  
Investment Committee  
Our Approach to  
Investment Management

[www.knightsbridgewealth.co.uk](http://www.knightsbridgewealth.co.uk)

# Knightsbridge Wealth Investment Committee

## Our Approach to Investment Management

Knightsbridge Wealth's Investment Committee is responsible for managing your investment interests. It is important you understand the due diligence and review processes that we undertake.

Successfully managing investment portfolios requires significant resource, experience and market access. This is particularly true in volatile and uncertain markets. We employ a carefully chosen number of investment managers – totally independent of our company - to manage the underlying investment portfolio. This avoids any conflict of interest that may arise from providing financial advice and managing the portfolio.

We go through a number of stages to align the investment managers we select, with your financial planning requirements.

### **Aligning our investment managers with you requirements**

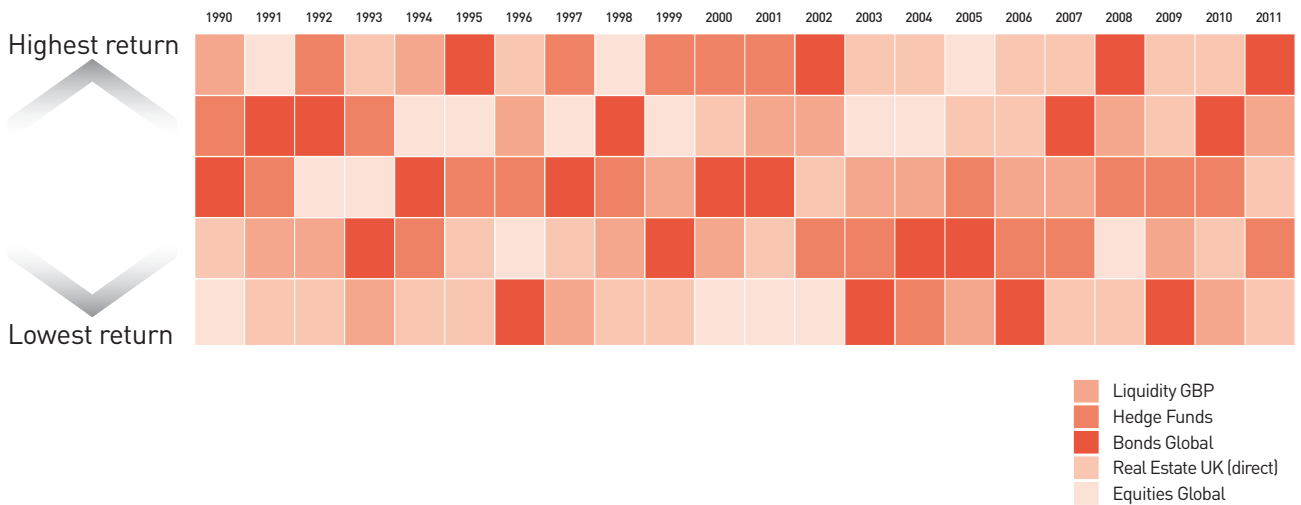
- Strategic Financial Plan to determine goals.
- Risk Profiling to assess your appetite to risk and capacity for loss.
- We utilise the “Dynamic Planner” risk profiling tool developed by Oxford Risk, an industry-leading psychometric consultancy led by academics from the University of Oxford.
- Cash flow forecasting to determine the required return range to achieve your objectives.
- We perform Cash flow analysis through Voyant to help determine the required return from a holistic planning perspective and from an individual performance level.
- Asset Allocation to achieve the right balance between risk and reward.
- Asset allocation is set in line with the risk and return required from the portfolio through discussion and evaluation with the chosen investment manager.
- Security/fund selection to ensure the best performing and strongest assets are in the portfolio.
- The security research, selection, monitoring and review is entrusted to the investment managers we have selected.

**Using the market’s best Investment Managers**

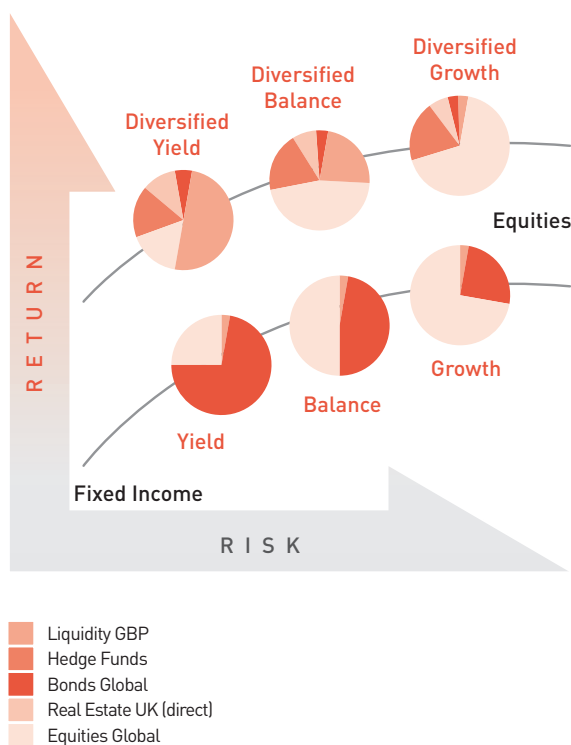
Knightsbridge Wealth uses the best by insisting that managers follow our investment principles:

- **Investment success requires a robust and consistent investment process**  
A structured disciplined approach is vital to investment success.
- **Diversification across asset classes is fundamental to success**  
The spreading of investments reduces portfolio risk and volatility. A single asset class rarely outperforms others consistently. A well diversified portfolio across a range of asset classes is key to reducing risk and achieving consistent returns.

- **Long-term returns are achieved through strategic asset allocation**  
We determine the right mix of assets to achieve an individual’s investment aims, within a suitable time horizon and risk tolerance. Asset allocation has the biggest influence over the variance in portfolio returns.
- **Additional returns can be achieved through tactical asset allocation and asset selection**  
Tactical asset allocation involves small movements away from a client’s strategic asset allocation, depending upon investment opportunities that arise over the short to medium term. Tactical Asset Allocation should not significantly alter the long-term risk profile. Value can be added through instrument selection where appropriate. Decisions on this basis are made in line with a clients risk profile.



- Both passive and active investment strategies are appropriate**  
 We believe that both have a role in any well managed investment portfolio.
- Portfolios require regular monitoring and rebalancing**  
 Today's investment markets are increasingly volatile. We believe that simple buy and hold investment strategies are inappropriate.



- Investment decisions result from the financial planning process**  
 Investment advice should not be delivered in isolation. An investment decision needs to be framed within a wider financial planning discussion. Only once a detailed understanding of a client's financial planning requirements have been set can a discussion around investments take place.

**All our investment manager firms share the following features:**

- A large research department.
- Open Architecture Platform.
- Constant portfolio review and monitoring process.
- Consistently good track record on performance.
- Sufficient size to have buying power to investments not normally available to retail investors.

Our investment panel includes a number of well-known global operators, boutique discretionary managers and Family Office's. Our financial planning expertise, delivered with these investment principles, and our manager selection process, offers our clients an outstanding, market leading investment proposition.

**Knightsbridge Investment Manager services**

Our chosen investment managers offer;

**Bespoke Discretionary Portfolio Service**

A segregated solution where a discretionary investment manager holds assets directly for clients. Clients will have a direct relationship with the portfolio manager who can tailor a portfolio to an individual's requirements at their discretion.

**Managed Discretionary Portfolio Service**

A segregated solution either held directly with the discretionary manager or via a third party platform. A client's portfolio sits within a range of 'models'.

**Managed Discretionary Portfolio Service (Unitised)**

The same as the Managed Portfolio Service but delivered through a Unit Trust or Open Ended Investment Company (OEIC).

**Advisory**

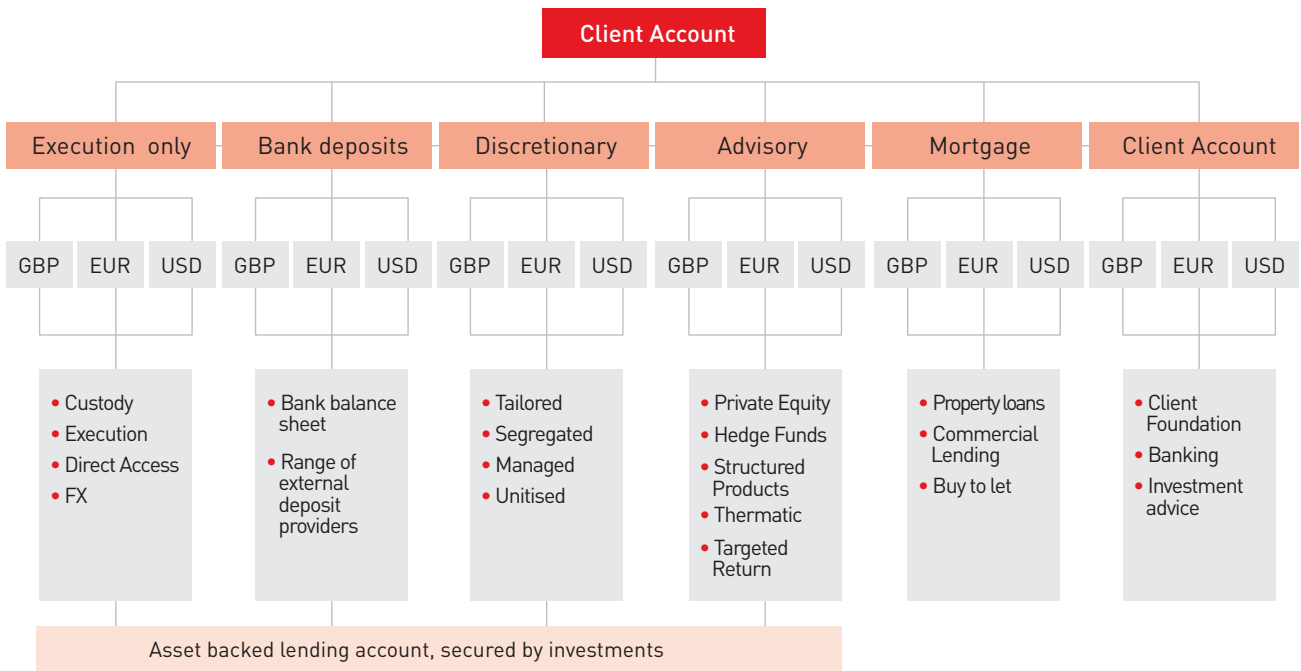
Clients consult with their investment manager before making changes to their portfolios.

**Execution Only**

Clients directly instruct their investment manager to buy and sell investments with no input from the manager.

**Key features of our outsourced Investment Managers**

1. Maintaining Independence.
2. If the investment manager’s performance or administration is not acceptable, we will move to another.
3. Allows Knightsbridge Wealth to focus on strategic and lifestyle financial planning and family governance.
4. Provides “Best of Breed” investment selection.
5. Access to expertise from specialists.
6. Clients benefit from the economies of scale and buying power of the investment managers.
7. Reduced fee schedules negotiated by Knightsbridge Wealth.



## **Our Wealth Management Asset Platform and Investment Manager Selection**

The Knightsbridge Wealth investment panel includes a number of Discretionary Investment Managers, Private Banks and Family Offices. As there are over 180 Discretionary Investment Managers in the UK, we have developed a comprehensive and robust due diligence process to determine appropriate managers for our clients.

### **1. Initial Filtering Criteria**

In order to create a shortlist of managers we apply a number of critical filters to the investment manager universe. These include;

#### **Scale**

In an increasingly competitive landscape, we see considerable fee pressure and commoditisation. Larger firms are best placed to thrive and we have set a minimum Assets Under Management threshold of £2billion.

#### **Differentiated Pricing**

Working with Financial Planners reduces both the risk and cost for investment managers. Risk is reduced as a robust financial plan ensures assets are held within appropriate structures, and a clear risk mandate agreed. It also reduces client acquisition cost. As a result, our managers offer reduced pricing to our clients.

#### **Range of Investment Options**

We look for managers who offer a range of Discretionary, Advisory and Execution Only Investments.

#### **Robust Research Teams**

Analysing investment markets is complex. Following investment markets at both a macro and micro level, as well as the vast array of investment instruments, requires considerable resource. We only commit to managers who have a well resourced research team.

#### **Range of Investment Structures**

Our clients assets are held within a variety of structures including SIPP's, SSAS's, ISA's, Trusts, Offshore Bonds, General Investment Accounts. We require our managers to have agreements in place with the leading Pension and Investment Bond providers.

#### **Additional Jurisdictions**

The majority of our clients require their assets to be managed outside the UK. Therefore, we look for managers who are able to manage assets in Jersey, Switzerland, Isle of Man, Ireland, Singapore and Monaco.

### **2. Investment Manager Questionnaire**

Our initial filtering creates a shortlist who then receive our investment managers Due Diligence Questionnaire. Once completed and returned, we filter the answers to determine our shortlist for interview.

### **3. Investment Manager Interview**

We conduct interviews with all our investment managers - including the portfolio management team, research team and compliance officers. Their purpose is to ensure both a cultural and commercial fit.

### **4. Ongoing Investment Manager Review**

In addition to our formal panel selection process, the Knightsbridge Investment Committee sits on a quarterly basis. It monitors and assesses the impact of performance, servicing, additional manager requirements, Risk Profiling and regulatory change.

## Conclusion

We are confident that our Investment and Manager selection Process offers our clients access to the best managers within the industry. Working in partnership with these managers ensures our clients have portfolios that accurately match their risk profile, and ensures investment objectives are met over the longer term. The application of this process is only of value once a detailed picture of a clients financial planning needs has been established.

# Contact us

If you require further information about our services or would like to discuss your financial situation with us, then please call us on the number below, or send us an email about how and when we can contact you.

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