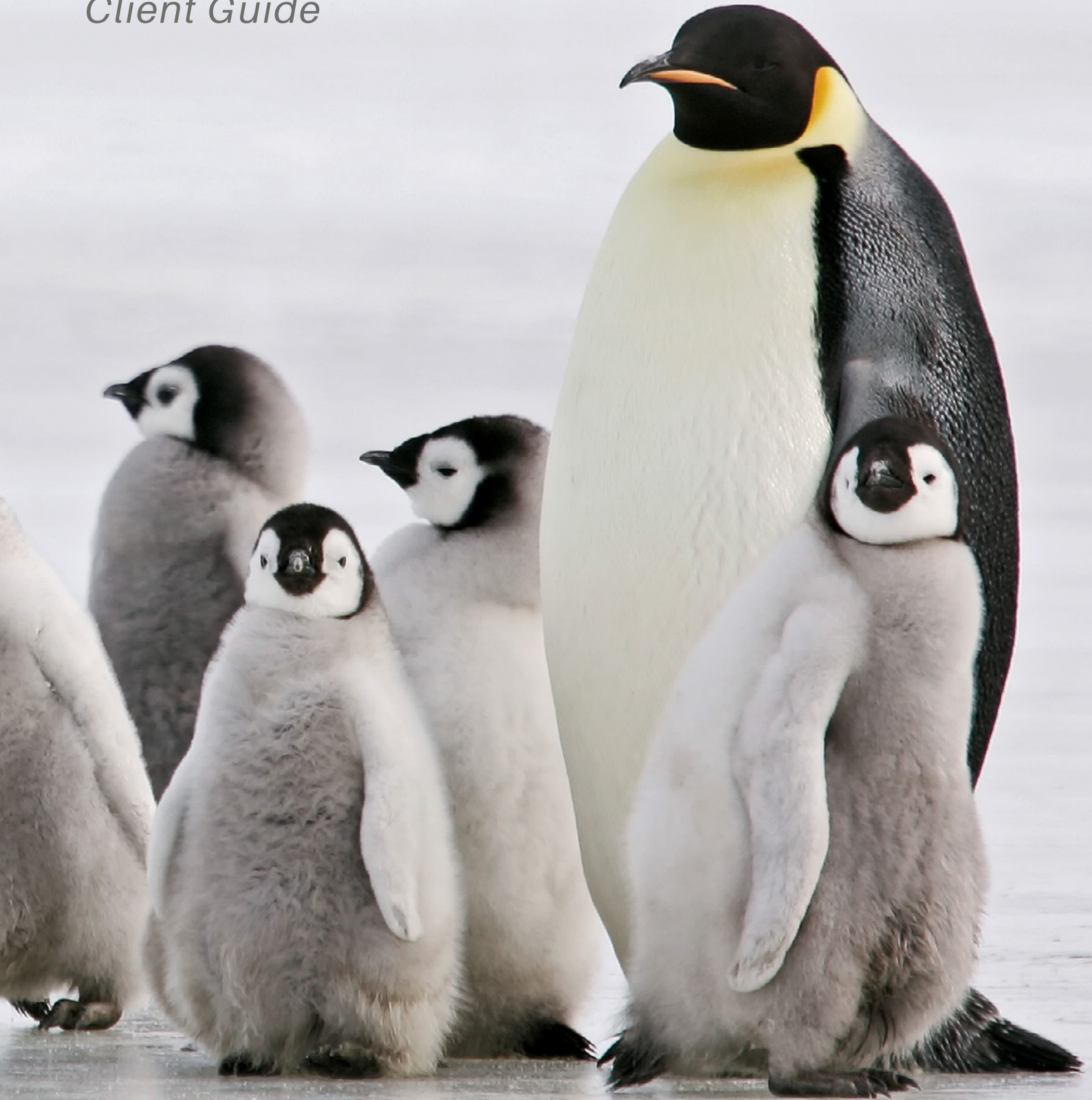


Bespoke Discretionary Management

Client Guide



CityAsset
MANAGEMENT PLC

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IMPORTANT INFORMATION

Please remember that the value of investments and the income arising from them, can go down as well as up, and is not guaranteed, which means that you may not get back what you invested.

Past performance is not a guide to future performance.

This brochure cannot disclose all the risks associated with investments and investment services and does not consider your specific investment objective or financial situation. It is not a personal recommendation and you should not regard this as a solicitation or invitation to buy or sell any securities or instruments mentioned within it. Further information and more detailed risk warnings can be found on our website (www.city-asset.co.uk).

You should not invest in or deal in any financial product unless you understand its nature and the extent of your exposure and risks associated with it. The investment services discussed or offered by us may not be suitable for all investors. You should seek advice from a financial adviser.

Whilst we believe the information within this document to be correct, we cannot assume liability for any errors or omissions, except insofar as liability cannot be excluded.

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Welcome

This brochure will help explain what we do and how we will work with you and your financial adviser to help achieve your financial plan.

Managing money has become very time consuming and many advisers are now recommending that their clients consider appointing a discretionary investment manager to run some of their client's wealth. Our service has been designed to allow your adviser to focus on your financial planning whilst ensuring that your investments are in the best hands.

Your adviser will have carefully considered many options before making their recommendation to use a discretionary investment manager. We understand that, whilst we may only be a part of the plan, true success will depend on the relationship between you, your adviser and us.

Our discretionary investment service offers a genuinely bespoke service which can incorporate your specific needs, objectives and tax considerations. You will also enjoy access to a dedicated investment manager and their supporting team who will manage the investments on your behalf.

Once you and your adviser have appointed us to manage your money, we will work with you both so that we all understand the investment mandate, which outlines the objectives for the portfolio and how much risk we can take with your money. We will then be accountable for managing the portfolio to the agreed investment mandate, whilst making the day to day

investment decisions. We will also keep you informed through regular valuations and reviews.

Your financial adviser remains a critical part of the service and we work in partnership; your adviser will keep us up to date with any changes in your circumstances or financial plan, whilst regularly reviewing our performance to ensure that we remain the right solution for your needs.

We are a privately-owned firm, mainly by the working directors and staff, which maintains our focus on clients and their longer-term needs. We are proud to be unencumbered by external shareholders and the associated conflicts of interest that might arise. This means that we remain free to choose the right investments for you from the enormous range available.

Navigating through challenging and difficult markets requires expertise, experience and resources, a combination that City Asset Management has offered investors for over 30 years.



Bespoke Discretionary Management



Model Portfolio Service

Why use a discretionary manager?

Enjoy the peace of mind that comes with the knowledge that your money is being managed by specialists with true investment expertise.

There are many investment solutions available, but your adviser has suggested discretionary management for several reasons:

A WIDER INVESTMENT UNIVERSE

Discretionary portfolios are managed by professional investment managers on behalf of retail clients, which means that they can invest in securities that are not available to the public directly or via financial advisers. This results in a portfolio that can draw from a much wider range of investment opportunities and as many of these investments are “institutional” they can also have lower costs. As City Asset Management is an independent privately-owned firm with no products of our own, we are unbiased when it comes to choosing investments for your portfolio.

A PERSONAL RELATIONSHIP & SERVICE

Good financial advisers understand that managing a large portfolio takes time and, by recommending a discretionary manager, you can enjoy the benefits of a dedicated, professional investment manager who can work with you and your adviser to help achieve the financial plan. We can take the time to understand your needs and objectives so that we can provide an investment service that is personalised around your specific requirements.

ACTIVE INVESTMENT & TAX MANAGEMENT

Your investment manager will be constantly balancing the opportunities that the market offers versus the risk of capital loss. Our real return proposition has capital preservation at its core and whilst markets fall as well as rise, we understand that when they fall, our clients will want more information and reassurance.

In addition, we will be doing our utmost to manage the income and capital gains tax position as well as using your ISA and other allowances. By working with you and your adviser, we aim to structure your portfolio to be as tax efficient as possible.

We never forget it is your money, so we can also meet other personal wishes, such as your individual income requirements and investments that you might prefer to avoid or favour.



You, your adviser and us

Whilst we work with both you and your adviser, you remain at the centre of the relationship.

Whilst you will enjoy direct access to a dedicated investment manager and their team, your adviser will remain at the centre of the relationship. Your adviser will monitor our performance whilst keeping us up to date with any changes in your financial plan or circumstances that might have a bearing on the portfolio. This will be in addition to any regular or ad hoc review meetings that you might require.






Our goal is to work with you and to deliver the investment returns needed to achieve the financial plan that supports your lifestyle and objectives.

The aim is to leave you feeling more in control of the bigger issues such as the overall strategy and amount of risk that you want to take with your money.

Why City Asset Management?

Our 'Real' services focus on delivering real returns (returns above inflation) after our costs, whilst carefully managing risk and avoiding permanent loss of capital.

Our award-winning discretionary services are set out below and can be tailored to provide income if required.

Service	Objective*	Risk as a % of global equities
Real2 	To outperform CPI + 2% p.a. net of portfolio costs, over the investment cycle	35% - 50%
Real3 	To outperform CPI + 3% p.a. net of portfolio costs, over the investment cycle	50% - 65%
Real4 	To outperform CPI + 4% p.a. net of portfolio costs, over the investment cycle	65% - 80%
Growth	To outperform the MSCI PIMFA Growth Index, over the investment cycle	70% - 90%
Global Equity	To outperform the MSCI PIMFA Global Growth Index, over the investment cycle	100%



This icon means a sustainable portfolio is also available for the service. Please ask your financial adviser if you want to know more.

* A minimum commitment period of 7 years is recommended to achieve the mandates more.

We also appreciate that our responsibility as a wealth manager runs far deeper than generating portfolio returns. We treat each client uniquely and seek to understand their personal desires and needs. We won't shy away from your calls, questions or concerns.

THE KEY FEATURES OF OUR APPROACH INCLUDE:

- A focus on delivering returns well above inflation after our costs.
- Performance benchmarks that have always risen in value, regardless of what global markets have done.
- An approach that targets genuine wealth creation which, in turn, supports your life goals.
- Inflation plus benchmarks cannot be bought which gives us the freedom to hunt for returns as we are not tied to a list of assets chosen years ago.
- A philosophy that enhancing your spending power is success. Outperforming a falling benchmark, in our view, is not.

What makes us different?

Inflation is a powerful force that can seriously erode your spending power and wealth.

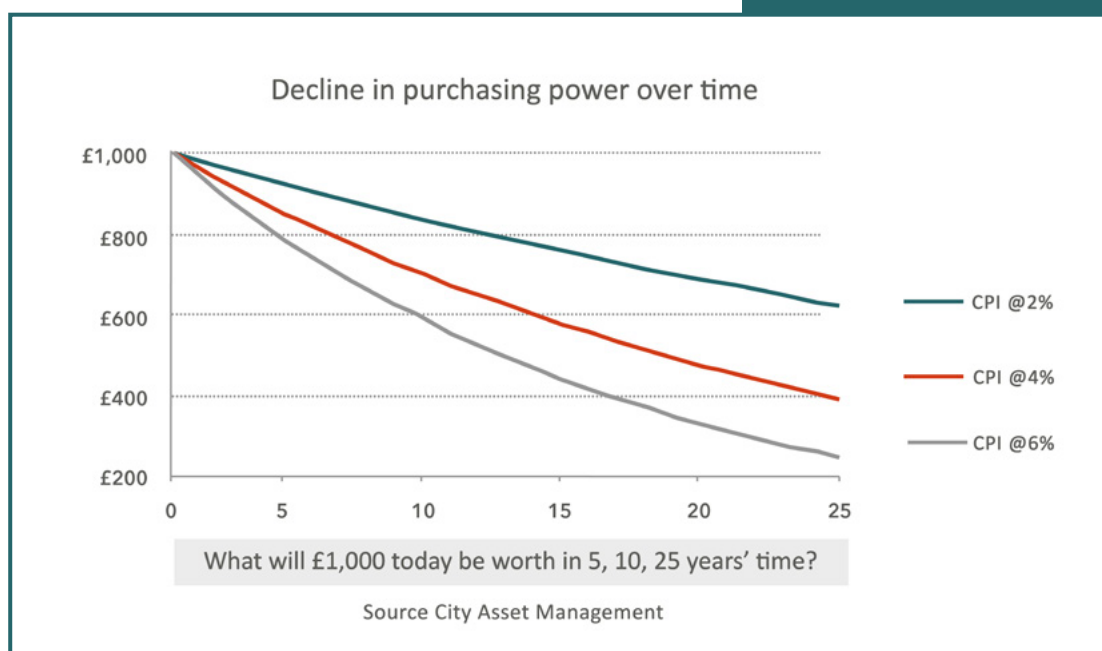
We believe that most investors have the objective of creating wealth whilst taking on a sensible level of risk.

Wealth creation is achieved when the rate of return you earn on your savings exceeds the cost of living and so we focus on ensuring our clients' portfolios grow at a higher rate than inflation, as measured by UK Consumer Price Inflation (CPI). Therefore, our core services are measured against a benchmark comprising of inflation plus an annual percentage after our costs.

By increasing your real wealth, we hope to support you in fulfilling your other objectives.

The Bank of England has been targeted by the UK Government to keep inflation at 2%pa. and the chart below demonstrates how much £1,000 might be worth in the future assuming inflation of 2%, 4% and 6%pa.

“Inflation is as violent as a mugger, as frightening as an armed robber and as deadly as a hit man.”
Ronald Reagan



Inflation at just 2%pa. for 25 years will reduce the value of £1,000 to £622 in today's money.

Inflation plus benchmarks prioritise creating wealth over beating the market

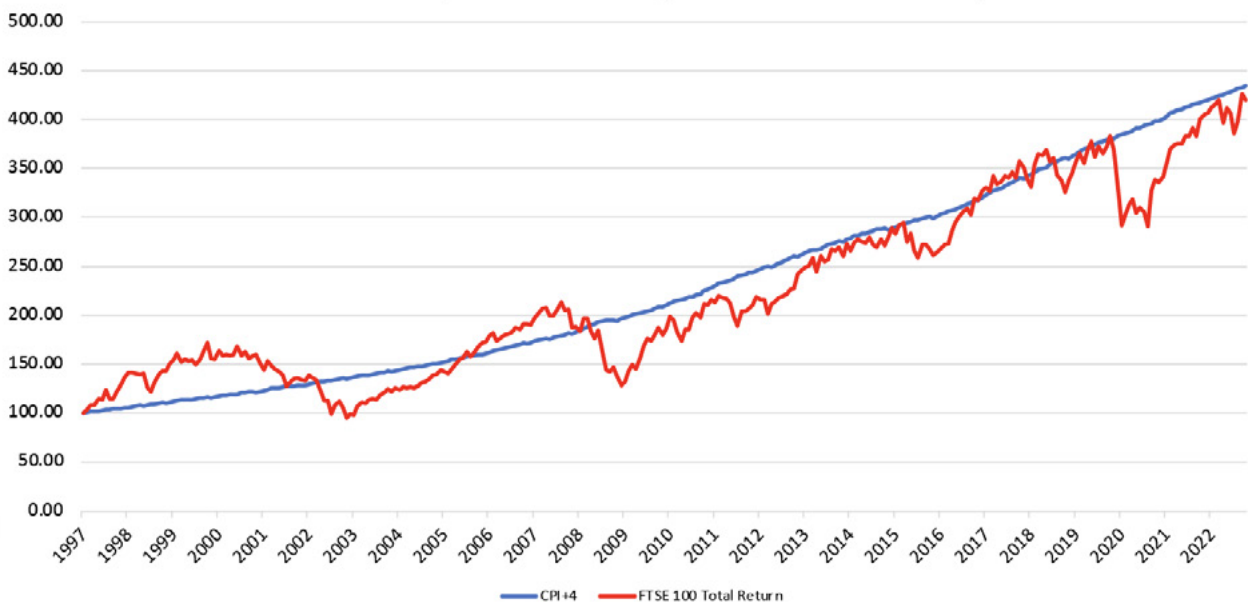
Our focus is on wealth creation with underlying capital preservation because there can be lengthy periods when stock markets do poorly. We understand that many clients will need their portfolios to support their lifestyle and that their wealth cannot easily be replaced.

Our approach is more balanced than tracking market performance as it allows us to more readily avoid very high-risk investments or to leave markets when they become irrational.

We believe that our inflation plus benchmarks are more directly aligned with clients' expectations than just chasing the value of stock markets. In addition, we are very conscious of being judged against benchmarks that have never fallen in value which naturally makes us more considered in our approach.

“Beating a benchmark is a hollow victory, if investors cannot meet their financial goals.” Amin Rajan

UK CPI+4% p.a VS FTSE 100 (March 1997 - Dec 2022)



Source: City Asset Management

Inflation plus benchmarks still offer a very challenging measure of success as the chart above shows. This compares the benchmark for our Real4 service (CPI+4%pa.) to the total returns from the FTSE 100 index which measures the total return from an investment into the UK's top 100 company shares after costs. As can be seen, the overall returns are similar over the longer term, but we aim to achieve this level of performance with more consistency and less volatility.

Alternative Investment Market (AIM) Portfolio Service



These days you don't have to be particularly wealthy to suffer a large inheritance tax bill after death, but our AIM Portfolio Service could help your client pass on more of their wealth.

Our AIM Portfolio Service could help you to pass on more of your wealth to your family. Your financial adviser will have discussed the risks and benefits of various approaches before recommending that you consider our AIM IHT service.

Our AIM IHT service was launched in 2004 and has a long track record of success. It is designed to help you take advantage of the generous tax breaks that are available to qualifying small businesses. This legislation is not new or contentious as Business Relief was introduced in 1976 and aims to provide relief from Inheritance tax for small business owners.

To benefit from this legislation, we will create and manage a portfolio of shares listed on the Alternative Investment Market that meet all the government requirements for Business Relief. This means that the shares should be free of inheritance tax after only 2 years, provided you own them at the date of death.

AIM investments tend to carry a higher level of investment risk and to help manage this our team focuses on profitable, cash generative companies in preference to early stage or unprofitable ventures. Despite our cautious approach, you should consider this investment carefully as it is only available if you can invest a minimum of £100,000 and are willing to accept a higher degree of risk.



“Inheritance Tax; - it is, broadly speaking; a voluntary levy paid by those who distrust their heirs more than they dislike the Inland Revenue.”
Roy Jenkins M.P.

Important Information: The AIM Portfolio service should be regarded as high-risk because AIM investments can fall or rise much more than larger companies shares that are listed on the main London Stock Exchange. The securities purchased within the AIM service can be illiquid and therefore it may be difficult for us to sell them, or to achieve a fair price at certain times. Estate planning is complex and this investment is not suitable for all investors. It is important that you understand the risks involved and you take financial advice before investing in this service. We cannot guarantee that the investments we make will qualify for BR in every case in the future. HMRC only conduct the BR assessment after the death of the investor. It is essential that you seek the advice of a financial adviser.

How secure are my investments?

The Financial Conduct Authority aims to promote competition and therefore all discretionary managers adhere to the same standard when it comes to safeguarding your assets.

City Asset Management, in common with many of our industry peers, uses a specialised provider to hold client money and assets. Platform Securities LLP is an award-winning custodian, owned by a large US parent company. Platform Securities are currently responsible for around £20 billion of assets in the UK and provide the very highest levels of services to us to support custody of assets, client money protection and administration. There are 4 key elements that apply to the wealth management sector and to our relationship with Platform Securities that are designed to keep your assets secure:

SEPARATING YOUR ASSETS FROM THE FIRM'S

We are not allowed to mix or use your assets in our business activities. Therefore, we must keep our company money totally separate from client funds. This means that in the unlikely event that we have become insolvent, our creditors would have no legal right to your assets.

NOMINEE ACCOUNTS & CLIENT ASSETS

To hold your investments outside of the company we (like many wealth managers) use a large custodial firm, Platform Securities. Holding and running client money has become increasingly complex and partnering with a major custodian means that you benefit from greater resources, excellent technology and enormous experience in this field. Furthermore, Platform Securities have the infrastructure to ensure outstanding coverage during difficult situations when business continuity may be threatened, such as power cuts and cyber-attacks. Every year, Platform Securities are audited for financial strength and compliance with the client money and asset rules. In addition, Platform Securities go through a further annual audit of their systems and controls, resulting in an assurance report on internal controls. Both external audits are independently conducted by major accountancy firms and reports on Platform Securities' controls and resources are regularly submitted to the FCA. In holding your assets, Platform Securities must comply with a detailed and stringent regime of rules imposed by the FCA and your assets will, at all times, be segregated from those of City Asset Management and those belonging to Platform Securities.

Oversight of Platform Securities is a key function for us. We have in place a detailed system of review, including regular meetings and visits to ensure that we fully

understand Platform Securities' operations at all times. This will enable us to be completely satisfied that client money and assets are segregated and fully accounted for and that administrative functions are running smoothly. Your assets are protected by the Financial Services Compensation Scheme in the same way as if you held them in your own name.

CLIENT MONEY

To keep your cash outside of City Asset Management, Platform Securities will hold this on behalf of you. Client money is actively managed through a network of banks carefully chosen by Platform Securities. Interest, where applicable, is calculated daily and credited to your accounts on a monthly basis. We closely monitor the banks that Platform Securities select to hold your money and, in selecting and monitoring these banks, Platform Securities must always act in accordance with the stringent FCA rules in this area.

REGULATORY CAPITAL

The Financial Conduct Authority recognises that businesses can fail and they require firms to always hold enough capital so that, in the event of failure, there are sufficient funds to pay for the administrator to transfer your assets and cash to a new firm. Generally, firms hold more regulatory capital than the minimum requirement. At City Asset Management, our policy is to hold at least 350% of the minimum capital adequacy requirement.

In addition, in the unlikely event that there might be insufficient funds to facilitate the transfer of assets to a new firm, the Financial Services Compensation Scheme provides further coverage of up to a maximum of £85,000 per person per firm.

City Asset Management - your real solution

An award-winning proposition, built to deliver real returns over the investment cycle, that helps create the wealth needed to fund your aspirations.

In summary, choosing City Asset Management offers you:

- A focus on wealth creation through real return investing.
- A personal service that is individually customised around your needs and objectives.
- A dedicated investment manager and team to work with you.
- A privately owned, independent firm which means no product or investment bias.
- Online and quarterly valuations along with regular reviews.
- An all-inclusive clean fee on our Real services.

Our goal is to provide you with the peace of mind that your investments are in the right hands and that we are all aligned in achieving your financial goals.





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