HOW TO CHOOSE YOUR INVESTMENT MANAGER

A guide for Trustees – in plain English

THE TRUST PARTNERSHIP

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Contents

The Trust Partnership

The Trust Partnership was established in 2005 by Benjamin Janes to enable charitable foundations to achieve their objects more efficiently and more effectively. More information can be found on page 11 or at www.TheTrustPartnership.com. For any questions arising from this publication please contact Benjamin Janes on 01285 841 900 or Benjamin@TheTrustPartnership.com

This publication

This publication has developed from the guidance we provide to our clients and is intended as an introduction for Trustees of charitable funds to the arena of investment and investment managers. This document is not investment advice and will not tell you how to invest. Its purpose is to help trustees make the right decisions to steer them towards the most appropriate Investment Manager – should they choose to use one.

Please note there is a glossary on page 10.

Chawker & Co

Chawker & Co delivers award winning London based independent investment advice to charities, private clients, and institutions so that they can be empowered by the firm's perspective, knowledge and understanding. In November 2015, and again in 2016, Chawker was awarded the accolade of being recognised as one of the top investment consultants by thewealthnet.

Filanthropia Consulting

Filanthropia Consulting provides advice on charity law and practice, including Trustees' powers of investment, advice on the application of charity funds, the expenditure of permanent endowment and adopting the total return approach. Filanthropia Consulting works closely with The Trust Partnership by providing legal and related support to assist it in helping charities operate more efficiently and effectively.

1	The Trust Partnership
1	This publication
2	The Trustee Act 2000
2	Doing your duty
3	How is the money used?
4	Risk and ethics
5	Investment Policy Statement
5	Investment Review
5	Independent consultant
6	Do you need an investment manager
7	How do you choose an investment manager
7	What to ask an investment manager
8	Using two investment managers
8	The agreement
9	Questions to ask the Investment Manager – checklist
10	Glossary
11	About The Trust Partnership
12	About Chawker & Co
13	Appendix A A selection of charity fund managers

How to choose your investment manager

The Trustee Act 2000

The replacement of the Trustee Investment Act 1961 with the Trustee Act 2000 introduced a statutory duty of care* and imposes far greater duties and responsibilities on Trustees regarding the management of the funds under their control. These duties and responsibilities include, amongst other things, the requirement to obtain appropriate advice (unless the Trustees have good reason for not doing so) and to regularly review (a) your investments (to ensure that they are suitable and diversified, as appropriate) and (b) your investment policy. This can introduce worries about whether you are doing the right thing and may also lead to Trustees being over cautious.

*Trustees must use reasonable care and skill in all aspects of their role, including in relation to their charity's investments. If a Trustee has, or claims to have, any special knowledge or experience or is acting in a paid or professional capacity, he/she will have a higher duty of care.

The Charities (Protection and Social Investment) Act 2016

The Trustee Act 2000 gives Trustees a general power to make financial investments (subject to relevant duties and responsibilities and to any restrictions in the charity's governing document(s)). From July 2016, pursuant to the Charities (Protection and Social Investment) Act 2016, Trustees of all charities, except those established by Act of Parliament or Royal Charter, now have a statutory power to make social investments. "Social investments" are investments made with a view to both directly furthering the charity's purpose and achieving a financial return for the charity.

Please see page 12 for further details regarding social investments.

Duty of prudence

Trustees have various duties, including the duty of prudence. Pursuant to this duty you must, amongst other things

- *ensure that the charity is and will remain solvent; this means that you need to keep yourself informed of the charity's activities and financial position.*
- *use charitable funds and assets wisely, and only to further the purposes and interests of the charity.*

You must be aware of the restrictions of the governing documents regarding the management of the funds especially if they are permanently endowed and, for example, if there are any ethical or specific constraints.

How to choose your investment manager

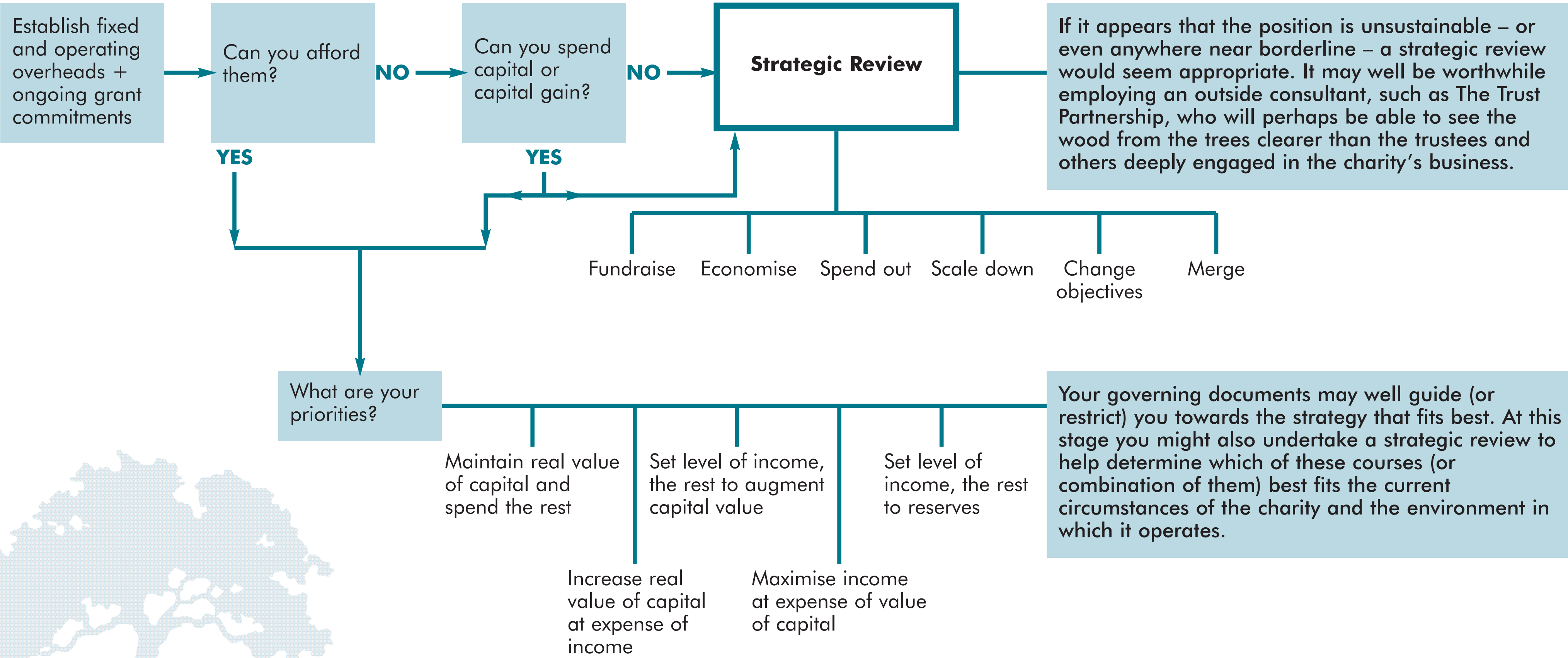
The first question is:

How is the money used?

1) Ideally, and if your charity sets out to provide services over a period of time, you should create sufficient financial return (together with other income) to carry out its purposes effectively and without interruption.

2) Usually, you should at least maintain the value of invested funds.

You may know the answers to these questions or perhaps they have never been asked, but it may be worth going back to the basics to establish a sound argument for this whole process.



How to choose your investment manager

With the basic strategy established, you can also think about:

Risk

Trustees' duty of prudence includes taking special care when investing the charity's funds. It is not usual – and trustees would need a valid and recorded reason – to accept high risk levels.

Reserves

Reserves policies as much as investment objectives require significant thought. Do you need to ensure that you can cover grant expenditure in future years? Are funds for this purpose held separately or under the same mandate as your endowment? Will income from your endowment, if you have one, cover this? Do your governing documents allow you to spend capital if necessary?

Social investments

Would it be appropriate for you to make social investments on behalf of your charity?
Note that the exercise of the new statutory power to make social investments (available from July 2016) is subject to (a) any restrictions in the charity's governing document(s); (b) the statutory duty of care; and (c) the Trustees having taken advice, as appropriate, and satisfying themselves that investing in this way would be in the interests in their charity.
Please see page 12 for further details.

Ethics

Ethical / Social Responsibility
The charity's governing documents may expressly restrict the nature of investments of its funds or there may well be practical or commercial reasons to do so.

Trustees are not free to use their investment powers to make moral statements at the expense of the charity, but there may be valid considerations in applying ethical restrictions.*

Please bear in mind that in 2003 – 09 the FTSE all share index returned 87%; over the same period the FTSE4good index returned 78%.

£1m invested over that period in the ethical index would have cost £90,000.

Of course past performance is no guarantee of future performance and other ethical funds would have different results.

* – where the investment conflicts with the aims of the charity
– where it might alienate supporters
– on moral grounds but where it would not risk financial detriment

How to choose your investment manager

Now you should review your:

Investment Policy Statement*

which must be in place before the investment manager is appointed. It gives guidance to the investment manager, clarifying his responsibilities and the extent of his authority. The preparation of the policy statement cannot be delegated to the investment manager, but you can take independent advice.

You must keep under review the arrangements under which your investment manager acts. As part of this review you must consider whether the policy statement needs revising or replacing and whether it is being complied with. An **Investment Review** or **Performance Review** would typically consider:

- is the policy statement relevant and does it need revising or replacing?
- is the policy statement followed?
- how have the funds been performing recently?
- does the investment mix realistically reflect the expected return?
- are the existing investment managers still the right people for the job?
- are you receiving the right information in the right manner to enable you to fulfil your duty?

The Review will not necessarily result in the change or even consideration of a new investment manager but it is an exercise that you must undertake periodically in any case.

You may be able to do this in house or feel that it is more appropriate to use an

Independent consultant

There are many organisations offering this service at varying levels of cost and involvement, such as Chawker & Co — please see page 14. Their specialist knowledge of the market, the products on offer, the personalities involved and the processes that need to be completed often makes a worthwhile contribution. However Trustees cannot delegate the final decision.

* The policy statement might contain guidance in the following areas:

- The charity's aims in investing its funds, including its position on risk
- An indication of the trustees' asset allocation strategy
- The benchmarks and targets by which the performance of the manager will be judged
- The charity stance on ethical investment
- The balance between capital growth and income generation which is sought by the charity (or the nature of the charity's total return policy)
- The scope of the investment powers
- How often this policy will be reviewed

How to choose your investment manager

The next question is:

Do you need an investment manager?

The alternatives are:

investing it yourself –

– you may be very clever

– you may risk your reputation and your charity's funds and indeed may lay yourself open to allegations of imprudence.

– you will save on fees, but you might have higher transaction or dealing charges.

buying a tracker fund –

– your return in the past ten years would have been above most fund managers' advertised results

– it will cost you less – perhaps 0.25%

– the fund may underperform the index

– your income may fluctuate beyond your requirements

– it will be more open to the vagaries of one class of the market – e.g. equities.*

buying a charity fund or indeed any other managed fund –

– may be appropriate and prudent in some circumstances.

putting it on deposit / in the bank –

– your income would be relatively fixed

– your return in the past ten years would have been well below most fund managers' advertised results.

* Excluding wine and other idiosyncratic investments, equities have proved to be the best investment in the long term. However, equities can have periods of unerperformance. In modern times they have underperformed in terms of both value and growth, for up to 20 years, languishing low down in the selection of investment vehicles. But recently they have been doing rather well.

Traditional investment managers may not be the ideal solution to your situation, yet they are far and away the most preferred route for charities to invest their funds. They are more likely to be safe (or at least fulfil the need for Trustees' prudence) and manage the income flow properly, but are unlikely to be much better or worse than average – despite the huge resources directed at research and analysis often to a dizzying depth of detail. In most cases they are too big and perhaps too prudent to make radical changes in investment philosophy and the best they can do is to shift emphasis thus slightly (not fundamentally) improving your fund's performance.

How to choose your investment manager

If you have come to the conclusion that you need an investment manager (in most cases you will already have one and may be seeking to change or compare),

How do you choose an investment manager?

You will be facing a difficult decision which Trustees cannot delegate. The investment managers in your final short list will all have their good points and less good points. Because the future is uncertain you can never know if you are making the right choice, but if you have done your homework it is unlikely that you will be making a bad choice. Inevitably your decision will be influenced by the style of the investment house and the personalities you will be facing across the table. Sleeping easy is an important part of the package.

You, as Trustees, must ensure that you are satisfied with the research that you or your agents have done, that is specific to your charity and its particular situation and requirements before making any decision about its investments or any power of delegation you grant.

You might employ an independent consultant, such as Chawker & Co, to help you ensure that you have all of the right information to support your decision.

What to ask an investment manager

You should have your policy statement – at least outlined – at this stage and you will be seeking the investment manager most able to comply with it. Of course your policy may change as you go through this process, but it is a good reference point.

The main areas for discussion are

1) Investment Strategy – how your portfolio is constructed, and why
2) Fees – what it will actually cost
3) Reporting and liaison – what and who you will see and how often
4) Experience and strength – is the team and the firm solid
5) Compatibility – are you comfortable with the firm's style and its people.

The key questions that your prospective Investment Manager must answer, and some others points you might like to think about, are shown in The Trust Partnership's checklist on page 9.

How to choose your investment manager

You can now consider:

Using two investment managers

More frequent with larger funds. Likely to reduce risk while increasing cost, but more work for Trustees.

Using 'half' an investment manager

If your policy is to invest a proportion of your assets in one particular fund or investment, it may not be necessary to include them in the remit of the investment manager (they should of course know about this and accommodate its influence in their strategy). There may be considerable savings to be made in giving the investment manager only that part of your portfolio which needs to be managed.

If you are not appointing an investment manager, but only buying a fund, an agreement of this nature may not be necessary, unless additional services are being offered.

And when you have chosen your investment manager(s) you must ratify your decision.

The agreement

It must be

- in writing (or at least evidenced in writing), and it must include a provision that the investment manager will comply with the policy statement
- in place before the investment manager starts to act
- reported in the minutes

It usually must not

- allow the manager to appoint a substitute
- reduce the normal duty of care
- place a cap on his liability
- let him act in circumstances giving rise to a conflict of interest.

Do not necessarily accept the standard form of agreement – investment managers are competitive and you may be able to better the terms they offer.

Read and understand the small print – or get advice from an expert.

There is often some sort of introducer's fee nestling in their charges and it may not be declared unless asked – if there is no introducer, then this fee should be rebated to the charity. Try at least to get the first six month's fees waived.

Always keep on top of your investment manager – regular reviews are often time and money well spent.

Key questions for your investment manager

What investment strategy would you recommend to achieve the stated objectives (having regard to the Investment Policy Statement), demonstrating your approach to diversification?

What would our portfolio look like with this strategy? Please provide a sample portfolio to deliver the objectives and the required annual income.

How have similar portfolios with similar objectives performed in the last three years? Please provide evidence.

What are your annual management fees and charges?

What would the Total Expense Ratio be for the proposed portfolio? We want to understand the cost impact of underlying pooled fund charges whether your own or with third parties.

Can you confirm that you can provide quarterly valuations, an annual tax package and be available to meet with the Trustees once a year (or as required)?

THE TRUST PARTNERSHIP CHECKLIST

1 INVESTMENT STRATEGY

Research
- [ ] who by
- [ ] how is it done
- [ ] who oversees it
- [ ] what authority does the research team have/impose
- [ ] is the person making investment decisions part of the research team

Style
- [ ] balanced
- [ ] value
- [ ] growth
- [ ] passive
- [ ] global
- [ ] Pooled v Segregated
- [ ] Cash management

Portfolio construction
- [ ] 1st stage
- [ ] 2nd stage
- [ ] automatic restrictions
- [ ] discretion of fund manager
- [ ] checks on portfolio as it is constructed/adjusted

Imposed restrictions if required
- [ ] ethical – how are these defined/categorised
- [ ] ethical – how are these verified
- [ ] max % of portfolio in a single investment
- [ ] only assets that are readily realisable
- [ ] derivatives only for hedging purposes
- [ ] no stocklending

Portfolio review
- [ ] how often
- [ ] who by
- [ ] how is it done
- [ ] what is checked

General Risk management
- [ ] what is the firm's overall risk management policy

Benchmark
- [ ] philosophy
- [ ] use

2 FEES

Investment Management
- [ ] investment manager
- [ ] 3rd party
- [ ] own investment trust
- [ ] trail
- [ ] performance

Transaction
- [ ] investment manager
- [ ] agency broker
- [ ] front end loads
- [ ] stamp duty
- [ ] soft commission

Custody and Administration
- [ ] custodian
- [ ] handling
- [ ] collection
- [ ] special services
- [ ] 3rd party

Cash Management
- [ ] deduction
- [ ] inferior interest rate
- [ ] interest before deposit paid out

Other
- [ ] introductory
- [ ] audit
- [ ] personnel
- [ ] special reports
- [ ] any other
- [ ] guarantee that these will not increase
- [ ] illustration for proposed portfolio
- [ ] estimate of total expense ratio
- [ ] to which of the above does VAT apply
- [ ] are there any other fee terms options available

3 REPORTING AND LIAISON WITH CLIENT

Reports
- [ ] frequency
- [ ] format
- [ ] internet access

Liaison
- [ ] principal contact
- [ ] authority and responsibilities
- [ ] portfolio manager (if not above)
- [ ] to whom do the above report
- [ ] who will attend meetings

4 EXPERIENCE AND STRENGTH

Firm
- [ ] date founded/how long trading
- [ ] ownership
- [ ] reputation
- [ ] size – staff/capitalisation/funds under management
- [ ] global representation
- [ ] interaction with parent/subsidiaries

People
- [ ] histories of principal personnel
- [ ] history of the team
- [ ] experience of managing charity investments

Back Office
- [ ] location
- [ ] structure
- [ ] custodial arrangements

5 COMPATIBILITY
- [ ] structure of firm
- [ ] style of firm
- [ ] principal personnel
- [ ] reporting
- [ ] intangible

Glossary of terms used by investment managers

ABSOLUTE RETURN FUND incorporates the Absolute Return philosophy – often a hedge fund.

ABSOLUTE RETURN is the appreciation or depreciation that an asset achieves over a given period of time. It is not compared to any other measure or benchmark.

ALPHA is an index used to measure performance having taken into account its perceived risk. Generally, positive alpha is good.

ASSET ALLOCATION is choosing the mix of different Asset Classes. This is a fundamental tool of many investment managers who firstly determine which classes are most likely to prosper before deciding which stock or even sector within each Asset Class they will buy or sell.

ASSET CLASS is a distinct type of investment, e.g. UK stock, cash, overseas property.

BASIS POINT is 1/100 of one percent. 50 basis points = 0.5%

A **BOND** is issued for a period of more than one year with the purpose of raising capital by borrowing. Generally, a bond is a promise to repay the principal along with interest (coupons) on a specified date (maturity).
http://www.investorwords.com/521/bond.html

BOTTOM-UP is constructing a portfolio by identifying the best stock or companies that fit the portfolio.

CHARITY AUTHORISED INVESTMENT FUND (CAIF) is a new type of common investment fund (CIF) for charities which, unlike a CIF, is regulated by the Financial Conduct Authority. The CAIF preserves many of the advantages of the CIF, as well as having additional benefits. Existing CIFs may choose to convert to a CAIF.

CLEAN FEE means the fund management fee is already deducted.

COMMON INVESTMENT FUND is a pooled investment fund set up specifically and exclusively for charities. It is a charity in its own right and benefits from some tax advantages e.g. no stamp duty. There are scores of these funds specialising in many different areas and classes.

DISCRETIONARY management allowing the manager to act at his discretion. The limit of this discretion can be restricted in the agreement.

EQUITY is ownership in a business (usually a PLC) in the form of a stock, is usually valued daily and is usually easily tradeable on the stock market.
http://www.investorwords.com/1726/equity.html

FTSE ALL SHARE INDEX measures the performance of the London equity market and includes all eligible companies listed on the London Stock Exchange's main market. http://www.ftse.com/Indices/UK_Indices/Downloads/FTSE_All-Share_Index_Factsheet.pdf

FTSE4GOOD INDEX has been designed to measure the performance of companies that meet globally recognised corporate responsibility standards. It is one of several indices that relate to ethical investment – it is by nature general and may not be relevant to your particular ethical criteria. http://www.ftse.com/Indices/FTSE4Good_Index_Series/index.jsp

FUND – CLOSED END is a publicly traded investment company that raises a fixed amount of capital through an initial public offering. The fund is then structured, listed and traded like a stock on a stock exchange.

FUND – OPEN END is a type of mutual fund where there are no restrictions on the amount of shares the fund will issue. If demand is high enough, the fund will continue to issue shares no matter how many investors there are. Open-end funds also buy back shares when investors wish to sell.

FUND is a mixture of assets which is traded as one collective entity through the buying or selling shares in it. A fund can be closed ended or open ended.

GIPS or Global Investment Performance Standards are voluntary and based on the fundamental principles of fair disclosure. To claim compliance, an investment firm must demonstrate adherence to comprehensive and rigorous rules.
http://www.gipsstandards.org/about/index.html

GROSS OF FEES is the result including fees. (What fees are included may vary).

MODIFIED DIETZ METHOD evaluates a portfolio's return on a time weighted basis and is more accurate than more basic methods.

NET OF FEES is the result excluding fees. (What fees are excluded may vary).

ON-GOING CHARGES FIGURE (OCF) is the new term for the total expense ratio (TER) and gives the most accurate measure of what it costs to invest in a fund. It is made up of the annual management charge (AMC) and a variety of other operating costs. These charges cover the cost of running the fund. They include administrative costs such as maintaining records, producing reports and calculating the daily unit price, as well as the research that goes into deciding what assets to buy and sell.

PASSIVE INVESTMENT or **EXCHANGE TRADED FUND**. A simple definition is, 'an investment fund that is usually traded on a registered Stock Exchange and aims to replicate the performance of a particular asset or investment index, such as the FTSE100 index of UK shares. As these funds do not employ a manager to select particular investments, they tend to be cheaper than actively managed investment funds.

Glossary of terms used by investment managers

PERMANENTLY ENDOWED FUNDS have been given to the charity on the basis that the capital is to be held and maintained in perpetuity and only the income generated can be used by the charity . The donor's intent when making the gift may be specific or restricted only by the charity's governing documents. The law now allows Trustees to spend permanent endowment in certain circumstances, but you may need to obtain Charity Commission prior consent.

POOLED FUNDS are typically common investment funds (for charities only) and other funds e.g. unit trusts which may be the firm's own product or products of other investment managers.

RPI is the retail price index which measures the rate of inflation.

SEGREGATED FUNDS are individual stocks, bonds etc with which a portfolio is constructed.

STAMP DUTY is a tax payable on the purchase of UK shares – generally at 0.5% of what you pay for them and is usually deducted at the time of purchase. This is rarely included in the fees quoted by an investment manager.

http://www.direct.gov.uk/en/moneytaxandbenefits/taxes/beginnersguidetotax/dg_10010529

TARGETED RETURN FUND seeks to provide a set total return (usually above inflation). If it works, this enables the Trustees to plan expenditure over a longer period than perhaps one year. See also Total Return for problems with governing documents.

TOP-DOWN is imposing a structure on a portfolio before considering the individual stocks or companies.

TOTAL EXPENSE RATIO (TER) is a measure of the total costs associated with managing and operating an investment fund, such as a mutual fund. These costs consist primarily of management fees and additional expenses, such as trading fees, legal fees, auditor fees and other operational expenses. The total cost of the fund is divided by the fund's total assets to arrive at a percentage amount, which represents the TER, most often referred to as simply "expense ratio".

TOTAL RETURN is the sum of dividends, interest, and capital gain or loss. Using an investment manager with this philosophy, where income is not identified separately from capital gain, can create difficulties if you have a permanent endowment. You will not know whether or not you are spending the capital element of your fund – i.e. the very permanent endowment that you are not allowed to spend. If you have funds held as permanent endowment, you must not adopt a total return approach unless you have either obtained an Order from the Charity Commission (pre 1 January 2014) or from 1 January 2014 you have, subject to certain conditions, adopted by resolution the power to use a total return approach. See link below for details:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/353957/Total_return_investment_for_permanently_endowed_charities.pdf

WM CHARITY INDEX UNCONSTRAINED is a widely used benchmark calculated from the performance of about 200 charity funds. This may not be particularly comparable to your charity, but gives an indication of the performance of the charity market as a whole.

Social investments in more detail

What is social investment by charities?

The Charities (Protection and Social Investment) Act 2016 ("the Act") defines "social investment" as being an act that is carried out by a charity with a view to both directly furthering the charity's purpose and achieving a financial return for the charity. In other words, a social investment is neither a programme related investment (which furthers a charity's aims directly in a way that might also generate a financial return) or a financial investment (the purpose of which is to yield the best financial return for the charity within the level of risk deemed to be acceptable).

The term "social investment" is a relatively new one. Previously these "hybrid" investments have been referred to as "mixed motive investments" but this term is not referred to in the Act and instead only the term "social investment" is used.

An actual example of a social investment is the social impact bond issued by HM Prison Peterborough. This attracted investment of £5 million from 17 charitable foundations which was in furtherance of their charitable objects by seeking to reduce re-offending among short-sentence adult male prisoners and with the aim of achieving a financial return. A hypothetical example would be where a charity which has aims to help the disabled find employment purchases shares in a company that employs disabled people.

(Note that the Government is also keen to encourage investment in charities and social enterprises and recent initiatives have included the introduction of a new social investment tax relief).

New statutory power to make social investments

As indicated above, in reality charities have been making social investments for many years but there has been some uncertainty regarding whether Trustees had sufficient powers to do so. Pursuant to the Act, from July 2016, charities now have a clear statutory power to make social investments. Use of this power will be subject to any restrictions in a charity's governing document(s).

This new power applies to all charities except those established by Act of Parliament or Royal Charter.

There are specific provisions in the Act regarding the use of permanent endowment for social investment purposes.

Trustees' duties in relation to social investments

In exercising their power to make social investments Trustees must:

- use reasonable care and skill, including considering whether it would be appropriate to obtain advice in relation the proposed social investment (please also see the recommendation below under the heading "Charity tax exemptions and HMRC")
- consider and review any advice so obtained
- satisfy themselves that it is in the interests of the charity to make the social investment, having regard to the benefit they expect to receive for the charity – both in terms of furthering the charity's aims and achieving a financial return.

Trustees must regularly review their charity's social investments.

Charity Commission guidance CC14: Charities and investment matters: a guide for trustees

The Charity Commission has published interim guidance on the new statutory power to make social investments. This forms part of CC14 and can be downloaded from https://www.gov.uk/government/publications/charities-and-investment-matters-a-guide-for-trustees-cc14/charities-and-investment-matters-interim-guidance

Charity tax exemptions and HMRC

In order to qualify for charity tax exemption, a social investment would need to be regarded as an "approved qualifying investment". In practice this means that the Trustees would need to be satisfied that a proposed social investment would be for the benefit of the charity and not for the purposes of avoiding tax.

HMRC has previously updated its guidance to include reference to (a) social investments (or mixed motive investments as referred to in that guidance) and (b) the Charity Commission's guidance.

Despite concerns raised by some in the sector as to how Trustees will be able to justify that a social investment is for the benefit of the relevant charity and thus not liable to tax, the latest version of HMRC's guidance on approved charitable investments and loans (https://www.gov.uk/government/publications/charities-detailed-guidance-notes/annex-iiiapproved- charitable-investments-and-loans) does not provide any clarification on this point. It is recommended, therefore, that Trustees take expert advice before making social investments so that they are able to demonstrate to HMRC, as necessary, their decision making process and what information they considered as part of that process. In some cases it may be appropriate to seek prior clearance from HMRC. It should be noted, however, that HMRC has no statutory authority to give advance clearance and may not be willing to do so.

About The Trust Partnership

The Trust Partnership was established in 2005 by Benjamin Janes to enable charities to achieve their goals more efficiently and more effectively.

The firm has grown to provide a comprehensive range of services to the charitable sector on both an ongoing and one off basis. If you would like to learn more about our services and discuss how we may be able to help you, or if you would like to discuss anything about this publication, please contact Benjamin Janes on 01285 841 900 or mail Benjamin@TheTrustPartnership.com

Trust Management

We look after the business of our clients' Trusts, working for and advising the Trustees, preparing agendas, taking minutes and ensuring that decisions are implemented.

We manage compliance and regulation, policies and procedures, ensuring the charity is operating smoothly and correctly and provide the interface between Trustees and the charity commission, asset managers, accountants and professional advisers.

Grant Management

We handle the applications and evaluate each enquiry according to criteria established with you, seek further information if necessary, recommend them to you for support or, with your authority, make grants. We follow up and assess the programme's effectiveness and seek to maximise its benefit.

Accounting

We maintain clients' cash books and accounts, generate payments and cheques for Trustees' approval and produce regular management reports. We produce accounts to audit level and provide consultant accountants to audit or examine the accounts in a cost effective, budgeted package.

Telephone enquiry and help lines

A dedicated line, answered in the name of your Trust, is inexpensive and can help to reduce unnecessary applications. Trained, experienced staff engage, unscripted, with applicants to provide a highly personalised, tailored response to enquiries, often dealing with vulnerable beneficiaries. If you have high value donors or sensitive users, we can provide the informative response they need to their enquiries. For us, every call is an opportunity for excellence.

IT Infrastructure

Technicians you can rely on are vital when things go wrong. Our clients trust us to be there for them – remotely where possible to keep costs down. We can also help you avoid costly mistakes when you are thinking about what equipment and programmes you need to do your work.

Membership

Member and customer relationship management is a key part of our service. Our intelligent, engaging team handles calls sensitively, and through our fast, efficient systems, manages data and payments with professionalism. Because we take care of many organisations you gain the cost benefits of a much larger operation.

Governance and Board Effectiveness

Trustees need to have vision and to work as a team. Our expert consultants can guide, train and coach you, your Trustees and your staff to higher performance. Our bespoke Governance Review model can help to ensure that you are up-to-date and compliant.

Strategic Reviews and Investment Management Reviews

It is a responsibility of all Trustees to ensure that their charity's role reflects the circumstances in which it operates and that it does this efficiently and effectively. Our reviews of both organisational and investment strategy help Trustees meet these responsibilities.

Project Management

We can run specific projects where you do not have the necessary resources or experience. As charity specialists we deliver efficiency savings and timely results.

Chawker & Co profile

Who we are:

Chawker & Co delivers award winning London based independent investment advice to charities, private clients, and institutions so that they can be empowered by our perspective, knowledge and understanding. In November 2015 Chawker was awarded the accolade of being recognised as one of the top investment consultants by thewealthnet.

What we do:

We select, oversee, and manage the financial assets of our clients. We deliver impartial non-conflicted investment advice to give you the upper hand in investment matters. We improve, amend, and reconfigure your investment assets to get better outcomes typically for a lower overall cost.

How we are of benefit to our clients:

Clients benefit from our acumen, access, alignment of interest and accountability. There is no standardised template of services as each client has specific requirements, but there are clearly positive overlaps of experience and as a Chawker & Co client that shared experience is greatly to your benefit.

Our background:

Chawker was founded in March 2011 by Edward Goodchild to deliver client driven investment advice. The firm is FCA regulated, and Edward is both a Chartered Wealth Manager and a Chartered Fellow of the CISI. These are the pre-eminent examination qualifications from the leading professional body in financial advice (CISI).

Edward holds a current Statement of Professional Standards (SPS). He had over 20 years of experience of being a rated institutional money manager and then an experienced private banker at blue chip institutions, before establishing Chawker. As part of his on-going commitment to pro-bono work Edward is the current Chairman of the investment committee of a major historic philanthropic foundation and Trustee of a military charity.

CHAWKER & Co
award winning wealth & investment advice

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Filanthropia Consulting profile

Who we are:

Filanthropia Consulting Limited was established in 2015 by Sarah Chiappini. Sarah is a former charity lawyer who, until 2013, spent almost 19 years in private practice (most recently with Charles Russell Speechlys and Farrer & Co), specialising in charity law, trust law and certain aspects of company law and commercial law.

All services provided by Filanthropia Consulting are delivered by Sarah in her capacity as a non-practising solicitor and are covered by professional indemnity insurance. Please see the section headed "Regulatory" on the Filanthropia Consulting website for further details in this regard: www.filanthropia.co.uk.

What we do:

We provide a wide range of services to charities and not for profit organisations including, but not limited to:

- advising on Trustees' powers of investment, the application of charity funds, the expenditure of permanent endowment and adopting the total return approach
- advising on tax, trading and fundraising issues
- advising on governance and regulatory issues
- advising on restructures and reorganisations, including mergers and incorporations (using both the company limited by guarantee vehicle and the Charitable Incorporated Organisation (CIO) vehicle)
- advising on general commercial issues.

How we are of benefit to our clients:

Sarah Chiappini has a wealth of knowledge and experience in assisting charities and not for profit organisations of various types and sizes, from large household named charities to small grass roots organisations. Sarah brings this knowledge and experience with her to Filanthropia Consulting and works closely with The Trust Partnership by providing legal and related support to assist it in helping charities operate more efficiently and effectively.

More about Sarah Chiappini:

Sarah qualified as a solicitor in 1994. In 1997 she joined the charities team at Paisner & Co (headed by Anne-Marie Piper, founder and former chair and secretary of the Charity Law Association). Upon Paisner's merger with Berwin Leighton in 2001, Sarah followed Anne-Marie to join the charities team as a senior solicitor at Farrer & Co. In 2006, after a short break from private practice following the birth of her second child, she joined the charities team at Charles Russell (now Charles Russell Speechlys), as a senior solicitor working primarily from their Guildford office.

During her time in private practice Sarah participated in two Charity Law Association Working Parties; wrote regularly on charity law and related matters for both internal and external publications; and spoke regularly at charity law seminars and workshops.

Sarah is a non-executive director of Taunina Limited (company number 8812064): the UK parent company of a South African based social enterprise and she was, until recently, a Trustee and the Honorary Secretary of the Friends of Pennthorpe (registered charity number 1069070).

Sarah is a member of the Charity Law Association.

Charity Investment Managers

Our coverage of the investment managers who have charity clients is extensive. Our research is powered by the data compiled by Asset Risk Consultants (ARC), who maintain a due diligence library on over 100 investment managers in the UK and compile the leading independent performance data indices for UK charities. The following names are a sample of those whom are well known to us:

If you would like to meet with any of these firms, we would be pleased to introduce you to the most appropriate person in the business.

Barclays Wealth

Blackrock Investment Management

Brewin Dolphin

Cazenove Capital Management

CCLA Investment Management Ltd

Cerno Capital

Close Brothers

Fulcrum Asset Management

Heartwood Investment Management

Investec Asset Management

James Hambro and Partners

JP Morgan Asset Management

McInroy and Wood Ltd

Newton Investment Management

Psigma

Quartet Investment Managers

Quilter Cheviot

Rathbone Investment Management

Rothschild Wealth Management

Ruffer LLP

Sarasin & Partners llp

Schroder Investment Management

Stanhope Capital llp

Waverton Investment Management