



BREWIN
DOLPHIN

Our approach to managing money for charities

/ CHARITIES

Highlights

Specialist charity teams across the UK

Direct relationship

Discretionary portfolio

Active management

No in-house funds

Professional investment advice

Ethical screening and responsible investing

Comprehensive reporting and review

Trustee training and other events

Award-winning research team

Running a successful charity requires prudent financial management, including the appointment of the appropriate providers of financial services. Demand for charitable support and the economic and market conditions have required many charity trustees to look at their finances and review the role and management of their investments. Continued low interest rates and the search for income have also led a number of charities to consider investing for the first time.

Charity trustees and staff need not face these challenges alone. In partnering with Brewin Dolphin and our charity team, our specialist investment managers provide an investment management service in line with charity investment rules and best practice, enabling trustees to fulfil their obligations and duties.

About Brewin Dolphin

Brewin Dolphin is a FTSE 250 listed company with £32.8 billion in funds under management.

We are a UK PLC, owned by our shareholders and regulated by the Financial Conduct Authority.

We have been managing investments for charities, trusts, private clients and pension schemes for generations and manage more than £3.2 billion specifically for UK charities.

We have generations' of experience in helping charities to achieve their financial objectives and our charity team has the knowledge and understanding to assist charities with the administrative, regulatory and reporting requirements surrounding management of assets.

The value of investments can fall and you may get back less than you invested.

Our charity specialists are located in strategic locations across the UK and are dedicated to charity investment management. We understand the duty of care that applies to trustees and adhere to the investment guidance and principles of the relevant regulators: the Charity Commission, the Office of the Scottish Regulator and the Charity Commission for Northern Ireland.

We are happy to assist in the construction and review of the trustees' formal Investment Policy Statement (IPS). This brings together all the investment requirements and arrangements to ensure that the service we provide you works smoothly.

We can also assist when charity budgets are being set, given the vital contribution that investment income (and any capital withdrawals) makes to the annual plan. We recognise that both income and capital, whether treated separately or invested on a total return basis, are an essential part of balancing trustees' duties to today's beneficiaries and ones in future years.

Our service is designed not only to provide the investment returns sought by your investment strategy, but also to enable trustees and staff of charities to rely on us to understand the pressures that are relevant to the investment market and the charitable sector. In addition to a comprehensive investment service, we provide trustee training and a topical newsletter.

When we enter into a partnership with a charity, we approach it as a relationship that will last for years. So we will invest as much as is necessary in terms of time, insight, experience and hard work to fulfil your requirements. We are committed to our charity business, to managing charitable investments and to working thoughtfully with each client. In the following pages we will outline our services in more detail.

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How we manage money for charities

We know that every charity is different, so we take plenty of time to understand each organisation's unique circumstances, financial objectives and risk profile, before building a portfolio that is tailored to its specific needs.

Our initial meetings will focus upon the purpose of your investments, your Investment Policy Statement (IPS) in line with the framework of the regulators and best practice, different types of risk and your long-term financial strategy.

A client-orientated investment service

We offer discretionary portfolio management, which means that we take responsibility for managing your money in line with agreed objectives and policy, tailoring your portfolio to your requirements and in accordance with the level of risk you believe is appropriate and comfortable for your organisation.

Once we have a complete understanding of your requirements, we construct and manage your portfolio through our discretionary investment management service. This means we handle all day-to-day investment decisions subject to any constraints prescribed in the Investment Policy Statement (IPS). Trustees can be sure the money is being managed in line with their stated investment objectives at all times. Restrictions such as ethical ones can also be accommodated.

Our discretionary management offering provides an attractive solution for trustees because once the IPS has been agreed, we take responsibility for implementing the approach we agree with you. In doing so, we relieve trustees from many of the day to day responsibilities of managing money. As a wealth management company we have the insight and resources to advise you on your strategy and respond to rapidly changing market conditions on your behalf.

The value of investments can fall and you may get back less than you invested.

No investment or service is suitable in all cases and if you have any doubts as to an investment's suitability then you should contact us.

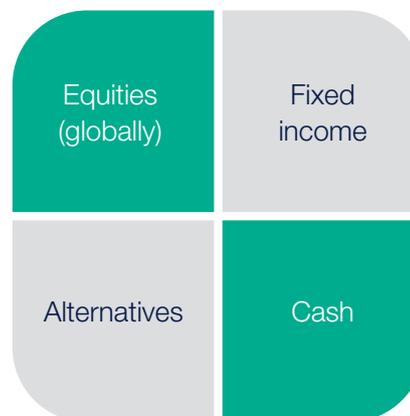
A hands-on approach

We then take a hands-on approach to investing the money; actively managing it to ensure that there is always an appropriately diversified blend of assets held within the portfolio that match the charity's aims.

We also focus on any specific income levels required and expenditure plans that the charity may have, so that we are all working towards the same goals within the same timeframe.

As the range and complexity of available investment opportunities continues to grow, extensive research into companies, markets and funds is critical. At Brewin Dolphin our investment managers are supported by our award-winning research team, which conducts proprietary research and looks in depth at the attributes of existing and potential investments to ensure they are suitable for each client.

We select investments for portfolios from the four main asset classes:



We use a blend of direct investments (i.e. individual equities) and collective investment schemes (e.g. a fund such as a charity fund or unit trust which pool together money from many different investors) to ensure diversified access across a range of asset classes, sectors and geographies, all within our robust risk and return frameworks.

Managing risk

Managing risk is an integral part of our role and we spend a lot of time understanding trustees' attitude to risk, as well as carefully managing the different types of risk inherent in investing. It is important to appreciate that risk cannot be avoided in investment; rather it needs to be managed, monitored and controlled. Leaving longer term funds in cash in the bank is very often losing money in 'real' terms (after inflation) – a situation that is likely to get worse as inflation rises, eroding the purchasing power of cash. It is therefore key that both parties understand what types of risk are acceptable before we begin the process of investing for the long term.

At the outset, we will have a detailed discussion with the trustees about their attitude to risk. We have a number of tools to help trustees assess their attitude to risk and we would work with the trustees to identify the most appropriate level of risk for their charity.

Ethical investing

Many charities reflect their charitable objectives and concerns within their Investment Policy Statement. At the outset, our charity investment managers will discuss the areas of concern with the trustees and agree how the portfolios will be screened to avoid stocks that conflict with these policy statements. The process we adopt is: discuss the criteria; check they are possible to screen; and advise trustees if they are potentially limiting the investible universe to an extent that may hinder the achievement of the financial objectives.

We are able to accommodate a wide range of negative and positive criteria and use the screening system provided by a leading global responsible investment research organisation, Vigeo Eiris. This ensures that stocks held in each portfolio are compliant with the specific policy criteria of each client. More than 40% of our clients (and 50% of the charitable investments we manage) are governed by specific ethical criteria.

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Our service and working relationship

We pride ourselves on our service to our charity clients. All of our charity clients have a dedicated charity investment team who are responsible for the management of the investments, reporting and all aspects of the working relationship.

You will have a direct relationship with your investment management team so that you can discuss any queries at any time; we do not employ relationship managers.

Regular meetings

We offer regular meetings with your charity investment team to discuss the progress of your portfolio, its outlook and to plan the strategy and priorities for the period ahead. These meetings can be with the full trustee board, with the finance or investment committee or ad-hoc meetings as required.

Understanding your needs

Charities as investors do have particular regulatory frameworks, financial circumstances and areas of concern. We believe it is valuable to charities that those working with them have empathy with their work and ambitions and can, therefore, relate the role and management of the portfolio to the work of the organisation.

Professional Investment Advice

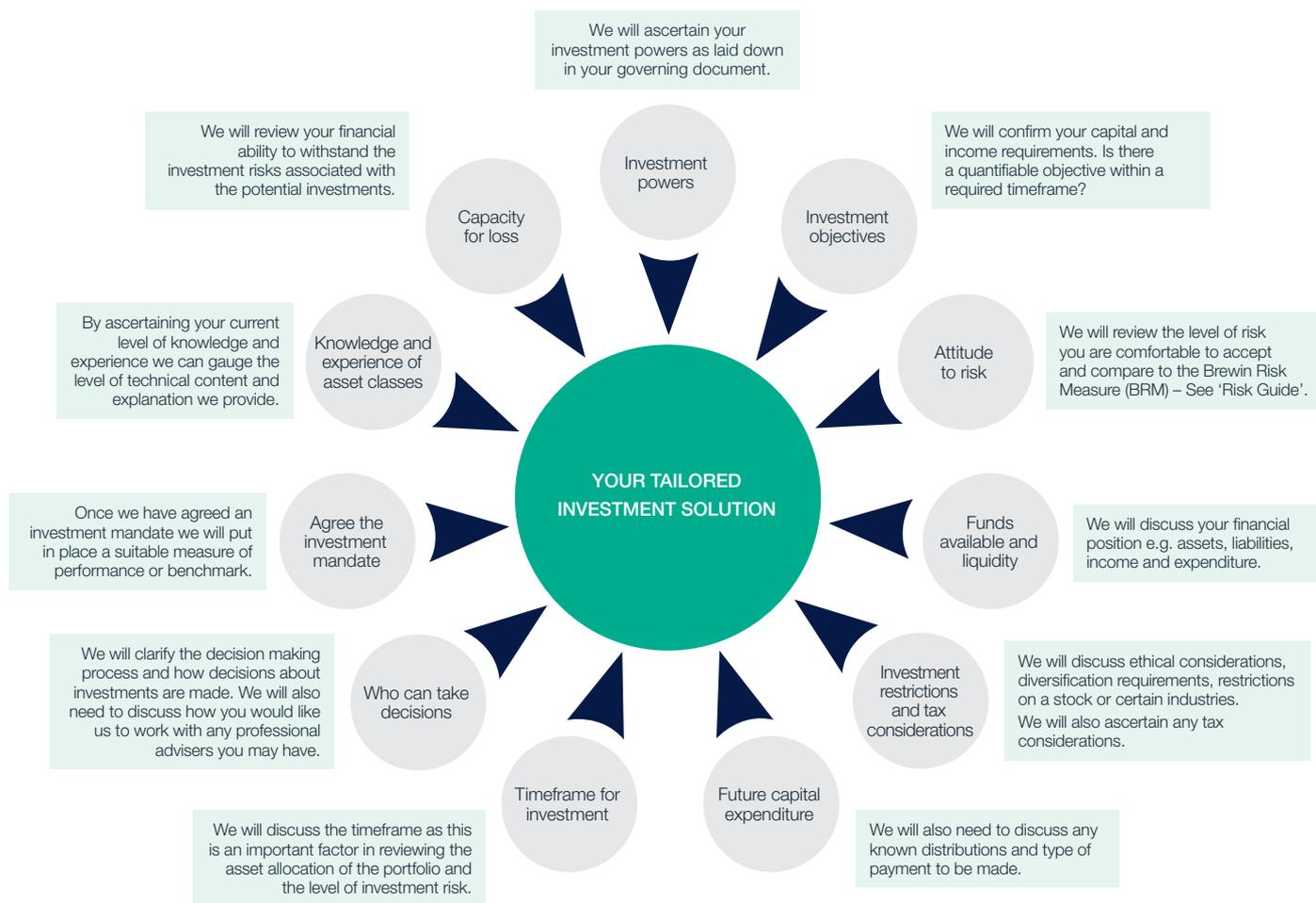
In line with Charity Commission guidance, many trustees require professional investment advice, which we are able to provide under a regulated contract.

Trustee training

We hold regular events and seminars, including trustee training days and other events on topical issues of relevance to the sector. We often partner with leading professional service firms to provide a comprehensive update on a wide range of topics. All events are free of charge.

Investment Policy Statements

Your Investment Policy Statement provides the framework for how your investments will be managed. This is a requirement for charities under Charity Commission guidance when appointing a discretionary investment manager and considered best practice across the sector. We have years' of experience of assisting trustees in drawing up their policy, advising about the suitability of investments in line with their strategy, their attitude to risk and any income or capital return target, as well as any restrictions.



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Reporting and safe custody

Comprehensive reporting and review

We recognise that administration is very important to our charity clients – for monitoring purposes, for strategic reviews and for budget planning purposes.

We will provide comprehensive reports that can be tailored to meet your specific requirements. These include a review of the investment strategy and a market overview, as well as a detailed valuation and a record of all transactions. You can also keep track of your portfolio online through our secure portal.

Income forecasting and budgeting

We understand how important investment income can often be to charities and their overall financial plan. We will be able to offer guidance on the level of income we expect the portfolio to generate which can be worked into your budget and expenditure plans.

Often, charities may need to draw upon their investments, whether to fund capital projects or to meet unexpected expenditure. By working closely with you, we will ensure any withdrawals are met in an orderly fashion to minimise any impact on the portfolio.

Benchmarking

The Charity Commission requires trustees to put in place a benchmark to measure investment performance and hold us accountable. We can discuss and advise upon the most suitable benchmark for the portfolio and we would report our performance against this on a regular basis.

How we hold your money

There are strict regulatory rules governing how we hold client money and assets. We hold all client money in accordance with the Financial Conduct Authority's client money rules. These require us to hold client money separately from the firm's money. Client assets are held with one of our nominee companies which are separate legal entities from Brewin Dolphin. Assets held by our nominee companies are held in trust and are not regarded as belonging to Brewin Dolphin. In essence, this means that your assets remain your property.

Our nominee service is designed to save busy trustees' time and is included in our discretionary management service. The assets in your portfolio would be held in a specific charity nominee in order to take advantage of the range of tax benefits charities are entitled to receive and reduce the amount of paperwork involved.

Corporate responsibility at Brewin Dolphin

As a leading UK company, we not only have a significant level of public accountability, we also take seriously our responsibility as a corporate citizen. We support and encourage the charitable and community engagement of our staff in and around our offices. We also provide a charitable payroll giving facility to staff and matched funding for their own fundraising.

Our stated objective is to manage the business responsibly for the long-term benefit of all stakeholders: clients, shareholders, employees, regulator, suppliers and local communities.

There are four pillars to Brewin Dolphin's corporate responsibility programme:



Offices

Key

○ Charity teams

● Offices



Contacts

For more information please contact a member of our charity team:

UK and London

Ruth Murphy

020 3201 3924

ruth.murphy@brewin.co.uk

Birmingham

Adam Wilkins

0121 710 3500

adam.wilkins@brewin.co.uk

Cardiff

David Myrddin-Evans

02920 347 613

david.myrddin-evans@brewin.co.uk

Edinburgh

Lynne Lamont

0131 300 2803

lynne.lamont@brewin.co.uk

Exeter

Jon Crompton

01392 440456

jon.crompton@brewin.co.uk

Leeds

Michael Craven

0113 241 0118

michael.craven@brewin.co.uk

Manchester

Peter Ryan

0161 214 5504

peter.ryan@brewin.co.uk

Newcastle

Richard MacAlister

0191 279 7417

richard.macalister@brewin.co.uk

W brewin.co.uk
E info@brewin.co.uk

Brewin Dolphin Ltd is a member of the London Stock Exchange, authorised and regulated by the Financial Conduct Authority No. 124444
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