

## Trustee investment and administration service



Bloomsbury Wealth provides a service for trustees to assist them with the organisation and administration of a trust as well as the construction and ongoing management of an appropriate investment portfolio.

The service can be broken down into four main areas:

### Trust Snapshot

A clear summary of the trust's objectives, together with key information on the trust, its trustees, its beneficiaries and its other professional advisers (updated annually).

### Trustee Update Meetings

Annual review meetings covering all relevant areas to ensure that all the trustees are up to date with any issues relating to the trust.

#### *Trustee update meetings include:*

- Cashflow needs review and planning;
- Trust Snapshot review;
- Cash management;
- Investment review & action plan;
- Taxation update;
- Legal update;
- The 'Remove the hassle' service – checking that the trustees are only receiving the amount of information and paperwork that they require;
- Professionals update;
- Action plan.

## Drafting an investment policy statement (IPS) for the trustees

This is an important document that is employed by the trustees to act as a useful reference point for their professional advisers, such as their financial planner, investment manager, lawyer, tax adviser and accountant. In addition, this IPS fulfils the trustees' statutory requirement in England, Wales and Northern Ireland for them to prepare one where investments are delegated to be managed on a discretionary basis. Bloomsbury drafts and updates this as required to reduce the trustees' administrative burden.

## Determination, implementation and ongoing management of an appropriate investment portfolio for the trustees.

Bloomsbury's investment philosophy is founded in extensive academic research which supports the view that capitalism and free markets are the most effective tools for determining the fair value of traded assets, which then reflect the views and expectations of all investors. This makes attempting to deliver a higher return than the market an extremely difficult proposition, particularly given the high costs of trying, which is reflected in the low rate of consistent outperformance of those who try to do so.

Our approach is therefore intended to capture the proportion of the market return that is appropriate to the objectives and risk tolerance of the trustees while keeping costs under tight control and maintaining the discipline by rebalancing back to the agreed weightings when the portfolio composition moves materially away from them. It therefore relies not on the ability of anyone to predict the future direction of markets or prices but on

logical principles of buying when prices fall and selling when they rise.

Since risk and return are related – there are no investments which have low risk and high returns – our highly diversified portfolios are constructed in accordance with the trustees' specific requirements to combine growth assets (such as equities) and defensive ones (such as high quality short-dated bonds) together with sufficient cash to meet anticipated liquidity needs. All assets held in the portfolio are highly diversified and traded daily so can be liquidated at short notice if necessary, although their value is always subject to market prices. Most are held via the investment funds' institutional share classes, which have considerably lower costs than the retail versions accessible to most private investors.

A range of model portfolios is available to cater for any desired level of risk and includes versions which take account of sustainability or socially responsible preferences if required.

Portfolios are managed on a discretionary basis according to the agreed mandate to allow for transactions to be carried out without needing the trustees to approve each one and full reporting of transactions, income and realised gains is provided on an ongoing basis.

*If you would like to find out more about our investment and administration services for trusts do get in touch:*

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

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