



Temple Bar – A strategic approach to investment

As part of understanding our client’s financial circumstances, Temple Bar uses a seven stage investment process.



Fact Find Tax Risk Risk Asset Fund Review
 Find Wrapper Profile Discussion Allocation Selection Rebalance

We offer our clients access to a robust, repeatable and compliant investment process.

Providing investment advice can be complex and difficult. The Temple Bar investment proposition aims to simplify this task by efficiently meeting our clients’ investment requirements.

The process:

1. Fact Find
2. Tax Wrapper
3. Risk Assessment
4. Risk Discussion
5. Asset Allocation
6. Fund Selection
7. Reviews, Reporting and Rebalancing - yearly

Temple Bar
 Independent Financial Advice Ltd.

Independence House, 4 Beckett Road, Worcester WR3 7NJ.

Tel: 01905 757748 Fax: 01905 757749 Email: advice@templebar.co.uk Website: www.templebar.co.uk

Directors: Simon Mansell BA (Hons) Law (Managing Director) Annette Mansell HNC Business Administration (Company Secretary)
 Temple Bar Independent Financial Advice Limited is registered in England and Wales at 7 Malvern Road, St. John’s, Worcester WR2 4ZH.

Company Registration Number 3711518
 Authorised and regulated by the Financial Services Authority

Fact Find



WE BELIEVE ACCURATE DIAGNOSIS IS 50% OF THE CURE

It is said that: "A doctor who cannot take a good history and a patient who cannot give one are in danger of giving and receiving bad treatment." We also believe that Prescription without Diagnosis can result in Malpractice. Whenever you go to any doctor, he/she will follow the three-part sequence of examination, diagnosis and prognosis/prescription and we follow the same process in our Financial Health Check.

We ask of our client's three basic questions:

1. Where am I now?
2. Where do I want to be?
3. What are the best ways to achieve these goals?

The starting point of the investment process is to 'know your customer'. The Temple Bar Fact Find is as wide-ranging as possible to ensure that our subsequent advice is soundly based. As well as taking account of clients' personal and financial circumstances, it will cover their broader attitudes and values, and their level of experience and knowledge about investing and its associated risks. To facilitate this process Temple Bar will offer clients a Free Electronic Fact Find download. Having established your goals, the results you expect and the timescales involved, we can begin to consider issues such as access to your money and the level of flexibility required in the investment selection. We will also consider your personal circumstances, including your tax position, well before we advise on investments. It is important that any investment recommendation we make is as tax-efficient as possible

This process is fully compliant and in line with regulatory best practice. Follow this link to view the FSA factsheet on '[Knowing your customer and assessing their needs](#)'

Temple Bar

Independent Financial Advice Ltd.

Independence House, 4 Beckett Road, Worcester WR3 7NJ.

Tel: 01905 757748 Fax: 01905 757749 Email: advice@templebar.co.uk Website: www.templebar.co.uk

Directors: Simon Mansell BA (Hons) Law (Managing Director) Annette Mansell HNC Business Administration (Company Secretary)
Temple Bar Independent Financial Advice Limited is registered in England and Wales at 7 Malvern Road, St. John's, Worcester WR2 4ZH.

Company Registration Number 3711518
Authorised and regulated by the Financial Services Authority

Tax wrapper selection



Our Fact Find will have indicated which tax wrapper or wrappers (if any) are the most appropriate to meet the needs of the client. A tax wrapper is a financial product, such as a pension, ISA, bond onshore/offshore, OEICS, in or out of trust within which your investments can be held and which usually has certain tax benefits.

Traditionally, investors might have held a number of tax wrappers from a variety of different companies. The downside of this is that it can create lots of paperwork, arriving at different times of year, in different formats. This can make it difficult for you, the investor, to manage and monitor your portfolio, as a whole, to ensure that your investments are performing as expected and remain in line with your risk profile.

Nowadays it's different, and for the majority of our clients we recommend investing via an 'investment platform'. This is a way to hold, monitor and manage all of your investments in a single place. It brings personal investing up to date. Just as supermarkets changed the face of shopping, the investment platform offers improved convenience, choice and value for money. It also provides online technology that helps us assess your attitude to investment risk and then put together a portfolio that's most likely to behave as you'd expect.

Because a client may have different investment timescales for different types of investment, their attitude to risk may differ from one tax wrapper to another. Temple Bar will help you to determine the level of risk appropriate for your investment goals and timescales by offering separate risk profile questionnaires for Investment, Trustee Investment and Retirement planning.

Our charging structures are in line with regulatory and are relatively straightforward and much easier to understand compared to a situation where clients hold investments with a variety of charging structures and fund ranges.

Temple Bar

Independent Financial Advice Ltd.

Independence House, 4 Beckett Road, Worcester WR3 7NJ.

Tel: 01905 757748 Fax: 01905 757749 Email: advice@templebar.co.uk Website: www.templebar.co.uk

Directors: Simon Mansell BA (Hons) Law (Managing Director) Annette Mansell HNC Business Administration (Company Secretary)
Temple Bar Independent Financial Advice Limited is registered in England and Wales at 7 Malvern Road, St. John's, Worcester WR2 4ZH.

Company Registration Number 3711518
Authorised and regulated by the Financial Services Authority

Risk assessment



The next stage in the process is to assess the client's attitude to investment risk. To help you do this we provide you with the relevant psychometric risk profiling questionnaire. Our questionnaires have been developed in conjunction with Towers Watson, one of the world's leading investment consultancies.

Clients' answers to the questions are aggregated, with carefully calculated weightings, to produce risk scores on a scale from 1 to 10.

An individual's risk score is not meant to be treated as a definitive and final risk rating. Its purpose is to provide a starting point for a more in-depth discussion with the client about their attitude to risk and their willingness and capacity to accept possible loss.

An individual client's attitude to risk may vary depending on their financial goals and the timescale of the investment concerned. A liability-driven objective, such as school fees, may require more certainty about potential returns than 'capital accumulation'.

To establish your attitude to investment risk, we will ask you a series of questions. Each answer produces a score and these are then aggregated to calculate your specific level of tolerance for risk, from 1 (low) to 10 (high). We call this your risk profile score.

The risk profiling questionnaire we use is developed in association with the leading actuarial consultancy Towers Watson, in line with the best industry practice and the guidelines laid down by our regulatory body, the Financial Services Authority.

The risk profiling is a psychometric questionnaire which helps identify the amount of risk that an investor is prepared to take. It can, however, only ever be a starting point and part of a Fact Find discussion with an investor about his or her personal circumstances, financial goals and views about investment risk.

Temple Bar

Independent Financial Advice Ltd.

Independence House, 4 Beckett Road, Worcester WR3 7NJ.

Tel: 01905 757748 Fax: 01905 757749 Email: advice@templebar.co.uk Website: www.templebar.co.uk

Directors: Simon Mansell BA (Hons) Law (Managing Director) Annette Mansell HNC Business Administration (Company Secretary)
Temple Bar Independent Financial Advice Limited is registered in England and Wales at 7 Malvern Road, St. John's, Worcester WR2 4ZH.

Company Registration Number 3711518
Authorised and regulated by the Financial Services Authority

Risk discussion



Once the questionnaire has produced a client's initial risk rating, it's important to explain what that number means and discuss its implications. Temple Bar shows how any investment gains and losses might differ between different risk levels. This process could help you to reach agreement with Temple Bar that your risk rating accurately matches your true attitude to risk.

Your resulting risk profile score is an indication of the extent to which you are prepared to accept a short-term fall in the value of your investments as markets go through their ups and downs. These fluctuations in the value of investments are also known as their volatility. If your score is 1, then low volatility investments such as cash or bank deposits could be the resulting investment recommendation. If your score is 10, then we might recommend a portfolio which includes investments in asset classes such as emerging markets, whose higher expected volatility is matched by greater growth potential.

Before proceeding to make recommendations based on your score, we want to be sure that you understand what that score number means and what its implications are. We will discuss with you how investment gains and losses might differ between different risk levels, to give you a better idea of the outcome you could expect at each level. In this way we can agree with you whether your risk rating accurately matches your true attitude to risk.

Whatever the result of that initial discussion, we will carry out the same process each year at the annual review stage to ensure that your circumstances have not changed and that your attitude to risk remains the same. Follow this link to view the FSA factsheet on assessing suitability which highlights why ensuring a client understands the risks they are taking with their investment is so important to the advice process.

[Follow this link to the FSA's guidance consultation paper](#)

Temple Bar

Independent Financial Advice Ltd.

Independence House, 4 Beckett Road, Worcester WR3 7NJ.

Tel: 01905 757748 Fax: 01905 757749 Email: advice@templebar.co.uk Website: www.templebar.co.uk

Directors: Simon Mansell BA (Hons) Law (Managing Director) Annette Mansell HNC Business Administration (Company Secretary)
Temple Bar Independent Financial Advice Limited is registered in England and Wales at 7 Malvern Road, St. John's, Worcester WR2 4ZH.

Company Registration Number 3711518
Authorised and regulated by the Financial Services Authority

Asset Allocation



Having agreed a client's attitude to risk, Temple Bar will construct a bespoke portfolio able to deliver the investment outcomes you will expect.

'Asset allocation' involves getting the balance of assets in your portfolio right. The funds available for you to invest in are categorised under different asset classes depending on their particular focus. These asset classes include cash or money market investments, UK fixed interest, international fixed interest, property, UK equity and international equity.

Different types of assets have different performance characteristics, so our aim is to allocate the right mixture of funds to your portfolio so that, over time, the peaks and troughs of their performance balance each other out in a way that is optimised for your particular risk profile and your expectations for growth.

Asset allocation is based on long-established and well-proven mathematical principles. We rely for this part of the investment process on Towers Watson, the leading firm of Actuarial Consultants. With 40% of FTSE 100 companies' pension schemes as their clients, Towers Watson has significant experience in providing such information.

We should point out however, that even with this level of expertise behind us, we still can't guarantee that the volatility range of a particular asset allocation will not be breached occasionally. There is always the possibility of exceptional market conditions, due to unanticipated external events.

Asset allocation is by far the most dominant contributor to the variability of portfolio returns. While individual assets have an influence on the level of risk an investor is exposed to, the correlation between assets in the portfolio has an even greater bearing.

Temple Bar

Independent Financial Advice Ltd.

Independence House, 4 Beckett Road, Worcester WR3 7NJ.

Tel: 01905 757748 Fax: 01905 757749 Email: advice@templebar.co.uk Website: www.templebar.co.uk

Directors: Simon Mansell BA (Hons) Law (Managing Director) Annette Mansell HNC Business Administration (Company Secretary)
Temple Bar Independent Financial Advice Limited is registered in England and Wales at 7 Malvern Road, St. John's, Worcester WR2 4ZH.

Company Registration Number 3711518
Authorised and regulated by the Financial Services Authority

Fund selection



Effective portfolio construction involves understanding the investor's needs and their attitude to risk and then choosing a spread of investments to match. This requires access to a wide range of investment solutions, with the flexibility to refine the investment choices as the needs of the investor change.

Our portfolio planning tools enable Temple Bar to set filters, designed to help use make robust and well thought out fund recommendations. For example we set filters and use third party fund ratings, fund performance or fund manager tenure in order to narrow down your potential portfolio and ensure only best of breed fund managers are can be used within the client's asset allocation.*

Our goal is to give our client choice and flexibility in the way we match investment choices to clients' needs. The solutions we provide offer clients a range of strategies – whether you wish to enjoy bespoke portfolios or to outsource to investment research experts.

Research, recommendation and advice on over 30,000 financial products require time, expert advice and the latest software systems. Our bespoke range of portfolios has been narrowed down via our fund filtering process from over 1,000 funds from over 70 leading fund managers.

**See Appendix for filters*

Temple Bar

Independent Financial Advice Ltd.

Independence House, 4 Beckett Road, Worcester WR3 7NJ.

Tel: 01905 757748 Fax: 01905 757749 Email: advice@templebar.co.uk Website: www.templebar.co.uk

Directors: Simon Mansell BA (Hons) Law (Managing Director) Annette Mansell HNC Business Administration (Company Secretary)
Temple Bar Independent Financial Advice Limited is registered in England and Wales at 7 Malvern Road, St. John's, Worcester WR2 4ZH.

Company Registration Number 3711518
Authorised and regulated by the Financial Services Authority

Review and rebalance



The performance of the various funds in your portfolio will differ over time. If left for a long period of time, therefore, the proportions of the different asset classes they represent will change and this could result in a divergence from your original risk profile. For example if equity funds outperform fixed interest, your portfolio left unaltered would move up the risk scale and vice versa.

We therefore rebalance portfolios our agreed review date. At that time we will ask you to complete a further risk-profiling questionnaire so that, if your risk profile score has changed, we can realign the asset allocation of your portfolio accordingly. It's crucial to periodically review a client's investment portfolio to ensure it continues to accurately reflect their attitude to risk.

Temple Bar will review and report thoroughly on client investments including:

- single funds
- an existing client's account
- a model portfolio
- a client's entire Temple Bar portfolios and non-Temple Bar investments

Temple Bar will agree a rebalancing option which can be used to keep a portfolio in line with client risk expectations. A client's attitude to risk may also change over time as their circumstances change. Asset allocations can be amended at the client review to reflect this.

From time to time Towers Watson will also make change to the standard asset allocation and as part of our client proposition Temple Bar can re-optimize the portfolio to ensure that the client's attitude to risk is still being matched. Thus your asset allocation will remain in-line and up to date with the very asset allocations.

Temple Bar

Independent Financial Advice Ltd.

Independence House, 4 Beckett Road, Worcester WR3 7NJ.

Tel: 01905 757748 Fax: 01905 757749 Email: advice@templebar.co.uk Website: www.templebar.co.uk

Directors: Simon Mansell BA (Hons) Law (Managing Director) Annette Mansell HNC Business Administration (Company Secretary)
Temple Bar Independent Financial Advice Limited is registered in England and Wales at 7 Malvern Road, St. John's, Worcester WR2 4ZH.

Company Registration Number 3711518
Authorised and regulated by the Financial Services Authority

Conclusion

As a client of Temple Bar your investments will be subjected to our seven stage process which is robust, repeatable and compliant. Thereafter your investments will continue to be reviewed and retested in line with this process.



Our [client testimonials](#) prove time and time again a high degree of client satisfaction with this process.

Temple Bar

Independent Financial Advice Ltd.

Independence House, 4 Beckett Road, Worcester WR3 7NJ.

Tel: 01905 757748 Fax: 01905 757749 Email: advice@templebar.co.uk Website: www.templebar.co.uk

Directors: Simon Mansell BA (Hons) Law (Managing Director) Annette Mansell HNC Business Administration (Company Secretary)
Temple Bar Independent Financial Advice Limited is registered in England and Wales at 7 Malvern Road, St. John's, Worcester WR2 4ZH.

Company Registration Number 3711518

Authorised and regulated by the Financial Services Authority

APPENDIX

THE TEMPLE BAR INVESTMENT PROCESS – SUMMARY

MODERN PORTFOLIO THEORY

Modern Portfolio Theory – building a portfolio unique to your circumstances.

The Temple Bar IFA Ltd approach to investments is based on research that has shown that by far the dominant contributor to total portfolio returns is the asset allocation (that is the proportion held in shares, property, bonds and cash) of that investment portfolio. Furthermore asset allocation, on average, accounted for 91.5% of the variation of portfolio returns over time.

RISK PROFILE & ASSET ALLOCATION

Temple Bar uses Risk Profiling software - a scientifically validated tool for assessing clients' personal financial risk tolerance. An ideal asset allocation differs from investor to investor and is based on the level of risk each investor is prepared to accept. Temple Bar therefore provides investment portfolio construction tools that use an investor's investment risk profile and an asset allocation that, in theory, will provide maximum returns for that level of risk. For any combination of assets there is a given maximum return.

FORSYTH FUND RATING

We Rank Funds based on Forsyth-OBSR Fund Ratings. These ratings are determined on the premise that the fund selection process should, whilst taking past performance into consideration, ascribe greater weight to identifying the factors, which will affect future performance. This process demands a much stronger emphasis on a qualitative examination of funds. Temple Bar will use AAA rated funds where possible.

WE USE CITYWIRE RATINGS

Citywire Ratings track the individual fund managers, the people, rather than the funds. Citywire look at how they perform compared with the benchmark index of the markets that they invest in over a period of 36-month risk records. Of the hundreds of active fund managers less than 20% receive a rating. AAA = top 5%, AA = top 6-13%, A =14-20%. When it is possible Temple Bar will use AAA ranked funds.

Temple Bar

Independent Financial Advice Ltd.

Independence House, 4 Beckett Road, Worcester WR3 7NJ.

Tel: 01905 757748 Fax: 01905 757749 Email: advice@templebar.co.uk Website: www.templebar.co.uk

Directors: Simon Mansell BA (Hons) Law (Managing Director) Annette Mansell HNC Business Administration (Company Secretary)
Temple Bar Independent Financial Advice Limited is registered in England and Wales at 7 Malvern Road, St. John's, Worcester WR2 4ZH.

Company Registration Number 3711518
Authorised and regulated by the Financial Services Authority

WE USE CROWN RATINGS

Financial Express is an authority on performance measurement, providing data, advice and consultation to fund management professionals and financial advisers. Financial Express also uses this knowledge and expertise to publish sector and constituent performance, Crown Ratings and the Adviser Fund Index. The Financial Express Crown Ratings are a quant-based ratings system designed to highlight funds that have had superior, consistent performance in relation to risk, relative to their peer groups, the fund sectors as defined by the IMA and the ABI. Crown Ratings are compiled using three key measurements of a fund's performance - alpha, volatility and consistency.

QUARTILE RANKING

Quartile ranking is a rating based on performance on a scale of 1;4, where 1 is the best and 4 is the worst. The entire performance rank is divided into 4, with each quartile rank corresponding to 25% of the range. When it is possible Temple Bar will only use 1st quartile ranked funds.

TOTAL EXPENSE RATIO (T.E.R.)

The T.E.R. represents the true cost of running a fund. It includes the fund annual management charge as well as the depository and custodial charges and audit, registration and compliance fees.

IS MODERN PORTFOLIO THEORY WIDELY ACCEPTED

Myners 2001 & Sandler 2002 are the two major regulatory reviews into institutional investment. These clearly drew much of their research from Modern Portfolio Theory.

The Myners Report of March 2001 into institutional investment in the UK, highlighted the importance of asset allocation AND CONCLUDED that the attention devoted to asset allocation decisions should fully reflect the contribution they can make to achieving the fund's investment objective. Myners recognised the importance of the asset allocation to investment outcomes, and stated that strategic asset allocation decisions should receive a level of attention (and, where relevant, advisory or management fees) that fully reflect the contribution they can make towards achieving the fund's investment objective.

Temple Bar

Independent Financial Advice Ltd.

Independence House, 4 Beckett Road, Worcester WR3 7NJ.

Tel: 01905 757748 Fax: 01905 757749 Email: advice@templebar.co.uk Website: www.templebar.co.uk

Directors: Simon Mansell BA (Hons) Law (Managing Director) Annette Mansell HNC Business Administration (Company Secretary)
Temple Bar Independent Financial Advice Limited is registered in England and Wales at 7 Malvern Road, St. John's, Worcester WR2 4ZH.

Company Registration Number 3711518
Authorised and regulated by the Financial Services Authority