



PADSTONE

FINANCIAL MANAGEMENT

# Our Investment Strategy

# ABOUT US

Padstone Financial Management was established in 2001 and offers truly Independent advice specialising in Investments and Pensions. The team consists of qualified Advisers and support staff, who are passionate about investments and providing good outcomes for clients.

At Padstone Financial Management Ltd. our mission is to provide a comprehensive, wealth management service on a very personal basis to new and existing clients.

We are very enthusiastic about technology, and utilise the latest software and systems to provide full, regular portfolio reporting to our clients.

We work with industry leading investment consultants who are uniquely positioned to provide custom built solutions ensuring that our clients have the best possible outcomes in the market.

We work together to ensure all of our client's requirements are met both now and, in the future, offering an effective wealth management service.

Capital at risk. The value of an investment and the income from it could go down as well as up and investors may not get back the amount originally invested.



# OUR SERVICES

Creating a comprehensive and robust financial plan is the best way to ensure your future financial security and well being.



## Fact Find

An opportunity for us to learn more about your needs and objectives.



## Financial Plan

We work together to develop a comprehensive financial plan for your needs and objectives



## Portfolios

We may recommend a suitable portfolio of investments to align to part of your financial plan.



## Review & Reporting

A regular review and ongoing reporting helps keep your plan and investment on track.

Whether investing for long-term growth, preserving capital ahead of retirement, or making withdrawals to provide a retirement income, we offer a range of investment options to align to your needs and objectives.

# OUR INVESTMENT PHILOSOPHY



Our investment philosophy is to focus on getting the right mix of assets or “asset allocation” to align to your needs and objectives.

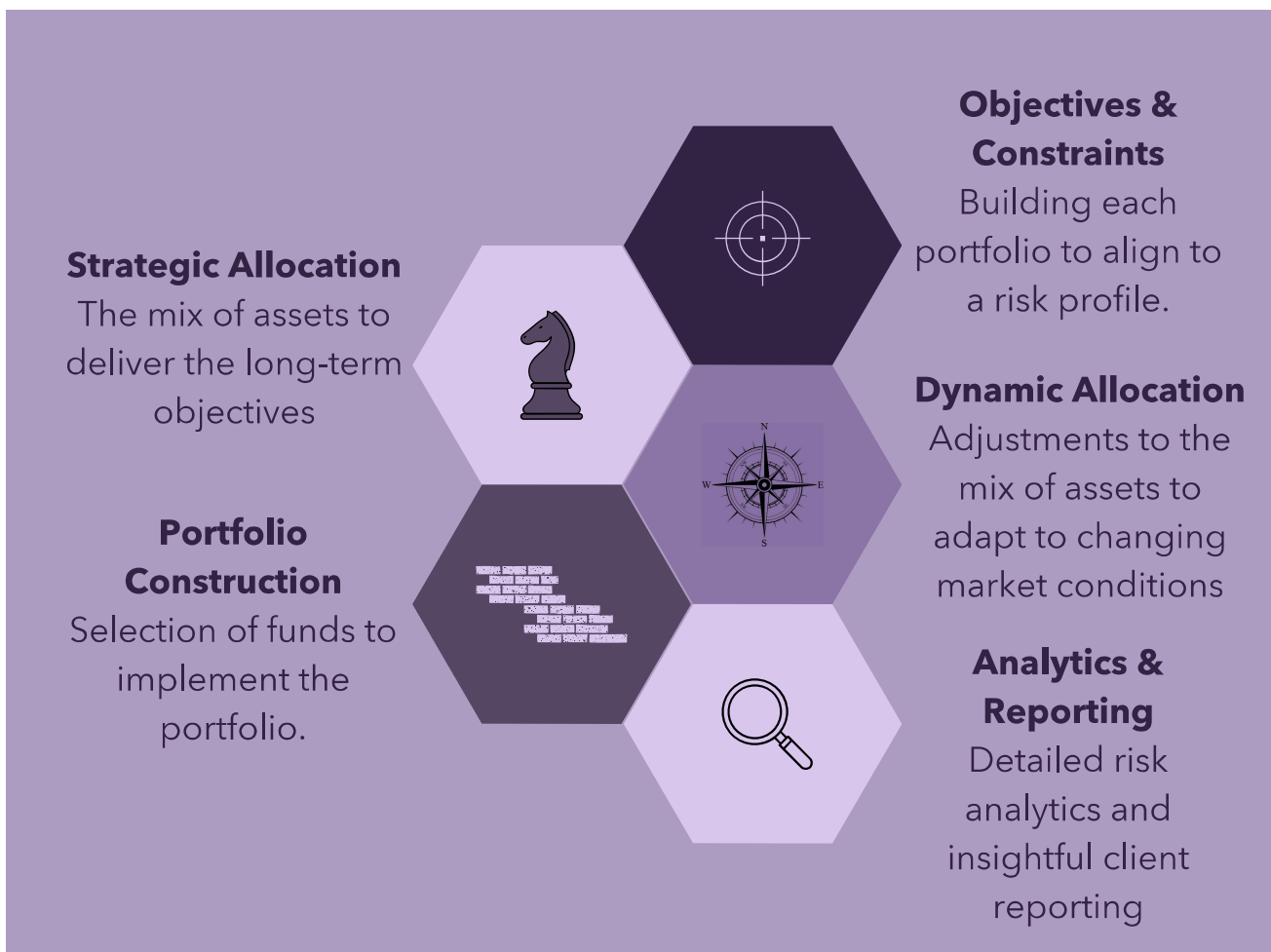
The mix of assets - the proportions invested in Equities, Bonds, Alternatives & Cash Equivalents - is the main driver of portfolio risk and return.

Capital markets don't stand still, and neither should your investments. Ensuring they remain up-to-date with changing market and economic conditions is key to ensuring returns remain on track, and risk budgets remain in check.

Our portfolios are built for our clients to deliver on clearly defined objectives, with rigorous risk controls. They are managed by our appointed investment manager, Elston Portfolio Management, overseen by our investment committee.



# OUR INVESTMENT PROCESS



Our appointed investment manager has been selected based on their professionalism and expertise.

Our portfolios are constructed and managed to align with the requirements and goals of our clients.

Our portfolios are broadly diversified across and within asset classes, with a keen focus on liquidity, transparency and value for money.

# OUR MODEL PORTFOLIOS

Portfolio Range	About this range
<b>PFM Core Portfolios</b>	<p>For clients looking to grow their wealth, with a focus on asset allocation to deliver the risk-return objectives. Portfolios are constructed with a blend of both actively-managed (for potential out performance) and index-tracking funds.</p> <p>Available in four risk profiles</p>
<b>PFM Lite Portfolios</b>	<p>Typically, for clients with smaller pot sizes and accumulating financial capital with smaller contributions to fund a future retirement income in the longer term. Portfolios are constructed with smaller number of both actively-managed (for potential out performance) and index-tracking funds.</p> <p>Available in three risk profiles</p>
<b>PFM Passive Portfolios</b>	<p>For clients looking to grow their wealth, with a focus on asset allocation to deliver the risk-return objectives. Portfolios are constructed using only Index Tracking Funds to ensure cost effectiveness and efficiency.</p> <p>Available in two risk profiles</p>
<b>PFM Income Portfolio</b>	<p>Typically for clients requiring a natural income yield from their investments to supplement their broader retirement portfolio</p> <p>Available in one risk profile</p>

The Padstone portfolios are managed by our appointed investment manager that selects appropriate funds on a whole of market basis. For more information, please speak to one of our advisers.

# OUR INVESTMENT COMMITTEE

Our Investment Committee combines theoretical expertise with years of practical experience



## **Mark Young Dip PFS**

Independent Financial Adviser/Director

Mark has over 30 years' experience in Financial services, eight of those with NatWest. Mark has extensive experience in Pensions, Investment and Inheritance tax. Mark established Padstone FM in 2001 which has grown organically to form an experienced young team offering unbiased Independent financial advice across the three counties.



## **David Hewitt FPFS**

Chartered Financial Planner

David is a Chartered Financial Planner and Fellow of the Personal Finance Society. He joined the industry in 2000 and provides consultancy services to a range of financial advice firms. David's extensive knowledge of the advice sector enables him to give a balanced perspective to the ICs he is a member of.



## **James Jenkins FPFS**

Independent Financial Adviser

James is a Chartered Financial Planner and Fellow of the Personal Finance Society with over 11 years of experience in the industry. He has worked for a number of Independent Financial Adviser and Wealth Management firms including large FTSE 250 listed companies.



## **Carl Horton Dip PFS**

Paraplanner

Carl started at Padstone as an Apprentice in 2014, and has progressed into a full-time Paraplanner; he is a valued member of the team. As our internal Paraplanner, Carl prepares research illustrations, and reports for our client recommendations.



## **Henry Cobbe CFA**

Director and Head of Research at Elston Consulting

Henry has decades of experience in investment management. In 2012 he founded Elston Consulting to assist wealth managers and financial advisers to research, design and deliver investment strategies for their clients.



## **Hoshang Daroga CFA**

Investment Director at Elston Consulting

Hoshang oversees investment solutions at Elston and has extensive experience in managing multi-asset portfolios with a focus on global macro research and risk management. Prior to joining Elston, Hoshang has worked in various roles in wealth management firms & investment banks in New York, Chicago and London.

# RELATIONSHIP BETWEEN CLIENT, ADVISER AND DFM

**Investor**  
(Client)

Clients communicate their financial goals, risk tolerance, and preferences

**Adviser**  
(Padstone Financial Management Ltd)

The adviser analyses client information, offers personalised advice, and creates an investment strategy that aligns with the client's goals

Where appropriate the adviser may recommend an investment portfolio offered by a DFM that best suits clients needs and objectives

**Discretionary Fund Manager (DFM)**  
(Elston Portfolio Management)

Our appointed DFM, Elston Portfolio Management, designs and manages model portfolios that align with pre-determined objectives, as set out by the investment committee, and makes necessary investment decisions to achieve those objectives



# ROLES AND RESPONSIBILITIES

We offer model portfolios which are managed on a discretionary basis by professional investment managers in which investments are made on behalf of clients through a variety of securities. Our investment committee has full oversight of the investment process.

	Client	Adviser	DFM
Role	Seeks financial guidance, communicates goals and preferences	Provides financial advice, recommendations and guidance. Works directly with the investor	Executes investment decisions within established guidelines
Decision Authority	Approves investment strategy, risk level, and overall goals	Provides product and portfolio recommendations and options for the investor to choose from	Has authority to make investment decisions within specific guidelines No client approval required to make portfolio changes once the client is invested in the portfolio.
Communication	Seeks guidance, conveys changing circumstances	Collaborates with clients to design financial plan	Regular update and communication with advisers
Monitoring	Regularly reviews portfolio progress and adjusts strategy with adviser's guidance	Monitors investment performance and adjusts advice as needed	Monitors portfolio performance, rebalances as required
Fiduciary Duty	Both adviser and DFM have fiduciary duty to act in the best interest of the client		

In summary, DFMs offer expertise, convenience, and professional management but come with associated fees and some loss of control for investors. Whereas, the adviser will recommend an appropriate investment strategy or product, whether this be a bespoke or a model portfolio service managed on a discretionary or advisory basis.

# COMPANY OVERVIEW

Our Investment Committee uses the resources and insights of external professionals to support decision-making and to ensure a culture of challenge.



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Elston Consulting was established in 2012 and provides research, analytics and insights to wealth managers and financial advisers. Elston Portfolio Management provides discretionary managed portfolio services to financial advisers and is the appointed investment manager for our model portfolios.



# CONTACT US

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The information contained within this brochure is for guidance only and does not constitute advice which should be sought before taking any action.

Your Capital is at risk, the value of investments may go up and down and you may receive back less than you invested originally invested. Investments should be considered over the longer term and should fit in with your overall attitude to risk and financial circumstances.

Padstone Financial Management Limited is authorised and regulated by the Financial Conduct Authority. Financial Services Register No: 430531

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If you wish to register a complaint, please write to Mark Young or telephone 01432 820710. A summary of our internal complaints handling procedures for the reasonable and prompt handling of complaints is available on request and if you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk) or by contacting them on 0800 023 4567.