

**Church's  
Financial Planning Service**



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**Church's Financial Planning Ltd is authorised and regulated  
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## **CONTENTS**

|                                            |          |
|--------------------------------------------|----------|
| <b>Church's financial planning service</b> | <b>2</b> |
| <b>Church's investment philosophy</b>      | <b>3</b> |
| <b>Church's investment process</b>         | <b>4</b> |
| <b>Church's investment platform</b>        | <b>5</b> |
| <b>Church's client solutions</b>           | <b>6</b> |
| <b>Annual review process</b>               | <b>7</b> |
| <b>Summary of the service</b>              | <b>8</b> |



## Church's financial planning service

Church's offers a comprehensive fee based financial planning service.

### Clients

At Church's, we understand that everyone is different, with individual needs and requirements. We also appreciate that every client will have different views and levels of understanding of risk and return.

### Service

The key components of our service are as follows:

- **Personal financial plan:** This involves a detailed review of your current financial position and determines your financial objectives. We analyse whether your current arrangements are on course to meet your objectives and advise accordingly
- **Investment strategy:** We establish your tolerance to risk and agree an appropriate investment strategy. We will typically recommend the use of one of Church's model portfolios. The strategy and choice of portfolio is regularly reviewed to ensure you remain on course to achieve your planning objectives, set within the agreed timeframes
- **Annual review:** We provide an ongoing review of your financial situation through our detailed, regular financial planning meetings. As a minimum we like to meet and discuss matters with you at least once a year



## Church's investment philosophy

This is the investment philosophy used by Church's when advising you on appropriate investment strategies.

**Markets are efficient** and share prices reflect what is known about a company at any moment in time. Such knowledge is limited to what has happened in the past. What may happen in the future is purely speculation and it is our view that trying to time investment markets is a pointless exercise and reliant on luck.

**Diversification reduces risk** is the discovery that won Harry Markowitz the Nobel Prize in Economics in 1990. Diversifying investment portfolios using different asset classes can reduce the level of risk and help to maximise investment return.

**The Three Factor Model** is used to enhance returns over the longer term. In the early 1990s, research carried out by Eugene Farma and Kenneth French showed that the following three factors account for more than 96% of stock market performance:

- Returns from shares are expected to be higher than from Fixed Income
- Small company shares (measured by market capitalisation) have a higher expected return than large company shares
- Lower priced, out of favour, value shares have a higher expected return than higher priced growth shares (measured by the ratio of a company's book value to its market value)

**Active versus Passive fund management** On average, actively managed investments underperform the market by a wider margin than passive investments. At Church's we use index-tracker funds and other, similar passive strategies. These types of funds are more likely to capture market returns and benefit the investor by having considerably lower charges.

**Market timing** No one can consistently predict market performance. Getting it wrong can be very costly. By remaining fully invested over the long term (at least 5 years) will greatly increase the chances of capturing capital market returns.

**Portfolio rebalancing** is an important discipline to realign a portfolio when a stronger or weaker performing asset class has exceeded or become underweight from its original allocation. We recommend this is completed on a regular basis.



## **Church's investment process**

You are asked to complete an independently formulated questionnaire to ascertain your tolerance to investment risk. The results of this questionnaire serve as a reference point for explaining the concepts of diversification, correlation between asset classes and the relationship between risk and return.

We then recommend an appropriate portfolio from a range of model portfolios that have been designed to suit different risk profiles and investment time horizons. It is important to ensure your target asset allocation is initially agreed and then reviewed on an ongoing basis to take into account the following;

- Your tolerance for risk
- Your investment goals
- Your investment time horizon

The initial asset allocation and decision on whether any changes are needed should be driven by these 3 factors. It is important to resist the temptation to change the target asset allocation based on recent performance of asset classes, or speculation about which asset class will outperform in the future.

Church's takes no specific view on the markets and promotes long term investing, using an agreed asset allocation investment strategy.

### **Our responsibility to you**

Once you agree a model portfolio suited to your needs, our role as the adviser becomes one of supervision, monitoring and maintaining discipline. The key advisory task is to ensure the portfolio is reviewed on a regular basis. This ensures it remains suitable and is periodically rebalanced in accordance with the agreed target asset allocation.



## Church's investment platform

Currently, in order to build a portfolio of different investments (e.g. pensions, unit trusts, stocks and shares, investment bonds etc.) involves a wide range of different companies.

This could mean various charges, different standards of service, repetitive application procedures and numerous statements at different times of the year.

Every time you want to change investments you have to repeat the process all over again. Whilst it makes sense not to keep all your investment eggs in one basket, the resulting complexity is far from ideal.

The Church's Investment Platform is a web based facility that allows Church's to construct a cost-efficient and consolidated investment portfolio(s) to enable you to take control of your investments.

You get a clear view of your whole investment position. No longer are you required to think in terms of individual 'products' or 'plans'. Instead, you have a comprehensive picture of your current financial situation with all the information you need in one place.

Keeping track of your entire portfolio becomes a simple task, with up to the minute portfolio valuations available online in 'real time'

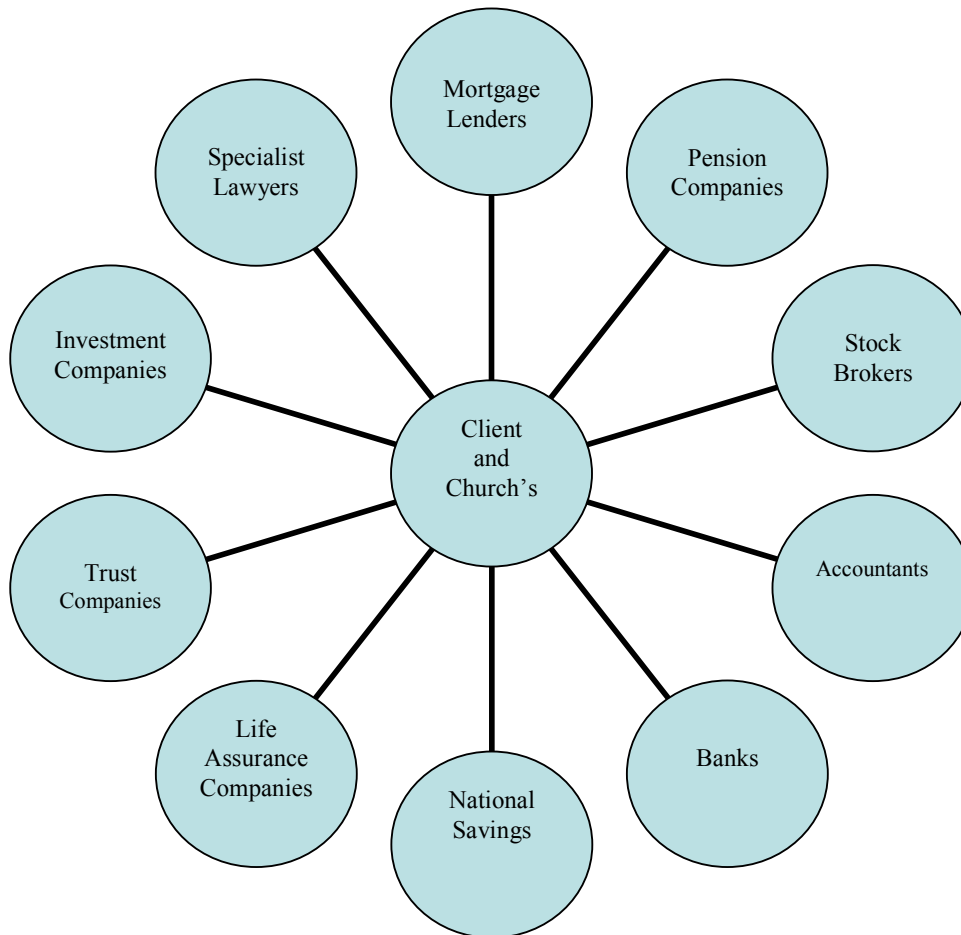
More effective management of your assets as a single portfolio rather than product by product, enables Church's to fully optimise the performance of your investment portfolio

Vastly reduced paperwork and increased efficiency means Church's can focus on ensuring the correct investment strategy is in place to achieve your objectives.

As part of the Church's Financial Planning Service, we recommend your investments are held on the Church's Investment Platform where possible.



## Church's client solutions



**We work with you to select and implement the most appropriate solutions for you.**



## Annual review process

As part of the ongoing financial planning service, the annual review process covers the following main areas:

|                                |                                                                                       |
|--------------------------------|---------------------------------------------------------------------------------------|
| <b>Your issues:</b>            | An update by you on issues requiring attention.                                       |
| <b>Strategic review:</b>       | An update by Church's on any recommended changes to strategy.                         |
| <b>Investment review:</b>      | Review of investment performance in relation to meeting your financial planning goals |
| <b>Investment action plan:</b> | Review of asset allocation and model portfolio and whether a change is required.      |
| <b>Debt review:</b>            | Reviewing interest rates and any debt structuring arrangements, if applicable.        |
| <b>Taxation update:</b>        | Reviewing opportunities and threats created by changes to taxation law.               |
| <b>Pensions update:</b>        | Reviewing opportunities and threats created by changes to pension law.                |
| <b>Insurance review:</b>       | Providing a review on current levels of cover in place and review of the cost.        |
| <b>Estate planning review:</b> | Ensuring your estate planning wishes are current and review of additional planning    |
| <b>Family review:</b>          | Discussing any financial issues affecting your family.                                |
| <b>Professional update:</b>    | Providing professional updates to your accountant and other advisers.                 |
| <b>Remove aggravation:</b>     | Assist with efficient management of paperwork.                                        |



## **Summary of the service**

The Church's Financial Planning Service provides a bespoke, ongoing and comprehensive financial planning service, unique to you, providing you with the following benefits;

### **You will be in complete control of your finances**

- By having your entire financial situation documented on our financial planning system you will always understand what you have, what you are paying and the benefits you receive
- The Church's Investment Platform provides a cost efficient fund trading platform, with instant online valuations

### **You will know what action is required**

- By using financial planning software, with lifetime cash flow forecasting, we will assist you in making the most efficient use of any resources you are prepared to commit to your planning. We will identify what action you need to take to achieve your goals and what the costs will be. We will help you to achieve the balance between living for today and planning for tomorrow
- You will understand, probably for the first time, your current and future financial position. This will enable you to make decisions and take action

### **You will benefit from a structured review process**

- Through an agreed review timetable, you can have confidence that if there are any changes to your circumstances, legislation, or taxation these can be quickly taken account of
- You will have unlimited telephone access and support from a designated Consultant to discuss any financial planning issues and receive two topical and informative newsletters each year