



Myddleton Croft Investment Managers fact sheet



What is your corporate background?

Myddleton Croft Investment Managers was formed in 2006 as discretionary portfolio managers. The company has grown its assets under management over the last 5 years to £70 million (as at May 2015).

We believe that good investment is for everyone and not just the very wealthy. We provide discretionary investment management for individuals, trusts, pension funds, charities and their advisers. We are truly independent and do not offer financial planning advice. The client remains the client of the adviser.

Our active investment management can be provided through a range of risk rated model portfolios. We place emphasis on the preservation of capital and apply our experience and expertise to achieve returns commensurate with each portfolio's risk level. Our direct bespoke investment management service is available to include clients with smaller portfolios that often do not meet the minimum value requirements of other discretionary managers. We provide an alternative option for prospective clients looking to have their assets managed personally.

Why should I consider using your Discretionary Fund Management service?

Myddleton Croft is a 'boutique' style discretionary investment management business and although it is operating in a competitive marketplace, it is unique enough not to compete. The FCA is focussing on many areas including transparency of fees, investment outcomes for clients (capacity and tolerance for loss) and the need for IFAs to demonstrate a strong and clear advisory investment process.

We work closely with advisers to complement their existing process and provide an additional, added value service. Our range of eight risk rated model portfolios and offshore equivalent, on the platform benefit from our in-depth research, generating investment ideas that we take advantage of quickly and similarly if we need to sell a holding we can do so swiftly.

IFAs are required to complete thorough due diligence when referring clients to a discretionary investment management firm and we are happy to engage in process. Our investment services attract new business from those advisers who require an investment management solution to complement their own advisory service.

What is your approach to discretionary fund management?

The expectation when investing is for the medium term and therefore a 4-5 years holding period, however this will vary on an investment's price, valuation and changing economic circumstances.

The typical flow from an investment idea to a trading position is as follows:

The research we conduct will generate ideas which are subject to real-time internal discussions and thereafter, further in-depth research is made to validate it and select a suitable vehicle for investment. This in turn is assessed at formal investment meetings and if approved is then

allocated a weighting in model portfolios subject to clients mandate/risk. When selling a holding, it is more a function of the investment reaching a target price (valuation driven) or in some cases, where the reasons upon which the investment was made are no longer valid.

We obtain our external research primarily from BCA, Reuters Knowledge & brokers for direct equities and bonds. We also use various publications including FT.com; Bank of England publications; Investment Blogs (Zero Hedge); Economists & Strategist newsletters for UK & Globally; John Mauldin; Jeremy Grantham (GMO); Niels Jensen (Absolute Return Partners) etc.

When we carry out our research for investment in collectives we always start by forming views on the house. We then have face to face meetings with the fund managers. This allows us the opportunity to assess the individual manager, the team he works in and the investment process. This involves an exchange of ideas at a stock, sector and market level as well as an understanding of their views on a macroeconomic level. Historic performance plays a very small role in our selection of a collective investment. When looking at a fund manager's ideas and his ability to implement those ideas we also determine whether his investment style will suit the current market and identify if that means he is likely to perform well or poorly! Other issues, such as capacity constraints, are looked at and we determine what impact these may have on the performance of the fund. We also focus on risk-adjusted performance rather than just performance and if we have a strong sector, country or style views it is highly likely that our choice of fund will reflect this.

What investment solutions can you offer through the Nucleus platform?

We offer eight risk rated model portfolios and offshore bond equivalent, predominantly invested in collective investments. Any changes to the models are driven by investment decisions. There is no formulaic re-balancing, this is only carried out when new clients are attached to the models. Our model portfolios benefit fully from our active investment management process. As an added benefit, we do not provide custody of the assets on the platform and therefore our fees are reduced accordingly.

What are your fees?

We do not charge an initial fee for accessing our portfolios on the platform. The annual management fee is 0.60% plus VAT. This fee does not include the adviser fee. The adviser fee is to be agreed with the client.

Who should I contact to discuss the service further?

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