

*Howard & Co*

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**Wealth Management**

SPECIALISTS IN WEALTH MANAGEMENT  
FOR PROFESSIONALS





# Specialists in wealth management



The number of high net-worth individuals in the UK is growing rapidly and, with it, the need for high-quality financial advice tailored to their needs. Howard & Co was set up in 2000 with the specific aim of providing that advice. Our clients include entrepreneurs, solicitors and barristers, investment bankers and doctors – people who want to capitalise on their success in their chosen field through sound financial planning.

Our expertise, structure and methodologies make us well-placed to meet these needs. As one of London's leading IFA practices with increased resources and enhanced levels of expertise and service, we have retained the ethos of individual attention and personal service that comes from a truly independent specialist company.

## EXPERT ADVICE

The strength of Howard & Co lies in the expertise and experience of its Independent Financial Advisers. With over 75 years' of financial services experience between them and a wide range of specialisms, the professional advisers at Howard & Co are well equipped to provide innovative and effective financial solutions for clients, regardless of the complexity of their situation. Howard & Co also benefits from the considerable expertise of renowned economist, Prof Elias Karakitsos. Our advisers are supported by a strong operations and administration team which prides itself on service and communication.

# Professional planning for professional people

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## EXACTING STANDARDS

Howard & Co's approach to money management takes in all aspects of your financial health. Our approach is based on health-checking your wealth, drafting a clear picture of your needs and aspirations and using this to create innovative, bespoke financial plans that will build reserves for your future security and fill the stores of wealth so that capital provides income. Central to everything we do are the following core elements:

### **Legitimacy**

Our plans never incorporate tactics or strategies that are unethical, illegal or on the fringes of legality.

### **Flexibility**

We plan for evolving situations, so that when laws or regulations change we are prepared and able to adjust.

### **Cost-effectiveness**

We try to make all projects self-financing.

## PERSONAL SERVICE

At Howard & Co, we believe in personal service. We build one-on-one relationships that help us gain an in-depth understanding of your personal needs, circumstances and aspirations. This is crucial in helping us create effective tailor-made solutions rather than relying on off-the-shelf financial products.

Whoever we work for, whether individuals, families, companies or trusts, the emphasis is always on personal service. We work with you as a team, bringing together lawyers, economists and accountants to crack your wealth accumulation and tax problems. And we work with you in person. Around 70% of our client time is spent face-to-face - that's best practice on a world standard.

### **Transparency**

Advanced planning is not about hiding and laundering money. It is about leveraging laws and regulations for the benefit of the affluent client.

### **Coherency**

We believe integration should permeate all planning. Our holistic approach identifies synergies between different strategies and tactics, to optimise results.

### **Discretion**

Our confidentiality goes without saying.

### **Risk-sensitivity**

Always within the law, we can be more or less aggressive according to your personal requirements.

### **Complexity Sensitivity**

We give simple presentations of even the most complex advance planning issues, so that you can make quick, informed decisions.



“The firms generating the highest profits are those spending more time seeing clients. The adoption of a more advice-led business model focusing on providing an on-going service to clients appears to be the most successful emerging business model.”

**John, Cowan, Head of Pivotal\***

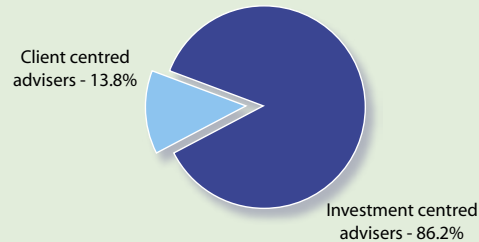


## TAILOR-MADE SOLUTIONS

Howard & Co places the emphasis on providing advice, not selling products. We are client-centric, not investment-centric. This is a claim often made but rarely borne out. As the following chart shows, when asked, virtually all IFA practices describe themselves as client-centred, but their actual behaviour tells a different story.

Howard & Co is different. We act for you, not the institutions. Our clients have very specific needs that are rarely met by off-the-shelf products. By focusing on your specific needs and aspirations, we can be more productive, delivering better-value services and putting together tailor-made solutions that are not available anywhere else.

### Client centred or investment centred?



Virtually **all advisers** label themselves “client centred” when asked directly. Our behavioural research reveals that the **vast majority** of advisers are actually “investment centred”.

Source: CEG Worldwide research: The Best of Times.

“Many IFA firms are still built around transactional models where they consider their role to be financial advisers, but the reality is they are selling financial products and trying to manage these products thereafter.”

**John Cowan, Head of Pivotal.\***

## PROVEN STRATEGY

Simplicity on the outside doesn't mean simplicity on the inside. Although we go out of our way to make financial planning as straightforward and comprehensible to you as possible, our strategies are far from simple. Our individually-tailored plans are created through a mixture of structured assessment of each client's financial situation and future goals, and astute forward planning based on proven economic models.

### Structural Approach

By spending time talking to you, we can really appreciate your financial picture now, and the prime driving force behind your vision for the future. We help you allocate your resources between the many competing demands from your family, business and aspirations by creating balance sheets for each area of your life. These balance sheets are pivotal in helping us determine asset allocation and market timings for your investment. For you, they also present a clear and comprehensible health check of your wealth.

### Economic Approach

The investment strategies we apply to your personal balance sheets are backed up by world-class economic research from a team led by leading economist, Prof Elias Karakitsos. He and his team constantly develop and maintain a number of economic models across mature markets and economies. This research allows us to manage your money both in response to your own position and needs, but also in response to changes in economic cycles, choosing timings and the sectors in which to invest accordingly. In particular, we have been following Prof Karakitsos' revolutionary K-Model since 1986 with considerable success.

*(For more information on the K-Model, see p8.)*

\*Pivotal Discovery Research Survey 2004, in conjunction with the Society of Financial Advisers

# Our services



## PENSIONS

Planning for your retirement is more important now than ever before and the issues involved have been affected by the new regulations that come into play in 2006. However, there are solutions to the pensions funding crisis. Howard & Co's advisers are experts in all aspects of pension review and planning, including:

- Wealth preservation in both a rising and falling market
- Structuring and enhancing retirement income
- Maximum flexibility with minimum (and transparent) costs
- Security in investments
- Property as an asset class and how to maximise the tax deductions
- Intelligent and simplified basis for asset allocation and timing
- Maximising benefits under current rules
- New rules and the 'Simplification' legislation including the proposed £1.5m cap
- Better value alternatives to insurance company products

## TAX PLANNING

Affluent professionals have a bigger tax burden than most. Strategic planning – but always within the law – is needed to protect your wealth during your lifetime and for your beneficiaries after your death. Your tax planning also needs to be flexible to allow for future changes in legislation or your circumstances. Howard & Co's advisers are experts on **income tax, capital gains tax** and **inheritance tax**. We can identify ways to minimise your tax bill without impinging on your lifestyle, make sure your affairs are tax efficient and simplify things for your beneficiaries after your death.

## INVESTMENT

Howard & Co's advisers offer high quality financial advice, helping you identify an appropriate balance between risk and reward, devising a strategy that achieves that balance and finding the right investment products to implement it.

Our advisers will guide you through the maze of investment options and present you with clear explanations of how each is structured, its tax treatment and investor implications. Our initial investment strategy and on-going management of your investments is informed by proven economic models, which have helped us to consistently outperform the market.

## ON AND OFFSHORE STRUCTURES

Properly set-up, on and offshore trusts and companies can minimise your tax liabilities and maximise the privacy of your affairs during your lifetime. They can also offer considerable advantages after death, such as reduced inheritance tax, simplified administration of your estate and continued privacy. Howard & Co's expert consultancy is tailored to each client's individual wealth profile. We also offer a full incorporation and management service to provide maximum benefit with minimum complication.



## PROTECTION

Providing adequate funds on death, illness and redundancy should be firmly on everyone's financial planning agenda. Howard & Co's advisers are Protection Professionals and provide expert guidance on all aspects of protection planning, including more complex markets such as estate planning and business cover. Our services and areas of expertise include:

- Audits of clients' level of protection and gap analysis
- Ensuring cover is held on appropriate trusts
- Providing sufficient funds to meet Inheritance Tax on estates
- Providing tax-effective liquidity to provide for business succession and business survival
- Providing an 'insurance fund' that will secure the costs of higher education can be met if parents die before the funds are required or whilst still in payment.

## TAX-FAVoured INVESTMENTS

PEPS, ISAs and pension contributions aren't the only ways of sheltering your capital. Howard & Co has an excellent record for identifying the lesser-known tax-favoured investment opportunities that meet your tax and growth objectives, fit your individual risk profile and even reflect your interests.

We have particular expertise in the following types of tax-favoured investment:

- Venture Capital Trusts (VCTs)
- Offshore Funds
- Property Investment Funds
- Enterprise Zone investments
- Property Limited Partnerships

## PROPERTY SYNDICATES

Investing in bricks and mortar has become increasingly popular over the past few years, but going it alone is rife with pitfalls. Howard & Co's property syndicates have been devised to both simplify the process of investing in property and to maximise buying power. Both individuals and pension clients contribute funds which are pooled to buy commercial properties, based on expert professional advice. Existing syndicate funds have been used to finance sale and leaseback deals for ICI, Orange, BBC Scotland and the Scottish Enterprise Board Department of the Environment. We handle all the professional and management aspects of the scheme. At the end of a fixed term (usually five to seven years), investors can then decide whether to sell and realise a return or continue to invest.



# Our performance

## WORLD CLASS RESEARCH

The secret of our investment success is the combination of in-house expertise, client consultation and leading-edge economic research. Since 1986, we have followed the K-Model, a proprietary model that depicts the interaction of the macro economy with financial markets: in particular, money, bonds, equities and foreign currency for the US.

The K-Model has been developed and perfected over 30 years by our economics consultant, Prof Elias Karakitsos. It has been used to provide advice to HM Treasury, the House of Commons, the European Commission, the Brookings Institution, major financial institutions including Citibank, Standard Chartered and Abbey National, as well as corporations such as British Airways. In 2002, the K-Model successfully predicted the recent collapse of the dollar.



The model has been fully back-tested to prove its stability: it is capable of explaining with relatively great precision the behaviour of investment over the last 50 years.

## PROVEN RESULTS

The model identifies distinct stages in each economic cycle, interprets where we are in the cycle and determines preferred asset classes for each stage, as shown in Fig 1. We allocate our clients' assets in line with this interpretation. Fig 2 shows the investment strategy determined by the K-Model since 1987. Fig 3 shows how the K-Model has consistently and impressively out-performed other investment strategies, providing significantly higher rewards for our clients.

TABLE 1: K-MODEL LONG TERM INVESTMENT STRATEGY															
	US CYCLE TURNING POINTS	GERMANY CYCLE TURNING POINTS	JAPAN CYCLE TURNING POINTS	LT OPTIMAL STRATEGY CHANGES ONLY IN THE DATES SHOWN: IT IS UNCHANGED BETWEEN DATES											
				CASH			BONDS			EQUITIES					
				TOTAL	US	GE	JP	TOTAL	US	GE	JP	TOTAL	US	GE	JP
SEP-87				10%	50%	40%	0%	0%	25%	20%	5%	20%	10%	10%	10%
OCT-87				10%	10%	80%	10%	0%	10%	0%	0%	5%	35%	40%	0%
FEB-88	B			25%	10%	65%	25%	0%	10%	0%	0%	5%	40%	0%	0%
SEP-89		B		85%	10%	5%	85%	0%	0%	0%	0%	5%	0%	0%	0%
DEC-89			B	0%	50%	50%	0%	0%	50%	0%	0%	50%	0%	0%	0%
OCT-90			C, D	0%	50%	50%	0%	0%	45%	10%	5%	50%	0%	0%	0%
NOV-90				0%	55%	45%	0%	0%	30%	20%	5%	45%	0%	0%	0%
JUN-92		C		60%	20%	20%	60%	0%	0%	10%	5%	10%	10%	0%	0%
JAN-93		D		0%	55%	45%	0%	0%	30%	20%	5%	30%	15%	0%	0%
MAY-94		E		0%	55%	45%	0%	0%	30%	20%	5%	30%	15%	0%	0%
DEC-94		SOFT LANDING		0%	55%	45%	0%	0%	10%	20%	5%	20%	15%	0%	0%
SEP-98			D	0%	20%	80%	0%	0%	10%	10%	0%	45%	10%	25%	0%
FEB-99	E	E		0%	10%	90%	0%	0%	0%	0%	0%	40%	20%	25%	0%
DEC-99		B		10%	10%	80%	10%	0%	0%	0%	0%	5%	50%	25%	0%
MAR-00			B	35%	10%	55%	35%	0%	0%	0%	0%	5%	50%	0%	0%
MAY-00		B		85%	10%	5%	85%	0%	0%	0%	0%	5%	0%	0%	0%
JUN-00		C		25%	75%	0%	25%	0%	0%	70%	1%	0%	0%	0%	0%
MAY-01			C	10%	90%	0%	10%	0%	0%	50%	40%	0%	0%	0%	0%
MAR-03		D		30%	0%	65%	30%	0%	0%	0%	0%	15%	35%	10%	0%
DEC-03				30%	0%	65%	30%	0%	0%	0%	0%	16%	35%	10%	0%
JAN-04				30%	0%	65%	30%	0%	0%	0%	0%	16%	35%	10%	0%

Figure 1

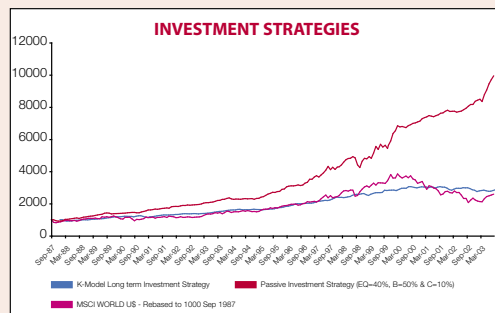


Figure 2

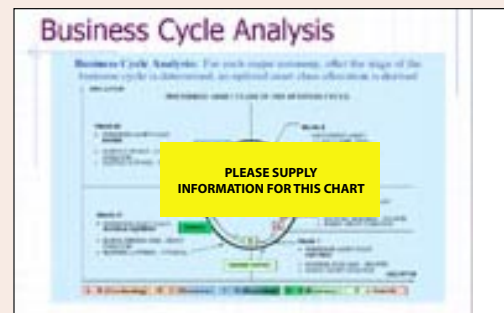


Figure 3

ARE THESE DIAGRAMS IN THE CORRECT POSITION?

# Working with us

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We believe in total transparency to our fee structure, so that you can be sure that the solutions we have tailored for you are the best investments for you and not those that earn us the most commission. You have the choice between paying us a fixed fee for our advice or remunerating us on a commission basis. Commissions are always declared in advance to ensure complete impartiality.

Whichever route you choose, our initial work to consider your requirements and make a preliminary assessment is done without charge or further obligation on your part. If we don't think that you will gain considerable benefit from our services, we will tell you.

## CONTACTS

For further information on how Howard & Co could help you, or to make an appointment with one of our advisers, please contact:

**Patricia Croke or Nicole Chatergoon**

**08702 855855**

[enquiries@howard-city.com](mailto:enquiries@howard-city.com)

## Notes

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## Notes

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# Howard & Co

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