



CHARLOTTE SQUARE
INVESTMENT MANAGERS

SERVICES FOR INTERMEDIARIES

A Partnership in recommending and distributing Financial Products

For Professional Advisers only – not for use by or distribution to retail clients

Date of Publication: 30th June 2025

INFORMATION FOR INTERMEDIARIES (FINANCIAL ADVISERS)

BACKGROUND

Charlotte Square has been a trusted manufacturer of financial products for over 20 years. Our objective is to create client-centric financial solutions that meet the diverse needs of your clients.

We have a strong reputation for compliance, quality and innovation, ensuring that our products are both competitive and sustainable. As part of our ongoing commitment to providing high-quality financial solutions, we rely on partnerships with experienced financial advisers like yourselves.

Our aim is to relieve you of many of the necessary, but time-consuming tasks, needed for the close attention to the construction, ongoing monitoring and management of your clients' portfolios.

We believe in an active approach to managing the funds entrusted to us, which means being responsive to changes in market and economic sentiment. We believe this creates the flexibility to adapt promptly to what you tell us are your clients' financial priorities.

ENHANCING YOUR PROPOSITION

We are excited to work alongside your firm in the distribution of our financial products and services to retail clients. We are confident that our partnership will not only meet the regulatory requirements but also complement your overall advice process and add long-term value for you and your clients.

FOR YOU, AS PROFESSIONAL ADVISER:



- Charlotte Square solutions assist in reducing your administration and risk.
- Under discretionary permissions, we remove the need for you to conduct ongoing fund research & diligence or construct portfolios.
- Once you have selected the Investment Mandate, we then take on responsibility for the ongoing portfolio management.
- You will have easy access to the investment team for market and portfolio level updates.
- To keep you informed, we can share regulatory reports which are issued to your clients.
- Our investment administration team is readily available to attend to your enquiries.
- We can work with you to provide a solution if your client needs a specific investment 'focus' (e.g. towards higher income generation).

FOR YOUR CLIENTS:



- Access to institutional investment techniques and expertise not ordinarily available to individuals.
- Investor Account Protection which meets the FCA's Client Asset Rules.
- The services of an experienced investment management team.
- Clear and concise portfolio performance and valuations reports issued quarterly by the custodian.
- Clarity of both historic and current holdings when viewed on the client online portal.
- Processing of all instructions from you as the client's Adviser.
- Our processes ensure clients with characteristics of vulnerability are not disadvantaged. When you advise us of the needs of a vulnerable client, we will work on any adjustments you may require.

In addition, should the circumstances of any of your clients change, we can adapt to these changing Mandate needs quickly to ensure their new situation is fully reflected.

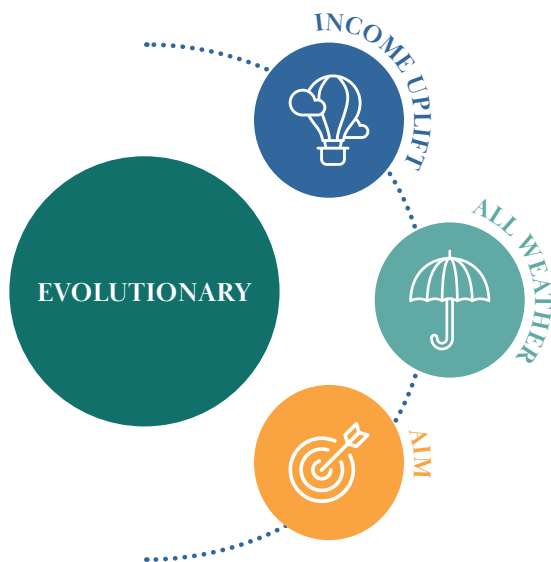
PRODUCT OFFERINGS

As active discretionary investment managers, we create diversified and robust multi-asset portfolios to meet differing Investor risk profiles.

Although capital growth is always a consideration, our core investment solutions are tailored to meet wider requirements of the individual client – either within our [discretionary range of risk rated Evolutionary](#) solutions or, if you determine their objectives are better met, from one of our three [Specialist strategy options](#):

- All Weather
- Income Uplift
- AIM

Please refer to our firm's Brochure where you will find these services described and also our publications ' [Product Information](#) ' and ' [Value Assessment](#) ' for further details of our approach – whether in providing a Service that is **Bespoke** (for those clients looking for a truly individual portfolio designed around more complex or focused requirements) or **Tailored** (designed to produce consistent outcomes in line with the 'House' view on investment selection and asset allocation).



Our core service offerings are built around these investment portfolio solutions and are available across a range of tax wrappers that include: General Investment Accounts (GIA), SIPP, ISAs and Offshore Bonds.

Once you have agreed the most suitable Mandate with your client, their portfolio will be actively managed on a discretionary basis – leaving day-to-day decision making to us.

HOW DOES IT WORK?

From these options, we look for the optimum balance in the range of asset classes and individual stock selections. These multi-asset portfolios provide flexibility and cater for client specific circumstances and needs across the risk spectrum.

We also offer a [Managed Portfolio Service \('MPS'\)](#) made up of 5 actively managed solutions and available exclusively to our Intermediary network. For clients for whom this is a suitable alternative solution, this gives them access to a range of risk-rated model portfolios managed by Charlotte Square on third party platforms of your choice.

Please refer to our [MPS Brochure](#) and ' [Product Information](#) ' for fuller detail.

Depending on the Services you select, you can work with us on an 'Agent as Client' or 'Reliance on Others' basis, as explained in the pages following. In each case, you select at the outset the Investment Mandate best suited to your client and then act as our principal contact throughout the client relationship.

INVESTMENT PROCESS

Our investment process is based on rigorous research (both internally and from external sources) for both asset allocation and security selection. Our experience and expertise allow us to explore a wide investment universe across multiple asset classes – delivered in a clear and actionable way – and within a robust risk framework.

Whether through our multi asset Evolutionary portfolios or our MPS solutions on third party platforms, we create investment opportunities to help your clients reach their financial goals throughout the different stages of their life.

Over time, it is to be expected these will change, which is why we treat the management of their funds as very much an evolutionary process – adjusted around different variables such as market and economic factors – with your client's Mandate at the core.

Key considerations include:

MONITORING

For our Core Discretionary managed portfolios, we will respond on an ongoing basis to stock specific or variables (such as market and economic conditions) by adjusting our selection or geographical spread in order to maintain sufficiently diversified portfolios.

The MPS portfolios are rebalanced at a set time in each calendar Quarter. Inter quarter tactical rebalancing may also take place if required.

If any issues are identified during monitoring and review, we will take appropriate action to mitigate the situation and prevent further harm from occurring e.g, by informing other firms in the distribution chain or making changes to a product or service.

ASSET RANGE

We put controls around these investment decisions by employing an underweight/overweight policy at both geographic and asset level, adding more exposure to areas where we are optimistic on the outlook and reducing areas where we are pessimistic. For example, if we are optimistic on the outlook of equities, we may look to add more exposure to this asset class, above the strategic equity range in the Product & Services Matrix contained in our publication 'Product Information.'

This allows the Investment Committee to take underweight/overweight positions across different asset classes – without compromising the risk mandate of each portfolio.

ASSET ALLOCATION

Our thorough, and ongoing, research and due diligence on investment holdings form the basis for the asset allocation and tactical decisions by our Investment Committee.

This is designed to mitigate risk by diversification across a breadth of sectors and geographies, which perform differently (depending on the market environment) and to reduce correlation risk.

TIMESCALE

In order to optimise returns, our portfolios are designed for long term investment (5-10 years+).

BENCHMARK

Our Core risk mandated portfolios are benchmarked against the MSCI PIMFA Indices (Conservative, Income, Balanced, Growth & Global Growth). To avoid portfolios not being fully comparable with their benchmark, we use the equity allocation for each index as the starting point for each risk mandated portfolio. This gives us our Equity range.

The managed MPS portfolios are benchmarked against the Bank of England Base Rate + a prescribed percentage – increasing as the portfolio risk profile moves along the risk spectrum from Conservative (Low) to Adventurous (High).

OUR RELATIONSHIP WITH YOU AND YOUR CLIENTS

We know how important it is, when considering a discretionary management arrangement, to maintain the close relationship you have built with your clients and to retain control over their financial affairs. Our Services are designed in such a way, therefore, to reflect that primary relationship between you and your clients, and to ensure that you remain the principal point of contact with us.

Once you have identified an appropriate Mandate from our range of Services, delivery will depend on which you choose.

The key distinction arises between our 'Core' Discretionary Services and MPS, and how the relationship works between Charlotte Square, you as the Adviser firm, and your underlying client (the 'Investor').

CHARLOTTE SQUARE SERVICES	ADVISER	CHARLOTTE SQUARE	BUSINESS MODEL
	Who is your client?	Who is Charlotte Square's client?	Is this 'Reliance on Others' or 'Agent as Client'?
Core Discretionary Investment Services (Bespoke, Evolutionary & Specialist)	Investor	Investor	Reliance on Others
Managed Portfolio Service (MPS on third party platforms)	Investor	Adviser	Agent as Client

HOW THIS WORKS IN PRACTICE

'RELIANCE ON OTHERS' (where you are acting as agent for your client)

- When managing client assets, the client continues to enjoy the primary relationship with you.
- We are able to rely on the client information and instructions you provide to us.
- As Adviser, you will have your own contract with your client setting out your terms for providing financial planning advice and recommendations (Adviser Client Agreement).
- Charlotte Square will have its own Agreement with you for the delivery of investment Services to the clients you introduce to us for this purpose (Intermediary Agreement).
- Our relationship and responsibilities to investors relate only to the investment management function we carry out. These are governed by the separate Client Agreement and Terms of Business they enter into with us (Discretionary Management Agreement).

'AGENT AS CLIENT' (where you become a professional client of Charlotte Square)

- As Financial Adviser, you step directly into the client relationship with ourselves. You become a professional client of Charlotte Square, which has no contractual agreement with Investors.
- You enter into your own terms with your clients setting out your roles and responsibilities. This would include their authority to you to:
 - contract with Charlotte Square as agent;
 - appoint us as discretionary investment managers; and
 - pay our remuneration for the Services provided.
- Your clients should also be made aware of the differences in the complaints process and access to FOS.
- Investor reporting, records and portfolios are maintained by the relevant third party platform with whom you will also have your own separate contractual relationship and Suitability obligation.

ROLES AND RESPONSIBILITIES

Once you have decided on the Service best suited to your client, there will be some differences in our respective roles and responsibilities to each other - and to the Investor. These determine the regulatory 'Suitability' obligation both at the outset and on an ongoing basis. These are summarised as follows:-

ROLE & RESPONSIBILITY	CORE DISCRETIONARY INVESTMENT SERVICES	MANAGED PORTFOLIO SERVICE ('MPS')
Collection of information from the investor including: <ul style="list-style-type: none"> personal & financial circumstances, investment aims & objectives, risk appetite & capacity for loss, knowledge & experience of financial products, and overall needs. 	Adviser	Adviser
Initial and ongoing assessment of the above on which to determine a suitable advice process.	Adviser	Adviser
Assessment of the Investor's need for the appointment of a discretionary investment manager to manage all or part of their funds.	Adviser	Adviser
Determination of the suitability of the Investment Mandate and risk profile for each Investor, both at the outset and ongoing.	Adviser	Adviser
Provision of a clear description of the Services to enable Adviser to assess the service provision.	Charlotte Square	Charlotte Square
Advising on tax, CGT and other financial planning implications of investing.	Adviser	Adviser
Advising the Investor on the risks and potential benefits associated with the Services and the selected investment profile or strategy.	Adviser	Adviser
Investor identification, including anti-money laundering checks.	Adviser & Charlotte Square*	Adviser and relevant platform provider
Establishing and managing the portfolio in line with the agreed Investment Mandate and risk parameters.	Charlotte Square	Charlotte Square
Making arrangements for 'Execution of trades'.	Charlotte Square*	Relevant platform provider
Provision of comprehensive reporting, including periodic statements.	Charlotte Square*	Relevant platform provider
Oversight of Discretionary Investment Management Services provision.	Adviser	Adviser
Facilitation of payment of Adviser charges.	Charlotte Square**	Relevant platform provider
Suitability Assessment on an ongoing basis (at least annually) of Charlotte Square's appointment and of the investment Services provided by them	Adviser	Adviser
Review of client circumstances at least annually and advice to client whether Mandate remains suitable.	Adviser	Adviser
Notification to Charlotte Square of any changes in the Investor's investment or risk profile.	Adviser	Adviser
Implementation of client profile changes to portfolio.	Charlotte Square	Relevant platform provider

* via third party provider.

** via third party provider (only upon written authority from Investor).

RISK WARNINGS & DISCLAIMERS

Risk is fundamental to the investment process. Investments, which include shares and other products (such as investment trusts, unit trusts or investments in exchange traded investments), put Investors' capital at risk. It is not possible to guarantee that the initial investment will be returned on maturity or sale. It is important, therefore, that you consider with your clients how potential gains or losses could affect them. It is not possible to provide an exhaustive list of all the risks associated with the investment selection in every portfolio at any one time. Not all investment products carry the same exposure to risk, and this may affect the price of certain investments and the income flow from them. Our role is to assess what balance between investment return and the risks associated with achieving it, are appropriate to the overall objectives of the Investment Mandate.

BELOW ARE SOME OF THE GENERAL RISK WARNINGS ALL INVESTORS SHOULD BE MADE AWARE OF:

- not all investment products and services described in this document will be suitable for all Investors;
- the value of investments, and the income from them, may go down as well as up, and Investors may not get back the full amount of their original investment;
- past performance is not an indicator of future performance;
- where an investment is denominated in a currency other than the currency of the portfolio, changes in exchange rates may cause the value of the investments and/or income to go down or up;
- the tax regime on investments and investors depends on individual circumstances and may be subject to change without notice; Charlotte Square does not provide tax advice;
- certain investments in a portfolio could become difficult (and sometimes impossible) to sell due to their particular characteristics, market activity or other circumstances beyond our control;
- investment funds, which are not regulated by the FCA, may not be subject to the equivalent levels of regulation and compensation provision that apply to most FCA regulated schemes in the UK.

IMPORTANT INFORMATION

This document is provided for use exclusively by professional advisers and is not for distribution to, or use by, clients or to be reproduced or distributed to any other person. **Any information or opinions provided in this document constitute our judgement only as at the date of publication and are subject to change without warning.** No warranty is given as to the accuracy of the information contained herein.

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