

CASH *and* CAUTIOUS

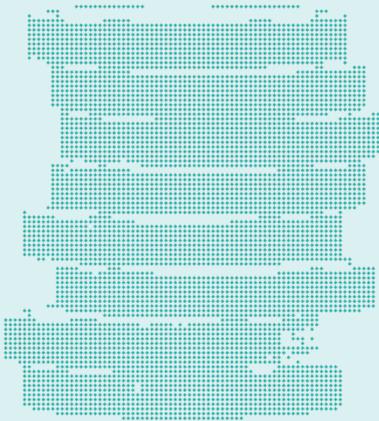
A considered alternative to holding cash

evelyn PARTNERS

BOND
portfolio

When STABILITY matters, but your MONEY still needs to WORK

If you're holding significant cash and want a more considered alternative to a traditional savings account, the Evelyn Partners Cash and Cautious Bond Portfolio is designed to achieve this. While it focuses on high-quality, low-risk instruments, it's important to remember that the value of investments can still fall as well as rise, meaning you may get back less than you invest.



Who is it FOR?

This portfolio is built for clients who value capital preservation, liquidity and peace of mind, while seeking the potential to achieve competitive returns without taking unnecessary risk. Our portfolio allocations focus on generating income with stability and we anticipate only a modest degree of volatility.

Who is it BY?

Delivered through our Discretionary Portfolio Service (DPS), it offers a carefully constructed blend of high-quality bond and cash investments, actively managed by experienced specialists - so you can feel confident your money is being looked after.

Why choose the CASH and CAUTIOUS BOND portfolio?

This portfolio is designed to help you feel:

Secure

through a focus on high-quality, low-risk investments, while recognising that even conservative investments can fluctuate in value

In control

with liquidity, transparency and flexibility

Supported

by dedicated investment professionals who actively manage your portfolio on your behalf

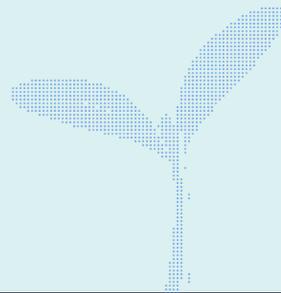
What this PORTFOLIO *aims* *to* DELIVER



An opportunity to potentially enhance returns particularly in a changing interest rate environment



Stability and resilience, through a conservative investment approach



Liquidity, so you can access your money when you need it



Simplicity, removing the complexity of managing multiple deposits yourself

FEATURES



Key benefits at a glance

- Opportunity to lock in attractive yields if interest rates fall
- Potential for competitive post-tax returns
- No currency risk - investments are sterling-denominated
- High-quality investments, predominantly UK Government or AAA-rated instruments
- Assets held securely in nominee accounts
- Highly liquid holdings, allowing swift access if circumstances change
- Broader diversification than UK-only government bonds, supporting more consistent returns
- Bespoke construction, aligned to your timescale, liabilities and tax considerations

Key risks at a glance

- Capital at risk: The value of investments can go down as well as up, and you may get back less than you invest
- Interest-rate risk: Bond values can fall if interest rates rise
- Credit risk: Issuers of bonds could fail to meet their payment obligations, affecting the value of holdings
- Inflation risk: Returns may not keep pace with inflation, reducing purchasing power over time
- Market risk: Market conditions can cause short-term fluctuations in value, even in cautious portfolios

Managing cash deposits can be time-consuming and complex. This portfolio allows you to delegate that responsibility, while remaining informed and in control.

What TYPE OF ASSETS *may* be INCLUDED?

The Cash and Cautious Bond Portfolio invests in highly conservative, liquid instruments, selected for their quality and reliability. However, even these lower risk assets are not guaranteed and may experience short-term fluctuations in value.

These may include

- Cash
- Treasury Bills (T-Bills)
- Money market funds
- High quality short-dated bonds

Understanding the BUILDING BLOCKS

Treasury Bills (T-Bills)

Short-term debt issued by the UK Government, typically with one-, three- or six-month maturities. They are widely regarded as among the safest sterling investments available. Despite this, their price can vary if sold before maturity.

Money market funds

These funds invest in high-quality, short-term instruments such as cash, gilts and similar securities. They are traded daily, providing flexibility and transparency.

Gilts

Bonds issued by the UK Government. The UK Government has never failed to meet its interest or capital obligations on gilts.

Supranational, sub-sovereign and agency (SSA) bonds

Issued by multinational institutions or government-backed agencies, these bonds typically have credit profiles comparable to sovereign issuers and add diversification without materially increasing risk. Nonetheless, credit risk cannot be eliminated entirely.

Is this portfolio RIGHT for YOU?

The Cash and Cautious Bond Portfolio may be suitable for:

- Individuals holding significant cash balances
- Corporates and charities seeking prudent cash management
- Entrepreneurs following a business exit
- Clients with short- to medium-term liabilities

Why EVELYN PARTNERS?

Low cost, transparent service

The straightforward structure helps keep costs low. There are no commissions or transaction charges.

Independent investment selection

Our research process focuses on selecting instruments that align precisely with the portfolio's cautious objectives.

Depth of expertise

Evelyn Partners brings decades of experience in managing money through different market conditions.

Flexibility and control

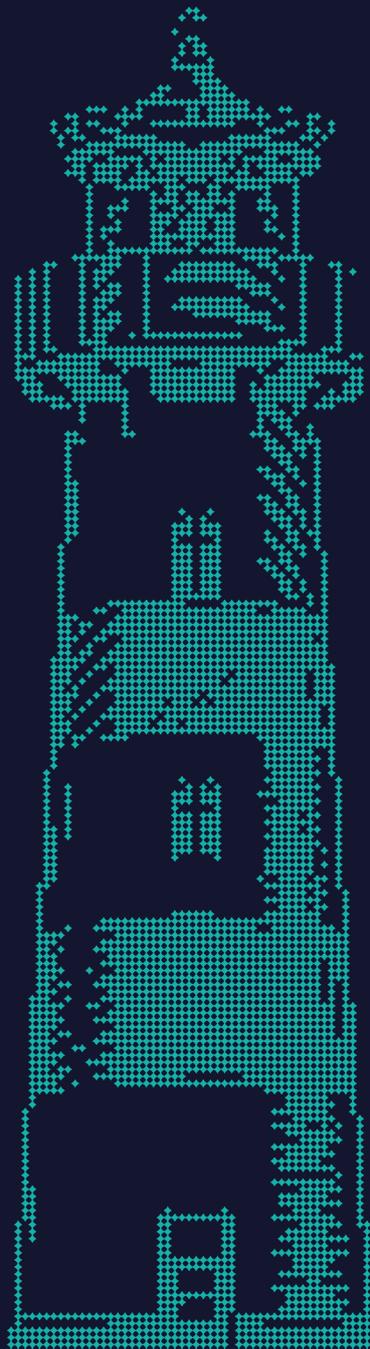
No upper investment limit. You can add to your portfolio at any time.

Focused construction

By investing largely in direct instruments, your investment manager retains greater control over risk and outcomes.

Tax aware approach

A permitted investment list helps manage tax exposure and improve post-tax outcomes where appropriate.



How does TAX *apply to your* INVESTMENTS?

The tax treatment of investments within the Cash and Cautious Bond Portfolio depends on the type of investor and individual circumstances. Tax rules and reliefs may change.

INDIVIDUALS *(including business owners exiting a business)*

For individuals, the tax treatment will vary based on personal circumstances. The portfolio can be structured to help mitigate tax liabilities by investing in UK Government bonds and other qualifying investments.

- Returns from UK Government bonds are generally subject to income tax on gilt coupons, rather than capital gains tax on capital returns
- This structure may significantly reduce the overall tax burden in certain scenarios (see example on the next page)
- Some products within the portfolio may have tax consequences if redeemed early

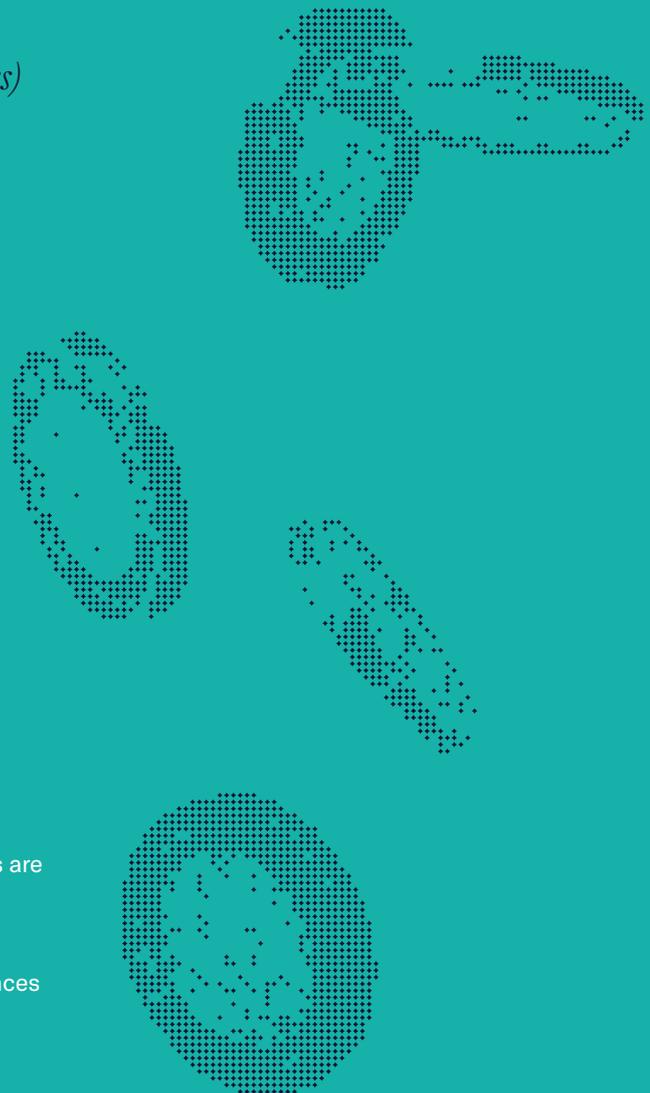
CHARITIES

Generally exempt from capital gains tax on these investments.

Corporate INVESTORS

Corporate investors are usually subject to capital gains tax and may also incur additional tax charges depending on their legal structure and how investments are held. Specific tax outcomes will vary, and professional tax advice is essential.

Prevailing tax rates, exemptions, and reliefs depend on individual circumstances and are subject to change.



A TAX-EFFICIENT *alternative to* SAVINGS *accounts*

The CLIENT

Hilary Jones* sold a majority stake in her publishing business, releasing £1 million. This move helped her to de-risk her personal position after many years of exciting but relentless growth.

She will continue with the business for three years on a part-time basis receiving a salary of £50,000. The deal and associated due diligence was gruelling, and Hilary needed breathing space to pause and consider: "What's next?"

Depositing the funds with National Savings & Investments income bonds or in a bank cash account was an option. However, with any interest taxed at 40% she was keen to invest in another short-term product that would be more tax efficient. Evelyn Partners suggested the C&CB Portfolio, with a UK government bond maturing in October 2026. With only a small coupon, most of the return was achieved via (tax free) capital appreciation and provided her with an additional £17,284 after income tax.

*For illustrative purposes only, not a real case study. This assumes that the gilt is held to maturity and that the higher rate saving allowance has already been used. Returns will differ depending on the gilt and cash account return rates and could be more or less than the example given. Tax treatment depends on individual circumstances and is subject to change. It is assumed that the individual is a high-rate taxpayer that pays income tax at 40%.

CASH DEPOSITS

Cash account paying interest at 3.3%	£1,000,000
Gross interest received over period	£44,392
Income tax at 40% on interest	(£17,757)
Charges (estimate)	(£0)
Net return	£26,635 / 2.66%

EVELYN CASH & CAUTIOUS BOND PORTFOLIO

UK gilt maturing 22/10/2026 at £95.80	£1,000,000
Gross coupons received	£5,045
Capital uplift (from purchase price to £100)	£43,852
Income tax at 40% on coupon	(£2,018)
Charges (estimate)	(£2,959)
Net return	£43,919 / 4.39%

Source: Evelyn Partners. Correct as of 27 June 2025

Speak to us

If you want to find out more about how the Cash and Cautious Bond portfolio could help streamline your cash management contact your adviser.

evelyn.com

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PARTNERS