

CASH *and* CAUTIOUS

A considered alternative to holding client cash

evelyn PARTNERS

For professional advisers and their clients

BOND *portfolio*

When CLIENT STABILITY matters, but their MONEY still needs to WORK

For clients holding significant cash and seeking a more considered alternative to a traditional deposit account, the Evelyn Partners Cash and Cautious Bond Portfolio offers a structured, lower risk solution. While the portfolio focuses on high-quality instruments, advisers should relay to clients that the value of investments can still fall as well as rise, and they may get back less than they invest.



Who is it FOR?

The portfolio is designed for people who prioritise capital preservation, liquidity and peace of mind, while still aiming for 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), the strategy provides a carefully constructed blend of cash and high-quality bond investments, managed by experienced specialists. We invest in strong, well-rated issuers to help manage risk.

Why choose the CASH and CAUTIOUS BOND portfolio?

This portfolio is designed to help your clients feel:

Secure

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

In control

with liquidity, transparency and flexibility

Supported

through a dedicated team managing the portfolio on your clients' behalf

The strategy aims to sit neatly between keeping assets in cash and allocating to longer term investment portfolios.

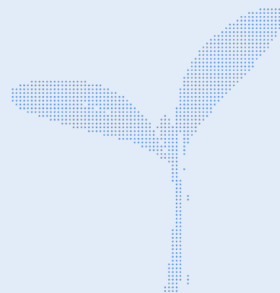
What this PORTFOLIO *aims* *to* DELIVER



A potential enhancement in returns particularly in a shifting interest rate environment



Stability and resilience, through a conservative investment approach



Liquidity, allowing clients to access funds when required



Simplicity, helping remove the administrative burden of managing multiple deposits

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 – all instruments are sterling denominated
- High quality investments, predominantly UK Government or AAA rated securities
- Assets held securely in nominee accounts
- Highly liquid holdings, supporting swift client access if circumstances change
- Broader diversification than holding only UK Government bonds, supporting consistency of returns
- Bespoke construction aligned to each client's timescale, liquidity needs and tax considerations denominated quality investments, predominantly UK Government or AAA rated securities

Key risks at a glance

- Capital at risk: The value of investments can go down as well as up, and clients may get back less than they 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 for clients. This portfolio allows advisers to delegate that responsibility while staying 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
- Money market funds
- High quality short dated bonds

Understanding the BUILDING BLOCKS

Treasury Bills (T-Bills)

Short-term UK Government debt with typical maturities of one, three or six months. They are widely regarded as among the safest sterling assets available, though prices can vary if sold before maturity.

Money market funds

Investing in high quality, short-term instruments including cash and gilts. FCA regulated and traded daily, they offer transparency and liquidity.

Gilts

UK Government bonds. The UK Government has never failed to meet its obligations on gilts.

Supranational, sub-sovereign and agency (SSA) bonds

Issued by multinational institutions or government backed agencies. They provide diversification without materially increasing risk, though credit risk cannot be eliminated entirely.

Is this portfolio RIGHT *for* YOUR CLIENTS?

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

For clients of financial advisers, the annual management fee is 0.16%, including VAT. This consists of a 10-basis-point (bps) custody fee and a five-bps investment management fee. Only the investment management fee is subject to VAT.

Independent investment selection

Our research process identifies instruments that support the portfolio's cautious objectives.

Depth of expertise

Decades of experience managing money through varied market conditions.

Focused construction

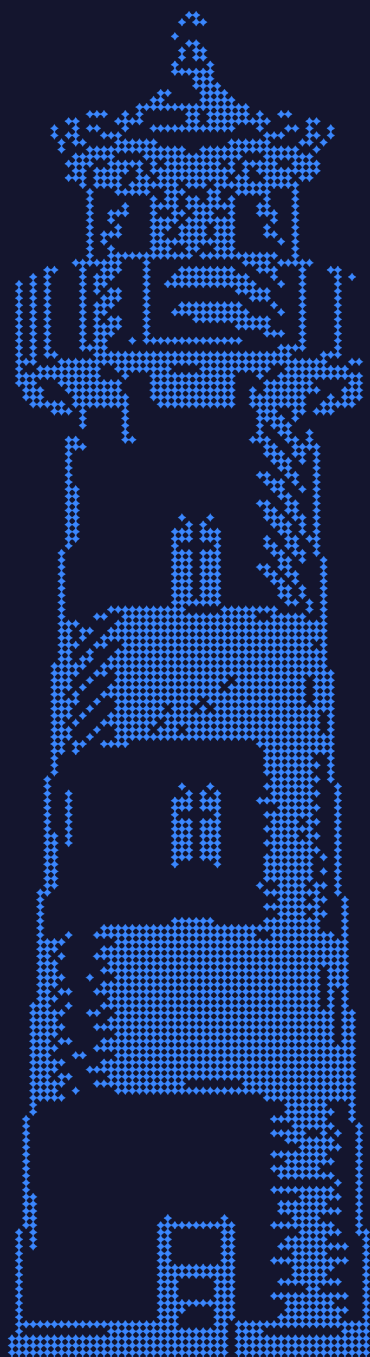
By investing directly in underlying instruments, our managers retain greater control over risk and outcomes.

Flexibility and control

No upper investment limit. Advisers can add to portfolios at any time.

Tax aware approach

A permitted investment list supports tax efficient construction where appropriate.



How does TAX apply to your CLIENTS' INVESTMENTS?

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

INDIVIDUALS *(including business owners post exit)*

Tax treatment varies by client. The portfolio can help mitigate liabilities through the use of UK Government bonds and other qualifying investments (see example on next page).

- Returns from UK Government bonds are generally subject to income tax on coupons rather than capital gains tax
- This may significantly reduce overall tax burdens in some cases
- Some products may carry tax implications if redeemed before maturity

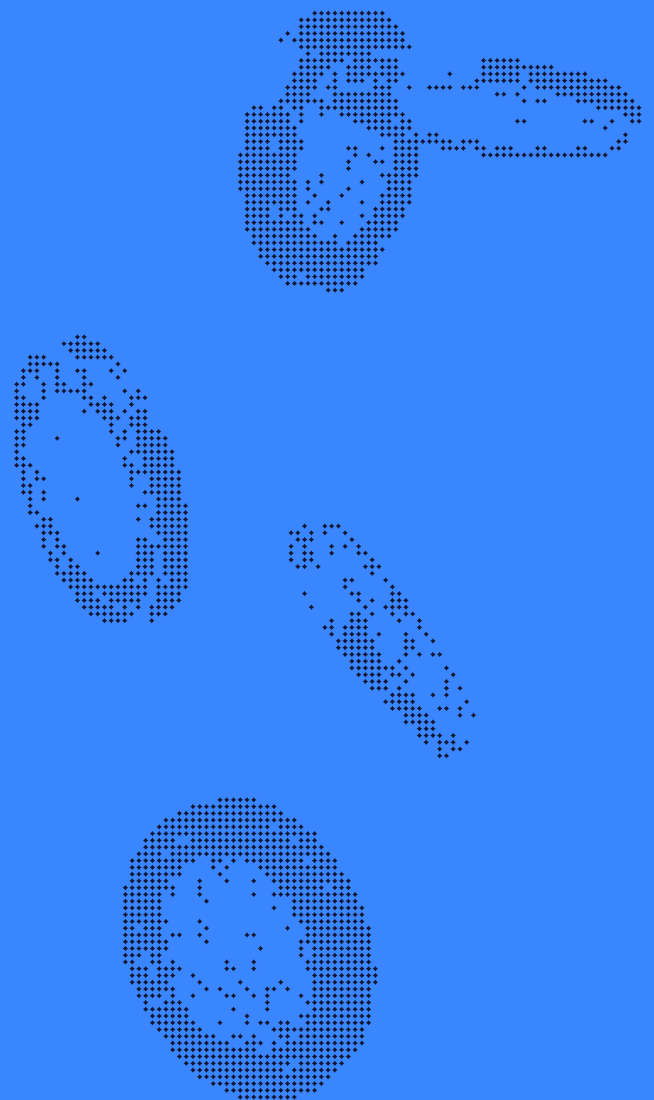
CHARITIES

Generally exempt from capital gains tax on these investments.

Corporate INVESTORS

Typically subject to capital gains tax and may incur additional charges depending on structure and holding method. Specific outcomes vary and 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. Following an intense transaction process, she wanted time to pause and reassess her future plans.

Keeping the proceeds in a cash account or NS&I income bonds was an option, but with interest taxed at 40%, Hilary was keen to explore a more tax efficient short-term solution. Her adviser recommended the Cash & Cautious Bond Portfolio, using a UK Government bond maturing in October 2026. With only a small coupon, most of the return came from tax free capital appreciation, providing her with an additional £17,284 after income tax.

*For illustrative purposes only, not a real case study. Assumes the gilt is held to maturity and the higher rate savings allowance is already used. Returns will differ depending on gilt choice and cash account rates. Tax depends on individual circumstances and may change. Assumes a higher rate taxpayer 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*	(£1,600)
Net return	£45,279 / 4.53%

*based on fee of 0.16%

Speak to us

If you would like to discuss how the Cash and Cautious Bond Portfolio can support your clients' cash management needs, please contact your adviser.

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45 Gresham Street, London EC2V 7BG.

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