



Heartwood
Wealth Management

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HEARTWOOD reaches peak levels of discretionary funds under management

Heartwood, the independently owned wealth manager, has recorded another year of strong growth in its core discretionary assets under management in its financial year closing end April 2010.

Heartwood had approximately £1.14 billion of funds under management – including £980 million of discretionary assets – as of 30 April 2010, a record level. Assets under management increased by 27% year on year, as a result of strong investment returns and sustained growth in net new client funds.

On equalised fee rates, Heartwood attracted nearly £100m of net new client assets in the financial year. This was accomplished in tandem with a move to the InVantage portfolio management and settlement system – the conclusion of a multi-year process of moving to a scalable investment platform – and the launch of a comprehensive range of Multi Asset Funds covering all of the main Heartwood investment strategies.

“Against tough economic headwinds, 2009/10 was a tremendous year of achievement for Heartwood. We believe this has vindicated our decision in 2007/8 to invest heavily in all core areas of the business, from our investment process and its delivery to our administrative systems to first-class client service professionals,” said Simon Lough, Chief Executive Officer at Heartwood.

The culminating achievement was Heartwood’s selection as Best Overall Wealth Solutions Provider at this year’s PAM (Private Asset Management) Awards. This reflected the company’s long and successful heritage as a private wealth manager together with the investment performance it has delivered to clients in recent years. “Whilst we are not in business to win awards, we were none the less delighted to receive recognition for our core private wealth management offering, which has been honed now for over 20 years and reflects the vision of our Chairman and founder, David Lough,” commented Guy Hudson, Head of Client Services and Distribution.

Heartwood has been a regular acquirer of talent over the last 12 months, in particular augmenting its client service team through the appointment of two senior client relationship directors from UBS, Kirsty MacArthur and Mark Wills. In addition, Giles Peel joined as head of investment communications from Coutts and Karen Fryer as senior financial controller from Lloyds TSB Private Bank.

“We have continued to demonstrate an ability to attract talented professionals from blue-chip institutions who wish to directly influence and participate in the growth of a firm almost entirely owned by those who work in it. We have certainly found that clients appreciate this precise alignment of interests.” said Lough. The launch of the Multi Asset Funds is also viewed as a signature achievement. “Providing access to a compelling range of diversified investment opportunities within a single investment vehicle, this comprehensive range of funds has been tremendously popular amongst new and existing clients and has so far attracted over £160 million since December 2009. Given that changes to the CGT regime may well be favourable to investment in our Multi Asset Funds, we would anticipate that over 40% of our assets under management will be within these flagship funds by this time next year.”

Looking forward Lough commented “Despite difficult markets we continue to see strong demand for our combination of intelligent advice and disciplined, modern investment management, and May saw us record levels of new business. We are particularly pleased by the significant increase in recent months in the number of new client relationships where we work in conjunction with other professional advisers, such as leading solicitors and investment consultants - it’s a great vote of confidence to be asked to take on clients by the professional community”.

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Notes to editors

All figures: Heartwood Wealth Management, as per 30 April 2010

Contacts:

Caroline Collier – Heartwood Wealth Management 01892 701837
caroline.collier@heartwoodwealth.com

Patrick Evans - Citigate Dewe Rogerson 0207 282 2913
patrick.evans@citigatedr.co.uk

Heartwood provides investment and private wealth management services for ultra high net worth and high net worth individuals from its offices in London and the South East. Heartwood now manages over £1bn of funds for clients.

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