



How Anchor Makes the Trustee's Job Easier

Anchor Investment Management firmly believes that an investment manager should provide trust companies with a comprehensive set of tools to define, communicate and monitor the unique requirements of their trust clients. A customized service based approach using time-tested modeling and reporting differentiates Anchor from other investment managers. These proprietary tools are incorporated at the beginning of every relationship but are also used to continuously monitor the progress of the investment portfolio in relation to the ongoing risks and requirements of the trust beneficiaries.

Company Details

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- **Electronic Documentation and Compliance System**
- **Comprehensive Client Questionnaire**
- **Anchor PASS System (Portfolio Allocation Scoring System)**
- **Proprietary Life Cycle Analysis**
- **Investment Policy Statement**
- **Ongoing Portfolio Monitoring and Reporting**

Electronic Documentation and Compliance System

The account opening and compliance process has become an increasing burden on trust companies. Anchor has focused on the trust market for over fifteen years and understands the impact that increased regulation places on the industry. Anchor incorporates a state of the art electronic documentation system that allows efficient communication, processing, storing and retrieving of all documents. Investment portfolios are held by a leading independent custodian (Bank of New York/Pershing) in a segregated account. Working with the custodian, Anchor has developed an efficient account opening and ongoing monitoring system that is compliant with the latest international regulatory guidelines. Anchor's dedicated service team is devoted to help the trustee complete the documentation process and provide updates when there are changes of account regulations and required paperwork.

Bespoke financial vision





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Comprehensive Client Questionnaire

The investment process begins with a careful evaluation of each client's unique risk and return requirements in order to build a customized discretionary managed portfolio. Anchor must also understand the trust client's unique needs and preferences. The details of the Comprehensive Client Questionnaire are completed by the trustee in accordance with the trust documents and their stated powers and discretions. An Anchor representative conducts a private consultation with the trustee to explain the portfolio implications of each question in the document.

Anchor PASS System (Portfolio Allocation Scoring System)

Many Anchor clients have difficulty determining the appropriate return requirements in relation to their tolerance for risk. Anchor created a simple but effective scoring tool that helps determine their risk tolerance which is useful in forming the appropriate portfolio asset allocation in a balanced portfolio. The Anchor PASS System is a short set of questions that produces a quantitative risk/return score. This score is used in conjunction with the Comprehensive Client Questionnaire to build a portfolio tailored to the unique needs and preferences of the client.

Proprietary Life Cycle Analysis

Clients also have difficulty establishing the appropriate income level in relation to their specific portfolio risk. Anchor provides a proprietary Life Cycle model to the trustees in order to determine the optimal income distribution to balance the income beneficiaries needs but also sustaining the portfolio over a twenty-five year period on an inflation adjusted basis. The model uses long-term historical returns and Anchor's expected returns, along with volatility for various asset classes. It provides downside scenario analysis and allows the trustee to evaluate projected portfolio returns and volatility based on various asset allocation strategies. Anchor will update the portfolio analysis whenever the trustee wishes to review the portfolio or evaluate changes in the income requirement.

Investment Policy Statement

An investment policy outlines and prescribes a prudent and acceptable investment philosophy and defines Anchor's investment management procedures and long-term goals for the client. The IPS incorporates the information taken from the Comprehensive Client Questionnaire, the Anchor PASS System and the Proprietary Life Cycle Analysis to create the appropriate portfolio asset allocation. The principal reason for developing a long-term investment policy and for putting it in writing is to enable the trustee and Anchor to protect the portfolio from ad hoc revisions of sound long-term policy. The written investment policy will help maintain a long-term policy when short-term market movements may be distressing and the policy is in doubt. The development of an investment policy follows the basic approach underlying financial planning: assessing the trust's financial condition, setting goals, developing a strategy to meet the goals, implementing the strategy, regularly reviewing the results and adjusting the strategy or the implementation as circumstances dictate. The net effort of the written policy is to increase the likelihood that the portfolio will be able to meet the financial needs of the trust and its beneficiaries.

Ongoing Portfolio Monitoring and Reporting

Anchor provides ongoing portfolio monitoring and reporting through online access to their accounts from the independent custodians. Furthermore, the manager provides quarterly portfolio analytics and performance reporting. Anchor shall keep the trustee apprised of any material changes in the Anchor's outlook, recommended investment policy, and tactics. The account is continually reconciled to the custodial statement to insure accurate valuations. Specific sector weightings and individual holdings are based on the macro-economic analysis, sector relative rankings and the fundamental valuation of each individual issue using the Anchor Research System. Anchor seeks to reduce risk by diversifying based on sector, geographic, industry and individual security concentration. The fixed income portfolio holdings are laddered to reduce interest rate risk over time and take advantage of the typical upward sloping yield curve. The portfolio is constantly monitored using risk management techniques to insure that the portfolio is correctly constructed to produce optimized risk-adjusted returns.