

## Introduction

### Who are you?

MASECO LLP ("we" or "our" or "us") is a limited liability partnership established in 2008. We trade under the names MASECO Private Wealth and MASECO Institutional.

### Who regulates you?

We are authorised and regulated by the Financial Conduct Authority in the UK and as a Registered Investment Adviser by the Securities and Exchange Commission in the US.

You will find us on the Financial Conduct Authority register of Financial Services firms, <https://register.fca.org.uk/s/>. Our registration number is 489718.

You will also find us on the Securities and Exchange Commission website, <https://adviserinfo.sec.gov/>. Our SEC registration number is 801-69385. Our CRD number is 147686.

### How can I find out more about you?

You can find out more about us on our website, <https://masecoprivatewealth.com/>. You can also ask us for a copy of our Form ADV Part 2 Brochure.

In addition, free and simple tools are available to research firms and financial professionals at <https://www.investor.gov/CRS> which also provides helpful educational materials about broker-dealers, investment advisers and investing.

## What investment services and advice can you provide me?

### What type of investment services do you offer?

You can access our investment services a couple of ways. We can either manage your investments on a discretionary basis (where we are allowed to invest on your behalf without your prior consent) or we can provide a non-discretionary service (where we seek your consent before we make an investment on your behalf).

Whether discretionary or non-discretionary, we follow the same risk-based approach to portfolio construction creating a range of risk-graded model portfolios which generally use institutional asset class strategies to mirror the various sub-asset classes that we believe are suitable for a particular model portfolio. We select investments in accordance with the principle of prudent diversification and achieve this primarily through investment in collective investment schemes, such as US Mutual Funds and exchange-traded funds (ETFs). Funds are selected on the basis of various criteria, such as management style, investment philosophy, track record, investment objectives, portfolio composition, risk management, portfolio construction and fees and expenses. However, if your circumstances require, we can also create portfolios which invest directly in equities or bonds of fund of hedge funds.

You can access our investment services either in a general investment account or via a tax efficient wrapper, such as a retirement scheme such as an Individual Retirement Account.

### How do you choose investments to recommend to me?

We select investments based on empirical evidence and investment theory. We hold a number of convictions that form the basis of our investment philosophy which guides the decisions we make for our clients. The high-level criteria used in the selection of these asset classes is set out in our [Form ADV Part 2 Brochure](#).

### Can I place restrictions on your discretion?

Yes, you are able to place reasonable restrictions on the types of investments to be included within your investment portfolio. For example, if you already have an exposure to emerging market equity and do not wish to increase that exposure, we can design your portfolio to exclude investment in that market.

### What does your wealth planning service cover?

Our wealth planning service is designed to provide us with an holistic view of your circumstances in order to form a solid foundation for investment recommendations. Our priority is to listen to you and your family.

Wealth planning will address a number of areas in order to ensure that we create a portfolio for you that meets your requirements. Further details are in our [Form ADV Part 2 Brochure](#).

### What information do you need from me in order to determine what investment strategy is appropriate?

Through personal discussion and a comprehensive information gathering process, we work with you to figure out your attitude to risk, your ability to bear any losses, what you want to achieve, how long the assets can be invested for before you need to call on the capital (called the 'investment time horizon'), your liquidity needs, your income requirements and investment needs. Once this information has been gathered, we will work out which of our model portfolios is best suited to meet your requirements and circumstances. It is at this point, we may suggest making changes to a particular model to achieve your goals.

### How will you let me know what you recommend?

Our recommendation will be sent to you in a report, an Investment Policy Statement. Once agreed with you, this is how we will then either manage your portfolio (discretionary) or how we will provide you with recommendations (non-discretionary).

### How and how frequently do you monitor investments?

Once we have determined a suitable investment portfolio for you, we regularly monitor the investments to ensure they remain suitable and will rebalance the portfolio periodically to ensure it remains in line with the target allocation.

### What reports will I receive to let me know how my portfolio is doing?

For our discretionary service level, we will send you quarterly a report containing a list of all investments in your portfolio, the transactions we have undertaken during that quarter, the cash balance at the start and end and the overall performance for that quarter.

## Client Relationship Summary

For our non-discretionary service level, and your portfolio contains just funds, we will send you a similar quarterly report. If your portfolio invests directly into equities and/or bonds, we will send you an annual report, however you will receive confirmation of any transactions as-and-when executed.

On an annual basis, we will also send a report confirming the service provided and the portfolio mandate.

### Are there any limitations or restrictions in your investment services?

If we include US Mutual Funds or other types of funds which are not regulated by the Financial Conduct Authority, in your portfolio and we classify you as a Retail Client, we are only able to provide you with our investment services on a discretionary basis.

In addition, we provide advice on what is called a 'restricted basis'. In the UK, 'restricted' simply means that there are some areas on which we do not or cannot advise. For example, we are not authorized by the Financial Conduct Authority to provide advice on pension transfers. However, our advice is still based on a broad analysis of different types of investments.

### Who is your typical client?

Our clients are typically High Net Worth Individuals with a minimum value of \$1,000,000 to invest.

### Are there any restrictions on the type of service you can provide?

We only provide investment services and are unable to provide custody services. However, we have a number of custodians to whom we can introduce you.

In addition, we are unable to provide you with advice in relation to a pension transfer as we are not authorized to perform that activity.

### Given my financial situation, should I choose an investment advisory service? Why or why not?

This will depend on your individual circumstances. However, generally, if you have some money to invest it can be helpful to have advice, particularly, if you have limited knowledge or experience of investing in the financial markets or if you have complex financial requirements (for example, a US citizen but resident in the UK).

### What is your relevant experience, including your licenses, education and other qualifications?

We have a training and competency regime which ensures that our staff are appropriately qualified and have the necessary skill and expertise to perform their role.

For certain activities which are considered by the FCA to be 'regulated activities', such as portfolio management or giving investment advice, those members of staff are required to have certain qualifications which are specifically linked to those activities. All of our Wealth Managers are Level 6 qualified.

For more information about each of our Wealth Managers, please visit [our website](#).

### What do those qualifications mean?

The Chartered Securities & Investments Institute or the Chartered Insurance Institute are both bodies accredited by the FCA. This means that they offer the training and the examinations to the standard required by the FCA so they can be confident that the individual who passes specific exams has the necessary theoretical understanding of certain topics, such as market practice, investment management. For example, to be a Wealth Manager requires an individual to pass a Level 6 exam. The CISI offers a Level 6 exam which teaches the skills required to structure a suitable portfolio selecting from a range of financial instruments which meets client's objectives as well as how to undertake regular portfolio reviews. The CISI Level 6 qualification meets the European Qualification Framework.

### What fees will I pay?

#### What are your fees and charges?

We charge fees on a sliding scale (see below) based on the value of the investments in your portfolio.

Value of Your Portfolio	Our Fee
First \$500,000	1.25%
\$500,001 to \$1,000,000	1.00%
\$1,000,001 to \$2,500,000	0.90%
\$2,500,001 to \$5,000,000	0.80%
\$5,000,001 plus	0.70%

**Whilst we believe our fees are competitive, you may find other wealth managers providing comparable services may charge lower fees. In addition, you will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.**

The specific fees which we agree with you will be included in the agreement we enter into at the start of our relationship. In addition, we charge an annual maintenance fee of, currently, \$50.

Our fees are deducted automatically from your portfolio quarterly in advance (meaning that, for example, on 1 January we will deduct our fees for the calendar quarter ending 31 March). We may agree with you not to deduct our fees from the relevant portfolio, for example in the case of 529 Plans, you may prefer that we invoice you outside of that account.

In exceptional circumstances, you may negotiate a different fee rate with us but this will be at our discretion.

All fees are exclusive of Value Added Tax which will be added where applicable.

For further information about our fees, please refer to our [Form ADV Part 2 Brochure](#).

### **What other fees and charges will I pay?**

You are responsible for paying the fees of your custodian as well as the charges applied when executing trade orders, for example, paying broker charges.

In addition, where you invest in collective investment schemes, such as US Mutual Funds, each fund will bear its own operating costs which will be reflected in the price paid for its shares. The fund may also impose a sales charge, for example, if a fund charges a 1% sales charge and you invest \$10,000, the amount actually invested into the fund would be \$9,900.

Further, some funds may impose an exit fee, for example, if a fund charged 1% exit fee and your holding was valued at \$10,000, you would receive \$9,900 as your sales proceeds.

### **Does the way in which you get paid create any conflicts?**

Our fee is based on the value of your portfolio. This benefits both the firm as well as the Wealth Manager whose remuneration comprises a base salary as well as additional compensation which is linked to the value of assets under their control. This may cause a conflict of interest in that we may have an incentive to encourage you to increase the assets in your account in order to generate additional revenue.

However, the additional compensation is discretionary and is calculated taking into consideration other factors linked to the Wealth Manager's individual performance, such as have there been any complaints or any material breaches. This is one of the ways in which we seek to mitigate the risk of poor sales behaviour.

### **How else might you benefit from having my assets to manage?**

We are not authorized to provide pension transfer advice and so if you need such advice we would refer you to a third party from whom we may receive a fee. This may cause a conflict of interest in that we may have an incentive to refer you to a third party for a review that may not be appropriate in order to generate a referral fee.

For other conflicts of interest, please refer to the section below.

### **How will I know which fees and charges will be applied to my portfolio?**

All estimated fees and charges are disclosed to you at the start of our relationship in the Investment Policy Statement which also explains the impact of these fees and charges on the potential return of the portfolio. Once a year, we send you a report which discloses all the actual fees and charges which you have paid over the year.

### **Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs and how much will be invested for me?**

If you gave us \$10,000 to invest, we would invest \$10,000 provided that none of the funds selected impose a sales charge though we try to avoid those funds.

If total fees on the portfolio came to 1% per annum, then over the year, if there was no growth on your portfolio, the value of your portfolio would reduce to \$9,900 with \$100 being taken as fees and charges. However, if we assume that the portfolio grows by 3% over the year, at the end of the year, it would be worth \$10,300. Now deduct the 1% fees and your portfolio would be worth \$10,200.

### **Other benefits?**

We need to build good working relationships with all those entities to whom we may refer you (such as a custodian) as well as with those parties who provide the funds into which we may invest your portfolio. These providers may, from time to time, offer individual members of staff hospitality at the end of a review meeting (such as tickets to a sporting event) or a gift (such as wine at Christmas time). We have a policy and procedures in place to ensure that any such non-monetary benefit is reasonable and does not compromise our overarching responsibility to act in your best interests

If you are introduced to us by a third party, we may pay a referral fee to them which creates a potential conflict of interest to the extent that such referrals are not unbiased and may be motivated by financial benefit. To manage this risk, we have policy and procedures in place to ensure that any such referral fee does not impair our ability to act in your best interest.

### **What are your legal obligations to me when acting as my investment adviser?**

#### ***How do you ensure that you act in my best interests?***

*We have a Code of Ethics which sets out the high ethical standards of business conduct that we require from all our employees. Both under US and UK regulations, we and our staff are required to conduct ourselves with integrity and with appropriate skill and expertise.*

*When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.*

#### ***Give me some examples of how your conflicts of interest might affect me, and how will you address them?***

*One example of a conflict of interest is if we were to recommend that you invest in an 'in-house fund'. An 'in-house fund' is a product which is managed or operated by us or by an affiliate of ours. If we recommend that a client invests in an in-house fund, this creates a conflict*

of interest as the affiliate will receive a management fee for managing that in-house fund which will, in turn, be distributed as profit to the affiliate's shareholders who are our owners. There are two in-house funds which are managed by an affiliate of ours; however, the risk of poor sales behaviour is controlled by having strict procedures in place, for example, limiting the amount of your portfolio which can be invested in the product, by ensuring that any decisions we take regarding those in-house funds is done on an arm's length basis by requiring our partners who also own the affiliate to step away from any decisions made by us in connection with those funds.

Another example, is where a member of staff may wish to deal in a security which we are dealing in for our clients. The risk of a conflict of interest is reduced by having strict procedures governing how our staff are permitted to deal for their own personal account, including, pre-approval before dealing in any security in which our clients may invest and periodic disclosure of all holdings.

We have a Conflicts of Interest policy and procedures in place which are designed to ensure that we identify any actual or potential conflicts of interest, avoid them where possible, and, where that is not possible, manage the conflict in your best interests.

#### **Further information**

Further details are set out in our Conflicts of Interest policy which is available on [our website](#) and our [Form ADV Part 2 Brochure](#).

#### **How do your financial professionals make money?**

Our Wealth Managers, who are Partners, receive a quarterly payment based on the revenue generated to the firm by their clients but taking into consideration other factors, such as number of complaints or breaches which will reduce the payment and periodic distributions from the partnership in proportion to the percentage they own. Partners do not receive a salary.

The remuneration arrangements for other Wealth Managers is a combination of a base salary, a quarterly payment (calculated in the same way as for Partners) and an annual bonus which is determined and payable entirely at our discretion. Any bonus scheme is subject to similar deductions as the quarterly payments.

#### **Do you or your financial professionals have legal or disciplinary history?**

##### **Do you have any legal history?**

The firm has never been involved in any formal legal proceedings.

#### **As a financial professional do you have any disciplinary history? For what type of accounts?**

Neither we nor any of our senior management have any reportable disciplinary events.

You can visit [Investor.gov/CRS](https://investor.gov/CRS) for a free and simple search tool to research us and our Wealth Managers.

#### **Other relevant additional information**

##### **How can I contact you?**

You can find out more about us and our advisory services by contacting us or visiting our website. You can request a copy of this relationship summary by contacting us either by email or by 'phone or by writing to us at our registered office.

Address: Burleigh House  
Strand  
London  
WC2R 0HS

Telephone No.: +44(0)20 7043 0455 / +1-888-MASECO1

Email: [enquiries@masecopw.com](mailto:enquiries@masecopw.com)

Please note that the use of the US number may not be free from cell 'phones and landlines outside of the US. Telephone calls may be recorded.

##### **Who is my primary contact person?**

Your Wealth Manager.

##### **Is he or she a representative of an investment adviser or a broker dealer?**

Your Wealth Manager represents us.

##### **Who can I talk to if I have concerns about how this person is treating me?**

You should contact our Head of Legal and Compliance in the first instance either by calling the number above or by emailing on: [complianceteam@masecopw.com](mailto:complianceteam@masecopw.com).

If you do not feel that we have addressed your concerns satisfactorily, then you may be entitled to refer your complaint to the UK's Financial Ombudsman Service. Details as to how to contact them are set out in our website, [www.masecopw.com](http://www.masecopw.com).