



FORM ADV PART 2A: Firm  
Brochure

## Tilney Asset Management Limited

6 New Street Square, New Fetter Lane, London, EC4A 3BF, United Kingdom

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### 1. Cover page

This Firm Brochure (the “Brochure”) provides information about the qualifications and business practices of Tilney Asset Management Limited (“Tilney” or the “Firm”).

If you have any questions about the contents of this brochure, please contact by telephone at +44 203 8186930 or by email at [us.services@tilney.co.uk](mailto:us.services@tilney.co.uk).

The information in this Brochure has not been approved or verified by the United States Securities & Exchange Commission (the “SEC”) or by any state securities authority.

Tilney is a registered investment adviser. Registration of an investment adviser does not imply that Tilney or any of its principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

Additional information about Tilney Asset Management Limited is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) and on the Financial Conduct Authority’s website at [www.fca.org.uk](http://www.fca.org.uk).

## **2. Material changes**

The purpose of this page is to inform you of any material changes since the previous version of this brochure.

Since the last amendment of our brochure, we have no material changes to report. We will review and update our brochure at least annually to make sure that it remains current.

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#### **4. Advisory business**

Tilney Asset Management Limited (“We”, “Us”, “Tilney” or the “Firm”) is a United Kingdom (“UK”) based wealth Management Company which is a wholly owned subsidiary of the Tilney Group.

Tilney, originally Ingenious Asset Management Limited (“Ingenious”), was formed in 2003 to provide discretionary investment management services to a broad spectrum of clients. Ingenious registered with the SEC in 2012 to provide these services to clients who have a connection to the United States of America (“US”).

Tilney acquired Ingenious in May 2016. The Firm is a private limited company incorporated in England & Wales (Company No. 3900078) and is authorised and regulated by the UK Financial Conduct Authority (the “FCA”) (Firm Reference Number 223074).

As a result, Tilney is a registered investment adviser with the US Securities and Exchange Commission (“SEC”) under reference 801-73364.

Tilney provides discretionary investment management services across a broad range of client account types, including (where eligible) individual investment portfolios, individual retirement accounts, personal pensions, trust and charity accounts and insurance company accounts. The Discretionary Account Service allows for the purchase and sale of specific securities and can, in some circumstances, allow for you to impose certain restrictions; meaning we will not purchase any securities which, for any reason, you may not be comfortable holding.

As at December 31, 2019, the Firm has US \$2.6 billion of assets under management, all of which are managed on a discretionary basis. For US connected clients.

#### **5. Fees and compensation**

Our charges are levied based on the value of the assets that our clients entrust us to manage. We will charge our clients on a tiered basis which means that our percentage investment management fee will decrease as your assets grow. Our fees are illustrated below;

There are two principal sources of cost to our clients resulting from investment management:

1. Our fee for managing the portfolio
2. Custodian charges from Pershing

These are outlined below.

Tilney Management Fee

The annual fee for our investment management services would be a tiered fee as below:

Portfolio Value	Cost (% of assets)
First £250,000 (or USD equivalent)	1.25%
Next £500,000 (or USD equivalent)	1.00%
Next £1,250,000 (or USD equivalent)	0.75%
Residual Balance	0.50%

We do not charge any fees for transactions, however there are transaction fees levied by our custodian Pershing.

The main Custodian costs are shown below:

- US Stocks                      \$10 flat ticket charge up to 3,000 shares. Each additional share over 3,000 will be charged at \$0.01 per share.
- US Mutual Funds              \$25 per transaction
- Non-US Stocks                25 basis points subject to a \$25 minimum charge plus a foreign settlement fee\*
- Cash transfers                \$20 for transferring money out of your account
- Legal stock transfers        \$40 per transfer
- Account termination        \$100 per account

\*Please note that for non-US stocks, we will aim to buy cost-effective, US-listed versions of these companies where possible, such as American depositary receipts (ADRs). These are securities that trade in US financial markets that represent the securities of non-US companies. The costs would therefore be associated with US stocks as opposed to the higher costs incurred by buying the non-US stocks directly in foreign markets. Our management fee is paid quarterly in arrears and calculated on the last day of each calendar quarter based upon each Client's capital account balance as of the last day of such calendar quarter or as of the time a capital contribution is made during such calendar quarter.

Tilney may waive or reduce the management fee or incentive allocation with respect to Clients, as well as, Tilney employees, their affiliates and members of their families, or certain large or strategic clients .

## **6. Performance-based fees and side-by-side management**

Tilney does not charge performance-based fees.

## **7. Types of clients**

Tilney can generally provide investment management services to high net worth individuals and families (retail clients), companies, charities, trusts and financial intermediaries on a discretionary basis. Our minimum account size is £250,000 or the USD equivalent.

## **8. Methods of analysis, investment strategies and risk of loss**

Our investment process is based on the principle that asset allocation will be the primary determinant of long-term investment performance.

Each portfolio is run within a specific risk profile to which an asset allocation will be assigned with the goal of maintaining the appropriate to the long-term risk reward parameters that have been agreed with the client. The appropriate asset allocation at any given time will be determined by the quantitative and qualitative output of our investment process, considering such factors as:–

- Long and medium term economic trends.
- Correlation across the asset classes.
- Potential of return relative to cash, risk and inflation.
- Time horizons to filter short term noise in favour of long term compounding.

We expect equities to be the main driver of returns within portfolios, preferring a small focused portfolio and on:

- High sustainable return on investment capital.
- Relatively stable top line and high gross margins.
- Predictable and robust cash flows.
- Strong balance sheets.
- Good management of brands.
- Generation of free cash flow.
- Consistent dividend record.

We also consider the effects of frictional costs within portfolios such as dealing costs, management fees, taxation

Note: All investments involve the risk of loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends and other distributions), and the loss of future earnings. These risks include market risk, interest rate risk, issuer risk, and general economic risk. Although we manage the assets in a manner consistent with risk tolerances, there can be no guarantee that our efforts will be successful. You should be prepared to bear the risk of loss.

## **9. Disciplinary information**

Tilney has no material legal or disciplinary events to disclose.

## **10. Other financial industry activities and affiliations**

Our employees and management are not registered and do not have any pending applications with any other broker-dealers or registered representative of broker-dealers outside of the Tilney Group.

Our employees and management are not registered and do not have any pending applications as a futures commissions merchant, commodity pool operator or commodity trading advisor.

In line with its corporate governance framework, the TGL Board maintains overall responsibility for the management of the Tilney Group, including ultimate oversight of Tilney Group Limited and its subsidiaries' (including TAML) operations as well as responsibility for ensuring that there is a competent and prudent management team, sound planning process, a strong and effective system of internal control, adequate accounting and other records, compliance with appropriate statutory regulatory obligations, a comprehensive set of management information to enable effective oversight and challenge and to make informed decisions, an embedded set of values and ethics and a robust process for monitoring progress against strategic objectives and plans. The TAML Board and its sub-committees (Risk & Audit Committee, Remuneration Committee and Executive Committee) holds formal meetings concurrently with the TGL Board and its equivalent sub-committees.

The TAML Board members are as follows:

William Samuel – Non-Executive Chairman and Chair of the Remuneration Committee

James Fraser – Non-Executive and Chair of the Risk & Audit Committee

Breon Corcoran – Non-Executive

Philip Muelder – Non-Executive (representing Permira Funds)

Christopher Woodhouse – Chief Executive Officer Tilney Group Limited and its solo-regulated subsidiaries

Andrew Baddeley – Chief Financial Officer Tilney Group Limited and its solo-regulated subsidiaries

## **11. Code of ethics, participation or interest in client transactions and personal trading**

The following is a summary of Tilney's Code of Ethics and Personal Securities Transactions Policy (the "Code" or "Code of Ethics") which has been adopted in accordance with Section 204A-1 of the Investment Advisers Act of 1940.

A full copy of the Code is available to any client or prospective client upon request and without charge.

Tilney has adopted a Code of Ethics which applies to access persons of the Firm and any other person the Chief Compliance Officer ("CCO") deems appropriate.

The foundation of the Code of Ethics is based on the underlying principles that:

- Employees must comply with relevant securities regulations;
- Employees must at all times place the interests of the Firm's clients first;
- Employees must make sure that all personal securities transactions are conducted consistent with the Code and Personal Account Dealing Policy;
- Employees must report any violation of the Code of Ethics;
- Employees should not take inappropriate advantage of their position at Tilney Asset Management Limited.

Tilney's Access Persons are required to adhere to the Code of Ethics and certify their adherence to the Code upon commencing their employment and on an annual basis thereafter.

Any new employee to Tilney deemed to be an Access Person must provide an Initial Holdings Report to the CCO or a delegated compliance function upon commencing employment. The employee must also deliver an annual holdings report.

Furthermore, all Access Persons are required to deliver to the CCO or a delegated compliance function a detailed report of personal transactions (covering substantially all securities other than exempted securities) undertaken during each calendar quarter. Information in respect of any new brokerage accounts opened during the relevant period is also required to be disclosed.

Personal trading from time to time, employees (and certain related persons) may have an interest in securities which are owned by clients of Tilney. In such circumstances, the Firm has policies in place to ensure that the interests of the Firm's employees do not conflict with the obligations the Firm owes to its clients.

All Access Persons must obtain pre-clearance from the CCO or a delegated compliance function for all personal trades and also obtain pre-approval from the CCO or a delegated compliance function before engaging in any outside business activities or applying for an allocation of an Initial Public Offering ("IPO") or private placement.

Conflicts of interest- It is the policy of the Firm that all employees and others working on its behalf act in good faith and in the best interests of the Firm and its clients. The Firm has Policies and Procedures in place to identify and manage conflicts of interest.

Code Violations -The Firm takes any violation of the Code of Ethics seriously and will take relevant action where necessary.

## **12. Brokerage practices**

Tilney has full discretionary authority over Client Accounts, including authority to make decisions with respect to which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and the commissions paid. Tilney's authority is limited by its own internal policies and procedures and each Client Account's investment guidelines.

In selecting an appropriate broker-dealer to effect a client trade, Tilney seeks to obtain "best execution," meaning generally the execution of a securities transaction for a client in such a manner that a client's total costs or proceeds in the transaction are most favourable under the circumstances. Accordingly, in seeking best execution, Tilney takes into consideration the price of a security offered by the broker-dealer, as well as a broker-dealers' full range and quality of their services including, among other things, their facilities, reliability and financial responsibility, execution capability, commission rates, responsiveness to Tilney, brokerage and research services provided to Tilney (e.g., research ideas, analysis, and investment strategies), special execution and block positioning capabilities, clearance, and settlement and custodial services.

*Aggregation of Orders* -We may aggregate trade orders for the Client Accounts to achieve more efficient execution or to provide for equitable treatment among accounts. Client Accounts participating in aggregated trades will be allocated securities based on the average price achieved for such trades.

The Client Accounts maintain accounts with either Pershing Securities Limited or Pershing Advisor Solutions LLC

*Soft Dollars*-Tilney does not and has no intention to use "soft dollars" generated by our clients' trading activities to purchase research services or products that would otherwise have been an expense of the Firm.

*Trade Errors*-The Firm's traders may on occasion experience errors with respect to trades made on behalf of Client. Trade errors can result from a variety of situations, including for example, when the wrong security is purchased or sold, when the correct security is purchased or sold but for the wrong account, when the wrong amount is purchased or sold (e.g., 1,000 shares instead of 10,000 shares are traded), or when a misallocation among the Accounts occurs. The Firm endeavours to detect trade errors prior to settlement and correct them in an expeditious manner.

## **13. Review of accounts**

Each portfolio that Tilney manages is subject to a weekly review. These reviews are designed to ensure that all accounts remain within the investment guidelines agreed with each client comparing the Clients Accounts' performance to their stated goals.

The client will receive statements regarding their account, its holdings, transactions and fees at least quarterly from the Firm and / or Pershing Securities Limited or Pershing Advisor Solutions LLC.

#### **14. Client referrals and other compensation**

This Item is not applicable. Tilney is not remunerated by any party other than its clients.

The Firm does not currently utilize third party marketing firms for its US clients.

#### **15. Custody**

Advisers with custody of client funds and securities must maintain them with “Qualified Custodians.” “Qualified Custodians” under the amended rule include banks and savings associations and registered broker-dealers.

Tilney does not maintain direct custody or possession of any of its client’s funds or securities. However, as client fees due to Tilney Asset Management Limited are deducted directly from our clients’ accounts Tilney Asset Management Limited are deemed to have sufficient custody and control of client assets

Clients will receive account statements from Tilney and should carefully review those statements.

Tilney will at least quarterly send a client statement directly to the client as well as annually sending the Privacy Notice and ADV Part 2.

#### **16. Investment discretion**

Tilney has full discretionary authority to manage the discretionary Client Accounts, including authority to make decisions with respect to which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and the commissions paid.

#### **17. Voting client securities**

Tilney will be notified of any action (which requires voting by the security holder) by the relevant Custodian.

Tilney will exercise any vote on your behalf and will always seek to vote in a manner that we determine as in your best interests. We maintain written records of the proxy vote on each occasion a proxy is voted.

Information on how the Firm has voted a particular client proxy is available to that client upon request.

Where any material conflict is identified, no action will be taken without referral to the Firm’s CCO.

## **18. Financial information**

Tilney has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.