



INVESTOR Q&A

Understanding Tier 1 Investor Visas

Recent changes to the Tier 1 investor visa program are impacting the investment component of visa applications. The Home Office is increasingly focused on promoting 'genuine' UK-based investments, while also tightening enforcement of anti-money laundering regulations. Here at Henderson Rowe, we believe these adjustments are long overdue. In this Q&A, John Wick, a Senior Investment Manager with a decade of Tier 1 investment experience, answers questions from Kevin Reid, an Investment Manager specializing in Tier 1 investments, about his experience with the Home Office and Tier 1 visas.

Q What led Henderson Rowe to begin managing Tier 1 investment portfolios?

A: Back in 2010, I had the good fortune to learn about changes to the immigration system. These changes made investor visas an attractive route for individuals looking to settle in the UK. Given that Henderson Rowe has always been an expert in UK direct-to-market equity, it made a huge amount of sense for me to explore this new avenue to support clients. After I'd done my homework, I felt many Tier 1 investors were being poorly served by their managers, and I saw an opportunity to differentiate both myself and the firm. In fact, I was convinced that with our expertise, we could bring a strong offering to the table. And so began Henderson Rowe's Tier 1 investment offering.

Q How has the investment environment changed?

A: The investment environment constantly changes, of course, which is why I remain convinced about the value of a dedicated investment advisor. But this is particularly true with respect to Tier 1 investments, which have a mix of investment, immigration, and regulatory components. One interesting observation

is the consistently poor returns available from UK Gilts over the last 10-year period. As a result, we've always given our Tier 1 clients a full suite of options, including stocks and corporate bonds. Securing immigration status should not and does not mean guaranteeing a loss on investment. This has stood us in good stead in the new world, because under the current regime Gilts are no longer permissible. I think these changes have actually strengthened Henderson Rowe's offering and differentiation because we have years of experience in building equity and corporate bond focused portfolios.

Q Have you noticed any changes in Tier 1 clients over the years?

A: I really enjoy working with Tier 1 clients because I've had a remarkable opportunity to meet a diverse array of people from around the world. The major regions of the world are always represented in those looking to enter the UK on a Tier 1 visa; however, often you can identify patterns around the edges of this, which vary according to political unrest in countries or regions. The unifying thing is that wherever people are from, the UK will always remain an attractive option. Things like good schooling, rule of law and the ability to live in peace can't be taken

for granted. I think we should, as UK citizens, be grateful – we get all this for free!

Q What's your advice for anyone interested in a Tier 1 visa?

A: As an investment professional concerned with both my regulatory and ethical obligations, let me tell you it is critical to consider Anti Money Laundering (AML) requirements before you start either moving funds around or making an application. Both I and Henderson Rowe take pride in our rigorous AML benchmarks. This safeguards our reputations – but it also protects our clients, who may have their accounts scrutinized at any time by the regulator. We gold-plate our AML approach so that clients are never in a situation where their accounts might be closed, which would put their immigration status in jeopardy. Usually, a quick conversation with our immigration team can help identify the best source and route to bring funds to the UK. Regrettably, we are sometimes required to turn down business on the basis of insufficient documentation.

Q What makes Henderson Rowe's offering different from others in the industry?

A: I think Henderson Rowe's approach to Tier 1 investments has always been differentiated, primarily because of experience investing in assets outside of historically popular Gilt portfolios. We work with many legal partners and advisors in the immigration space who can verify that I've been harping about the weakness of Gilts for many years. Under the old rules, Gilts had some value in portfolios for people with small buffers above program minimums. However, with the 2014 rule changes, most investment teams

worth their salt began giving investors a number of different options for Tier 1 investments that used stocks and corporate bonds – which is something Henderson Rowe has done all along. Now that Gilts are impermissible in Tier 1 portfolios, I think the firm has even more valuable experience and credibility for investors in the Tier 1 space.

Q How do I become a client?

A: Simply contact me via phone or e-mail at john@hendersonrowe.com, or reach out to any other member of our experienced investment team. We'll arrange an initial call or meeting to understand your background and outline what you're likely to need from an AML perspective. After that, we can get deeper into the type of investment strategy that would be suitable for your objectives and risk profile. Ideally, we can meet in-person relatively early in the process.

Q Do you foresee any changes coming post-Brexit?

A: Brexit will undoubtedly bring changes, but one thing will stay the same: people will still want to come to the UK. In fact, we may see an increase in Tier 1 visas once European residency can no longer be used as a gateway to the UK; indeed, current European residents may need to consider the Tier 1 program. It's possible that Tier 1 visas could be restricted by the government in the context of Brexit, but I personally doubt it. I think the government sees the value in attracting qualified investors to the UK, and I expect the program to remain robust post-Brexit.

For Enquiries



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All applications of the Tier 1 Investor Visa are subject to Henderson Rowe's terms and conditions as well as the criteria of the UK's Home Office.



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