

WHY I BANK WITH...

A safe distance

William Henry Bernard Smith's faith in Rothschild allows him to travel the world knowing his money is in good hands. By Lucy Warwick-Ching

THE HONOURABLE William Henry Bernard Smith is retired but it would be difficult to guess this from his busy lifestyle. He is a UK non-resident living in Switzerland but spends much of his time travelling the world looking for small businesses in which to invest.

His investments include a company developing a new treatment for asthma, a diagnostic clinic being set up in Las Vegas and a women's fitness camp which, if successful, will be rolled out across the UK.

But while Smith, 53, is not afraid to take risks on start-up companies, when it comes to his own finances he prefers to play it safe by paying someone else to look after them for him.

"I don't have the experience, or even the time, to research my own personal finances," says Smith, whose great-great-great-great-grandfather founded WH Smith, the UK retail chain. "This is because having to think about where to put my money is a new thing for me. Until a few years ago, everything I had was tied up in the family's

Hambleden estate in the Chilterns."

Smith has spent most of his career managing the estate. It was only when he sold Hambleden in 2007 that he had money to invest.

The estate is estimated to have sold at the top of the market for about £30m (\$41m), though Smith declines to name the sale price. He appointed Rothschild Private Banking & Trust to manage the proceeds of the sale, whereupon Hugh Giltrow became Smith's



On the money: William Henry Bernard Smith, right, with Hugh Giltrow, his private banker

If you don't trust them, then you're bound to call them every day to check up. But if you trust them, then you can let them get on with things'

private banker.

"I needed to sell the estate because I owed the banks a lot of money. When I sold up I was able to pay off those debts but I still had some money left over," says Smith.

He chose Rothschild because he liked the personal nature of the business. "I looked at various private banks but I felt most comfortable with Rothschild," he explains. "They seemed to invest people's money on an individual basis, rather than just throw

everyone's money into a huge fund and forget all about it."

Rothschild markets itself as advice-led and client-centric. "Our business model is one of independence and we have no axe to grind or products to push," says Giltrow, who had extensive discussions at the start of his professional relationship with Smith to determine the objectives for the portfolio. "We needed to find out what Henry's return aspirations were, what his tolerance for risk was and,

of course, what his tax considerations were, among other things."

Giltrow recognised immediately that Smith was a cautious investor. "His overriding objective was one of preservation of capital," says Giltrow. "What he clearly didn't want to see was huge volatility in the valuation of his portfolio."

Smith's wealth can be traced back hundreds of years. His family money stems from 1792 when Henry Walton Smith and his wife Anna opened a small news vendor company named HW Smith, subsequently renamed WH Smith. The company made its money by opening railway bookstores and became heavily involved in the newspa-

per distribution business outside London.

The Smith family was given the viscountcy of Hambleden during Queen Victoria's reign. Smith's father is the current viscount, Lord Hambleden. The estate encompassed 50 brick and flint houses, a country pub and village store, along with 1,600 acres of farmland. In recent years, the estate has become best known to television and film viewers as a location in the dramas *Daniel Deronda* and *Charlotte Gray*, and much of the estate's revenue has been drawn from filming.

With the money from the sale of the estate, Rothschild created a diversified portfolio for Smith with a small exposure to equities but with most of the portfolio – he declines to reveal the sum – orientated towards UK, Swiss and US government bonds and UK gilts and cash. It also has some exposure to gold, hedge funds and a slight holding in UK, European and US equities.

A PART FROM GILTROW, two other people are involved in looking after Smith's money: Rupert Howard, investment director, and Phillippa Dufty, administrator. On average, they meet Smith about four times a year to discuss how best to safeguard his funds. Smith also often speaks to them on the telephone. "Because I'm always travelling and don't spend a lot of time in the UK, I like to be able to just ring Hugh at any time," he says.

But he says he tries not to get involved in the everyday running of his portfolio.

"It comes back down to the relationship you have with the person you invest with," he says. "If you don't trust them, then you're bound to call them every day to check up. But if you trust them, then you can let them get on with things." ■