

DP 1

Dynamic Passive

CHARLES STANLEY

Managed Portfolio Service

Investment objective and policy

These discretionary managed model portfolios offer risk-profiled investment solutions, all of which have a dynamic top-down asset allocation strategy implemented using low cost index tracking funds.

The investment objective for the Dynamic Passive 1 Model Portfolio is to provide a long-term total return which is superior to the UK CPI inflation rate. The performance of the model portfolio is not intended to track the rise (or fall) of any specific index.

Key facts

| | |
|---|--------------|
| Inception Date | 30/09/2012 |
| Typical Growth / Defensive Split | 10:90 |
| Annual Management Charge (including VAT) | 0.25% |
| Total Ongoing Charges (of underlying funds) | 0.10% |
| Portfolio Total Ongoing Charge | 0.35% |

November was an extraordinary month. Joe Biden became the US President-elect and there are now several vaccine candidates going through trials which demonstrate good promise. Market sentiment was so upbeat on hopes of a vaccine-driven economic recovery that the S&P 500 and the MSCI world equity index hit new record highs.

Hopes of an economic rebound also resulted in a surge in oil prices during November, which helped the FTSE 100 post a record monthly gain, rising 12.4%. Mining shares, which have a high weighting in the index, rallied as China continued its recovery from the infection.

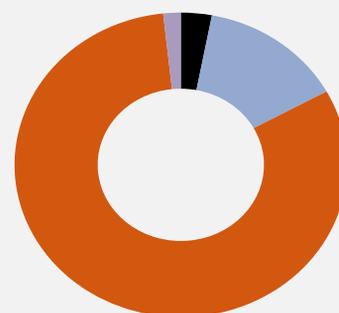
The positive mood across markets hurt demand for safe-haven assets, with gold posting its largest monthly decline in four years and the dollar seeing a period of weakness, which many expect to continue. There was also a rotation out of the sectors that have performed well during the crisis. The rapid pace of progress towards an effective vaccine lifted shares in companies that had been hardest hit by measures to control the spread of the infection, such as travel and leisure.

Investors are facing a mismatch ahead: a bad economic environment over the next few months, with ongoing pressure on the corporate sector, but the prospects of a much brighter outlook once we reach the spring. A strong upturn in activity will still require considerable policy support. With fiscal policy likely to be less supportive next year (unless the Democrats take the US Senate), there will be ongoing pressure on central banks to ease monetary policy further.

In the midst of the equity market euphoria, total returns in the core government bond markets were negative, with the exception of the US where returns were modestly positive. The more upbeat outlook led to tighter corporate bond spreads, pushing most corporate bond total returns into positive territory. The yield on the 10-year Gilts ended the month slightly higher at the 0.30% level, whilst 10-Year US Treasuries ended at 0.84%. Although only a modest position (14% portfolio), the overseas equities made the largest positive contribution to the overall return.

No changes were made to the model in November.

Asset Allocation



Top ten holdings

| | % |
|--|----|
| L&G Sterling Corp Bond Index C Inc | 19 |
| Vanguard US Govt Bond Index Inc £ Hedged | 18 |
| Vanguard UK Short Term Investment Grade Bond Acc Index | 16 |
| Vanguard Developed World ex UK Equity Inc Index Fund | 14 |
| L&G Global Inflation Linked Bond £ Hedged C Inc | 10 |
| L&G Short Dated £ Corp Bond Index I Acc | 8 |
| L&G All Stocks Gilt Index C Acc | 7 |
| iShares Index Linked Gilt Index Fund (UK) | 3 |
| iShares 100 UK Equity Index Fund (UK) | 3 |
| Cash Account [GBP] | 2 |

Performance %

| Discrete Performance | Nov-19 - Nov-20 | Nov-18 - Nov-19 | Nov-17 - Nov-18 | Nov-16 - Nov-17 | Nov-15 - Nov-16 | 3 yr Volatility |
|--------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|--------------------|
| Dynamic Passive 1 | 3.9 | 5.7 | 0.0 | 4.4 | 8.4 | 3.6 |
| UK CPI* | 0.6 | 1.8 | 2.4 | 3.0 | 0.9 | 1.1 |
| Cumulative Performance | 1m | 3m | 6m | 1yr | 3yr | 5yr |
| Dynamic Passive 1 | 1.6 | 1.4 | 2.4 | 3.9 | 9.8 | 24.3 |
| UK CPI* | 0.5 | 0.5 | 0.5 | 0.6 | 4.8 | 8.9 |

Source: APX All data as at 30 November 2020

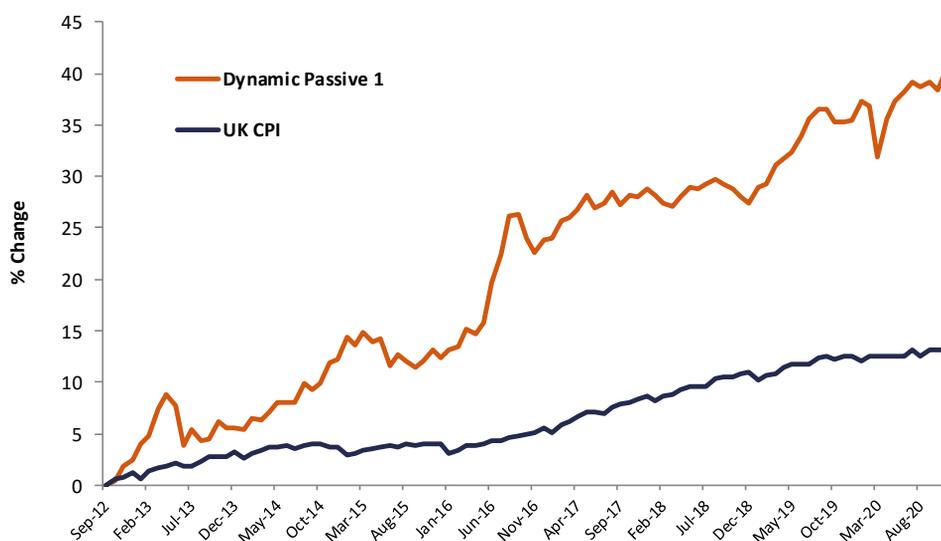
Past performance is not a reliable guide to future performance. The performance is net of Charles Stanley investment management fees, with income reinvested.

*UK Consumer Price Inflation figures quoted with a 1 month lag.

Investment Team

The model portfolios are managed by the Charles Stanley Asset Management Division. The team of portfolio managers and analysts have extensive experience, drawing upon the expertise of investment specialists, strategists and economists both internally and externally. The research team looks for the best Index tracking funds from the available passive universe.

Performance since Inception



Source APX. Past performance is not a reliable guide to future performance. The performance is net of Charles Stanley investment management fees, with income reinvested.

Risk Profile and Ratings



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ACCOUNTS

- General Investment Account
- ISA
- SIPP
- Offshore Bond

Minimum suggested Investment = £1,000
(subject to platform minimum requirements)

PLATFORMS

- Aegon
- Ascentric
- Aviva
- Novia
- Nucleus
- Platform 1
- James Hay
- Standard Life
- Transact
- Zurich
- 7IM

Important Information

The value of investments, and any income derived from them, can fall as well as rise and may be affected by exchange rate variations. Investors may get back less than invested.

Performance is calculated on a Total Return basis using a notional portfolio in Advent Portfolio Exchange (APX). Performance is net of Charles Stanley investment management fees but not adviser fees nor platform costs. Any charges and fees applied by platforms and/or authorised intermediaries will be charged in addition to the charges shown. The Total Ongoing Charges Figure (TOC) is calculated on a periodic basis using a weighted average of the most recent publicly available Total Ongoing Charges for the underlying investments as at the date of the factsheet. This includes the underlying funds' Ongoing Charges Figure plus Transaction costs plus Incidental costs. Please note that whilst we endeavour to show all charges associated with specific funds, sometimes this is not possible due to the information not being made available by the fund provider. In such cases transaction or incidental cost information may be missing.

The Indicative Yield is provided for guidance purposes only and is calculated on a periodic basis using a weighted average of the most recent publicly available income yields for the underlying investments. Yields for the underlying funds, and thus for the strategy, are likely to differ in the future. The Indicative Yield does not represent guaranteed income.

Portfolios linked to this Model Portfolio may not exactly replicate the model due to the difference in timing of initial investment or rebalancing differences resulting from minimum transaction size limits on platforms. The management and rebalancing of this Model Portfolio does not take Capital Gains Tax into consideration.

This factsheet has been prepared for information purposes only and does not constitute advice or a personal recommendation, nor does it constitute an invitation to purchase units or shares. The information on which the document is based is deemed to be reliable. Charles Stanley has not independently verified such information and its accuracy or completeness is not guaranteed.

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