

DP 1

Dynamic Passive

CHARLES STANLEY

Managed Portfolio Service

Investment objective and policy

For Professional Advisers Only

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 September 2012

Annual Management Charge 0.25% inc. VAT

Fund Underlying OCFs 0.15%

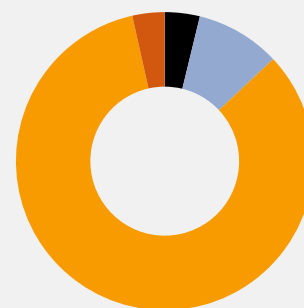
Typical Growth / Defensive Split 10:90

Latest commentary

January was a much better month for investors in shares, as the main equity markets of the world rallied strongly. Emerging markets did better than the developed world, although India did fall. The US outperformed Japan and the Euro area, as technology shares came back into favour after the December sell off. A stronger pound against the major currencies meant the sterling investor had 2% to 3% shaved off these gains. Bonds in the main markets made some upwards progress. The decision of the Federal Reserve in the USA to back-off from a proposed series of three more rate rises unless the data justifies it, was good for both bonds and shares. The Chinese too decided on some more monetary and fiscal relaxation as their economy is slowing more than they would like. UK assets did well, with property real estate investment trusts leading the way and positive returns on the All Share Index and government bonds. The better mood will persist if as we anticipate there is some agreement between the USA and China on trade before March, and if the main Central Banks stick with this new mood of a softer approach to interest rate and money policy.

There were no changes made to the investments during January and most of the portfolio (84%) remains invested in bonds. The yield on 10 year gilts fell very slightly over the month and the longer duration index-linked gilt tracker was the best performing bond holding. Equities only represent a small part of the portfolio (13%) but all made positive contributions to the overall return. As highlighted, technology companies recovered in January so this helped Vanguard Developed World ex UK which has about 12% of the fund in this sector. The unhedged nature of the overseas equity holdings meant that their gains were tempered by sterling strength.

Asset Allocation



- UK Equities 4%
- Global Equities 9%
- Bonds 84%
- Cash 4%

Top ten holdings

Top ten holdings	%
L&G Short Dated £ Corp Bond Index I Acc	20
Vanguard UK Short Term Investment Grade Bond Acc Index	20
iShares Corporate Bond 1 to 10 Year Index Fund D Acc	16
Vanguard Global Short Term Bond GBP Hedged Inc	13
Vanguard Developed World ex UK Equity Inc Index Fund	9
L&G All Stocks Gilt Index I Acc	7
L&G Global Inflation Linked Bond £ Hedged I Inc	5
iShares 100 UK Equity Index Fund (UK)	4
Cash Account [GBP]	4
iShares Index Linked Gilt Index Fund (UK)	3

Performance %

Discrete Performance	Feb 18 - Jan 19	Feb 17 - Jan 18	Feb 16 - Jan 17	Feb 15 - Jan 16	Feb 14 - Jan 15	3 yr Volatility
Dynamic Passive 1	0.6	3.4	9.6	-1.1	8.5	3.7
UK CPI*	2.1	2.9	1.6	0.2	0.5	1.1

Cumulative Performance	1m	3m	6m	1yr	3yr	5yr
Dynamic Passive 1	1.2	0.1	-0.3	0.6	13.9	22.2
UK CPI*	0.1	0.5	1.2	2.1	6.8	7.5

Source: APX all data as at 31/01/2019

Past performance is not a 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.

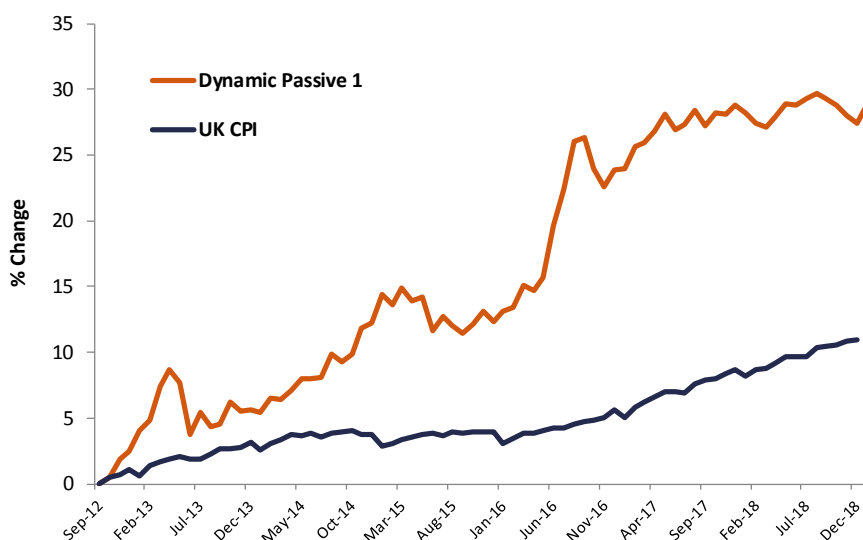
Investment Team

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.

Risk Profile and Ratings



Performance since Inception



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

FIND OUT MORE

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ACCOUNTS

- General Investment Account
- ISA
- SIPP
- Offshore Bond

PLATFORMS

- Aegon
- Ascentric
- Aviva
- Novia
- Nucleus
- Standard Life
- Transact
- Zurich
- 7IM

Important Information

Past performance is not a reliable guide to future returns. The value of investments, and the income derived from them, can fall as well as rise and are not guaranteed. Investors might not get back the amount invested.

Performance is shown net of Charles Stanley's investment management fees. Any charges and fees applied by platforms and/or authorised intermediaries will be charged in addition to the charges shown. The Ongoing Charges Figure (OCF) is calculated on a periodic basis using a weighted average of the most recent publicly available OCFs for the underlying investments as at the date of the factsheet. 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.

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