

# DP 1

## Dynamic Passive

### 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.

Since last November's news that several effective vaccines had been developed, there has been a marked outperformance of value stocks (e.g. banks, energy) versus growth stocks (e.g. technology). Value stocks have been viewed by investors as the main beneficiaries of the progressive reopening of the economy as restrictions to free movement are lifted, whereas the more highly-rated growth stocks have lost some of their appeal given the reduced sensitivity of their earnings to the economic cycle.

April saw a partial reversal of this recent trend, with the calmer bond-market environment causing growth stocks to outperform for the first time this year. However, as economic growth momentum picks up as we head into the summer, the demand for cyclical-recovery plays is still likely to remain high, so we would still anticipate near-term support for value stocks.

Incoming economic data suggests that the global economy is on track to record its strongest growth since the early 1980s. Despite this and leading indicators of inflation pointing somewhat higher, the US Federal Reserve (the Fed) has – for the time being at least – been able to calm the bond market vigilantes who threaten to sell bonds and drive yields higher. The central bank stressed that any changes in monetary policy will be in response to real economic data, rather than trying to anticipate how the outlook will evolve.

Thus far, the Fed has been able to argue that it is still a long way from its dual goal of full employment and an average core-inflation rate of 2% over the long term – and therefore also supporting its consistently-dovish message. In the near term, we expect the combination of exceptionally strong global-economic momentum and earnings delivery to be positive for equities. As we travel through the summer, the bar for further gains is likely to be progressively higher and markets are likely to be more fearful of the prospects for less-supportive central-bank policies.

During April, the MSCI All Country World equity index reached another record high, with global equities returning 4.2% in Sterling terms, bringing returns for the first four months of the year to 9%. The bond environment was notably more stable with a slight decline in yields, resulting in positive performance in both US and UK government bonds. No changes were made to the model in April.

### Performance %

Discrete Performance	Apr-20 - Apr-21	Apr-19 - Apr-20	Apr-18 - Apr-19	Apr-17 - Apr-18	Apr-16 - Apr-17	3 yr Volatility
Dynamic Passive 1	4.5	2.9	3.0	0.9	10.6	3.9
UK CPI*	0.7	1.5	1.9	2.4	2.3	1.1
Cumulative Performance	1m	3m	6m	1yr	3yr	5yr
Dynamic Passive 1	1.1	0.3	2.3	4.5	10.7	23.4
UK CPI*	0.3	0.2	0.3	0.7	4.2	9.2

Source: APX and FE Analytics All data as at 30 April 2021

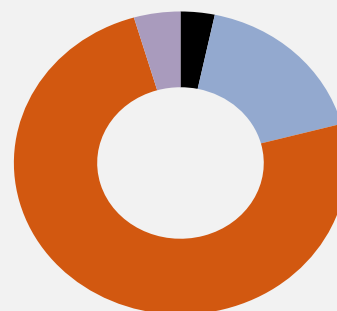
Past performance is not a reliable guide to future performance. The performance is net of Charles Stanley investment management fees, with income reinvested.

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

### Key facts

<b>Inception Date</b>	30/09/2012
<b>Typical Growth / Defensive Split</b>	10:90
Annual Management Charge	0.20%
Total Ongoing Charges (of underlying funds)	0.11%
<b>Portfolio Total Ongoing Charge</b>	<b>0.31%</b>

### Asset Allocation



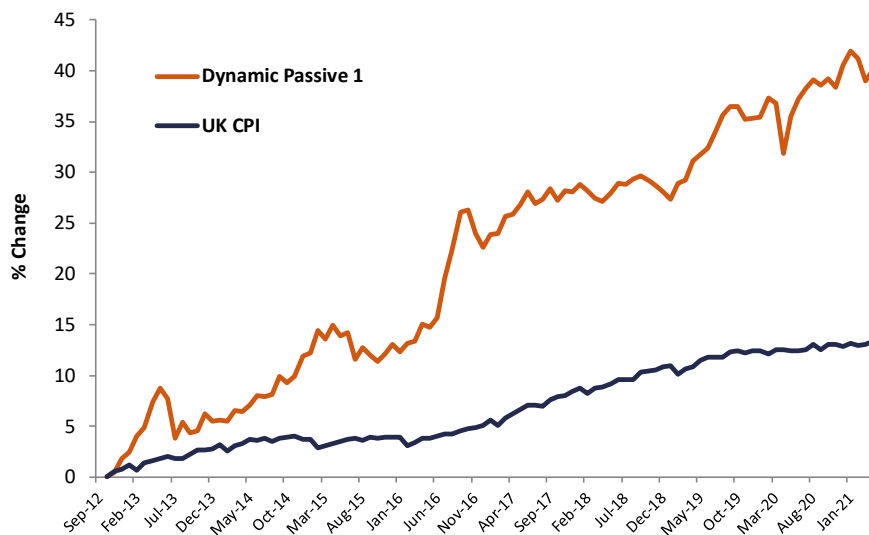
### Top ten holdings %

Vanguard UK Short Term Investment Grade Bond Acc Index Fund	16
Vanguard Developed World ex UK Equity Inc Index Fund	15
L&G Short Dated £ Corp Bond Index I Acc	14
Vanguard US Govt Bond Index Inc £ Hedged	12
L&G Sterling Corp Bond Index C Inc	12
L&G Global Inflation Linked Bond £ Hedged C Inc	10
Vanguard GI ShortTerm Bd Idx Inst Plus GBP Hgd Inc	8
Cash Account [GBP]	5
iShares 100 UK Equity Index Fund (UK)	3
L&G All Stocks Gilt Index C Acc	3

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

## Risk Profile and ESG Ratings

**MSCI**  
ESG RATINGS



CCC B BB BBB **A** AA AAA

Certain information ©2021 MSCI ESG Research LLC. Reproduced by permission



### FIND OUT MORE

020 7149 6416

[asset.management@charles-stanley.co.uk](mailto:asset.management@charles-stanley.co.uk)

[www.charles-stanley.co.uk](http://www.charles-stanley.co.uk)

Charles Stanley & Co. Limited  
55 Bishopsgate  
London  
EC2N 3AS

### 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.** Since the 31st of March 2021, performance was calculated on a Total Return basis using a notional portfolio in Financial Express Analytics. Before the 31st of March 2021, performance was 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. Although Charles Stanley's information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. Charles Stanley & Co. Limited is authorised and regulated by the Financial Conduct Authority.