

# DP 4

## 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 4 Model Portfolio is to provide a long-term total return which is superior to inflation plus 3% returns. The performance of the model portfolio is not intended to track the rise (or fall) of any specific index.

### Key facts

|   |              |
|---|--------------|
| <b>Inception Date</b>                       | 30/09/2012   |
| <b>Typical Growth / Defensive Split</b>     | 65:35        |
| Annual Management Charge (including VAT)    | 0.25%        |
| Total Ongoing Charges (of underlying funds) | 0.13%        |
| <b>Portfolio Total Ongoing Charge</b>       | <b>0.38%</b> |

### Latest commentary

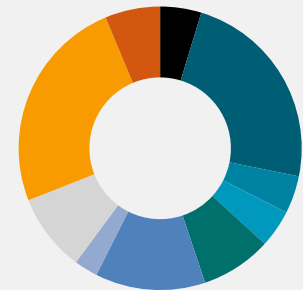
Most share and bond markets rose in March. Bonds investors decided rate rises in the US were unlikely and rate cuts possible as the absence of any inflationary threat in the advanced world led to speculation of easier global money to alleviate the fall in industrial orders and investment. Whilst the news of what is actually happening across a number of industries remains poor, investors anticipate a pick up in the second half of the year following more official action to boost output. Commentators are also looking forward to a likely US/China trade deal to relieve the major tension in international trade. Developed markets performed better than emerging markets but India rebounded strongly (+11.5%) after a poor start to the year. Sterling was weaker over the month so investors made currency gains on unhedged overseas holdings. We are now cautious about the outlook after good gains so far this year. We believe the developed country authorities will do enough to avoid a world recession but expect revenue and profit growth to be weak.

During the month we decided to reduce iShares Continental European Equity Index and Fidelity Japan Index funds. The Eurozone looks the most exposed to possible bad news. Italy is in recession, with no signs of it lifting. Germany has suffered from the fall off in car sales around the world, and from the continuing deeper seated problems that stem from regulatory change and the demands of governments to accelerate the switch from diesel and petrol to electric vehicles. The Euro area is under siege from populist parties around the zone seeking a change to the current fiscal rules and as the European election campaign heats up in May there could be more wobbles and worried commentary about what it might signify. Japan has rallied from the lows as we hoped, but not as strongly as some other markets. There is a continuing overhang from problems in the worldwide motor sector and from the difficulties over corporate governance in some Japanese companies which seems to be holding back better performance.

### Performance %

| Discrete Performance     | Apr 18 - Mar 19 | Apr 17 - Mar 18 | Apr 16 - Mar 17 | Apr 15 - Mar 16 | Apr 14 - Mar 15 | 3 yr Volatility |
|--------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Dynamic Passive 4</b> | 8.2             | 1.2             | 22.4            | -1.6            | 13.7            | 7.6             |
| <b>UK CPI + 3%*</b>      | 4.9             | 5.8             | 5.4             | 3.3             | 3.0             | 1.1             |
| Cumulative Performance   | 1m              | 3m              | 6m              | 1yr             | 3yr             | 5yr             |
| <b>Dynamic Passive 4</b> | 2.1             | 6.7             | -0.5            | 8.2             | 34.0            | 50.0            |
| <b>UK CPI + 3%*</b>      | 0.7             | 0.6             | 1.8             | 4.9             | 16.9            | 24.4            |

### Asset Allocation



|                            |     |
|----------------------------|-----|
| ■ UK Equities              | 5%  |
| ■ US Equities              | 24% |
| ■ European Equities        | 4%  |
| ■ Japanese Equities        | 4%  |
| ■ Asian Equities           | 8%  |
| ■ Emerging Market Equities | 13% |
| ■ Global Equities          | 3%  |
| ■ Global Property          | 9%  |
| ■ Bonds                    | 25% |
| ■ Cash                     | 6%  |

### Top ten holdings

|  | %  |
|--|----|
| Fidelity Index US P Acc GBP Clean                        | 13 |
| iShares US Equity Index Fund (UK)                        | 10 |
| Fidelity Index Emerging Markets P Acc GBP Fund           | 10 |
| L&G Short Dated £ Corp Bond Index I Acc                  | 9  |
| L&G Global Real Estate Dividend Index Fund (I Class Acc) | 9  |
| Fidelity Index Pacific ex Japan P Acc GBP Fund           | 8  |
| Cash Account [GBP]                                       | 6  |
| Vanguard UK Short Term Inv Grade Bond Acc Index Fund     | 5  |
| Fidelity Index Japan P Acc GBP Fund                      | 4  |
| iShares Continental European Equity Index Fund (UK)      | 4  |

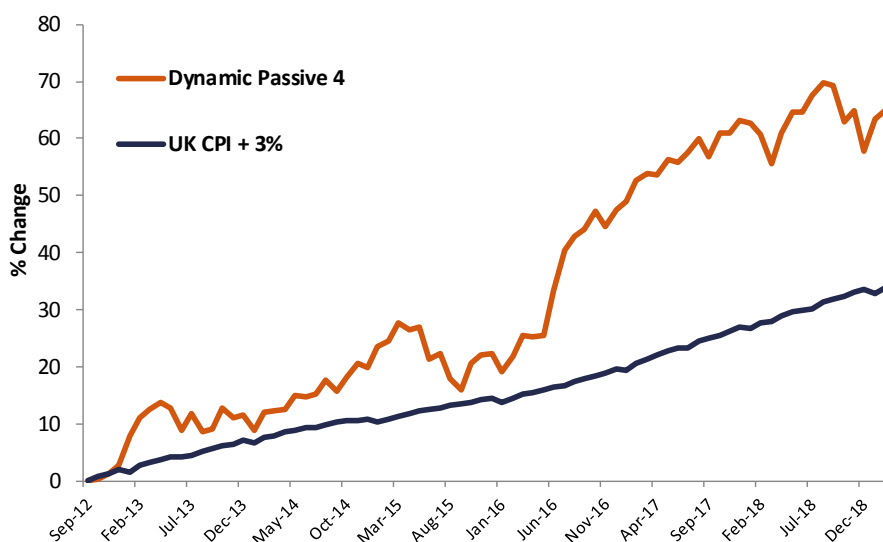
## Investment Team

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 reliable 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

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

### PLATFORMS

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

## Important Information

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

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.

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