

DP 5

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 5 Model Portfolio is to provide a long-term total return which is superior to inflation plus 4% returns. 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 0.12%

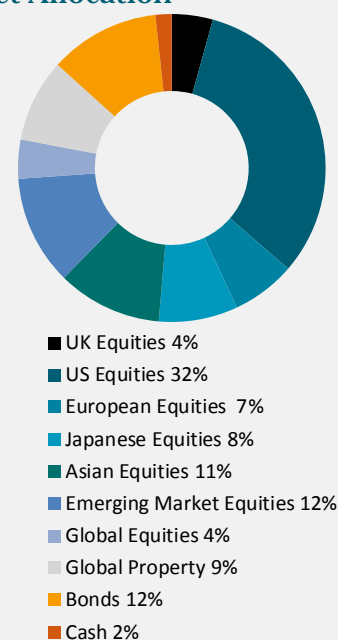
Typical Growth / Defensive Split 80:20

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 all asset classes made positive contributions to the overall return. Amongst the UK equities, the mid cap index tracker outperformed the main UK index. The property tracker provided a useful diversification benefit with companies such as US real estate operator Prologis gaining 17% over the month. As highlighted, technology companies recovered in January so with around 17% of the fund in this sector, this helped Fidelity US Index become one of the best performing holdings. Emerging Markets (12% of the portfolio) also rebounded with China, which represents about a quarter of the Fidelity Emerging Markets Index fund up over 7%. The unhedged nature of the overseas equity holdings meant that their gains were tempered by sterling strength.

Asset Allocation



Top ten holdings

Top ten holdings	%
iShares US Equity Index Fund (UK)	13
Fidelity Index US P Acc GBP Clean	12
L&G Short Dated £ Corp Bond Index I Acc	10
Fidelity Index Emerging Markets P Acc GBP Fund	10
Fidelity Index Pacific ex Japan P Acc GBP Fund	10
L&G Global Real Estate Dividend Index Fund (I Class Acc)	9
Fidelity Index Japan P Acc GBP Fund	8
Vanguard US Equity Index Fund Acc GBP	7
iShares Continental European Equity Index Fund (UK)	7
Vanguard Developed World ex UK Equity Inc Index Fund	4

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 5	0.1	11.4	29.4	-4.3	15.1	9.1
UK CPI + 4%*	6.2	7.1	5.7	4.2	4.5	1.1

Cumulative Performance	1m	3m	6m	1yr	3yr	5yr
Dynamic Passive 5	4.1	0.2	-3.0	0.1	44.4	59.1
UK CPI + 4%*	0.4	1.5	3.2	6.2	20.1	30.8

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.

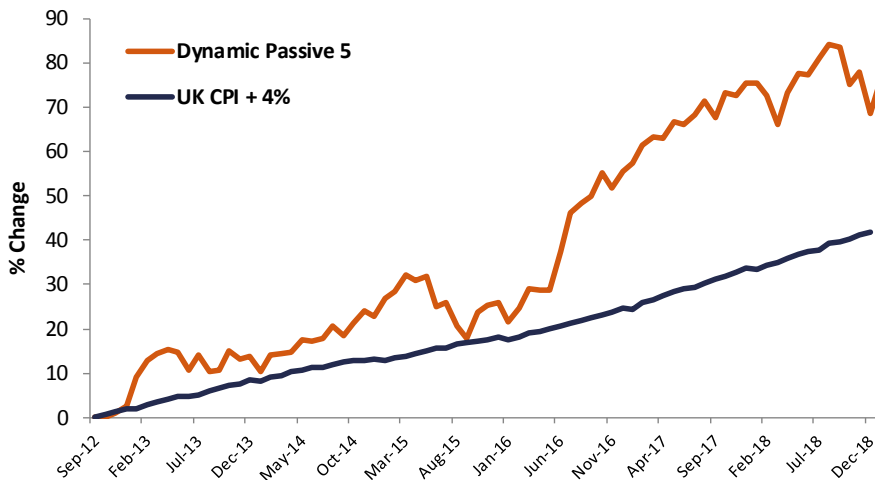
Investment Team

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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