



**progeny** Asset Management

# MGTS Progeny ProFolio Global

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A range of multi-asset funds designed for UK investors with global market exposure without a UK bias.

Progeny Asset Management Ltd is authorised and regulated by the Financial Conduct Authority.

This document is directed at professional advisers and should not be relied upon by retail investors. The value of investments, and the income from them, may fall or rise and investors may get back less than they invested.

# Why should you consider our ProFolio funds?

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**Our ProFolio range of funds combine a diversified asset mix, giving you access to thousands of equities and bonds in a single investment as well as other asset classes. This helps reduce risk by spreading your investments and provides agility to market conditions.**

# Progeny Asset Management are an award-winning team that have been building investment solutions together for over a decade.

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## What we do for investors

We're here to show that there's a better way to invest and make the most of balancing risk and return.

All our solutions are designed for clients who want to hand over the day-to-day management of their investments. We work alongside advisers to choose the right portfolios and services that are matched to client suitability.

Our experienced team understand the importance of bringing professionals together to achieve the best outcomes and have used this to create products that have a focus on both performance and costs.

Too many investors pay for poor investment performance and sub-standard service. We have developed our innovative offering by being agile and responsive to clients' needs, alongside the uncertainty of market conditions.

Matched using our selected risk profiling tool our solutions ensure that the most appropriate portfolio is chosen to meet investors objectives, considering capacity for loss and financial goals.

Progeny Asset Management are direct fund managers with access to institutional trading and the entire investment market.

Our ProFolio funds use a tactical approach, which means our investment team manage portfolio positions without being tethered to a benchmark that could have uncompensated risks.

This brochure will help explain the objectives, processes and differences between the ProFolio Global fund range that is comprised of three risk rated solutions.

# Investment Objective of the ProFolio Global Range

**The objective of each fund is to provide capital growth with the potential for income.**

Equities typically give a higher return over the long run but are riskier, whereas bonds are typically stable but offer lower potential returns.

Having a mix of both helps balance risk and reward. The funds also include alternative assets like property, infrastructure, indirect foreign currency exposure and commodities which rely less on broad market trends and more on the strength of each specific investment.

This provides greater diversification and may reduce volatility.

The structure of ProFolio Global provides efficient trading with a broadly diversified multi-asset mix within a single fund.

Unlike portfolios that use separate funds for equities and bonds that are combined to achieve suitable risk profiles, ProFolio is a complete solution.

The range provides frictionless trading and a greater use of tactical management to rebalance against market conditions. This agility is achieved within the fund which means trading any underlying assets is not

subject to Capital Gains Tax in the UK.

Using this type of investment structure also reduces the discrepancy between the expected price of a trade and the price at which the trade is executed.

ProFolio Global provides a higher allocation to international bonds and shares under normal circumstances.

## Key Fund Facts

SIPP, Offshore Bond & ISA - Available

Entry Charge - None

Exit Charge - None

Launched - 1st June

Investment Structure - UCITS

Investment Strategy - Tactical

Asset Class - Balanced

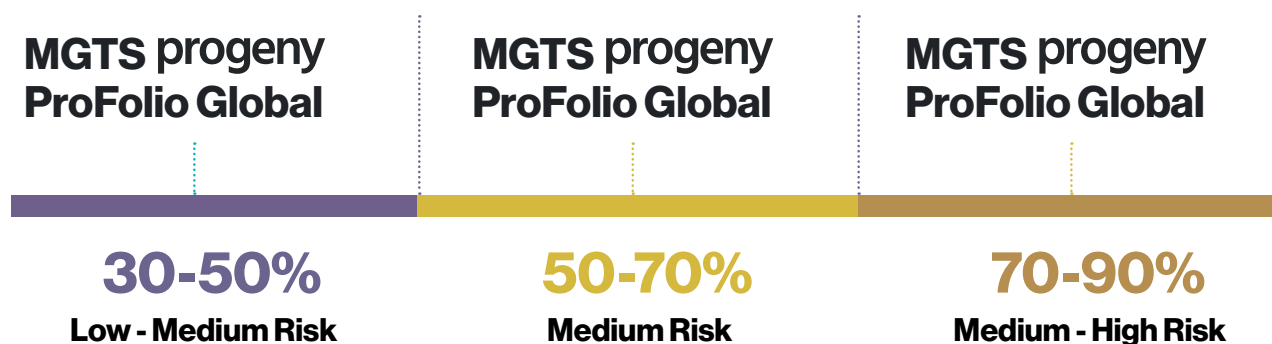
Investment Manager -

Progeny Asset Management (PAM)

## Asset Allocation

**The ProFolio Global range is a multi-asset class, multi-currency range of funds within a single solution, that each have a different risk profile based on their allocation to shares.**

Each fund is a global portfolio which provides a range of asset classes across any economic sector and geographic area with exposure to shares that can vary between:



The allocations will use alternative investment strategies at times. This may include property, infrastructure, or absolute return funds. Where the underlying exposure of the asset is to shares e.g., underlying Investment Trusts or REITs then the exposure will be classed as part of the share allocation. If the strategy provides defined returns or high levels of diversification to shares, then it may be classed outside of the share allocation e.g., direct property, uncorrelated asset classes.

Market exposures will be based on our long-term asset class expectations (1-2 years), complemented by tactical allocations for shorter-term advantages (6-12 months), which may change without notice. The optimised allocation is adjusted by the investment team's tactical views, allowing allocation changes from the optimised strategy, which is reviewed on an ongoing basis.

The ProFolio Global range is competitively priced within the multi-asset peer group. As a direct fund manager, Progeny Asset Management has access to better terms than many other retail fund managers, such as institutional OCF's and fund rebates.

## Investment Choices & Charges

This range is available on many retail platforms in GBP and accumulation units only.

**OCF – 0.90%**

### What it is

- ✓ Multi-discipline approach to asset allocation
- ✓ Asset Allocation aligned to major global markets
- ✓ Competitively priced
- ✓ Highly diversified within a single solution
- ✓ Self-rebalancing and trading efficient

### What it is not

- × A closet tracker
- × Passive
- × A DFM led solution
- × Style specific
- × Emotion-led fund picking

# Investment Philosophy and Beliefs:

Our five principles for investing

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### **Principle 1: Get the asset mix right**

We start with getting the asset apportionment fine-tuned across our funds. The choice and adherence to our long-term investment policy and asset allocation, is the core driver of portfolio returns and therefore risk. Choosing the right mix, over the right time and for the right risk appetite, is the best means to deliver expected returns.

### **Principle 2: Diversify broadly**

The next important step is to ensure that an investor is not overly exposed to one sector/fund/geography because the only certainty in financial markets is their uncertainty. Taking an approach that doesn't chase trends means investors take advantage, wherever they can, of the diversification benefits on offer. We believe that owning a well-diversified portfolio is critical to long term portfolio success and is a method of taking an element of control over market changes that are essentially uncontrollable, such as natural disasters, wars, political changes etc.

### **Principle 3: Manage financial costs**

Investors are often unaware of the effects ongoing and compounding fees have on returns and the severe deductions over the long-term. These include the effects of inflation on purchasing power; the cost of tax; and the significant 'all-in' cost of investing (e.g. ongoing charges and turnover costs). Controlling costs within the fund has significant benefits, especially given the multiplying effects over the lifetime of an investment.

### **Principle 4: Control emotions**

Behavioural finance studies have revealed that investors suffer a number of wealth damaging psychological preconceptions and biases.

The emotional impacts of regret, pride, greed and panic tend to result in trying to guess market timing and the excessive taking or avoidance of risk. Poor investment behaviour is likely to have a negative effect on investment returns. We take the emotion out and base decisions on quantitative analysis rather than making behavioural choices.

### **Principle 5: Rebalance the portfolio**

Rebalancing is where a portfolio is brought back to its originally designed asset allocation when market performance has caused it to change. The purpose of rebalancing is to control risk, and to ensure that investors are not exposed to more or less risk than they agreed. Rebalancing can be achieved either by buying and selling funds, or by directing new money into the right asset to achieve the original balance.

**progeny** Asset Management

**Progeny Asset Management  
is independent and impartial;  
which means we are not tied  
to any fund manager, bank  
or insurance company.**

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**Progeny Asset Management deliver an investment proposition that is genuinely unbiased across a broad range of solutions.**

These are built on the foundations of our Investment Principles. Using these building blocks, we're able to offer clients a wide range of investment strategies which are risk-rated and provide a style-agnostic approach.

**Our goal is to provide investors with a smoother investment journey.**

Our Investment Committees comprise of an expert panel of investment professionals who set the strategic approach which we adopt to investing.

A quantitative process is at the heart of what we do. Not only does it filter the investment world down to a manageable level of choices, but importantly it also strips out the emotional bias which often hinders performance.

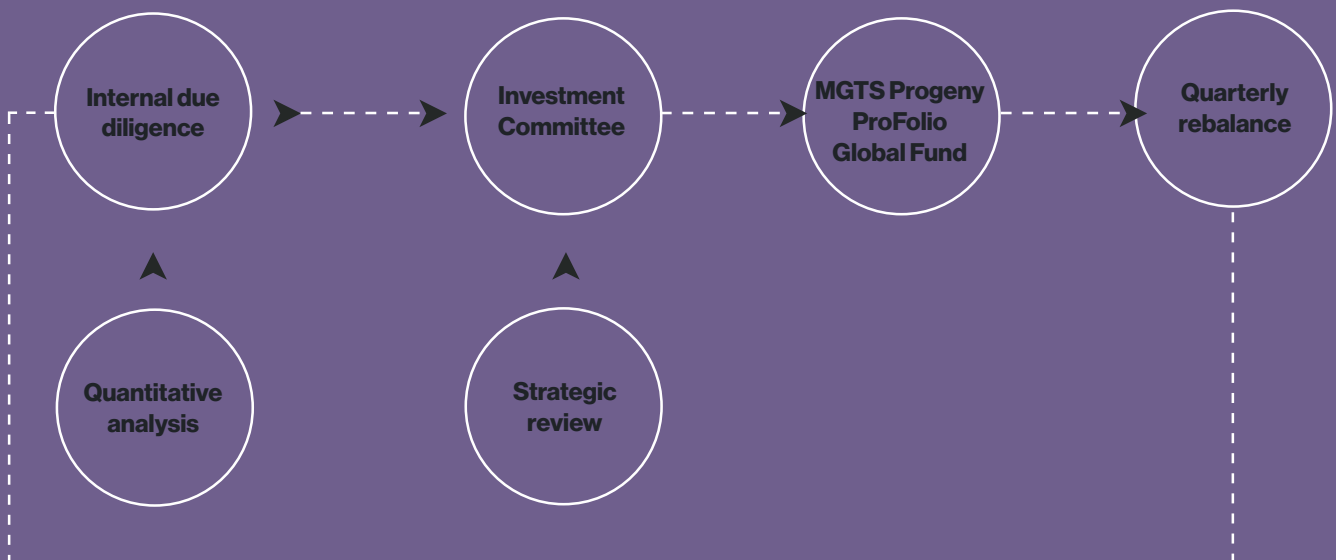
Our investment research covers all major asset classes, spanning all regions of the world and we seek funds with the underlying principles of balancing risk, reward and cost.

We recognise that minimising costs in the client's investment programme can have significant benefits, especially given the multiplying effects of compounding. A pound of costs saved is no different to a pound of market performance in monetary terms, yet it is more valuable due to its consistency over time and having been achieved without taking any risk.

One of the key benefits of our investment approach is that we are able to leverage our institutional buying power to provide funds at a fair value to clients. The costs of these funds are thus generally lower than similar products in the market. Our ProFolio range is rebalanced quarterly to support consistency of performance and to keep the portfolios in line with clients' attitude to risk.

Within all of our funds we adhere to our five core investment principles.

## Robust, repeatable investment process



# ProFolio Global Range

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## **This section illustrates the asset allocation of each model**

The value of investments and any income from them can fall as well as rise and clients may get back less than they invested. Past performance is not a guide to future performance. No investment is suitable in all cases and if they have any doubts as to an investment's suitability, then they should contact a professional adviser. If they invest in currencies other than their own, fluctuations in currency value will mean that the value of their investment will move independently of the underlying assets, thus increasing the risks.

# MGTS progeny

## ProFolio Global 30-50%

### Investment Objective

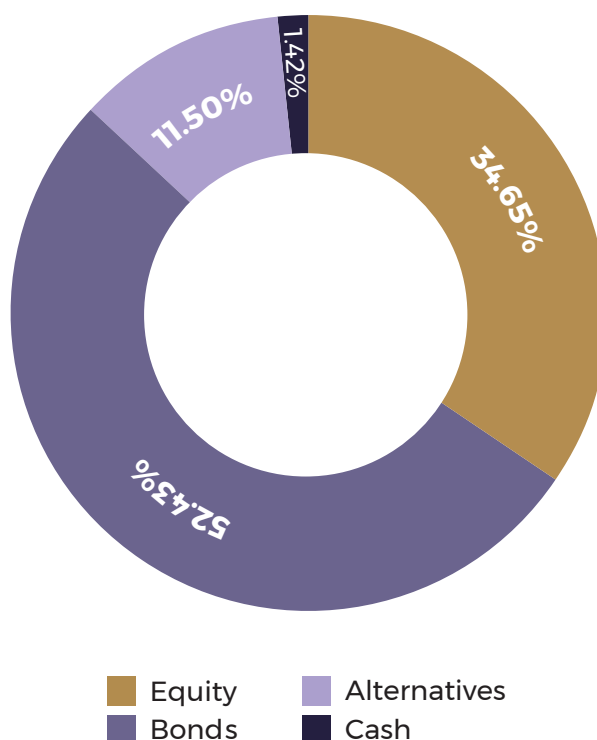
The objective of the fund is to provide capital growth, with the potential for income, over any 4-year period.



### Profile

The ProFolio Global range is a multi-asset class, multi-currency range of funds, with an allocations of shares, bonds, alternatives and cash with some asset range flexibility. Each sub-fund is a global portfolio which provides exposure to a range of asset classes across any economic sector and geographic area with exposure to shares that can vary between 30-50%.

Equity	
UK Equities	2.10%
US Equities	21.35%
European Equities	3.15%
Japanese Equities	2.10%
Asia Pacific Ex Japan Equities	2.45%
Global Emerging Market Equities	3.50%
Bonds	
Global Corporate Bonds	22.47%
Global Government Bonds	25.95%
Global Inflation-Linked Bond	4.01%
Alternatives	
Alternative	6.71%
Infrastructure	2.31%
Structured Product	2.48%
Cash	
Cash	1.42%



The allocation will use alternative investment strategies at times. This may include property, infrastructure, or absolute return funds. Where the underlying exposure of the asset is to shares e.g., underlying ITs or REITs then the exposure will be classed as part of the share allocation. If the strategy provides defined returns or high levels of diversification to shares, then it may be classed outside of the share allocation e.g., direct property, uncorrelated asset classes. Above is based on broad based global indexes, with 2% cash allocated to UK. Allocation bands of +/-10% on geographical allocation. Limits are soft but expected to limit the level of active management to maintain the methodological process. Please note that the data is pulled from live datasheets where holdings are exact and manged to 4 decimal places. Therefore there may be very minor rounding errors in the summation of this.

# MGTS progeny ProFolio Global 50-70%

## Investment Objective

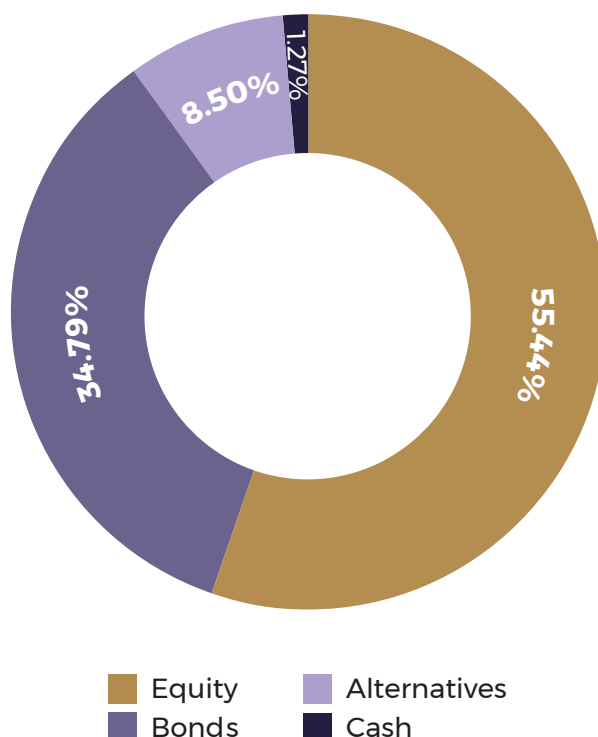
The objective of the fund is to provide capital growth, with the potential for income, over any 5-year period.

Equity	
UK Equities	3.36%
US Equities	34.16%
European Equities	5.04%
Japanese Equities	3.36%
Asia Pacific Ex Japan Equities	3.92%
Global Emerging Market Equities	5.60%
Bonds	
Global Corporate Bonds	14.91%
Global Government Bonds	17.22%
Global Inflation-Linked Bond	2.66%
Alternatives	
Alternative	4.96%
Infrastructure	1.71%
Structured Product	1.83%
Cash	
Cash	1.27%



## Profile

The ProFolio Global range is a multi-asset class, multi-currency range of funds, with an allocation of shares, bonds, alternatives and cash with some asset range flexibility. Each sub-fund is a global portfolio which provides exposure to a range of asset classes across any economic sector and geographic area with exposure to shares that can vary between 50-70%.



The allocation will use alternative investment strategies at times. This may include property, infrastructure, or absolute return funds. Where the underlying exposure of the asset is to shares e.g., underlying ITs or REITs then the exposure will be classed as part of the share allocation. If the strategy provides defined returns or high levels of diversification to shares, then it may be classed outside of the share allocation e.g., direct property, uncorrelated asset classes. Above is based on broad based global indexes, with 2% cash allocated to UK. Allocation bands of +10% on geographical allocation. Limits are soft but expected to limit the level of active management to maintain the methodological process. Please note that the data is pulled from live datasheets where holdings are exact and manged to 4 decimal places. Therefore there may be very minor rounding errors in the summation of this.

# MGTS progeny

## ProFolio Global 70-90%

### Investment Objective

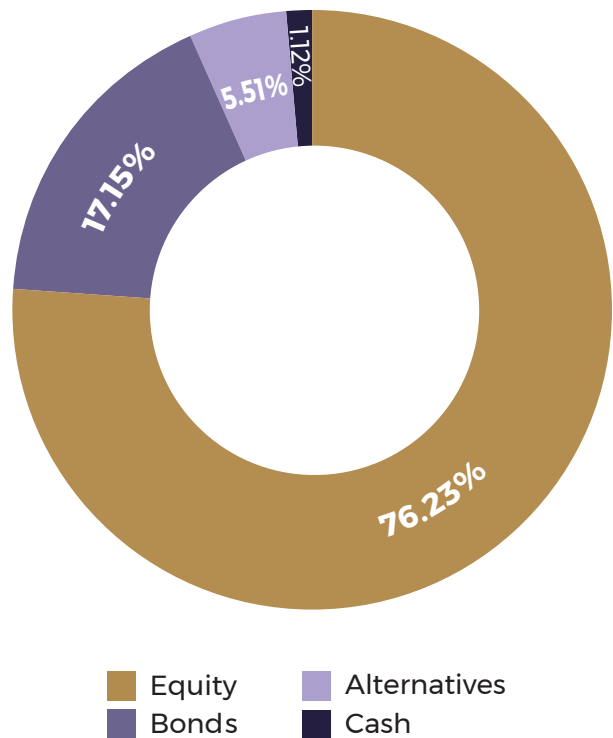
The objective of the fund is to provide capital growth, with the potential for income, over any 6-year period.



### Profile

The ProFolio Global range is a multi-asset class, multi-currency range of funds, with an allocation of shares, bonds, alternatives and cash with some asset range flexibility. Each sub-fund is a global portfolio which provides exposure to a range of asset classes across any economic sector and geographic area with exposure to shares that can vary between 70-90%.

Equity	
UK Equities	4.62%
US Equities	46.97%
European Equities	6.93%
Japanese Equities	4.62%
Asia Pacific Ex Japan Equities	5.39%
Global Emerging Market Equities	7.70%
Bonds	
Global Corporate Bonds	7.35%
Global Government Bonds	8.49%
Global Inflation-Linked Bonds	1.31%
Alternatives	
Alternative	3.21%
Infrastructure	1.11%
Structured Product	1.19%
Cash	
Cash	1.12%



The allocation will use alternative investment strategies at times. This may include property, infrastructure, or absolute return funds. Where the underlying exposure of the asset is to shares e.g., underlying ITs or REITs then the exposure will be classed as part of the share allocation. If the strategy provides defined returns or high levels of diversification to shares, then it may be classed outside of the share allocation e.g., direct property, uncorrelated asset classes. Above is based on broad based global indexes, with 2% cash allocated to UK. Allocation bands of +/-10% on geographical allocation. Limits are soft but expected to limit the level of active management to maintain the methodological process. Please note that the data is pulled from live datasheets where holdings are exact and manged to 4 decimal places. Therefore there may be very minor rounding errors in the summation of this.

# Progeny

Progeny is a trading style of Progeny Asset Management Limited and is used by various companies within the Progeny group of companies. Progeny Asset Management Limited is a limited company registered in England and Wales with number 09415365. The company's registered address is 1A Tower Square, Leeds, LS1 4DL. Progeny Asset Management Limited is authorised and regulated by the Financial Conduct Authority (No. 740528). VAT Number: 238579267.

This document is for information purposes only and should not be used to make a decision about the suitability or otherwise of a specific investment strategy. No investment is suitable in all cases and if investors have any doubts as to an investment's suitability, then investors should contact a professional adviser and always read any attaching Prospectus or Key Investor Information Documents, both of which are available upon request.

Past performance is not a guide to future performance. The value of investments and any income from them can fall as well as rise and investors may get back less than they invested. Exposure to various asset classes may include some assets that are considered to carry more risk. This means that the rise and fall in value could be greater than for lower risk investments or they take longer to sell. In addition, the way in which these assets interact with each other may change through time causing higher or lower fluctuations of value. If invested in currencies other than their own, fluctuations in currency value will mean that the value of the investment will move independently of the underlying assets, which could add to the rise and fall in the value of investments. The underlying collective investment schemes may also experience operational or credit issues, which could impact liquidity (the ability to sell) or capital value. Capital is therefore always at risk.

The information contained within this document is subject to the UK regulation, legislation and tax regime, which is subject to change at any time. This document is therefore primarily targeted at consumers based in the UK.

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