Dynamic MPS Portfolios

A total returns portfolio using an unconstrained approach.

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.

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Why should you consider our Dynamic MPS portfolio service?

"Our Dynamic MPS portfolios retain our investment principles with an unconstrained approach. This means our investment managers use a mixture of quantitative and qualitative research, based on statistical analysis of returns rather than a specific benchmark."

Progeny Asset Management (PAM) are an award winning team that have been building portfolios and models together for over a decade.

Our Dynamic portfolio range of risk-targeted investments was established in 2016 and designed as an unconstrained solution. This means when portfolios are constructed, we are not constrained by investment style.

This allows our asset management team to take a more hands on approach instead of tracking a benchmark whilst adhering to our investment principles. Like all of our investment solutions, we pursue returns across widely diversified asset classes for suitability to a matched risk range.

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

What we do for you

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 suitability.

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

The Dynamic service is a fund of funds solution. It is made up of the MGTS Progeny Dynamic Bond and MGTS Progeny Dynamic Equity funds. Within the MGTS Progeny Dynamic Bond and Equity funds, a number of different holdings span different asset classes and geographies. Matched using our selected risk profiling tool our solutions ensure the most appropriate portfolio is chosen to meet investors objectives, considering capacity to suffer losses and financial goals.

Our portfolios are a managed portfolio service (MPS). This brochure will help explain the objectives, processes and differences between the Dynamic Portfolio range that is composed of six investment solutions.

What it is

- ✓ Multi-discipline approach to fund allocation
- ✓ 'Best of Breed' approach, balancing investment styles and cost
- ✓ Dynamic approach to asset allocation
- ✓ Competitively priced

What it is not

- × A closet tracker
- × Passive
- × A faceless service
- × Style specific
- × Emotion-led fund picking

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Investment Philosophy and Beliefs:

Our five principles for investing

Principle 1: Get the asset mix right

Principle 2: Diversify broadly

Principle 3: Manage financial costs

Principle 4: Control emotions

Principle 5: Rebalance the portfolio

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 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.

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

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 clients with a smoother investment journey.

Our Investment Committee is an expert panel of investment professionals who set the strategic approach we take 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 also strips out any emotional bias.

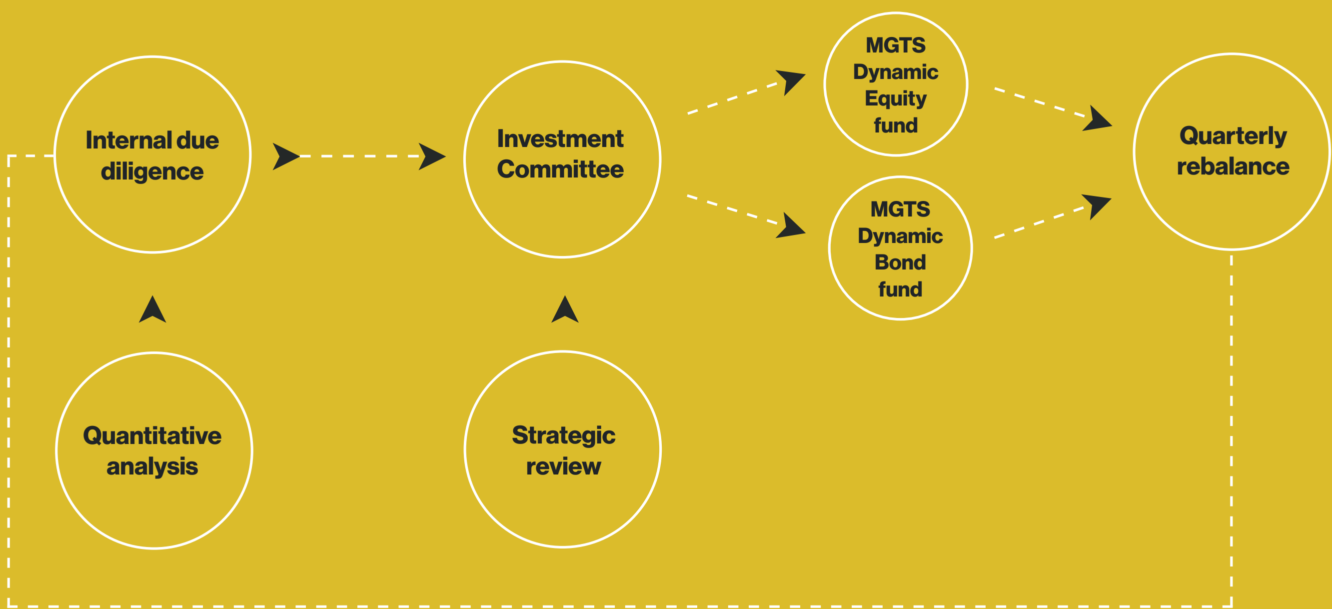
Our investment research covers all major asset classes, spanning all regions of the world and we seek funds with the underlying principles of balancing risk, reward and cost.

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 being achieved without taking any risk.

One of the key benefits of our investment approach is that we're able to leverage our buying power to provide funds at a fair value, which is generally lower than similar products in the market. Our Managed Portfolio Service (MPS) portfolios are rebalanced quarterly to support consistency of performance and to keep in line with clients' attitude to risk.

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

Robust, repeatable investment process



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The Dynamic Portfolio Range

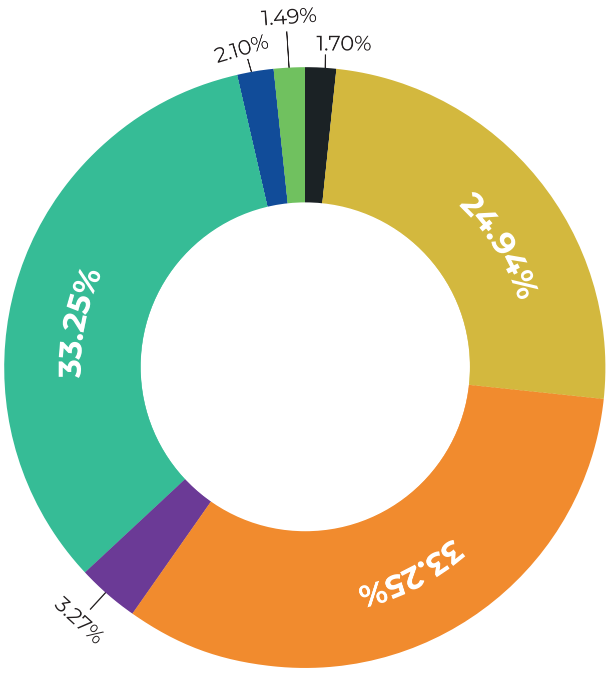
This section illustrates the asset allocation of each model

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 your own, fluctuations in currency value will mean that the value of your investment will move independently of the underlying assets, thus increasing the risks.

Dynamic 30

Profile

The majority of the portfolio is allocated to high-quality and investment grade bonds. Over the medium to longer-term, the 30% exposure to the risks and expected rewards of equity ownership should help to maintain purchasing power.



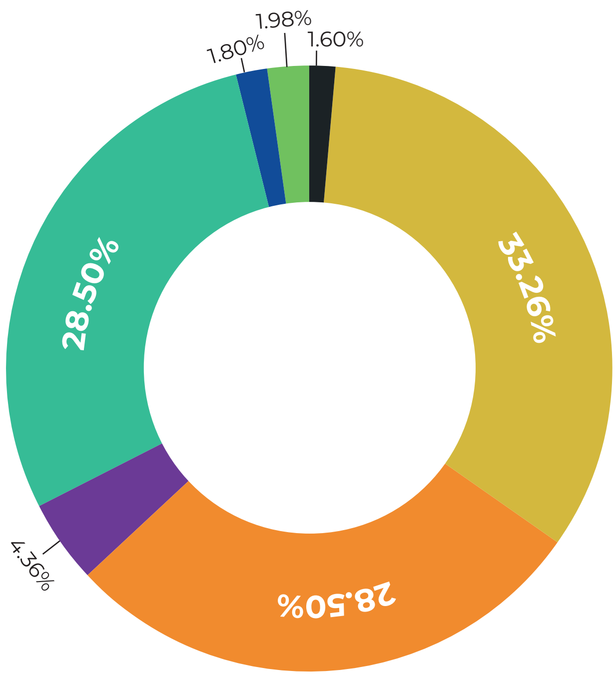
***Percentages are subject to roundings**

- Cash
- Developed Market Equities
- Developed Government Bonds
- Emerging Market Equities
- Investment Grade Corporate Bonds
- High Yield Corporate Bonds
- Property

Dynamic 40

Profile

The majority of the portfolio is allocated to high-quality and investment grade bonds. Over the medium to longer-term, the 40% exposure to the risks and expected rewards of equity ownership should help to maintain purchasing power.



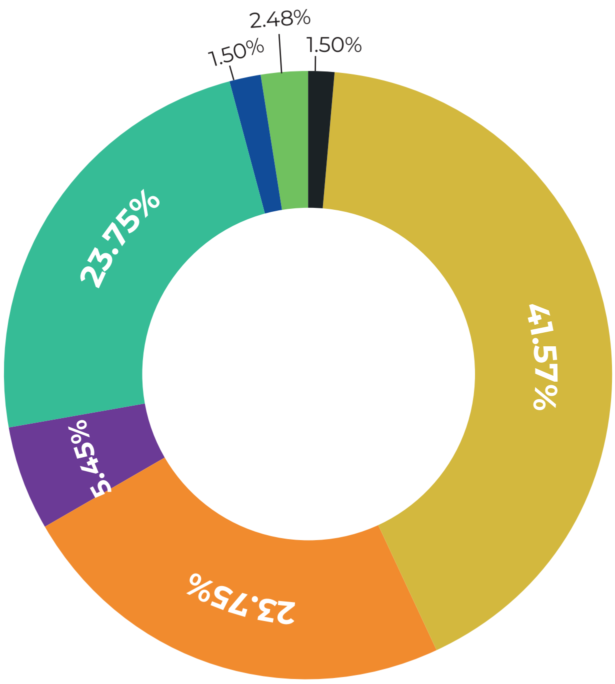
*Percentages are subject to roundings

- Cash
- Developed Market Equities
- Developed Government Bonds
- Emerging Market Equities
- Investment Grade Corporate Bonds
- High Yield Corporate Bonds
- Property

Dynamic 50

Profile

Over the medium to longer-term, the 50% exposure to risks and expected rewards of equity ownership should help to deliver moderate, inflation-plus returns. The equity risk is balanced by a 50% allocation to high-quality bonds and investment grade.



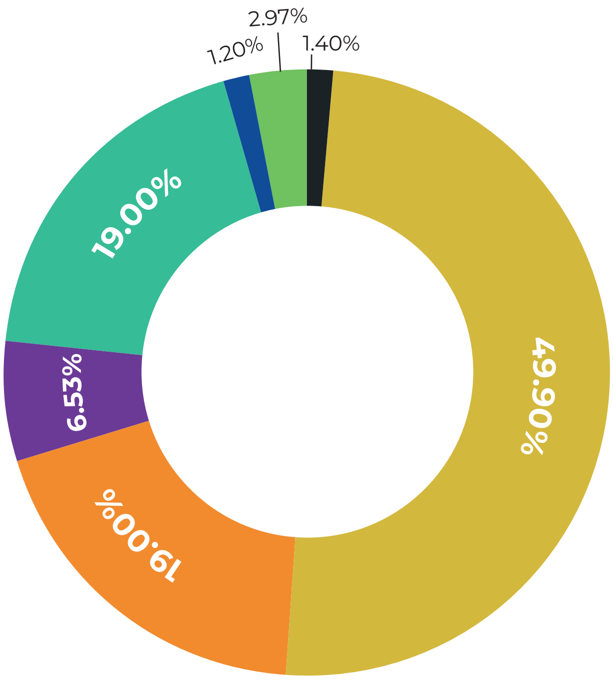
***Percentages are subject to roundings**

- Cash
- Developed Market Equities
- Developed Government Bonds
- Emerging Market Equities
- Investment Grade Corporate Bonds
- High Yield Corporate Bonds
- Property

Dynamic 60

Profile

Over the medium to longer-term, the 60% exposure to risks and expected rewards of equity ownership should help to deliver moderate, inflation-plus returns. The equity risk is balanced by a 40% allocation to high-quality bonds and investment grade.

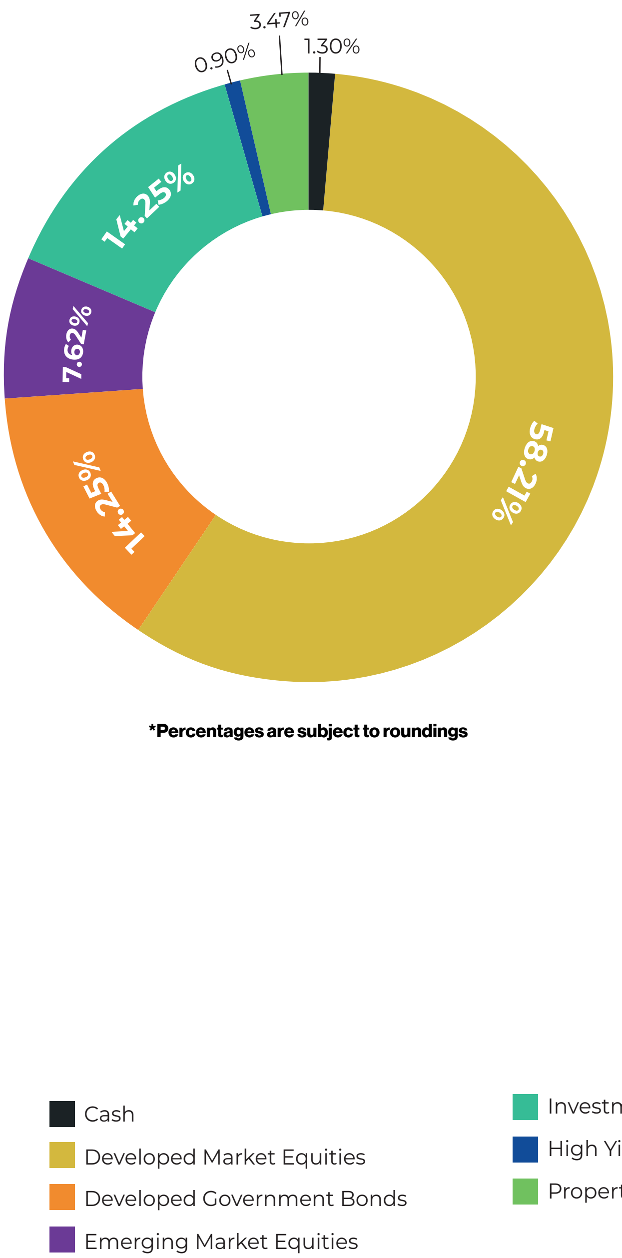


***Percentages are subject to roundings**

Dynamic 70

Profile

Over the medium to longer-term, the 70% exposure to risks and expected rewards of equity ownership should help to deliver moderate, inflation-plus returns. The equity risk is balanced by a 30% allocation to high-quality bonds and investment grade.

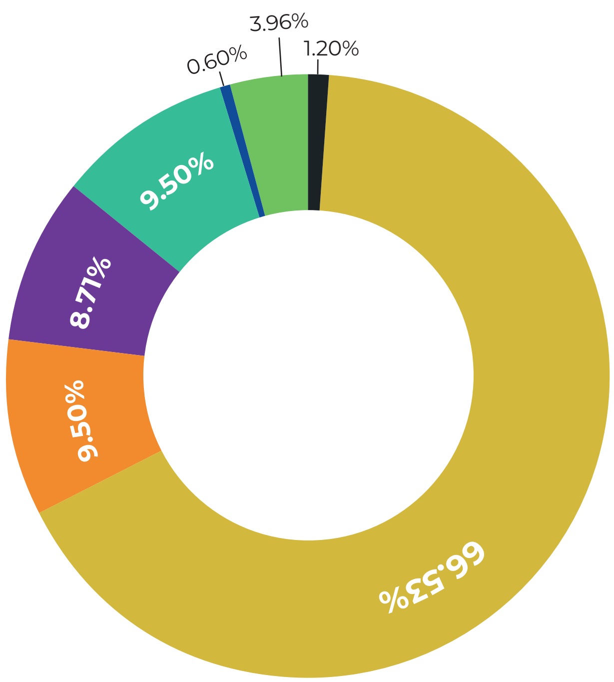


***Percentages are subject to roundings**

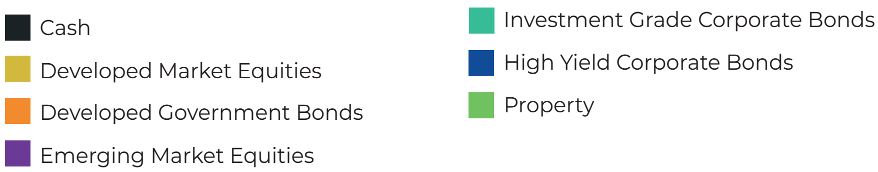
Dynamic 80

Profile

Over the medium to longer-term, the 80% exposure to risks and expected rewards of equity ownership should help to deliver strong, inflation-plus returns. The equity risk is balanced by a 20% allocation to high-quality bonds and investment grade.



***Percentages are subject to roundings**



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