



**progeny**

# **Dynamic ESG Portfolio**

Progeny is a trading name of Progeny Asset Management Ltd, authorised and regulated by the Financial Conduct Authority.



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## Why should you consider our ESG portfolio service?

Progeny's asset management portfolio service team have been building portfolios and models together for over a decade.

Our ESG Portfolio range of risk-targeted investments was established in 2018 and designed to deliver returns for years to come. We have developed our innovative offering by being agile and responsive to our clients' needs, alongside the uncertainty of market conditions. Too many investors pay for poor investment performance and sub-standard service. We're here to show that there's a better way to invest and make the most of balancing risk and return. These can be used to generate income, through regular, scheduled withdrawals.

### What we do for you

We are all keenly aware of our impact on the world and many of us seek to actively

reduce the negative repercussions of our daily routines. Asset management is no different.

Environmental, Social and Governance (ESG) investing allows investors to focus on companies, organisations and funds that seek to create a positive social and environmental impact through their products and activities. As well as helping clients make informed choices which align with their moral standpoint, ESG investing can also offer the chance to capitalise on niche market opportunities.

We have developed a cost-effective portfolio for investors looking to invest in this space, through a series of funds that adhere to ESG principles.

While investors might have been cautious about ESG in the past, it now appears to be on the brink of significant growth as they set aside their reservations.

With our ESG Portfolios you can be secure in the knowledge that your investments are being carefully looked after by our experienced investment management team. We will work with you to ensure you select the most appropriate portfolio for your individual objectives, taking into account your capacity to suffer losses within your portfolio and financial goals.

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## At a glance



Invested with a focus on funds that seek to create a positive social and environmental impact.



### What it is

- ✓ Multi-discipline approach to fund allocation
- ✓ Facts and figures-based
- ✓ Aligned to a prescribed asset allocation
- ✓ Competitively priced

### What it is not

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

## Investment Philosophy and Beliefs:

### Our five principles for investing



#### Principle 1: Focus on portfolio structure

Strategic asset allocation between growth and defensive asset classes is at the heart of these portfolios. The choice and adherence to a long-term investment policy, or asset allocation, is the core driver of portfolio risk and thus returns.

#### Principle 2: Broadly diversify portfolios

The only certainty in financial markets is their uncertainty, requiring the astute investor to take advantage, wherever they can, of the diversification benefits on offer. The real risk to the long-term investor is not return volatility but the lack of certainty that equity markets will act as the engines of portfolio returns over the coming years. Owning a well-diversified portfolio is critical to long-term portfolio survival and a successful outcome.

#### Principle 3: Manage costs tightly

Investors frequently focus on the headline investment returns that markets deliver, and fail to take into account the severe deductions from long-term wealth of the costs they suffer. These include the effects of inflation on purchasing power; the cost of tax; and the significant 'all-in' cost of investing (e.g. fund manager ongoing charges and turnover costs, adviser costs etc.).

Reducing costs is one of the few "free lunches" in investing. A pound of costs saved is no different to a pound of market performance in monetary terms, yet it is far more valuable due to its consistency over time and the fact that it is achieved without taking any risk. Minimising costs in the client's investment programme can have significant benefits especially given the multiplying effects of compounding.

#### Principle 4: Controlling emotions

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 fund choices but also strips out any emotional bias.

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.

#### Principle 5: Rebalance the portfolio

The fundamental purpose of rebalancing lies in controlling risk, not enhancing returns. Rebalancing trades keeps portfolios at long-term policy targets by reversing deviations resulting from asset class performance differentials. The process is mechanical and takes place on a quarterly basis.

## Independent and unbiased

Progeny is independent and impartial; we are not tied to any fund manager, bank or insurance company. This means that we deliver an investment proposition that is genuinely unbiased across the widest product range available.

Our portfolios may hold Unit Trusts, OEICs and exchange-traded funds across the asset classes of equities, bonds, property and cash.

#### Our process of stripping out emotion

Our Investment Committee is an expert panel of wealth professionals who set the strategic approach we take to investing.

The primary focus of our fund research is to identify a 'buy list' of thoroughly researched investments

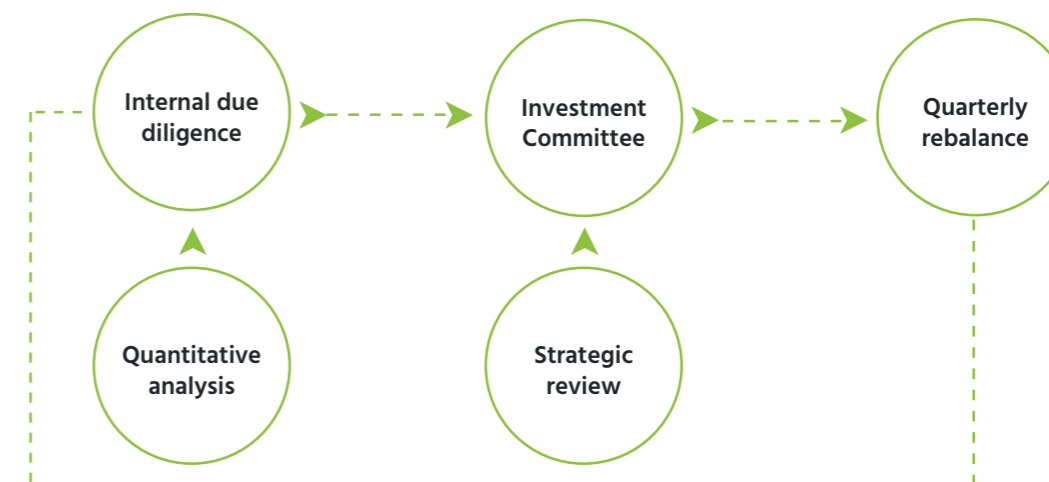
from which we select when building portfolios. Investment research conducted by the team covers all major asset classes spanning all regions of the world.

We seek funds with the underlying principles of balancing risk, reward and cost. Key factors include medium to long-term performance, consistency of returns and extensive ratio analysis.

One of the key benefits of our investment approach is that we are able to use the expertise of the best investment managers available and leverage our buying power to provide funds at a fair value which is lower than similar products in the market. We fully disclose our charges.

Our portfolios are rebalanced quarterly. This is essential to support consistency of performance and ensure that portfolios are kept in line with your attitude to risk.

## Robust, repeatable investment process





## Dynamic ESG Portfolio

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

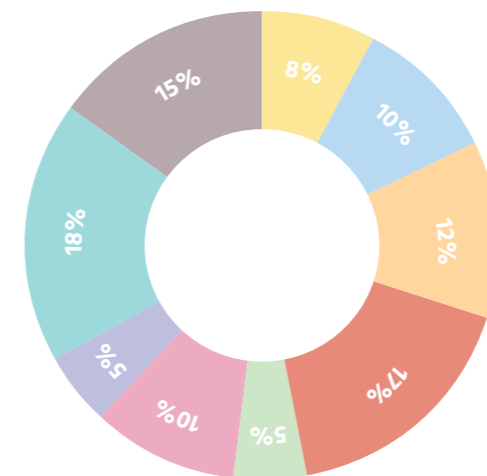
The value of investments and any income from them can fall and you may get back less than you invested. Past performance is not a guide to future performance. No investment is suitable in all cases and if you have any doubts as to an investment's suitability, then you should contact a professional adviser. If you 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.

#### Profile 3

An investment portfolio appropriate for this risk profile may contain, for example, mainly lower-risk investments such as cash, cash-type assets and bonds, medium-risk investments and a minority of higher-risk investments such as UK and overseas shares.

#### Asset Allocation:

15% Cash  
53% Bonds  
32% Equities

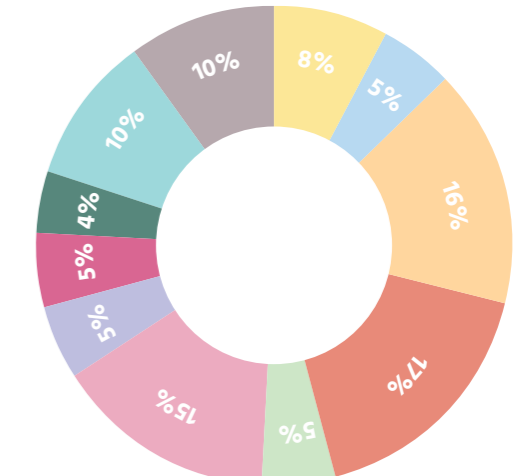


#### Profile 4

An investment portfolio appropriate for this risk profile may contain, for example, mainly lower-risk investments such as cash, cash-type assets and bonds, medium-risk investments and a minority of higher-risk investments such as UK and overseas shares.

#### Asset Allocation:

10% Cash  
40% Bonds  
50% Equities



## Dynamic ESG Portfolio

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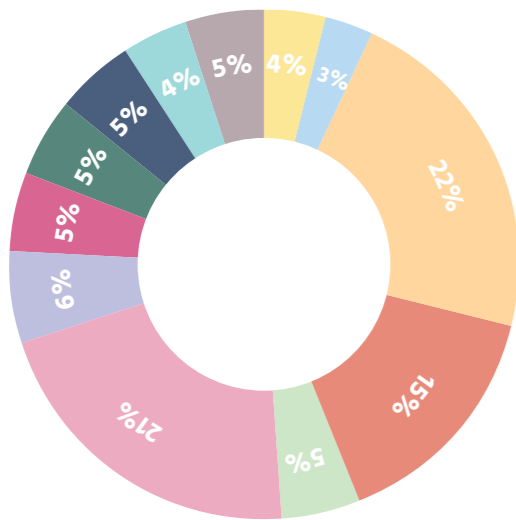
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#### Profile 5

An investment portfolio appropriate for this risk profile may contain, for example, mainly lower-risk investments such as cash, cash-type assets and bonds, medium-risk investments and a minority of higher-risk investments such as UK and overseas shares.

#### Asset Allocation:

5% Cash  
26% Bonds  
69% Equities

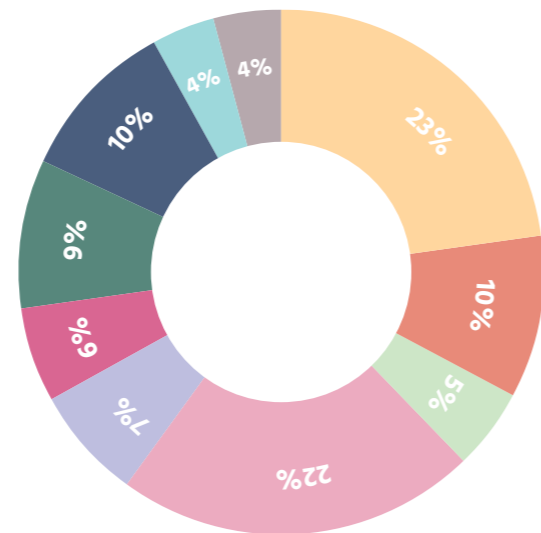


#### Profile 6

An investment portfolio appropriate for this risk profile may contain, for example, mainly lower-risk investments such as cash, cash-type assets and bonds, medium-risk investments and a minority of higher-risk investments such as UK and overseas shares.

#### Asset Allocation:

4% Cash  
14% Bonds  
82% Equities



## Dynamic ESG Portfolio

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

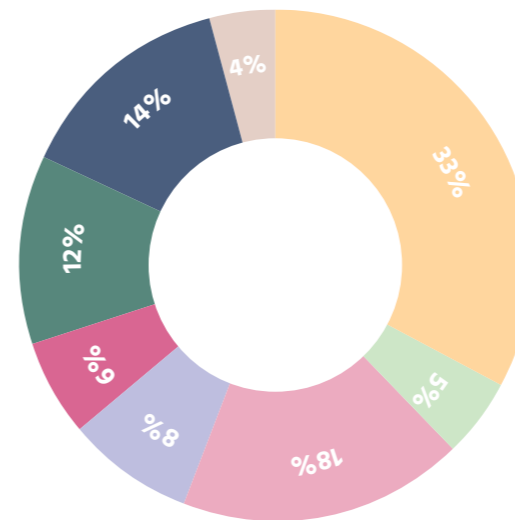
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#### Profile 7

An investment portfolio appropriate for this risk profile may contain, for example, mainly lower-risk investments such as cash, cash-type assets and bonds, medium-risk investments and a minority of higher-risk investments such as UK and overseas shares.

#### Asset Allocation:

0% Cash  
4% Bonds  
96% Equities



# progeny



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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.

Past performance is not a guide to future performance. Any specific investments mentioned are for illustrative purposes only and this is not intended as investment advice. If you are unsure as to the suitability of the service, please contact a professional adviser or Progeny Asset Management to discuss.

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