progeny

Dynamic portfolio

Why should you consider our Dynamic portfolio service?

Progeny's asset management portfolio service team 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 to deliver returns for years to come. We have developed our innovative offering by being agile and responsive to our clients' needs and 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.

What we do for you

Our Dynamic portfolios are ideal for investors who would like to hand over the day-to-day management of their portfolio to experts. This works well if you would like to make a lump-sum investment, because it gives you the reassurance of a carefully selected portfolio of funds, across a broad spectrum of assets. Our portfolio range offers asset diversification to fit the level of risk with which you are comfortable, against the returns to meet your goals. Regular rebalancing of your portfolio ensures it stays on course over the long-term.

With our Dynamic portfolios, you can be secure in the knowledge that your investments are being carefully looked after by our experienced investment management team. Your financial adviser 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.

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

At a glance

> "The funds have been specifically picked to plug in to the asset allocation guidelines which should give comfort when assessing risk."

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 keep 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 and OEICs, 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.

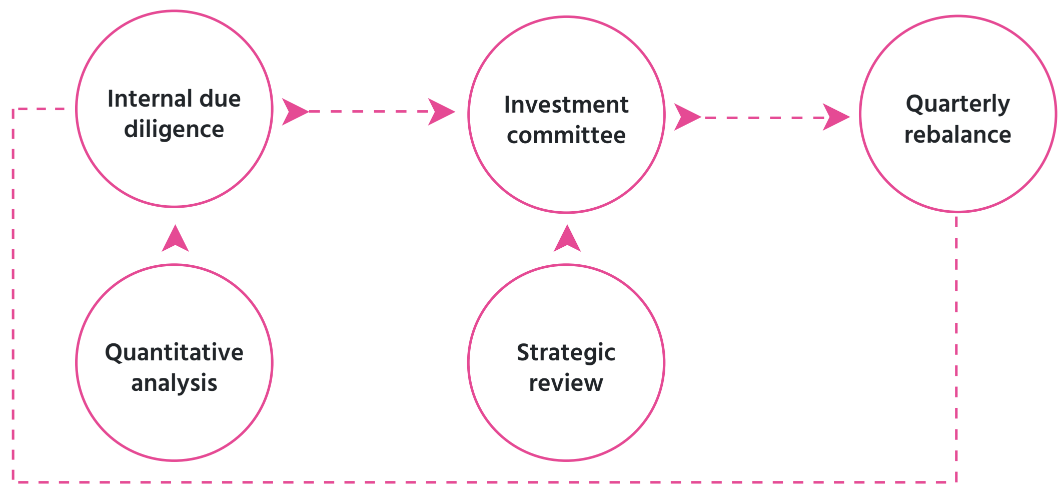
The primary focus of our fund research is to identify a 'buy list' of thoroughly researched investments from which we select when building portfolios. Investment research conducted by the team covers all major asset classes spanning all regions of the world.

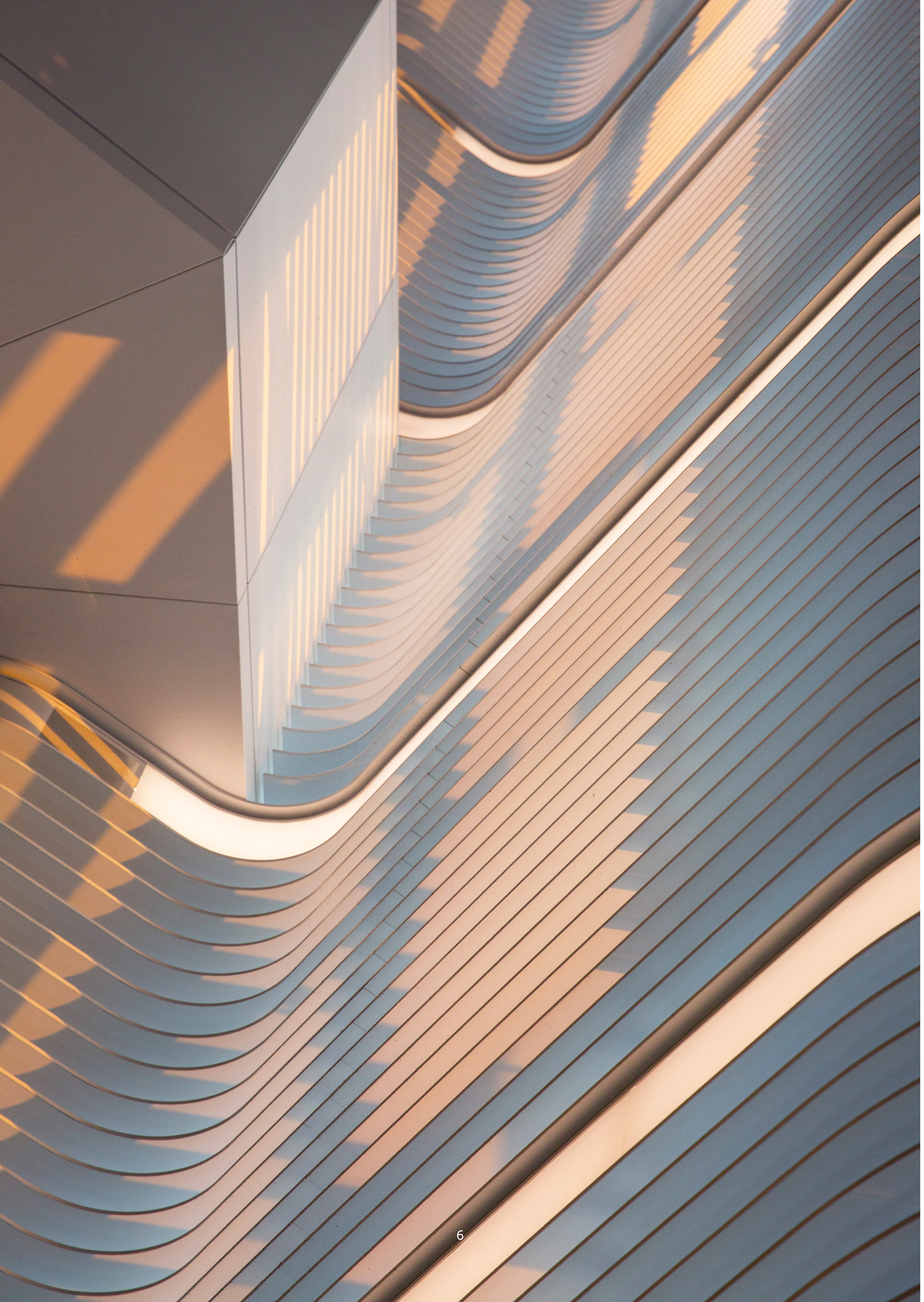
We seek funds with the underlying principles of balancing risk, reward and cost. Key factors include medium to long-term performance, consistency of returns and extensive ratio analysis.

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 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.

The data contained in this profile is based on portfolio simulation and does not represent the actual portfolio. It is intended to provide an indication of the magnitude and direction of historic returns from a hypothetical portfolio made up of asset class market indices held in comparable proportions to those within the Dynamic portfolio. The aim of this profile is to help clients understand the broad characteristics of the portfolio.

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 like UK commercial property, and a minority of higher-risk investments such as UK and overseas shares.

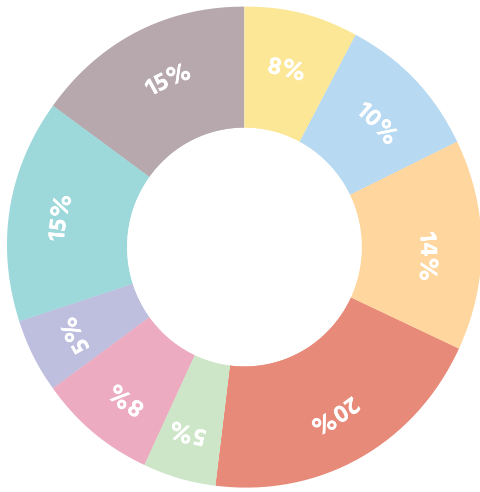
Asset Allocation:

15% Cash

53% Bonds

27% Equity

5% Property



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 like UK commercial property, and a minority of higher-risk investments such as UK and overseas shares.

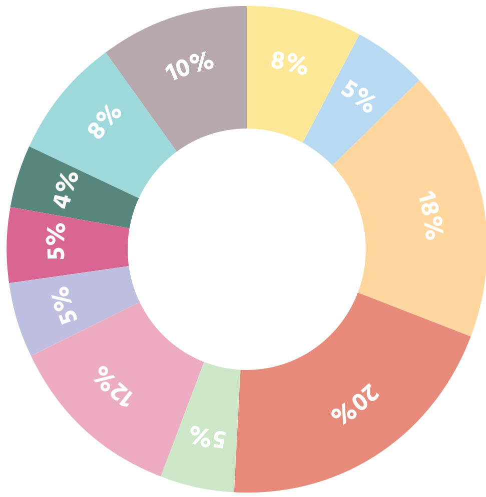
Asset Allocation:

10% Cash

41% Bonds

44% Equity

5% Property



- UK Index-Linked Gilts
- UK Gilts
- UK Equity
- Sterling Corporate Bonds
- Property
- North American Equity
- Japanese Equity
- Europe excl UK Equity
- Asia Pacific excl Japan Equity
- Emerging Market Equity
- Global Investment Grade Bonds
- Global High Yield Bonds
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Profile 5

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

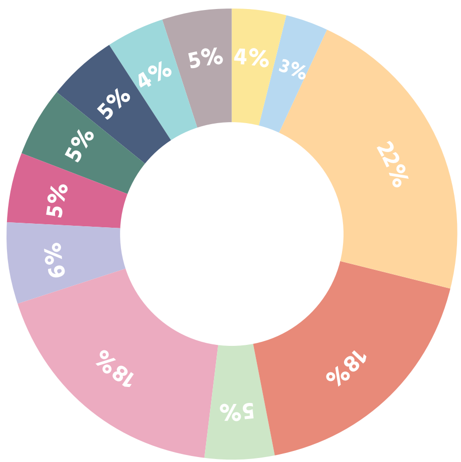
Asset Allocation:

5% Cash

29% Bonds

61% Equity

5% Property



Profile 6

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

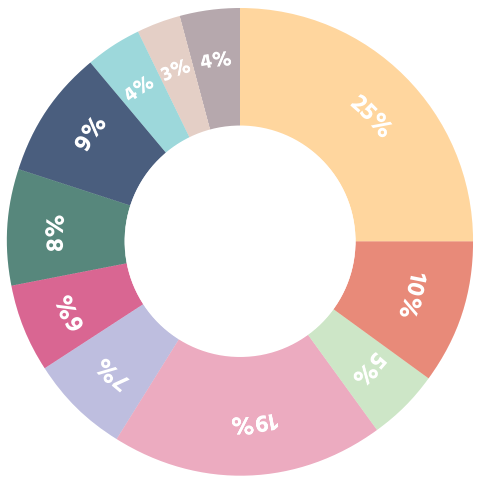
Asset Allocation:

4% Cash

17% Bonds

74% Equity

5% Property



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Profile 7

An investment portfolio appropriate for this risk profile may contain, for example, mainly higher-risk investments such as UK and overseas shares, with a few, if any, lower and medium-risk investments such as bonds and UK commercial property.

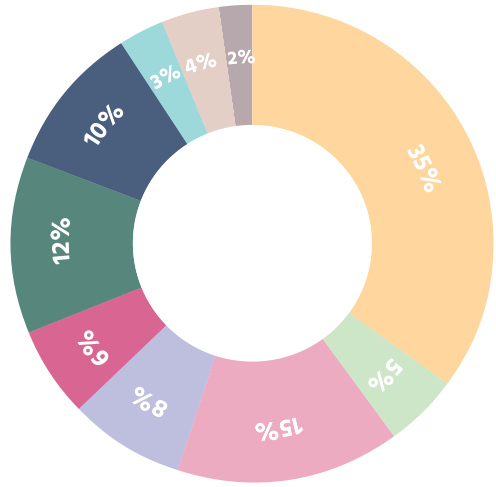
Asset Allocation:

2% Cash

7% Bonds

86% Equity

5% Property



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