

Model Portfolio Solutions

PBIM Defensive Portfolio - December 2019

The value of investments can fall and you may get back less than you invested. Past performance is not a guide to future performance. Any specific investments mentioned are for illustrative purposes only and are not intended as investment advice. Performance is shown inclusive of underlying fund charges but gross of PBIM charge or any platform, custody or adviser charges. Deduction of this charge will have the result of reducing the illustrated performance.

PBIM Defensive Portfolio Objective

The strategy aims to preserve capital and protect against the erosive effects of inflation. The strategy will operate within the bounds of the IA OE Mixed Investment 0-35%. The portfolio is diversified across major asset classes and geographically.

Portfolio Management

The weightings will be rebalanced quarterly with the managers reserving the right to change the asset allocation intra quarter if events dictate it is necessary. This process ensures we keep transaction charges to a minimum and allows the portfolio to closely reflect the views of the PBIM investment team

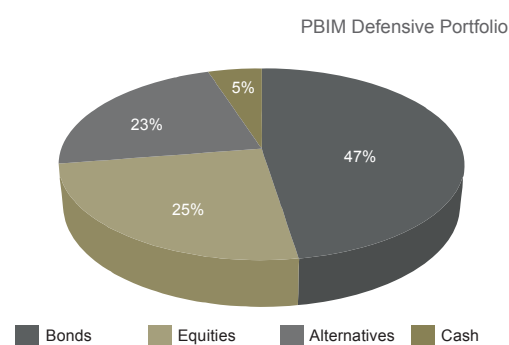
Commentary

All the funds were positive in Q4, capping off a good 2019 in absolute terms. Performance ranged from 9.6% in Defensive to 16.8% in Growth. Relatively Growth outperformed the peer group average, Defensive and Cautious were close to the average and Balanced lagged the peer group average.

The three major concerns of Trump, trade and Brexit still remain and we currently have heightened geo political risk. All of which lead our stance to be one of caution going in to 2020. We hope we are not at the end of the cycle but any disappointment in earnings or negative sentiment from the aforementioned macro issues could be a catalyst for a downturn or correction. Consequently the portfolios are positioned neutrally in equities in their respective sectors.

In terms of portfolio activity we have trimmed our absolute return sector further across the models and added to our fixed interest exposure. Intra quarter we added a small position in a FTSE mid250 tracker ex Investment Trusts to benefit from a strong election result. We continue to favour gold and have retained our 5% cash buffer across the models to cover the eventuality of a better entry point over the next quarter.

Multi Asset



Portfolio Information

Portfolio benchmark	IA OE Mixed Investment 0-35% sector average
Investment Management Charge (p.a.)	0.30% +VAT
Fund Underlying OCFs*	0.74%
Estimated Annual Yield	2.55%

Performance Since Inception %

	2016	2017	2018	2019	Since Inception
Portfolio**	-	-	-1.97	9.55	7.40
Benchmark***	-	-	-3.41	8.80	5.07
Relative +/-	-	-	1.44	0.75	2.33

Past performance is not a guide to future performance. ** Data from PBIM as at end December 2019

*** Data from Morningstar as at end December 2019. Benchmark is the IA OE Mixed Investment 0-35% sector average

Important Information

Performance is shown inclusive of underlying fund charges but gross of Peregrine & Black Investment Management charge of 0.3% plus VAT or any platform charges, custody charges or adviser charges. The effect of these additional charges would be to reduce the total return of the portfolio.

*Underlying holdings charges are estimated using provider KIIDs and represent the weighted average of historic costs charged within the underlying collective investment scheme. Performance is calculated through Morningstar direct and provided for illustrative purposes only and should not be viewed as the performance of a specific client account.

The value of your investments and the income from them may go down as well as up, you could get back less than you invested. Past performance is not a guide to future performance. Changes in exchange rates may have an adverse affect on the value, price or income of an investment. Investors should also be aware of the additional risks associated with funds investing in emerging or developing markets.

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