

Model Portfolio Solutions Quick Guide - 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.

Our Model Portfolio Solutions (MPS) are a straightforward, cost-effective way of enabling you to benefit from our investment expertise, process and resources, with the aim of preserving or growing your clients' wealth.

Peregrine & Black Investment Management Ltd

We are an owner-managed boutique investment firm based in Mayfair, London providing tailored investment management for UK and international private clients, trusts, charities and pension funds.

Reasons to Use Model Portfolio Solutions

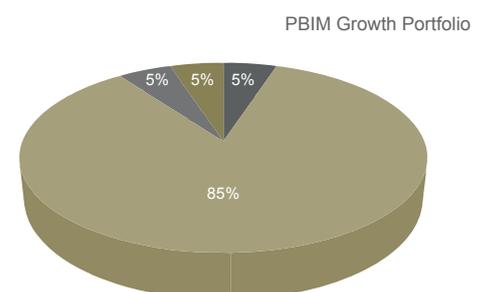
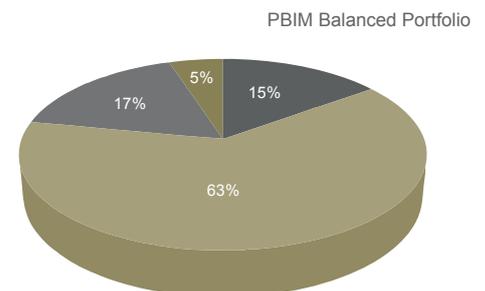
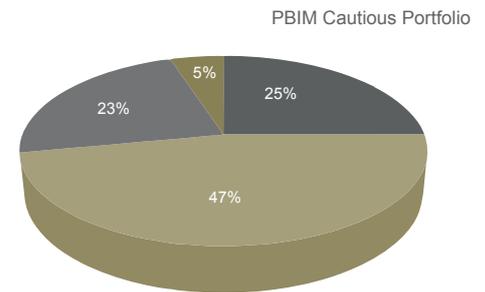
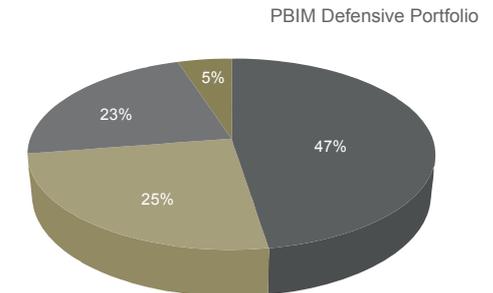
1. Save you time - removes the need to continually monitor investments and realign portfolios, as well as the associated administration
2. Improve your efficiency - allows you to spend more time with your clients, less on administration
3. Mitigate risk to your business - outsource the investment decisions to us
4. Respond faster to changes in the market - managed by experts whose single focus is to monitor and respond to market events and changing economic conditions
5. Access to global investment and research capabilities - managed by a dedicated team of experienced investment managers, with access to extensive investment resources
6. Trusted third-party platforms - our managed portfolios are available and administered by third-party platform providers and structured to fully support the client/adviser relationship
7. Competitive pricing - with a 0.3% plus VAT clean fee structure and competitive TERs on underlying holdings
8. Up to date reporting - you and your clients can view the underlying assets through the platform and our regular factsheets giving total clarity and transparency
9. High levels of adviser support - as well as regular reporting and you and your client will receive regular market updates.
10. Easy sign up process - simply select your portfolio and amount to be invested and click

Our Portfolios

Our Model Portfolio Solutions provide a range of four investment portfolios (PBIM Defensive Portfolio, PBIM Cautious Portfolio, PBIM Balanced Portfolio and PBIM Growth Portfolio) which offer clients diversified exposure to global financial markets. We invest in both active and passive collective investments and the universe consists of equities, fixed interest, commodities, property and alternatives. With each portfolio, we endeavour to achieve the highest risk adjusted return for each strategy. This is obtained by following a three stage approach to portfolio construction:

1. Strategic Asset Allocation - Structuring the portfolios to reflect long-term investment themes
2. Tactical Asset Allocation - Portfolio adjustments to exploit short term market opportunities
3. Fund Selection - Identify leading managers to target sustained outperformance

Our Portfolios



■ Bonds ■ Equities ■ Alternatives ■ Cash

We believe in the benefit of long term investment. Our portfolio models are rebalanced quarterly to reflect the views of the investment committee and to minimise transaction costs for clients. Action may also be taken in the interim if circumstances dictate. We aim to run a concentrated portfolio of 10-20 holdings as we believe every investment should make a meaningful contribution. Consequently we use a minimum position size of 3% going up to a maximum of 15%. Investors have the flexibility to switch seamlessly between the models should their circumstances or risk appetite change.

PBIM Model Performance

| Defensive Sector Performance | 2016 | 2017 | 2018 | 2019 | Inception |
|-------------------------------------|-------------|-------------|-------------|-------------|------------------|
| PBIM Defensive Fund | N/A | N/A | -1.97 | 9.55 | 7.40 |
| Peer Group (IA 0-35%) | N/A | N/A | -3.41 | 8.80 | 5.07 |
| Relative +/- | N/A | N/A | 1.44 | 0.75 | 2.33 |

| Cautious Sector Performance | 2016 | 2017 | 2018 | 2019 | Inception |
|------------------------------------|-------------|-------------|-------------|-------------|------------------|
| PBIM Cautious Fund | 13.86 | 6.87 | -3.51 | 11.99 | 31.49 |
| Peer Group (IA 20-60%) | 10.57 | 7.27 | -5.11 | 12.09 | 25.47 |
| Relative +/- | 3.29 | -0.40 | 1.60 | -0.10 | 6.02 |

| Balanced Sector Performance | 2016 | 2017 | 2018 | 2019 | Inception |
|------------------------------------|-------------|-------------|-------------|-------------|------------------|
| PBIM Balanced Fund | 18.50 | 10.96 | -4.93 | 14.14 | 42.69 |
| Peer Group (IA 40-85%) | 13.28 | 10.10 | -6.10 | 15.97 | 34.94 |
| Relative +/- | 5.22 | 0.86 | 1.17 | -1.83 | 7.75 |

| Growth Sector Performance | 2016 | 2017 | 2018 | 2019 | Inception |
|----------------------------------|-------------|-------------|-------------|-------------|------------------|
| PBIM Growth Fund | 23.21 | 15.35 | -5.31 | 16.84 | 57.24 |
| Peer Group (Flexible) | 14.16 | 11.22 | -6.68 | 15.71 | 36.56 |
| Relative +/- | 9.05 | 4.13 | 1.37 | 1.13 | 20.68 |



Nick Marshall Chartered FCSI
Head of Fund Solutions

Nick joined Peregrine & Black Investment Management in January 2016 and is responsible for providing fund recommendations for the business and managing bespoke models. Nick started his career working for the Guinness family office and subsequently moved to Smith & Williamson in 2005 where he spent just under 10 years working as part of the multi manager team and was responsible for running and providing fund solutions across a range of strategies for investors and clients. He was also responsible for recommending European and Emerging Market funds for the Private Client teams and sat on the Collectives Committee for the firm. Nick holds a Masters Degree in International Financial Analysis and is a Chartered Fellow of the Securities Institute.

Portfolio data from PBIM as at end December 2019. Peer group data from Morningstar as at December 2019.

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.

Important Information

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. This document is not intended and should not be construed as an offer, solicitation or recommendation to buy or sell any specific investments or participate in any investment (or other) strategy. It is recommended that potential investors should seek advice concerning the suitability of any investment from their Financial Adviser. Tax treatment depends on individual circumstances and may be subject to change in the future. This document is for the information of the recipient only and should not be reproduced, copied or made available to others. Peregrine & Black Investment Management is authorised and regulated by the Financial Conduct Authority FRN 757727. Registered in England No 9796196. Head Office: 65 Curzon Street, London W1J 8PE.