

iQ

Investment Quarterly

Q2 / 2019



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# Important Notes

## Views and Opinions

The views and opinions expressed in this document are those of Parmenion Investment Management. They should not be taken as a personal recommendation to buy or sell, or as advice on how any investment mentioned is likely to perform. Every care has been taken to ensure the accuracy of the information published in this document. It cannot, however, be guaranteed.

## Performance Data

All risk grade performance figures are from FE Analytics, formerly Financial Express, and assume that net income has been reinvested ("total return basis") and that the client has been invested throughout the period to 30 June 2019 ("bid to bid basis" so that there is no impact from the bid/offer spread, and there are no Initial Charges or Fund One-Off Costs incorporated).

Fund prices are published after the payment of Fund Ongoing Charge Figures, Fund Trading Costs and Fund Incidental Costs (the latter two being newly declared charges under MIFID II) so these charges are included in the performance figures quoted here. These figures should be close to the Gross Performance (excluding charges) figures given in the quarterly client valuation reports, provided the client has been invested in the same model throughout the period.

However, as different clients have different fee structures, the performance figures given in this document do not include Annual DFM, Custody or Adviser charges; nor do they include Ongoing Custodian dealing charges or Fund One-Off Costs.

The impact of all charges not included in these performance figures are shown for existing clients by the difference between Gross and Net Performance figures in their quarterly valuation reports, where they are also broken out as individual monetary amounts.

For Advisers wishing to estimate returns that are approximately comparable to client portfolio performance, the client's Annual DFM, Custody and Adviser Charges (though importantly not the OCF element of the Total Annual Charge or TAC) should be subtracted from the 12m performance figures provided here or applied pro rata to other periods. Turnover times the applicable Ongoing Custodian dealing charge would give an estimate of annual dealing costs.

Performance figures assume that sales and purchases of funds instructed for rebalancing and fund switches will be made on the same day. However, in the context of client portfolios at least a 24 hour delay may be imposed between sales and purchases, to ensure settlement proceeds have been received before purchases are made. This is to protect the pooled client money account by ensuring that only money belonging to clients is used to fund their purchases. Where performance data is not available for a period of five years or more, this is quoted from inception date. Where no performance figures are shown, no data is available which we have labelled as N/A for the purposes of this document.

## Standard Disclaimer

The tables in this document provide past performance data and should not be taken as a guide to future returns.

The value of investments and the income that can be earned from them may go down as well as up and a client may not get back the full amount invested. Rates and bases of taxation are subject to change. The risks of investment associated with different asset classes, for example, overseas equity, property, corporate debt, commodities and alternative assets vary in their nature.

## Yield

The Investment Quarterly quotes the historic yield, which reflects distribution declared over the past twelve months as a percentage of the unit price. It is based on a snapshot of the portfolio on that day.

## Seeking appropriate Financial Advice

Parmenion is not authorised to provide investment advice to individuals. It is important that clients take a medium to long term view when investing and are realistic about performance outcomes.

If a client wishes to obtain financial advice as to whether an investment is suitable for their needs, they should consult an authorised Financial Adviser. Clients should ensure they have understood the contents of their Adviser's suitability report before proceeding with any proposed investment.

## Regulatory

Parmenion Investment Management Ltd is a subsidiary of Parmenion Capital Partners LLP. Parmenion Capital Partners LLP is authorised and regulated by the Financial Conduct Authority, registration number: 462085. Wholly owned subsidiary of Aberdeen Asset Management PLC and Aberdeen Investments Limited. Parmenion Capital Partners LLP is registered in England and Wales OC322243.

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# Welcome to IQ

As a leading provider of discretionary management services to Financial Advisers, Parmenion Investment Management (PIM) is renowned for its investment expertise and unique approach to risk management.

Our philosophy is to put risk at the centre of our investment process. We firmly believe that risk and return are inextricably linked and therefore focus on providing the right investment solution for each individual client. This is achieved by building a range of investment solutions with differing strategies and styles which are critically managed within a consistent risk framework. As a result Financial Advisers enjoy confidence that the investment outcomes align with their client's expectations.

Fundamental to this process is the ability of the Financial Adviser to determine the risk appetite of the client, and therefore identify and agree on an appropriate and acceptable level of risk in relation to their investments. Once a Financial Adviser has established a client's tolerance for risk, a Risk Grade can be assigned. A Risk Grade is usually determined through the use of a psychometric test and/or risk profile questionnaire, such as provided by Parmenion. Having agreed a suitable Risk Grade, clients and Financial Advisers can choose from a variety of different investment solutions and styles secure in the knowledge that the recommended portfolio will have the appropriate level of risk.

Our unique approach to managing investment risk is based around the principle that all investment solutions in a given Risk Grade exist within a consistent risk framework. This assists the Adviser to compare across investment solutions assured in the knowledge that the same range of risk tolerance is being applied. As a result, for each Risk Grade all our investment solutions offer a consistent pattern of expected risk and return, irrespective of the underlying differences in investment strategy and style. This helps Advisers demonstrate greater choice to clients whilst also being consistently in line with their risk preferences.

This alternative approach to managing risk is summarised in this flagship document, IQ, which is produced quarterly and details our extensive range of Risk Graded investment solutions. The breadth of solutions available assists Advisers to meet their suitability requirements, whilst being set within a consistent risk framework facilitates efficient solution comparison.

This consistency demonstrates our unwavering focus on the management of risk, and enables you to see how all our investment solutions are managed within a stringent set of parameters.

IQ also validates the risk adjusted returns of our investment solutions against standard benchmarks and highlights any portfolio that falls outside of our expected outcome for each Risk Grade. PIM continuously reviews every solution to ensure that each portfolio continues to be suitable on an on-going basis, with action taken as necessary to achieve this outcome. In this way, Advisers can be confident that client assets are managed in accordance with an agreed investment mandate.

PIM's investment solutions typically fall into 10 Risk Grades, with 1 having the lowest risk and 10 the highest. Each Risk Grade has a defined acceptable volatility range, which is dynamic in nature, to encompass the changing nature of asset class performance. Composite benchmarks are provided for each Risk Grade to offer guidance as to the acceptable range of volatility within each mandate. In IQ, charts illustrate these ranges and serve as an effective visual to Advisers to demonstrate to clients that their investments adhere to the strict conditions of their agreed risk mandate. In this manner expectations are managed more effectively which is conducive to a strong and long term client relationship.

## **Why is risk and volatility so important?**

PIM's entire investment process is based on risk. Our focus is to understand and manage the volatility of investments with a view to optimising risk adjusted returns. We do not focus solely on performance, believing that in isolation it can often lead to disappointment.

In order to achieve this aim, PIM uses the concept of Modern Portfolio Theory (MPT), to construct investment portfolios with the highest risk adjusted returns. By altering asset weightings, based on back testing 20 years of historical data, we aim to maximise returns and minimise the potential for loss. PIM then overlays this foundation with their expert knowledge and experience to ensure every portfolio is appropriately diversified against a range of possible future scenarios. In this way, PIM integrates academic theory and investment risk expertise to create a range of optimised portfolios that meet the needs of clients and have risk at their very foundation.

# IQ in Detail

Within IQ, each Risk Grade (1-10) is presented over a double page spread which provides information about the volatility and performance of each investment solution that falls into that particular Risk Grade. The key charts and data are explained in the following example.

**A** For each Risk Grade there is a brief description summarising how the benchmark volatility has performed over a 12 month period. The summary includes the volatility tolerance limits for the Risk Grade and highlights any investment solution that has performed outside of the tolerance limits set for that Risk Grade.

**5. Performance and Volatility up to 30 June 2019**

The volatility of the Risk Grade 5 portfolio benchmark was 6.65%, as shown by the grey circle. The volatility tolerance limits of 4.90% (orange circle) and 8.40% (red circle) are shown on either side of the benchmark. All portfolios are plotted relative to these limits.

**B** The first graph shows the benchmark volatility for each Risk Grade and the tolerance limits either side of the benchmark. The grey circle represents the portfolio benchmark for the Risk Grade, the orange circle shows the minimum volatility for that particular Risk Grade (and the benchmark for the previous Risk Grade) and the red circle shows the maximum volatility (and the benchmark for the next Risk Grade).

**Figure 12: 12 Month Risk Grade 5 Benchmark Standard Deviation Tolerance Limits**

Legend for Figure 12:

- Grey circle: Risk Grade Benchmark
- Orange circle: Benchmark - Risk Grade 4
- Red circle: Benchmark - Risk Grade 6
- Yellow diamond: Minimum Volatility Limit
- Green diamond: Maximum Volatility Limit

**Figure 13: 12 Month Performance and Standard Deviation**

Legend for Figure 13:

- Orange circle: Benchmark - Risk Grade 4
- Grey circle: Benchmark - Risk Grade 5
- Red circle: Benchmark - Risk Grade 6
- Blue square: PIM Strategic Multi-Option (Active)
- Yellow square: PIM Tactical Ethical Active
- Purple square: PIM Strategic Conviction
- Dark blue square: PIM Strategic Guardian
- Brown square: PIM Strategic Active
- Dark grey square: PIM Strategic Ethical Active A
- Light blue square: PIM Tactical Income
- Light green square: PIM Tactical Passive
- Light purple square: PIM Strategic Multi-Option (Passive)
- Dark green square: PIM Tactical Ethical Active
- Light orange square: Vanguard LifeStrategies

**C** The second graph focuses on the benchmark volatility (grey circle) and the tolerance limits either side of this (red and orange circles). It then maps the volatility and performance of each of the PIM solutions in relation to the benchmark (coloured squares).

The graph contextualises the risk adjusted returns for each investment solution in relation to the acceptable tolerance limits. It visually highlights any investment solution that falls outside of these tolerance limits leading to a review and analysis of the specific investment solution and resulting in action being taken by PIM if required.

## Investment Solution

INCEPTION DATE	3 MONTH RETURN (%)	6 MONTH RETURN (%)	1 YEAR RETURN (%)	2 YEAR RETURN (%)	3 YEARS RETURN (%)	5 YEAR RETURN (%)	RETURN SINCE INCEPTION (%)	1 MONTH STANDARD DEVIATION ANNUALISED (%)	1 YEAR STANDARD DEVIATION ANNUALISED (%)	2 YEAR STANDARD DEVIATION ANNUALISED (%)	3 YEAR STANDARD DEVIATION ANNUALISED (%)	5 YEAR STANDARD DEVIATION ANNUALISED (%)	VOLATILITY SINCE INCEPTION ANNUALISED (%)	TOTAL ANNUAL CHARGE (%)*	DEFAULT CUSTODY FEE (%)	INVESTMENT CHARGE (%)**	ONGOING CHARGE FIGURE (OCF) (%)	HISTORIC YIELD (%)
<b>PIM In-House Active Solutions</b>																		
PIM Strategic Multi-Option (Active)	Jun-09	3.96	9.50	4.64	10.10	21.58	4.27	6.37	5.34	5.29	6.05	1.33	0.30	0.36	0.67	2.50		
PIM Strategic Conviction	Aug-15	3.39	9.33	4.06	9.66	89.02	4.00	6.09	5.48	N/A	5.21	1.11	0.30	0.36	0.45	2.70		
PIM Strategic Guardian	May-16	3.61	8.71	4.00	7.27	76.70	4.08	6.39	5.48	N/A	4.86	1.23	0.30	0.36	0.57	1.98		
PIM Strategic Active	Jun-08	3.67	8.75	3.90	9.26	80.60	4.52	6.66	5.01	4.94	6.94	1.34	0.30	0.36	0.68	2.63		
PIM Strategic Ethical Active - Profile A	Mar-12	4.16	10.53	5.20	11.36	78.77	4.45	6.62	5.55	5.36	5.34	1.33	0.30	0.36	0.67	2.72		
PIM Strategic Ethical Active - Profile B	Mar-12	4.20	10.50	5.10	11.20	79.65	4.43	6.59	5.62	5.43	5.54	1.33	0.30	0.36	0.67	2.95		
PIM Strategic Ethical Active - Profile C	Mar-12	4.44	11.33	5.93	10.87	157.29	4.83	6.83	6.04	5.82	5.77	1.27	0.30	0.36	0.61	2.90		
PIM Strategic Ethical Active - Profile D	Mar-12	4.36	11.13	5.73	10.64	157.29	4.83	6.83	6.07	5.89	5.84	1.27	0.30	0.36	0.63	2.82		
PIM Tactical Active	Dec-08	4.65	10.35	5.50	12.58	123	4.97	7.80	5.59	5.45	5.52	1.31	0.30	0.36	0.68	2.08		
PIM Tactical Ethical Active	Dec-08	4.90	12.19	5.39	11.99	29.02	4.44	5.50	6.80	6.20	6.19	1.34	0.30	0.36	0.65	2.36		
PIM Tactical Income	Feb-14	2.69	7.91	3.66	6.62	19.36	32.10	37.92	4.44	5.50	4.64	4.74	0.71	1.34	0.30	0.36	4.33	
<b>PIM In-House Passive Solutions</b>																		
PIM Strategic Multi-Option (Passive)	Sep-09	2.58	9.32	3.38	9.18	21.93	37.68	111.45	5.72	6.88	5.87	5.7	1.31	0.30	0.36	0.68	2.97	
PIM Tactical Passive	Aug-11	3.11	9.93	4.03	10.41	23.37	38.83	72.21	5.53	7.13	6.01	5.1	1.31	0.30	0.36	0.68	2.72	
<b>Fund Manager Focus Solutions</b>																		
PIM Strategic MO Value & Small Cap: UK Pure	Jan-13	2.04	7.39	2.72	6.21	17.62	29.85	42.91	5.09	5.78	5.07	4.77	0.67	0.30	N/A	0.24	1.75	
PIM Strategic MO Value & Small Cap: UK Passive	Jan-13	2.52	9.26	4.03	8.37	20.43	38.43	53.75	5.68	6.32	5.51	5.61	0.67	0.30	N/A	0.24	2.35	
PIM Strategic MO Value & Small Cap: Global Pure	Jan-13	2.56	7.61	3.09	6.20	17.40	33.34	48.14	5.09	6.95	5.53	5.18	0.67	0.30	N/A	0.24	1.34	
PIM Strategic MO Value & Small Cap: Global Passive	Jan-13	3.25	9.31	4.75	8.51	19.86	39.95	57.36	5.45	6.94	5.58	5.92	0.67	0.30	N/A	0.24	1.88	
Vanguard LifeStrategies	Feb-16	3.84	10.54	6.72	11.90	23.67	46.03	68.97	4.99	6.72	5.60	5.35	0.53	0.30	N/A	0.22	1.55	
Risk Grade 4 Benchmark		1.99	7.26	3.26	7.48	16.52	29.48	4.33	4.90	4.39	4.50	4.53						
Risk Grade 5 Benchmark		2.71	9.28	4.00	9.68	22.30	38.59	5.68	6.65	5.79	5.68	5.73						
Risk Grade 6 Benchmark		3.08	10.48	4.22	10.86	25.80	43.54	6.59	7.82	6.75	6.50	6.53						

Where performance data is not available for a period of five years or more, this is quoted from inception date. Where there are no performance figures available N/A is shown.  
 \*Total Annual Charge is inclusive of the default Custody Fee, Investment Charge and Ongoing Charge Figure (OCF).  
 \*\*For purposes of this document, the Ongoing Charge Figure (OCF) is the average Ongoing Charge Figure (OCF) for the period of five years or more.

**E** This section details the relevant charges associated with each investment solution.

**D** The table highlights the actual volatility and performance of each investment solution over specified time periods. The colour coded squares and circles correlate to the graphs on the previous page. The circles depict the benchmark and tolerance limits for the Risk Grade and the squares illustrate the investment solutions as they are plotted on the graphs in terms of volatility and performance.

# Risk Grade Benchmarks

Up to 30 June 2019

## How the Risk Grade benchmarks are constructed

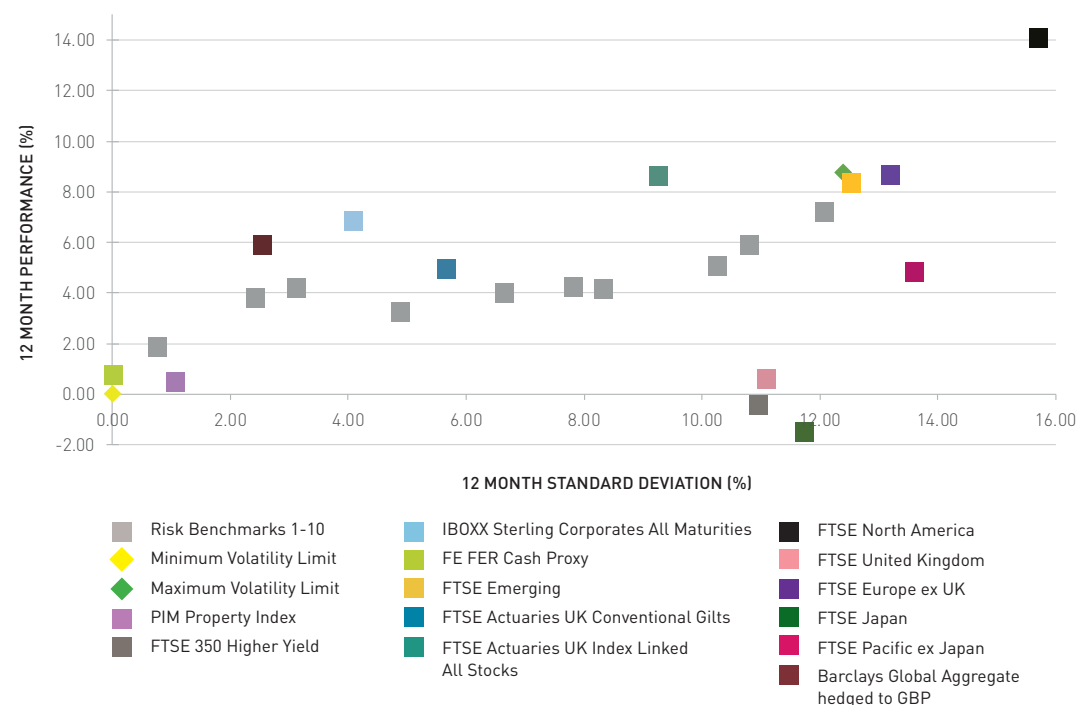
PIM's investment portfolios use well established risk control techniques based around varying exposure between risky and defensive assets.

We define risk as the volatility of the investment, the amount by which an investment return fluctuates over time, and to measure this we use the statistical measure of standard deviation. A high standard deviation means past returns vary greatly from their average return and the returns have been volatile. A low standard deviation means returns have been consistently close to the average for that asset class. Using historical analysis we see that varying the exposure of a portfolio from defensive assets to risky assets can create a range of possible volatilities. So, using benchmarks for a broad range of investment classes, we can plot a range of portfolios made up of different combinations of asset classes with different volatilities.

In order to ensure that consistency of volatility by Risk Grade across our range of investment solutions is maintained, Risk Grade benchmarks are used. They are broadly based on the Risk Grade benchmarks for PIM's flagship Strategic Multi-Option investment solution. A full breakdown can be found on page 32. In the process of oversight and monitoring, the volatility of each Risk Graded portfolio is allowed to move within a minimum and maximum range of the Risk Grade benchmark. However, if these levels are breached further investigation will be instigated. These volatility limits are dynamic in nature. The 12 month performance and annualised standard deviation of the benchmark Risk Grades relative to comparative market composite indices is illustrated in Figure 1.

**Figure 1: 12 Month Benchmark Standard Deviation Tolerance Limits**

This graph illustrates the 12 month performance and annualised standard deviation of the benchmark Risk Grades relative to each other and comparative market indices, within the minimum and maximum volatility limits.



Source: FE Analytics 12 months 30/06/2018 - 30/06/2019. Excluding tax and charges. Bid to bid total return basis with income reinvested.



# Economic Overview

Markets have continued where they left off in the first quarter, sustaining the 'risk-on' environment with a backdrop of an increasingly accommodative policy stance from central banks through Q2. Muted inflation and generally disappointing economic data, in addition to political risks, has meant a renewed willingness to reduce rates to stimulate economic activity.

This policy easing rhetoric has benefitted both equity and fixed income markets alike, with all asset classes providing a positive return for the quarter. With the exception of the FTSE Japan, all asset classes are also in positive territory over 12 months. The US has exhibited the highest returns over this period, followed by FTSE Europe ex UK, while Index-Linked Bonds – owing largely to their high duration – returned an impressive 8.57%.

The next UK Prime Minister will have the unenviable task of securing an orderly withdrawal from the EU before 31st October. While a 'no deal' scenario could have a serious impact on both the UK and EU economies (and this is still a possible outcome with either candidate), a 'soft' Brexit could provide a further boost to markets. The FTSE All Share has continued to post positive returns despite this uncertainty, returning 2.70% over the last quarter.

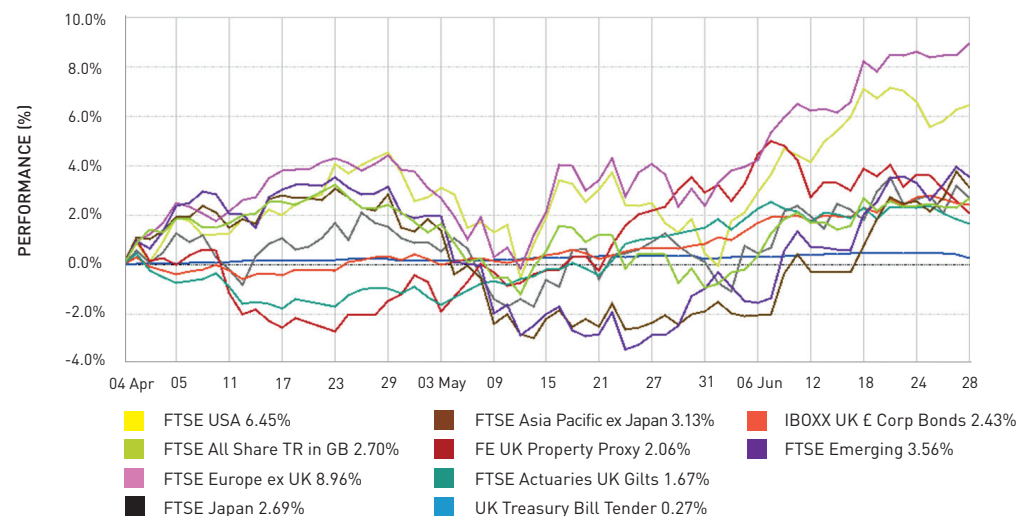
The US-China trade war continues to add a headwind to global growth. Nevertheless, the US market has continued its upward trajectory with the FTSE USA returning 6.45% this quarter, largely due to the market pricing in the aforementioned interest rate cuts. This has also affected US Treasuries, with the 10-year yield now at 2.02% from above 3% at the end of 2018, highlighting the extent of investor demand for bonds given future rate expectations.

The FTSE Europe ex UK index has been the best performing equity market over the last quarter, returning 8.96%. It would appear the ECB's accommodative rhetoric has outweighed the negative implications of the region's continued struggles with low growth, Brexit, and ongoing US-EU trade negotiations.

The Asian economies are not unaffected by this macro environment. In addition to China, Japan has suffered from reduced demand for its exports, which is reflected in both its growth figures and the negative performance of the FTSE Japan Index over 12 months.

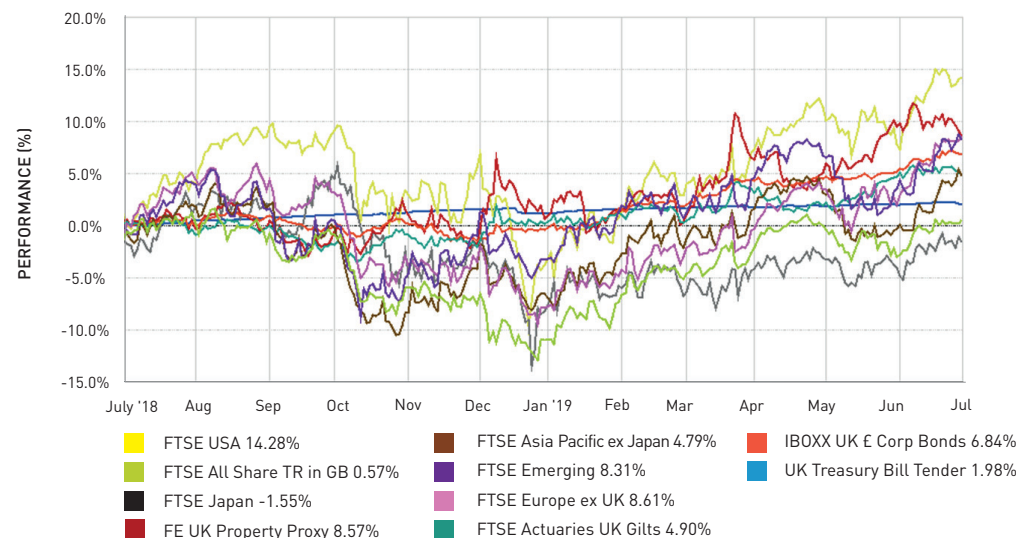
While there are certain indicators implying the possibility of recession, such as weaker economic data and an inverted yield curve, markets are still performing well with a backdrop of supportive monetary policy. However, the situation remains fragile given the tone of a speech alone appears enough to meaningfully move markets. Over the long run, however, a robust risk framework should be the primary driver of investor returns.

Figure 2: Quarterly Returns of Various Indices 01 April 2019 to 28 June 2019



Source: FE Analytics 2018. Excluding charges and tax and based on market indices. Calculated on a total return basis. Past performance is not an indication of future returns.

Figure 3: The Annual Returns of Various Indices 29 June 2018 to 28 June 2019



Source: FE Analytics 2018. Excluding charges and tax and based on market indices. Calculated on a total return basis. Past performance is not an indication of future returns.

## Risk Grade

# 1 ■ Performance and Volatility up to 30 June 2019

The volatility of the Risk Grade 1 portfolio benchmark was 0.78% over the last 12 months, with volatility tolerance limits of 0% and 2.42%, as shown by the minimum volatility limit and the benchmark for Risk Grade 2. The Vanguard LifeStrategies portfolio experienced a higher volatility over the last 12 months, owing to the higher Equity and Credit content and lower weight to Cash. All other portfolios are within the tolerance limits for Risk Grade 1.

**Note.** Risk Grade commentaries are included to provide a summary of any portfolios that have experienced a volatility above or below the tolerance limit for that risk grade over the last 12 months. References will only be made to the data over other periods, where it is relevant to this analysis.

**Figure 4:** 12 Month Risk Grade 1 Benchmark Standard Deviation Tolerance Limits

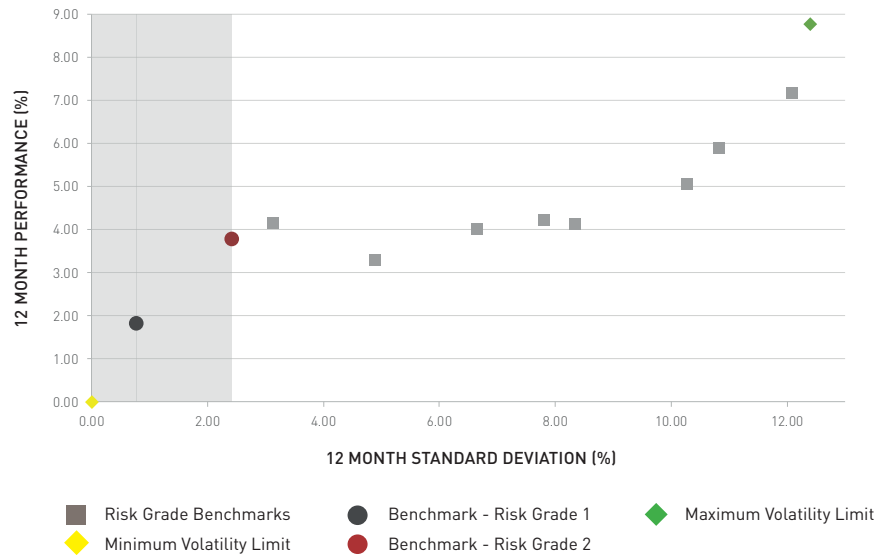
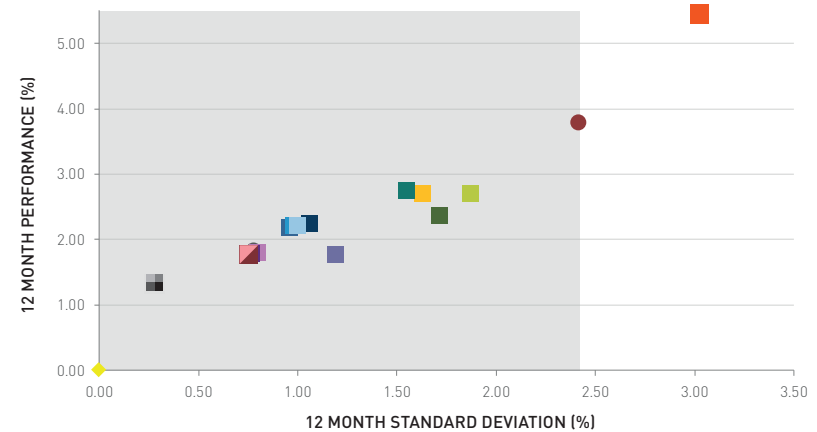


Figure 4 above shows the 12 month performance and standard deviation of the Risk Grade 1 benchmark relative to the benchmark volatility tolerance limits.

Figure 5 to the right shows the 12 month performance and standard deviation of each solution's Risk Grade 1 portfolio relative to the Risk Grade benchmark and benchmark volatility tolerance limits.

**Source of graphs:** FE Analytics 12 months 30/06/2018 - 30/06/2019. Excluding tax and charges. Bid to bid total return basis with income reinvested.

**Figure 5:** 12 Month Performance and Standard Deviation



- ◆ Minimum Volatility Limit
- Benchmark - Risk Grade 1
- Benchmark - Risk Grade 2
- PIM Strategic Multi-Option (Active)
- PIM Strategic Conviction
- PIM Strategic Guardian
- PIM Strategic Active
- PIM Strategic Ethical Active A
- PIM Strategic Ethical Active B
- PIM Strategic Ethical Active C
- PIM Strategic Ethical Active D
- PIM Tactical Active
- PIM Tactical Ethical Active
- PIM Tactical Income
- PIM Tactical Passive
- PIM Strategic MO Value & Small Cap: UK Pure
- PIM Strategic MO Value & Small Cap: UK Passive
- PIM Strategic MO Value & Small Cap: Global Pure
- PIM Strategic MO Value & Small Cap: Global Passive
- Vanguard LifeStrategies

# Investment Solution

INCEPTION DATE  
 3 MONTH RETURN (%)  
 6 MONTH RETURN (%)  
 1 YEAR RETURN (%)  
 2 YEAR RETURN (%)  
 3 YEAR RETURN (%)  
 5 YEAR RETURN (%)  
 RETURN SINCE INCEPTION (%)  
 6 MONTH STANDARD DEVIATION (ANNUALISED %)  
 1 YEAR STANDARD DEVIATION (ANNUALISED %)  
 2 YEAR STANDARD DEVIATION (ANNUALISED %)  
 3 YEAR STANDARD DEVIATION (ANNUALISED %)  
 5 YEAR STANDARD DEVIATION (ANNUALISED %)  
 VOLATILITY SINCE INCEPTION (ANNUALISED %)  
 TOTAL ANNUAL CHARGE (%)\*\*  
 DEFAULT CUSTODY FEE (%)  
 INVESTMENT CHARGE (%)\*\*  
 ONGOING CHARGE FIGURE (OCF) (%)  
 HISTORIC YIELD (%)

## PIM In-House Active Solutions

PIM Strategic Multi-Option (Active)	Jun-09	0.63	1.56	1.76	2.20	3.65	7.16	25.68	0.76	0.76	0.67	0.84	1.01	1.59	0.85	0.30	0.36	0.19	1.07
PIM Strategic Conviction	Aug-15	0.61	1.54	1.78	2.23	3.47	N/A	4.76	0.82	0.77	0.69	0.85	N/A	0.83	0.80	0.30	0.36	0.14	1.01
PIM Strategic Guardian	May-16	0.72	1.99	1.77	2.26	4.73	N/A	5.25	1.27	1.19	0.97	1.18	N/A	1.17	0.90	0.30	0.36	0.24	1.13
PIM Strategic Active	Jun-08	0.63	1.56	1.76	2.20	3.65	7.16	28.03	0.76	0.76	0.67	0.84	1.01	2.01	0.85	0.30	0.36	0.19	1.07
PIM Strategic Ethical Active - Profile A	Mar-12	0.84	2.25	2.24	2.98	5.50	10.87	21.33	0.87	1.06	1.01	1.50	1.66	1.84	0.89	0.30	0.36	0.23	1.48
PIM Strategic Ethical Active - Profile B	Mar-12	0.87	2.24	2.17	2.86	5.60	10.15	21.41	0.76	0.96	0.90	1.36	1.50	1.77	0.89	0.30	0.36	0.23	1.68
PIM Strategic Ethical Active - Profile C	Mar-12	0.85	2.25	2.22	2.82	5.55	10.10	21.60	0.78	0.98	0.95	1.38	1.51	1.76	0.88	0.30	0.36	0.22	1.61
PIM Strategic Ethical Active - Profile D	Mar-12	0.83	2.28	2.21	2.73	5.47	10.13	21.50	0.83	1.00	0.96	1.37	1.56	1.78	0.89	0.30	0.36	0.23	1.55
PIM Tactical Active	Dec-08	1.55	3.58	2.69	4.67	8.88	15.17	51.90	1.07	1.63	1.41	1.62	1.82	2.63	0.98	0.30	0.36	0.32	1.40
PIM Tactical Ethical Active	Dec-08	1.57	3.96	2.70	4.72	9.60	16.11	52.20	1.18	1.87	1.61	2.00	2.09	2.81	0.96	0.30	0.36	0.30	1.56
PIM Tactical Income	Feb-14	1.42	3.46	2.74	4.20	8.79	15.26	17.78	1.06	1.55	1.34	1.47	1.70	1.67	1.15	0.30	0.36	0.49	2.62

## PIM In-House Passive Solutions

PIM Strategic Multi-Option (Passive)	Sep-09	0.57	1.51	1.80	2.29	3.04	7.61	21.30	0.89	0.80	0.73	0.88	1.15	1.72	0.40	0.30	0.00	0.10	0.93
PIM Tactical Passive	Aug-11	1.11	3.35	2.36	4.24	7.32	14.05	26.77	1.45	1.72	1.55	1.70	1.93	1.95	0.79	0.30	0.36	0.13	1.43

## Fund Manager Focus Solutions

PIM Strategic MO Value & Small Cap: UK Pure	Jan-13	0.34	0.86	1.32	1.30	1.13	2.61	3.40	0.25	0.28	0.36	0.34	0.35	0.32	0.50	0.30	0.00	0.20	1.82
PIM Strategic MO Value & Small Cap: UK Passive	Jan-13	0.34	0.86	1.32	1.30	1.13	2.61	3.40	0.25	0.28	0.36	0.34	0.35	0.32	0.50	0.30	0.00	0.20	1.82
PIM Strategic MO Value & Small Cap: Global Pure	Jan-13	0.34	0.86	1.32	1.30	1.13	2.61	3.40	0.25	0.28	0.36	0.34	0.35	0.32	0.50	0.30	0.00	0.20	1.82
PIM Strategic MO Value & Small Cap: Global Passive	Jan-13	0.34	0.86	1.32	1.30	1.13	2.61	3.40	0.25	0.28	0.36	0.34	0.35	0.32	0.50	0.30	0.00	0.20	1.82
Vanguard LifeStrategies	Feb-16	2.42	6.33	5.46	7.59	10.86	N/A	17.34	2.78	3.03	2.75	2.94	N/A	3.29	0.50	0.30	0.00	0.20	1.41
Minimum Volatility Limit		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00					
Risk Grade 1 Benchmark		0.58	1.48	1.82	2.23	2.85	6.92		0.84	0.78	0.74	0.88	0.96						
Risk Grade 2 Benchmark		1.48	4.60	3.77	5.79	9.53	21.62		2.30	2.42	2.32	2.80	2.97						

Where performance data is not available for a period of five years or more, this is quoted from inception date. Where there are no performance figures available N/A is shown.

\*Total Annual Charge is inclusive of the default Custody Fee, Investment Charge and Ongoing Charge Figure (OCF).

\*\*For reference the Investment Charge is the same as a Discretionary Fund Management Fee.

## Risk Grade

# 2. Performance and Volatility up to 30 June 2019

The volatility of the Risk Grade 2 portfolio benchmark was 2.42% over the last 12 months, with volatility tolerance limits of 0.78% and 3.13% as shown by the benchmarks for Risk Grades 1 and 3. The Vanguard LifeStrategies portfolio experienced a higher volatility over the last 12 months owing to the higher Equity and Credit content and lower Cash weight. All other portfolios are within the tolerance limits for Risk Grade 2.

**Note.** Risk Grade commentaries are included to provide a summary of any portfolios that have experienced a volatility above or below the tolerance limit for that risk grade over the last 12 months. References will only be made to the data over other periods, where it is relevant to this analysis.

**Figure 6:** 12 Month Risk Grade 2 Benchmark Standard Deviation Tolerance Limit

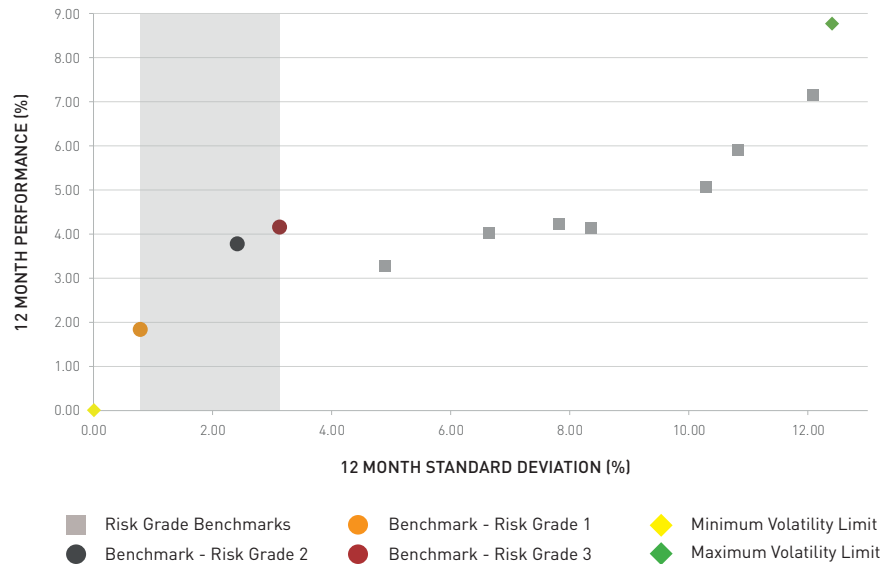
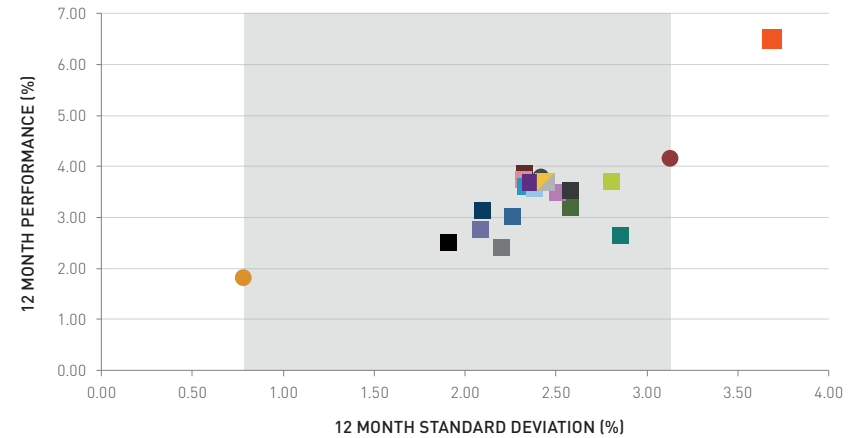


Figure 6 above shows the 12 month performance and standard deviation of the Risk Grade 2 benchmark relative to the benchmark volatility tolerance limits.

Figure 7 to the right shows the 12 month performance and standard deviation of each solution's Risk Grade 2 portfolio relative to the Risk Grade benchmark and benchmark volatility tolerance limits.

**Source of graphs:** FE Analytics 12 months 30/06/2018 - 30/06/2019. Excluding tax and charges. Bid to bid total return basis with income reinvested.

**Figure 7:** 12 Month Performance and Standard Deviation



# Investment Solution

	INCEPTION DATE	3 MONTH RETURN (%)	6 MONTH RETURN (%)	1 YEAR RETURN (%)	2 YEAR RETURN (%)	3 YEAR RETURN (%)	5 YEAR RETURN (%)	RETURN SINCE INCEPTION (%)	6 MONTH STANDARD DEVIATION (ANNUALISED %)	1 YEAR STANDARD DEVIATION (ANNUALISED %)	2 YEAR STANDARD DEVIATION (ANNUALISED %)	3 YEAR STANDARD DEVIATION (ANNUALISED %)	5 YEAR STANDARD DEVIATION (ANNUALISED %)	VOLATILITY SINCE INCEPTION (ANNUALISED %)	TOTAL ANNUAL CHARGE (%)**	DEFAULT CUSTODY FEE (%)	INVESTMENT CHARGE (%)**	ONGOING CHARGE FIGURE (OCF) (%)	HISTORIC YIELD (%)
<b>PIM In-House Active Solutions</b>																			
PIM Strategic Multi-Option (Active)	Jun-09	1.90	4.94	3.73	5.81	12.02	21.68	63.58	1.86	2.32	2.05	2.66	2.70	2.79	1.13	0.30	0.36	0.47	2.23
PIM Strategic Conviction	Aug-15	1.71	4.81	3.67	5.80	11.24	N/A	14.96	2.11	2.36	2.14	2.71	N/A	2.55	0.97	0.30	0.36	0.31	2.11
PIM Strategic Guardian	May-16	1.45	3.96	2.76	3.34	7.33	N/A	8.47	1.79	2.09	1.71	2.15	N/A	2.13	1.03	0.30	0.36	0.37	1.73
PIM Strategic Active	Jun-08	1.96	4.97	3.86	5.94	12.33	22.63	58.13	1.89	2.33	2.07	2.60	2.69	3.26	1.13	0.30	0.36	0.47	2.17
PIM Strategic Ethical Active - Profile A	Mar-12	1.73	4.43	3.11	5.62	11.76	20.59	36.09	1.30	2.10	1.89	2.33	2.39	2.46	1.04	0.30	0.36	0.38	2.01
PIM Strategic Ethical Active - Profile B	Mar-12	1.77	4.41	3.02	5.48	11.89	19.69	36.70	1.58	2.26	1.97	2.30	2.33	2.47	1.04	0.30	0.36	0.38	2.22
PIM Strategic Ethical Active - Profile C	Mar-12	1.93	4.96	3.59	5.27	11.72	19.28	36.54	1.63	2.33	2.06	2.70	2.70	2.83	1.00	0.30	0.36	0.34	2.17
PIM Strategic Ethical Active - Profile D	Mar-12	1.90	4.95	3.55	5.13	11.62	19.40	36.61	1.70	2.38	2.11	2.71	2.76	2.87	1.02	0.30	0.36	0.36	2.08
PIM Tactical Active	Dec-08	2.23	5.21	3.67	6.50	12.76	21.71	78.48	1.61	2.44	2.11	2.43	2.62	3.84	1.09	0.30	0.36	0.43	1.75
PIM Tactical Ethical Active	Dec-08	2.27	5.78	3.69	6.57	13.86	23.17	78.99	1.78	2.81	2.41	2.99	3.02	4.11	1.06	0.30	0.36	0.40	1.98
PIM Tactical Income	Feb-14	1.73	4.77	2.63	4.91	12.24	20.85	24.28	2.11	2.86	2.45	2.51	2.68	2.62	1.23	0.30	0.36	0.57	3.27
<b>PIM In-House Passive Solutions</b>																			
PIM Strategic Multi-Option (Passive)	Sep-09	1.43	4.70	3.47	5.71	9.50	21.57	55.76	2.48	2.51	2.32	2.81	3.03	2.85	0.45	0.30	0.00	0.15	1.99
PIM Tactical Passive	Aug-11	1.58	4.85	3.18	5.85	10.36	19.93	38.28	2.18	2.58	2.32	2.55	2.78	2.78	0.80	0.30	0.36	0.14	1.79
<b>Fund Manager Focus Solutions</b>																			
PIM Strategic MO Value & Small Cap: UK Pure	Jan-13	1.09	3.38	2.50	3.53	6.56	13.52	18.20	1.63	1.91	1.81	1.79	1.95	2.07	0.55	0.30	0.00	0.25	1.50
PIM Strategic MO Value & Small Cap: UK Passive	Jan-13	1.49	4.81	3.51	5.09	8.60	19.51	25.51	2.48	2.58	2.32	2.58	2.85	2.82	0.47	0.30	0.00	0.17	1.97
PIM Strategic MO Value & Small Cap: Global Pure	Jan-13	1.16	3.34	2.41	3.30	6.05	13.41	18.45	1.71	2.20	1.89	1.75	1.97	2.01	0.56	0.30	0.00	0.26	1.43
PIM Strategic MO Value & Small Cap: Global Passive	Jan-13	1.75	4.67	3.68	4.96	7.63	17.79	24.41	2.03	2.44	2.09	2.04	2.40	2.35	0.48	0.30	0.00	0.18	1.81
Vanguard LifeStrategies	Feb-16	2.91	7.67	6.51	9.06	13.07	N/A	21.28	3.39	3.69	3.35	3.60	N/A	4.05	0.52	0.30	0.00	0.22	1.58
Risk Grade 1 Benchmark		0.58	1.48	1.82	2.23	2.85	6.92		0.84	0.78	0.74	0.88	0.96						
Risk Grade 2 Benchmark		1.48	4.60	3.77	5.79	9.53	21.62		2.30	2.42	2.32	2.80	2.97						
Risk Grade 3 Benchmark		1.84	5.92	4.15	6.96	12.69	26.85		2.85	3.13	2.94	3.39	3.59						

Where performance data is not available for a period of five years or more, this is quoted from inception date. Where there are no performance figures available N/A is shown.

\*Total Annual Charge is inclusive of the default Custody Fee, Investment Charge and Ongoing Charge Figure (OCF).

\*\*For reference the Investment Charge is the same as a Discretionary Fund Management Fee.

Risk Grade

# 3. Performance and Volatility up to 30 June 2019

The volatility of the Risk Grade 3 portfolio benchmark was 3.13% over the last 12 months, with volatility tolerance limits of 2.42% and 4.90%, as shown by the benchmarks for Risk Grades 2 and 4. All portfolios are within the tolerance limits for Risk Grade 3.

**Note.** Risk Grade commentaries are included to provide a summary of any portfolios that have experienced a volatility above or below the tolerance limit for that risk grade over the last 12 months. References will only be made to the data over other periods, where it is relevant to this analysis.

**Figure 8:** 12 Month Risk Grade 3 Benchmark Standard Deviation Tolerance Limits

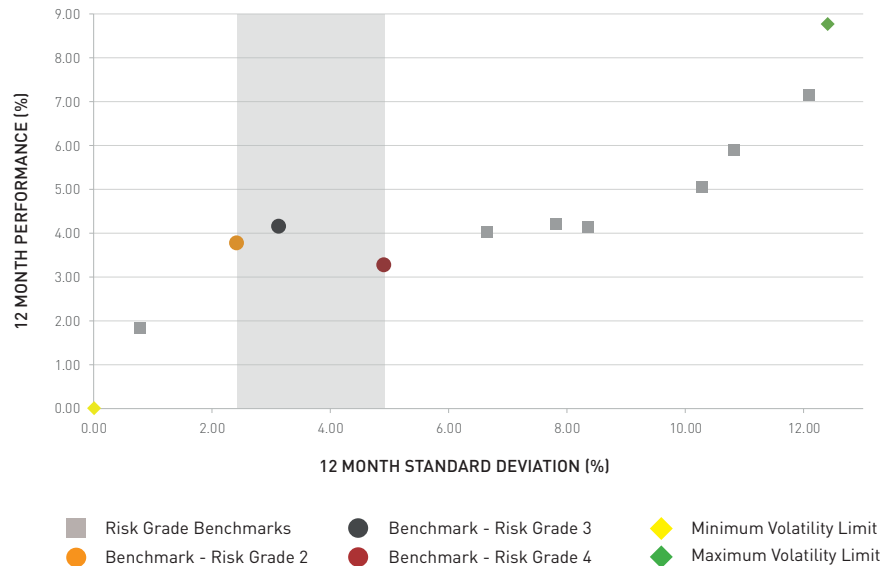
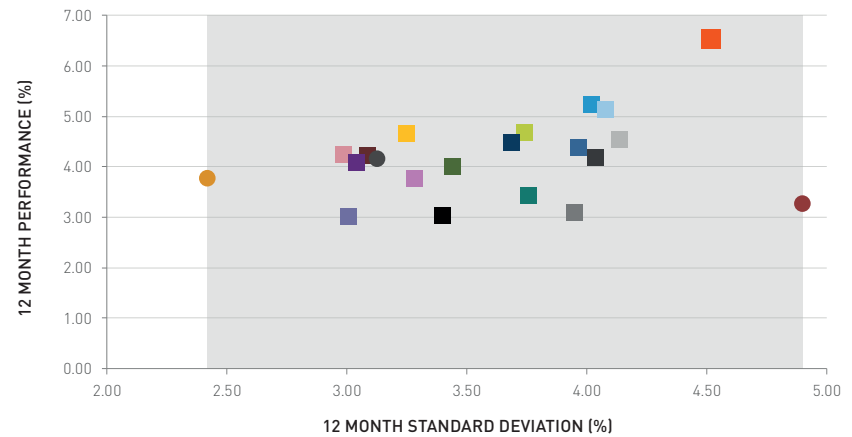


Figure 8 above shows the 12 month performance and standard deviation of the Risk Grade 3 benchmark relative to the benchmark volatility tolerance limits.

Figure 9 to the right shows the 12 month performance and standard deviation of each solution's Risk Grade 3 portfolio relative to the Risk Grade benchmark and benchmark volatility tolerance limits.

**Source of graphs:** FE Analytics 12 months 30/06/2018 - 30/06/2019. Excluding tax and charges. Bid to bid total return basis with income reinvested.

**Figure 9:** 12 Month Performance and Standard Deviation



- Benchmark - Risk Grade 2
- Benchmark - Risk Grade 3
- Benchmark - Risk Grade 4
- PIM Strategic Multi-Option (Active)
- PIM Strategic Conviction
- PIM Strategic Guardian
- PIM Strategic Active
- PIM Strategic Ethical Active A
- PIM Strategic Ethical Active B
- PIM Strategic Ethical Active C
- PIM Strategic Ethical Active D
- PIM Tactical Active
- PIM Tactical Ethical Active
- PIM Tactical Income
- PIM Tactical Passive
- PIM Strategic MO Value & Small Cap: UK Pure
- PIM Strategic MO Value & Small Cap: UK Passive
- PIM Strategic MO Value & Small Cap: Global Pure
- PIM Strategic MO Value & Small Cap: Global Passive
- Vanguard LifeStrategies

# Investment Solution

INCEPTION DATE  
 3 MONTH RETURN (%)  
 6 MONTH RETURN (%)  
 1 YEAR RETURN (%)  
 2 YEAR RETURN (%)  
 3 YEAR RETURN (%)  
 5 YEAR RETURN (%)  
 RETURN SINCE INCEPTION (%)  
 6 MONTH STANDARD DEVIATION (ANNUALISED %)  
 1 YEAR STANDARD DEVIATION (ANNUALISED %)  
 2 YEAR STANDARD DEVIATION (ANNUALISED %)  
 3 YEAR STANDARD DEVIATION (ANNUALISED %)  
 5 YEAR STANDARD DEVIATION (ANNUALISED %)  
 VOLATILITY SINCE INCEPTION (ANNUALISED %)  
 TOTAL ANNUAL CHARGE (%)\*\*  
 DEFAULT CUSTODY FEE (%)  
 INVESTMENT CHARGE (%)\*\*  
 ONGOING CHARGE FIGURE (OCF) (%)  
 HISTORIC YIELD (%)

## PIM In-House Active Solutions

PIM Strategic Multi-Option (Active)	Jun-09	2.46	6.24	4.24	6.94	15.33	27.43	81.83	2.01	2.99	2.62	3.21	3.25	3.44	1.20	0.30	0.36	0.54	2.41
PIM Strategic Conviction	Aug-15	2.19	6.10	4.07	6.89	14.50	N/A	19.33	2.34	3.04	2.73	3.27	N/A	3.07	1.01	0.30	0.36	0.35	2.34
PIM Strategic Guardian	May-16	2.13	5.50	3.01	3.93	9.86	N/A	11.34	2.00	3.01	2.48	3.12	N/A	3.08	1.11	0.30	0.36	0.45	1.91
PIM Strategic Active	Jun-08	2.52	6.27	4.21	7.05	15.72	28.00	69.88	2.10	3.09	2.69	3.21	3.28	4.20	1.20	0.30	0.36	0.54	2.36
PIM Strategic Ethical Active - Profile A	Mar-12	2.83	7.24	4.48	8.58	18.99	32.58	54.53	2.25	3.69	3.21	3.78	3.68	3.79	1.19	0.30	0.36	0.53	2.65
PIM Strategic Ethical Active - Profile B	Mar-12	2.88	7.22	4.36	8.39	19.21	31.18	57.14	2.73	3.97	3.37	3.78	3.66	4.07	1.20	0.30	0.36	0.54	2.95
PIM Strategic Ethical Active - Profile C	Mar-12	3.11	8.04	5.21	8.05	18.89	30.44	56.44	2.75	4.02	3.46	4.33	4.17	4.36	1.14	0.30	0.36	0.48	2.87
PIM Strategic Ethical Active - Profile D	Mar-12	3.07	8.01	5.13	7.84	18.74	30.65	56.83	2.85	4.08	3.53	4.35	4.25	4.42	1.17	0.30	0.36	0.51	2.75
PIM Tactical Active	Dec-08	2.91	6.85	4.65	8.35	16.74	28.55	109.28	2.15	3.25	2.81	3.23	3.41	5.06	1.20	0.30	0.36	0.54	2.09
PIM Tactical Ethical Active	Dec-08	2.96	7.63	4.67	8.44	18.22	30.57	110.04	2.38	3.74	3.22	3.98	3.95	5.41	1.16	0.30	0.36	0.50	2.40
PIM Tactical Income	Feb-14	2.18	6.24	3.41	5.66	14.85	25.20	29.50	2.90	3.76	3.18	3.38	3.50	3.42	1.28	0.30	0.36	0.62	3.73

## PIM In-House Passive Solutions

PIM Strategic Multi-Option (Passive)	Sep-09	1.78	6.01	3.76	6.78	12.57	26.53	71.05	2.96	3.28	2.97	3.42	3.62	3.41	0.45	0.30	0.00	0.15	2.28
PIM Tactical Passive	Aug-11	2.04	6.38	3.99	7.47	13.43	26.06	50.71	2.91	3.44	3.10	3.39	3.64	3.61	0.81	0.30	0.36	0.15	2.15

## Fund Manager Focus Solutions

PIM Strategic MO Value & Small Cap: UK Pure	Jan-13	1.48	5.13	3.03	4.97	11.05	21.03	28.22	2.99	3.40	3.13	3.13	3.40	3.53	0.60	0.30	0.00	0.30	1.60
PIM Strategic MO Value & Small Cap: UK Passive	Jan-13	1.92	6.77	4.18	6.82	13.44	28.17	37.00	3.82	4.04	3.64	3.87	4.27	4.24	0.49	0.30	0.00	0.19	2.13
PIM Strategic MO Value & Small Cap: Global Pure	Jan-13	1.70	5.16	3.08	4.77	10.55	21.93	29.84	3.11	3.95	3.30	3.14	3.55	3.57	0.61	0.30	0.00	0.31	1.42
PIM Strategic MO Value & Small Cap: Global Passive	Jan-13	2.34	6.68	4.54	6.75	12.50	27.27	37.13	3.38	4.14	3.48	3.38	3.97	3.89	0.50	0.30	0.00	0.20	1.88
Vanguard LifeStrategies	Feb-16	3.22	8.63	6.56	9.94	16.39	N/A	25.96	3.67	4.52	3.95	4.03	N/A	4.49	0.52	0.30	0.00	0.22	1.53
Risk Grade 2 Benchmark		1.48	4.60	3.77	5.79	9.53	21.62		2.30	2.42	2.32	2.80	2.97						
Risk Grade 3 Benchmark		1.84	5.92	4.15	6.96	12.69	26.85		2.85	3.13	2.94	3.39	3.59						
Risk Grade 4 Benchmark		1.99	7.26	3.26	7.48	16.52	29.48		4.33	4.90	4.39	4.50	4.53						

Where performance data is not available for a period of five years or more, this is quoted from inception date. Where there are no performance figures available N/A is shown.

\*Total Annual Charge is inclusive of the default Custody Fee, Investment Charge and Ongoing Charge Figure (OCF).

\*\*For reference the Investment Charge is the same as a Discretionary Fund Management Fee.

## Risk Grade

# 4. Performance and Volatility up to 30 June 2019

The volatility of the Risk Grade 4 portfolio benchmark was 4.90% over the last 12 months, with volatility tolerance limits of 3.13% and 6.65%, as shown by the benchmarks for Risk Grades 3 and 5. All portfolios are within the tolerance limits for Risk Grade 4.

**Note.** Risk Grade commentaries are included to provide a summary of any portfolios that have experienced a volatility above or below the tolerance limit for that risk grade over the last 12 months. References will only be made to the data over other periods, where it is relevant to this analysis.

**Figure 10:** 12 Month Risk Grade 4 Benchmark Standard Deviation Tolerance Limits

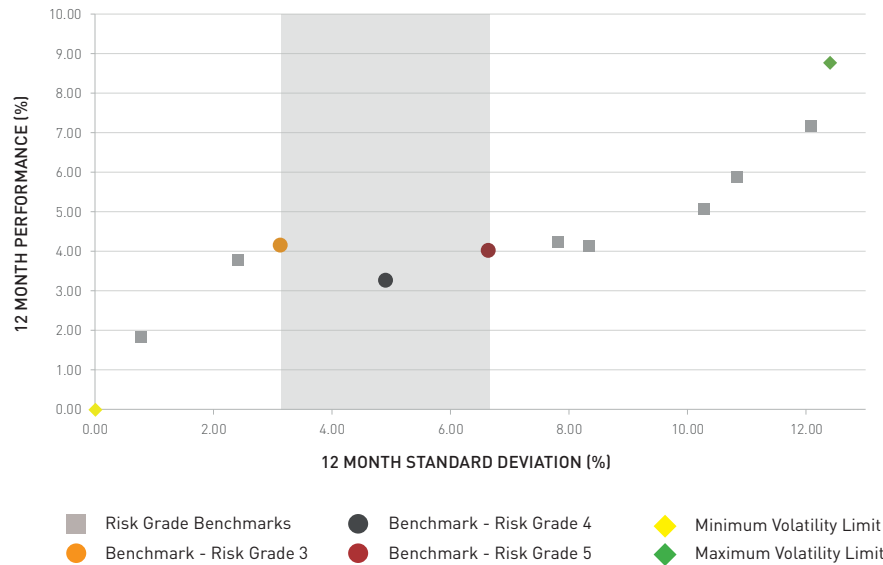
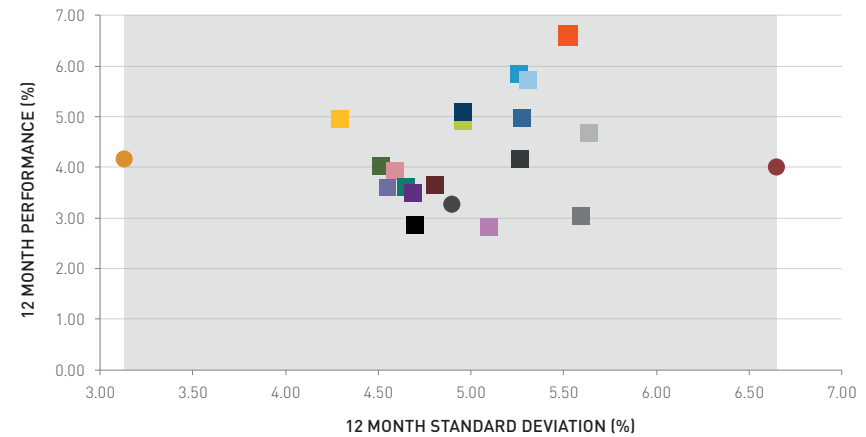


Figure 10 above shows the 12 month performance and standard deviation of the Risk Grade 4 benchmark relative to the benchmark volatility tolerance limits.

Figure 11 to the right shows the 12 month performance and standard deviation of each solution's Risk Grade 4 portfolio relative to the Risk Grade benchmark and benchmark volatility tolerance limits.

**Source of graphs:** FE Analytics 12 months 30/06/2018 - 30/06/2019. Excluding tax and charges. Bid to bid total return basis with income reinvested.

**Figure 11:** 12 Month Performance and Standard Deviation



- Benchmark - Risk Grade 3
- Benchmark - Risk Grade 4
- Benchmark - Risk Grade 5
- PIM Strategic Multi-Option (Active)
- PIM Strategic Conviction
- PIM Strategic Guardian
- PIM Strategic Active
- PIM Strategic Ethical Active A
- PIM Strategic Ethical Active B
- PIM Strategic Ethical Active C
- PIM Strategic Ethical Active D
- PIM Tactical Active
- PIM Tactical Ethical Active
- PIM Tactical Income
- PIM Strategic Multi-Option (Passive)
- PIM Tactical Passive
- PIM Strategic MO Value & Small Cap: UK Pure
- PIM Strategic MO Value & Small Cap: UK Passive
- PIM Strategic MO Value & Small Cap: Global Pure
- PIM Strategic MO Value & Small Cap: Global Passive
- Vanguard LifeStrategies



# Investment Solution

INCEPTION DATE  
 3 MONTH RETURN (%)  
 6 MONTH RETURN (%)  
 1 YEAR RETURN (%)  
 2 YEAR RETURN (%)  
 3 YEAR RETURN (%)  
 5 YEAR RETURN (%)  
 RETURN SINCE INCEPTION (%)  
 6 MONTH STANDARD DEVIATION (ANNUALISED %)  
 1 YEAR STANDARD DEVIATION (ANNUALISED %)  
 2 YEAR STANDARD DEVIATION (ANNUALISED %)  
 3 YEAR STANDARD DEVIATION (ANNUALISED %)  
 5 YEAR STANDARD DEVIATION (ANNUALISED %)  
 VOLATILITY SINCE INCEPTION (ANNUALISED %)  
 TOTAL ANNUAL CHARGE (%)\*\*  
 DEFAULT CUSTODY FEE (%)  
 INVESTMENT CHARGE (%)\*\*  
 ONGOING CHARGE FIGURE (OCF) (%)  
 HISTORIC YIELD (%)

## PIM In-House Active Solutions

PIM Strategic Multi-Option (Active)	Jun-09	3.09	7.62	3.92	7.89	19.42	32.91	103.89	2.93	4.59	3.90	4.15	4.13	4.65	1.25	0.30	0.36	0.59	2.49
PIM Strategic Conviction	Aug-15	2.61	7.43	3.48	7.64	18.46	N/A	23.93	3.35	4.69	4.07	4.27	N/A	4.01	1.05	0.30	0.36	0.39	2.59
PIM Strategic Guardian	May-16	2.89	7.14	3.60	6.07	16.52	N/A	17.64	2.78	4.55	3.63	3.99	N/A	3.94	1.18	0.30	0.36	0.52	1.98
PIM Strategic Active	Jun-08	3.12	7.57	3.63	7.62	19.63	32.47	77.79	3.06	4.81	4.03	4.22	4.18	5.77	1.26	0.30	0.36	0.60	2.51
PIM Strategic Ethical Active - Profile A	Mar-12	3.58	9.07	5.09	10.20	23.40	38.85	66.36	3.05	4.96	4.17	4.64	4.48	4.52	1.26	0.30	0.36	0.60	2.77
PIM Strategic Ethical Active - Profile B	Mar-12	3.63	9.05	4.97	10.00	23.64	37.38	69.07	3.60	5.28	4.38	4.69	4.51	4.73	1.27	0.30	0.36	0.61	3.06
PIM Strategic Ethical Active - Profile C	Mar-12	3.87	9.88	5.82	9.66	23.28	36.57	67.77	3.52	5.26	4.40	5.17	4.97	5.00	1.20	0.30	0.36	0.54	2.99
PIM Strategic Ethical Active - Profile D	Mar-12	3.81	9.79	5.71	9.43	23.15	36.86	68.56	3.63	5.31	4.48	5.21	5.05	5.06	1.23	0.30	0.36	0.57	2.87
PIM Tactical Active	Dec-08	3.49	8.00	4.94	9.76	20.30	34.22	124.37	2.82	4.30	3.61	3.84	4.02	5.66	1.25	0.30	0.36	0.59	2.09
PIM Tactical Ethical Active	Dec-08	3.60	9.12	4.92	9.62	21.74	35.04	122.86	3.04	4.96	4.08	4.58	4.54	6.05	1.21	0.30	0.36	0.55	2.39
PIM Tactical Income	Feb-14	2.46	7.17	3.59	6.19	17.21	28.79	33.84	3.68	4.65	3.92	4.09	4.19	4.08	1.31	0.30	0.36	0.65	4.07

## PIM In-House Passive Solutions

PIM Strategic Multi-Option (Passive)	Sep-09	1.91	7.35	2.80	7.20	16.33	29.03	86.05	4.38	5.10	4.45	4.54	4.57	4.61	0.45	0.30	0.00	0.15	2.74
PIM Tactical Passive	Aug-11	2.40	7.54	4.01	8.45	16.68	30.23	57.66	3.57	4.52	3.94	4.02	4.24	4.25	0.80	0.30	0.36	0.14	2.34

## Fund Manager Focus Solutions

PIM Strategic MO Value & Small Cap: UK Pure	Jan-13	1.84	6.43	2.85	5.71	14.44	25.97	36.99	4.04	4.70	4.14	4.03	4.21	4.37	0.63	0.30	0.00	0.33	1.64
PIM Strategic MO Value & Small Cap: UK Passive	Jan-13	2.33	8.27	4.16	7.82	17.16	34.33	47.47	4.72	5.27	4.61	4.75	5.10	5.09	0.50	0.30	0.00	0.20	2.23
PIM Strategic MO Value & Small Cap: Global Pure	Jan-13	2.19	6.54	3.03	5.58	14.00	28.00	40.22	4.37	5.60	4.49	4.17	4.51	4.52	0.64	0.30	0.00	0.34	1.35
PIM Strategic MO Value & Small Cap: Global Passive	Jan-13	2.89	8.22	4.67	7.80	16.30	34.29	48.99	4.39	5.64	4.58	4.32	4.90	4.80	0.51	0.30	0.00	0.21	1.87
Vanguard LifeStrategies	Apr-12	3.51	9.53	6.60	10.77	19.66	40.88	57.45	4.20	5.52	4.70	4.62	4.86	4.78	0.52	0.30	0.00	0.22	1.47
Risk Grade 3 Benchmark		1.84	5.92	4.15	6.96	12.69	26.85		2.85	3.13	2.94	3.39	3.59						
Risk Grade 4 Benchmark		1.99	7.26	3.26	7.48	16.52	29.48		4.33	4.90	4.39	4.50	4.53						
Risk Grade 5 Benchmark		2.70	9.28	4.00	9.68	22.30	38.59		5.68	6.65	5.79	5.68	5.73						

Where performance data is not available for a period of five years or more, this is quoted from inception date. Where there are no performance figures available N/A is shown.

\*Total Annual Charge is inclusive of the default Custody Fee, Investment Charge and Ongoing Charge Figure (OCF).

\*\*For reference the Investment Charge is the same as a Discretionary Fund Management Fee.

Risk Grade

# 5. Performance and Volatility up to 30 June 2019

The volatility of the Risk Grade 5 portfolio benchmark was 6.65% over the last 12 months, with volatility tolerance limits of 4.90% and 7.82%, as shown by the benchmarks for Risk Grades 4 and 6. All portfolios are within the volatility tolerance limits for Risk Grade 5.

**Note.** Risk Grade commentaries are included to provide a summary of any portfolios that have experienced a volatility above or below the tolerance limit for that risk grade over the last 12 months. References will only be made to the data over other periods, where it is relevant to this analysis.

**Figure 12:** 12 Month Risk Grade 5 Benchmark Standard Deviation Tolerance Limits

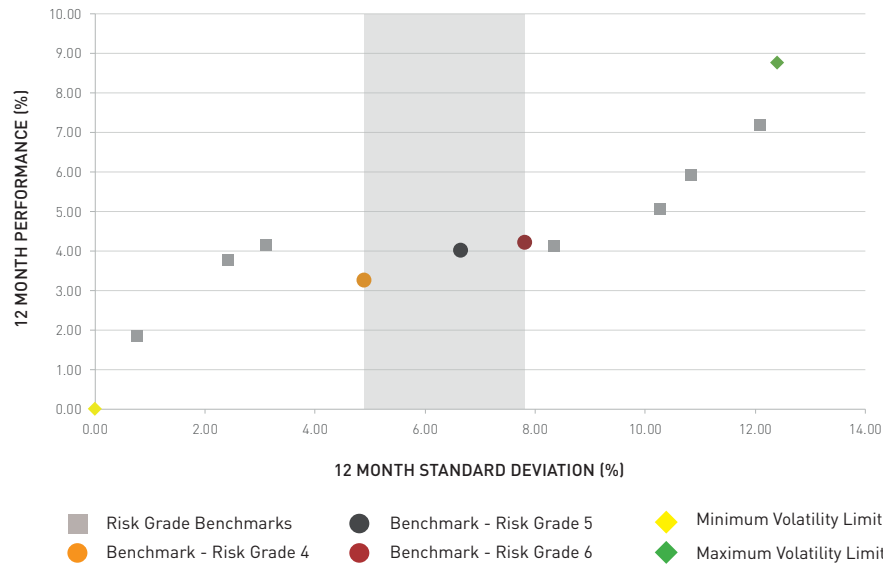
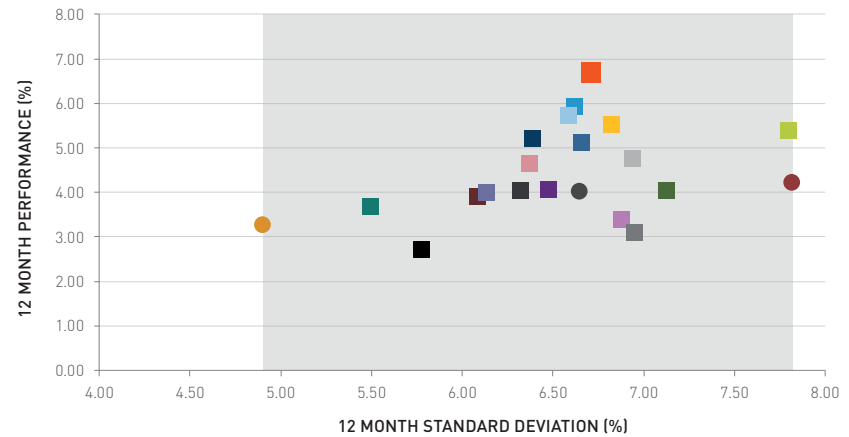


Figure 12 above shows the 12 month performance and standard deviation of the Risk Grade 5 benchmark relative to the benchmark volatility tolerance limits.

Figure 13 to the right shows the 12 month performance and standard deviation of each solution's Risk Grade 5 portfolio relative to the Risk Grade benchmark and benchmark volatility tolerance limits.

**Source of graphs:** FE Analytics 12 months 30/06/2018 - 30/06/2019. Excluding tax and charges. Bid to bid total return basis with income reinvested.

**Figure 13:** 12 Month Performance and Standard Deviation



● Benchmark - Risk Grade 4	■ PIM Strategic Ethical Active B	■ PIM Strategic MO Value & Small Cap: UK Pure
● Benchmark - Risk Grade 5	■ PIM Strategic Ethical Active C	■ PIM Strategic MO Value & Small Cap: UK Passive
● Benchmark - Risk Grade 6	■ PIM Strategic Ethical Active D	■ PIM Strategic MO Value & Small Cap: Global Pure
■ PIM Strategic Multi-Option (Active)	■ PIM Tactical Active	■ PIM Strategic MO Value & Small Cap: Global Passive
■ PIM Strategic Conviction	■ PIM Tactical Ethical Active	■ Vanguard LifeStrategies
■ PIM Strategic Guardian	■ PIM Tactical Income	
■ PIM Strategic Active	■ PIM Strategic Multi-Option (Passive)	
■ PIM Strategic Ethical Active A	■ PIM Tactical Passive	

# Investment Solution

	INCEPTION DATE	3 MONTH RETURN (%)	6 MONTH RETURN (%)	1 YEAR RETURN (%)	2 YEAR RETURN (%)	3 YEAR RETURN (%)	5 YEAR RETURN (%)	RETURN SINCE INCEPTION (%)	6 MONTH STANDARD DEVIATION (ANNUALISED %)	1 YEAR STANDARD DEVIATION (ANNUALISED %)	2 YEAR STANDARD DEVIATION (ANNUALISED %)	3 YEAR STANDARD DEVIATION (ANNUALISED %)	5 YEAR STANDARD DEVIATION (ANNUALISED %)	VOLATILITY SINCE INCEPTION (ANNUALISED %)	TOTAL ANNUAL CHARGE (%)**	DEFAULT CUSTODY FEE (%)	INVESTMENT CHARGE (%)**	ONGOING CHARGE FIGURE (OCF) (%)	HISTORIC YIELD (%)
<b>PIM In-House Active Solutions</b>																			
PIM Strategic Multi-Option (Active)	Jun-09	3.96	9.50	4.64	10.10	25.02	43.00	135.37	4.27	6.37	5.31	5.34	5.29	6.05	1.33	0.30	0.36	0.67	2.50
PIM Strategic Conviction	Aug-15	3.39	9.33	4.06	9.66	23.89	N/A	31.92	4.62	6.48	5.50	5.48	N/A	5.21	1.11	0.30	0.36	0.45	2.70
PIM Strategic Guardian	May-16	3.61	8.71	4.00	7.27	20.09	N/A	21.58	3.93	6.14	4.84	4.92	N/A	4.86	1.23	0.30	0.36	0.57	1.98
PIM Strategic Active	Jun-08	3.67	8.75	3.90	9.26	23.94	40.12	89.02	4.00	6.09	5.02	5.01	4.94	6.94	1.34	0.30	0.36	0.68	2.63
PIM Strategic Ethical Active - Profile A	Mar-12	4.16	10.53	5.20	11.36	27.34	44.57	76.70	4.08	6.39	5.31	5.55	5.36	5.34	1.33	0.30	0.36	0.67	2.72
PIM Strategic Ethical Active - Profile B	Mar-12	4.20	10.50	5.10	11.20	27.54	43.35	80.60	4.52	6.66	5.49	5.62	5.43	5.54	1.33	0.30	0.36	0.67	2.95
PIM Strategic Ethical Active - Profile C	Mar-12	4.44	11.33	5.93	10.87	27.18	42.51	78.77	4.45	6.62	5.48	6.04	5.82	5.77	1.27	0.30	0.36	0.61	2.90
PIM Strategic Ethical Active - Profile D	Mar-12	4.36	11.13	5.73	10.64	27.08	42.67	79.65	4.43	6.59	5.52	6.07	5.89	5.84	1.29	0.30	0.36	0.63	2.82
PIM Tactical Active	Dec-08	4.65	10.35	5.50	12.58	27.66	46.18	157.29	4.83	6.83	5.59	5.45	5.52	7.05	1.34	0.30	0.36	0.68	2.08
PIM Tactical Ethical Active	Dec-08	4.90	12.19	5.39	11.99	29.02	44.29	150.23	4.97	7.80	6.20	6.19	6.08	7.58	1.31	0.30	0.36	0.65	2.36
PIM Tactical Income	Feb-14	2.69	7.91	3.66	6.62	19.36	32.10	37.92	4.44	5.50	4.64	4.74	4.84	4.71	1.34	0.30	0.36	0.68	4.33
<b>PIM In-House Passive Solutions</b>																			
PIM Strategic Multi-Option (Passive)	Sep-09	2.58	9.32	3.38	9.18	21.93	37.68	111.45	5.72	6.88	5.87	5.74	5.76	6.00	0.45	0.30	0.00	0.15	2.97
PIM Tactical Passive	Aug-11	3.11	9.93	4.03	10.41	23.37	38.83	72.21	5.53	7.13	6.01	5.69	5.80	5.88	0.80	0.30	0.36	0.14	2.72
<b>Fund Manager Focus Solutions</b>																			
PIM Strategic MO Value & Small Cap: UK Pure	Jan-13	2.04	7.39	2.72	6.21	17.62	29.85	42.91	5.09	5.78	5.07	4.97	5.17	5.33	0.67	0.30	0.00	0.37	1.75
PIM Strategic MO Value & Small Cap: UK Passive	Jan-13	2.52	9.26	4.03	8.37	20.43	38.43	53.75	5.68	6.32	5.51	5.61	5.95	5.95	0.53	0.30	0.00	0.23	2.35
PIM Strategic MO Value & Small Cap: Global Pure	Jan-13	2.56	7.61	3.09	6.20	17.40	33.34	48.14	5.53	6.95	5.53	5.18	5.58	5.56	0.69	0.30	0.00	0.39	1.34
PIM Strategic MO Value & Small Cap: Global Passive	Jan-13	3.25	9.31	4.75	8.51	19.86	39.95	57.36	5.45	6.94	5.58	5.28	5.93	5.80	0.54	0.30	0.00	0.24	1.88
Vanguard LifeStrategies	Apr-12	3.84	10.54	6.72	11.90	23.41	46.03	68.97	4.99	6.72	5.60	5.35	5.60	5.38	0.52	0.30	0.00	0.22	1.55
Risk Grade 4 Benchmark		1.99	7.26	3.26	7.48	16.52	29.48		4.33	4.90	4.39	4.50	4.53						
Risk Grade 5 Benchmark		2.70	9.28	4.00	9.68	22.30	38.59		5.68	6.65	5.79	5.68	5.73						
Risk Grade 6 Benchmark		3.08	10.48	4.22	10.86	25.80	43.54		6.59	7.82	6.75	6.50	6.53						

Where performance data is not available for a period of five years or more, this is quoted from inception date. Where there are no performance figures available N/A is shown.

\*Total Annual Charge is inclusive of the default Custody Fee, Investment Charge and Ongoing Charge Figure (OCF).

\*\*For reference the Investment Charge is the same as a Discretionary Fund Management Fee.

## Risk Grade

# 6 Performance and Volatility up to 30 June 2019

The volatility of the Risk Grade 6 portfolio benchmark was 7.82% over the last 12 months, with volatility tolerance limits of 6.65% and 8.35%, as shown by the benchmarks for Risk Grades 5 and 7. PIM Tactical Passive exhibited marginally higher volatility over the past 12 months due to the current tactical positioning. The higher volatility of PIM Tactical Ethical Active was primarily derived from two funds Premier Ethical and Janus Henderson Global Sustainable Equity. All other portfolios are within the tolerance limits for Risk Grade 6.

**Note.** Risk Grade commentaries are included to provide a summary of any portfolios that have experienced a volatility above or below the tolerance limit for that risk grade over the last 12 months. References will only be made to the data over other periods, where it is relevant to this analysis.

**Figure 14:** 12 Month Risk Grade 6 Benchmark Standard Deviation Tolerance Limits

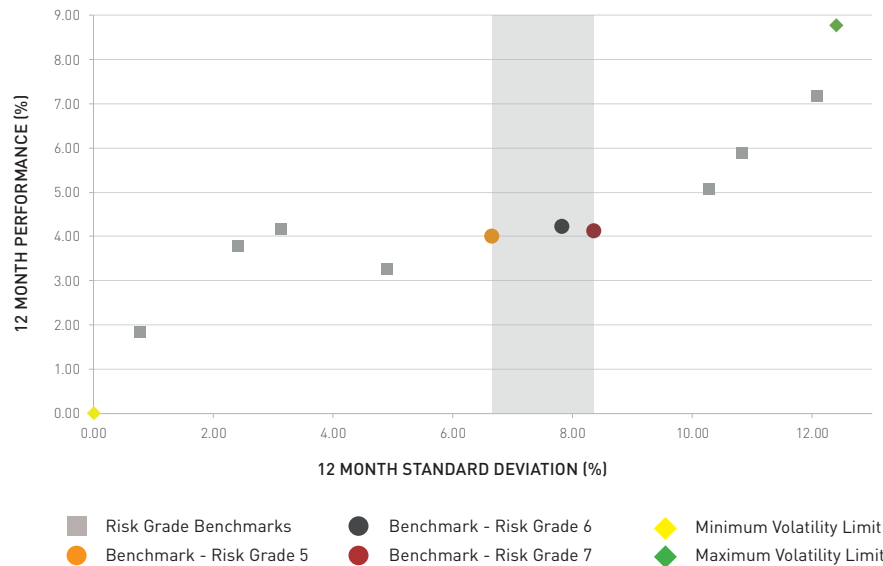
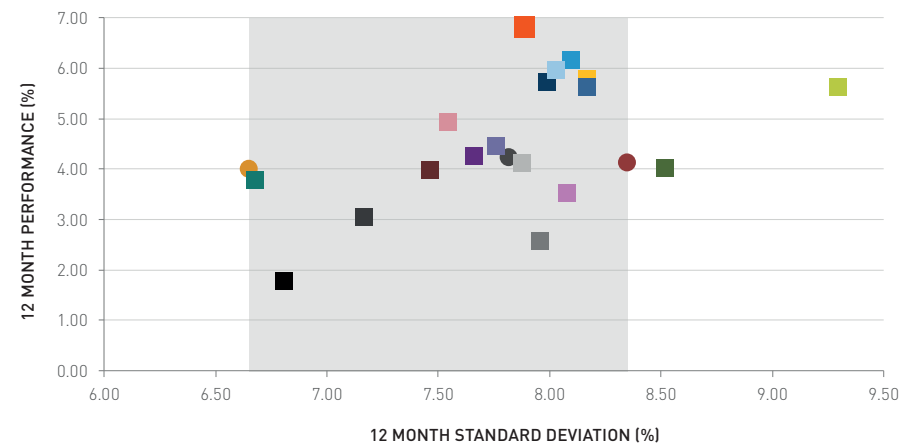


Figure 14 above shows the 12 month performance and standard deviation of the Risk Grade 6 benchmark relative to the benchmark volatility tolerance limits.

Figure 15 to the right shows the 12 month performance and standard deviation of each solution's Risk Grade 6 portfolio relative to the Risk Grade benchmark and benchmark volatility tolerance limits.

**Source of graphs:** FE Analytics 12 months 30/06/2018 - 30/06/2019. Excluding tax and charges. Bid to bid total return basis with income reinvested.

**Figure 15:** 12 Month Performance and Standard Deviation



# Investment Solution

INCEPTION DATE  
 3 MONTH RETURN (%)  
 6 MONTH RETURN (%)  
 1 YEAR RETURN (%)  
 2 YEAR RETURN (%)  
 3 YEAR RETURN (%)  
 5 YEAR RETURN (%)  
 RETURN SINCE INCEPTION (%)  
 6 MONTH STANDARD DEVIATION (ANNUALISED %)  
 1 YEAR STANDARD DEVIATION (ANNUALISED %)  
 2 YEAR STANDARD DEVIATION (ANNUALISED %)  
 3 YEAR STANDARD DEVIATION (ANNUALISED %)  
 5 YEAR STANDARD DEVIATION (ANNUALISED %)  
 VOLATILITY SINCE INCEPTION (ANNUALISED %)  
 TOTAL ANNUAL CHARGE (%)\*  
 DEFAULT CUSTODY FEE (%)  
 INVESTMENT CHARGE (%)\*\*  
 ONGOING CHARGE FIGURE (OCF) (%)  
 HISTORIC YIELD (%)

## PIM In-House Active Solutions

PIM Strategic Multi-Option (Active)	Jun-09	4.48	10.66	4.93	11.42	28.55	49.05	156.41	5.19	7.55	6.26	6.15	6.07	6.99	1.38	0.30	0.36	0.72	2.50
PIM Strategic Conviction	Aug-15	3.84	10.49	4.25	10.82	27.23	N/A	36.81	5.51	7.66	6.47	6.30	N/A	6.02	1.14	0.30	0.36	0.48	2.78
PIM Strategic Guardian	May-16	4.26	10.11	4.47	8.79	23.91	N/A	26.16	5.20	7.76	5.98	5.74	N/A	5.66	1.30	0.30	0.36	0.64	2.00
PIM Strategic Active	Jun-08	4.04	9.93	3.96	10.49	28.19	45.32	92.80	4.96	7.47	6.11	5.93	5.83	8.22	1.40	0.30	0.36	0.74	2.56
PIM Strategic Ethical Active - Profile A	Mar-12	4.85	12.21	5.70	12.65	31.32	50.16	86.22	5.15	7.99	6.54	6.57	6.38	6.35	1.36	0.30	0.36	0.70	2.44
PIM Strategic Ethical Active - Profile B	Mar-12	4.88	12.16	5.62	12.53	31.47	49.20	90.97	5.39	8.17	6.66	6.63	6.43	6.47	1.36	0.30	0.36	0.70	2.60
PIM Strategic Ethical Active - Profile C	Mar-12	5.04	12.72	6.17	12.30	31.21	48.60	89.43	5.30	8.10	6.63	6.86	6.66	6.59	1.32	0.30	0.36	0.66	2.55
PIM Strategic Ethical Active - Profile D	Mar-12	4.96	12.46	5.94	12.11	31.18	48.81	90.75	5.26	8.03	6.64	6.88	6.71	6.64	1.33	0.30	0.36	0.67	2.51
PIM Tactical Active	Dec-08	5.24	11.55	5.77	14.01	31.47	52.47	175.21	5.94	8.17	6.65	6.35	6.34	7.82	1.39	0.30	0.36	0.73	2.07
PIM Tactical Ethical Active	Dec-08	5.56	13.76	5.62	13.18	32.80	49.08	164.82	6.04	9.30	7.34	7.10	6.95	8.42	1.36	0.30	0.36	0.70	2.34
PIM Tactical Income	Feb-14	2.97	8.85	3.75	6.90	21.56	35.23	41.81	5.54	6.68	5.61	5.64	5.70	5.55	1.35	0.30	0.36	0.69	4.52

## PIM In-House Passive Solutions

PIM Strategic Multi-Option (Passive)	Sep-09	2.95	10.50	3.52	10.25	25.33	42.38	127.08	6.64	8.08	6.85	6.57	6.57	6.97	0.44	0.30	0.00	0.14	3.13
PIM Tactical Passive	Aug-11	3.47	11.15	4.03	11.39	26.82	43.27	79.80	6.65	8.52	7.12	6.63	6.67	6.78	0.80	0.30	0.36	0.14	2.91

## Fund Manager Focus Solutions

PIM Strategic MO Value & Small Cap: UK Pure	Jan-13	2.20	7.83	1.78	5.97	19.62	30.38	46.51	6.13	6.81	5.78	5.54	5.54	5.70	0.69	0.30	0.00	0.39	1.86
PIM Strategic MO Value & Small Cap: UK Passive	Jan-13	2.63	9.53	3.03	8.00	22.20	38.31	56.59	6.36	7.17	6.07	6.00	6.11	6.13	0.55	0.30	0.00	0.25	2.40
PIM Strategic MO Value & Small Cap: Global Pure	Jan-13	2.79	7.91	2.57	6.05	19.68	34.94	51.22	6.58	7.96	6.24	5.85	6.18	6.13	0.72	0.30	0.00	0.42	1.34
PIM Strategic MO Value & Small Cap: Global Passive	Jan-13	3.39	9.46	4.10	8.24	22.11	41.08	59.66	6.34	7.88	6.25	5.88	6.43	6.27	0.56	0.30	0.00	0.26	1.86
Vanguard LifeStrategies	Apr-12	4.15	11.49	6.84	12.97	27.10	50.73	80.45	5.83	7.89	6.50	6.11	6.51	6.35	0.52	0.30	0.00	0.22	1.62
Risk Grade 5 Benchmark		2.70	9.28	4.00	9.68	22.30	38.59		5.68	6.65	5.79	5.68	5.73						
Risk Grade 6 Benchmark		3.08	10.48	4.22	10.86	25.80	43.54		6.59	7.82	6.75	6.50	6.53						
Risk Grade 7 Benchmark		3.07	10.53	4.12	11.40	27.95	45.39		7.14	8.35	7.16	6.81	6.84						

Where performance data is not available for a period of five years or more, this is quoted from inception date. Where there are no performance figures available N/A is shown.

\*Total Annual Charge is inclusive of the default Custody Fee, Investment Charge and Ongoing Charge Figure (OCF).

\*\*For reference the Investment Charge is the same as a Discretionary Fund Management Fee.

## Risk Grade

# 7

## Performance and Volatility up to 30 June 2019

The volatility of the Risk Grade 7 portfolio benchmark was 8.35% over the last 12 months, with volatility tolerance limits of 7.82% and 10.28%, as shown by the benchmarks for Risk Grades 6 and 8. The PIM Tactical Income portfolio experienced a lower volatility over 12 months owing to its higher exposure to Fixed Interest, a shorter duration bias and a higher exposure to Maximiser funds which have demonstrated lower volatility over the period. All other portfolios are within the tolerance limits for Risk Grade 7.

**Note.** Risk Grade commentaries are included to provide a summary of any portfolios that have experienced a volatility above or below the tolerance limit for that risk grade over the last 12 months. References will only be made to the data over other periods, where it is relevant to this analysis.

**Figure 16:** 12 Month Risk Grade 7 Benchmark Standard Deviation Tolerance Limits

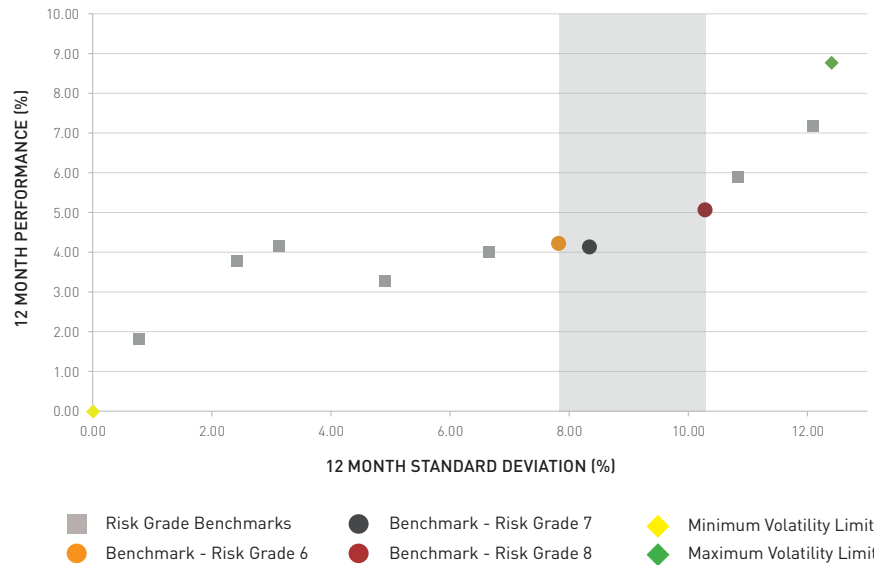
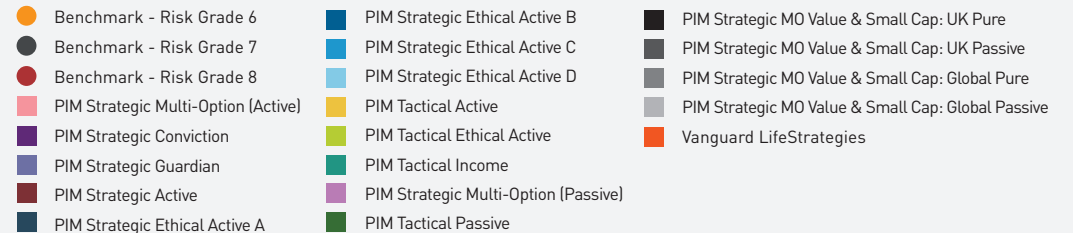
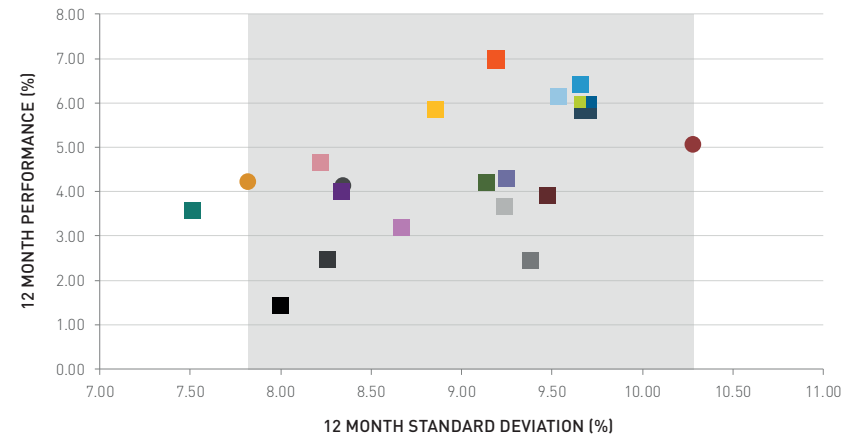


Figure 16 above shows the 12 month performance and standard deviation of the Risk Grade 7 benchmark relative to the benchmark volatility tolerance limits.

Figure 17 to the right shows the 12 month performance and standard deviation of each solution's Risk Grade 7 portfolio relative to the Risk Grade benchmark and benchmark volatility tolerance limits.

**Source of graphs:** FE Analytics 12 months 30/06/2018 - 30/06/2019. Excluding tax and charges. Bid to bid total return basis with income reinvested.

**Figure 17:** 12 Month Performance and Standard Deviation



# Investment Solution

	INCEPTION DATE	3 MONTH RETURN (%)	6 MONTH RETURN (%)	1 YEAR RETURN (%)	2 YEAR RETURN (%)	3 YEAR RETURN (%)	5 YEAR RETURN (%)	RETURN SINCE INCEPTION (%)	6 MONTH STANDARD DEVIATION (ANNUALISED %)	1 YEAR STANDARD DEVIATION (ANNUALISED %)	2 YEAR STANDARD DEVIATION (ANNUALISED %)	3 YEAR STANDARD DEVIATION (ANNUALISED %)	5 YEAR STANDARD DEVIATION (ANNUALISED %)	VOLATILITY SINCE INCEPTION (ANNUALISED %)	TOTAL ANNUAL CHARGE (%)**	DEFAULT CUSTODY FEE (%)	INVESTMENT CHARGE (%)**	ONGOING CHARGE FIGURE (OCF) (%)	HISTORIC YIELD (%)
<b>PIM In-House Active Solutions</b>																			
PIM Strategic Multi-Option (Active)	Jun-09	4.57	10.86	4.64	11.72	30.17	50.89	161.92	5.89	8.22	6.73	6.48	6.37	7.40	1.41	0.30	0.36	0.75	2.52
PIM Strategic Conviction	Aug-15	3.93	10.69	4.00	11.14	29.08	N/A	39.26	6.19	8.34	6.94	6.63	N/A	6.36	1.19	0.30	0.36	0.53	2.82
PIM Strategic Guardian	May-16	4.78	11.22	4.28	9.74	27.32	N/A	31.00	6.32	9.25	7.00	6.44	N/A	6.39	1.35	0.30	0.36	0.69	2.03
PIM Strategic Active	Jun-08	4.61	11.25	3.90	11.98	33.10	52.44	96.38	6.57	9.48	7.67	7.21	7.05	9.96	1.44	0.30	0.36	0.78	2.37
PIM Strategic Ethical Active - Profile A	Mar-12	5.46	13.65	5.93	14.01	35.51	55.99	96.68	6.23	9.68	7.85	7.59	7.38	7.35	1.41	0.30	0.36	0.75	2.16
PIM Strategic Ethical Active - Profile B	Mar-12	5.47	13.57	5.88	13.94	35.58	55.48	102.48	6.19	9.70	7.88	7.60	7.40	7.41	1.41	0.30	0.36	0.75	2.21
PIM Strategic Ethical Active - Profile C	Mar-12	5.64	14.13	6.41	13.73	35.34	54.89	100.57	6.19	9.66	7.85	7.80	7.60	7.53	1.37	0.30	0.36	0.71	2.20
PIM Strategic Ethical Active - Profile D	Mar-12	5.55	13.80	6.14	13.58	35.38	55.15	102.38	6.12	9.54	7.83	7.81	7.63	7.55	1.37	0.30	0.36	0.71	2.20
PIM Tactical Active	Dec-08	5.44	12.04	5.83	14.24	33.48	54.82	182.72	6.64	8.86	7.17	6.84	6.86	8.26	1.41	0.30	0.36	0.75	2.02
PIM Tactical Ethical Active	Dec-08	5.62	13.95	5.89	13.80	34.54	51.65	171.49	6.16	9.69	7.72	7.39	7.26	8.76	1.38	0.30	0.36	0.72	2.16
PIM Tactical Income	Feb-14	3.09	9.34	3.57	7.09	23.19	37.48	44.85	6.33	7.52	6.31	6.26	6.31	6.15	1.36	0.30	0.36	0.70	4.71
<b>PIM In-House Passive Solutions</b>																			
PIM Strategic Multi-Option (Passive)	Sep-09	2.92	10.46	3.18	10.52	27.35	43.86	130.40	7.26	8.67	7.30	6.90	6.90	7.47	0.48	0.30	0.00	0.18	3.26
PIM Tactical Passive	Aug-11	3.60	11.41	4.19	11.92	29.58	46.17	83.46	7.27	9.14	7.61	7.08	7.21	7.32	0.81	0.30	0.36	0.15	2.91
<b>Fund Manager Focus Solutions</b>																			
PIM Strategic MO Value & Small Cap: UK Pure	Jan-13	2.36	8.66	1.42	6.29	22.66	33.21	51.41	7.32	8.00	6.78	6.50	6.51	6.63	0.72	0.30	0.00	0.42	2.08
PIM Strategic MO Value & Small Cap: UK Passive	Jan-13	2.67	10.04	2.46	8.05	24.79	39.62	59.44	7.43	8.26	6.98	6.77	6.86	6.87	0.59	0.30	0.00	0.29	2.52
PIM Strategic MO Value & Small Cap: Global Pure	Jan-13	3.09	8.84	2.44	6.51	22.92	39.47	58.40	7.83	9.38	7.33	6.90	7.26	7.16	0.76	0.30	0.00	0.46	1.44
PIM Strategic MO Value & Small Cap: Global Passive	Jan-13	3.52	10.05	3.67	8.35	25.09	44.57	65.23	7.55	9.24	7.30	6.87	7.41	7.23	0.60	0.30	0.00	0.30	1.88
Vanguard LifeStrategies	Apr-12	4.49	12.52	6.98	14.07	30.95	56.67	87.55	6.81	9.19	7.51	6.97	7.07	6.75	0.52	0.30	0.00	0.22	1.71
Risk Grade 6 Benchmark		3.08	10.48	4.22	10.86	25.80	43.54	6.59		7.82	6.75	6.50	6.53						
Risk Grade 7 Benchmark		3.07	10.53	4.12	11.40	27.95	45.39	7.14		8.35	7.16	6.81	6.84						
Risk Grade 8 Benchmark		3.62	11.93	5.06	13.58	34.57	54.61	8.74		10.28	8.62	8.09	8.25						

Where performance data is not available for a period of five years or more, this is quoted from inception date. Where there are no performance figures available N/A is shown.

\*Total Annual Charge is inclusive of the default Custody Fee, Investment Charge and Ongoing Charge Figure (OCF).

\*\*For reference the Investment Charge is the same as a Discretionary Fund Management Fee.

## Risk Grade

# 8 Performance and Volatility up to 30 June 2019

The volatility of the Risk Grade 8 portfolio benchmark was 10.28% over the last 12 months, with volatility tolerance limits of 8.35% and 10.83%, as shown by the benchmarks for Risk Grades 7 and 9. PIM Strategic Active exhibited higher volatility over the period owing to its weighting to Global Alpha where funds selected target marginally higher than peer group volatility. All other portfolios are within the tolerance limits for Risk Grade 8.

**Note.** Risk Grade commentaries are included to provide a summary of any portfolios that have experienced a volatility above or below the tolerance limit for that risk grade over the last 12 months. References will only be made to the data over other periods, where it is relevant to this analysis.

**Figure 18:** 12 Month Risk Grade 8 Benchmark Standard Deviation Tolerance Limits

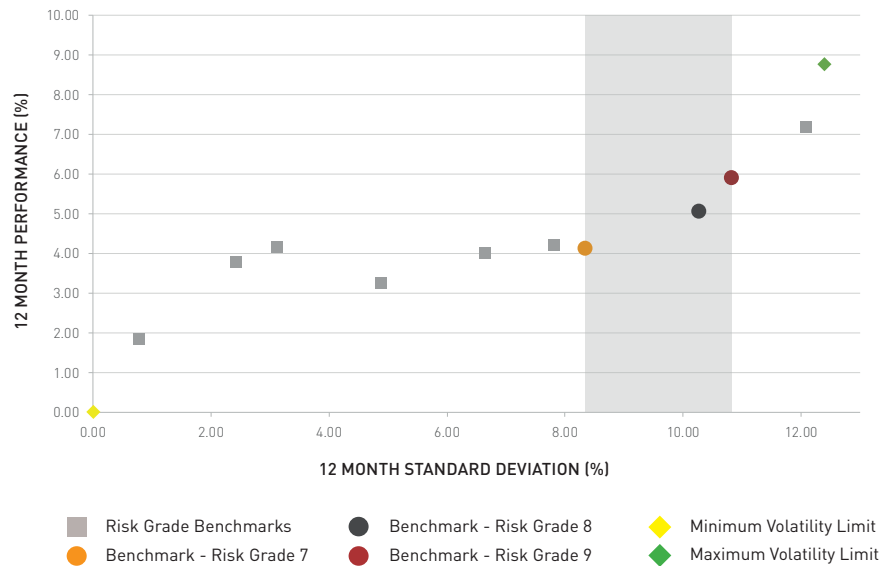
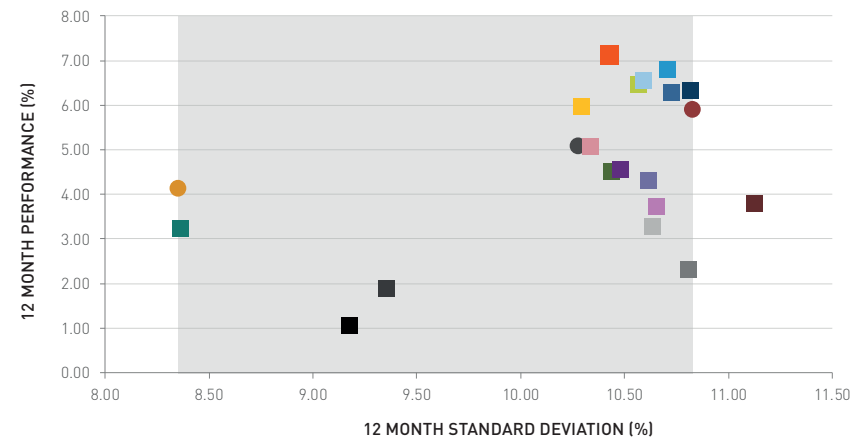


Figure 18 above shows the 12 month performance and standard deviation of the Risk Grade 8 benchmark relative to the benchmark volatility tolerance limits.

Figure 19 to the right shows the 12 month performance and standard deviation of each solution's Risk Grade 8 portfolio relative to the Risk Grade benchmark and benchmark volatility tolerance limits.

**Source of graphs:** FE Analytics 12 months 30/06/2018 - 30/06/2019. Excluding tax and charges. Bid to bid total return basis with income reinvested.

**Figure 19:** 12 Month Performance and Standard Deviation





# Investment Solution

	INCEPTION DATE	3 MONTH RETURN (%)	6 MONTH RETURN (%)	1 YEAR RETURN (%)	2 YEAR RETURN (%)	3 YEAR RETURN (%)	5 YEAR RETURN (%)	RETURN SINCE INCEPTION (%)	6 MONTH STANDARD DEVIATION (ANNUALISED %)	1 YEAR STANDARD DEVIATION (ANNUALISED %)	2 YEAR STANDARD DEVIATION (ANNUALISED %)	3 YEAR STANDARD DEVIATION (ANNUALISED %)	5 YEAR STANDARD DEVIATION (ANNUALISED %)	VOLATILITY SINCE INCEPTION (ANNUALISED %)	TOTAL ANNUAL CHARGE (%)**	DEFAULT CUSTODY FEE (%)	INVESTMENT CHARGE (%)**	ONGOING CHARGE FIGURE (OCF) (%)	HISTORIC YIELD (%)
<b>PIM In-House Active Solutions</b>																			
PIM Strategic Multi-Option (Active)	Jun-09	5.28	12.30	5.06	12.99	35.04	59.00	181.54	7.88	10.34	8.28	7.83	7.73	8.94	1.46	0.30	0.36	0.80	2.31
PIM Strategic Conviction	Aug-15	4.68	12.23	4.54	12.50	34.70	N/A	48.45	8.08	10.48	8.50	7.96	N/A	7.79	1.28	0.30	0.36	0.62	2.66
PIM Strategic Guardian	May-16	5.31	12.43	4.31	10.64	30.81	N/A	36.70	7.51	10.62	7.95	7.17	N/A	7.29	1.40	0.30	0.36	0.74	2.05
PIM Strategic Active	Jun-08	4.87	12.28	3.79	13.38	37.87	57.74	92.53	7.80	11.13	8.98	8.30	8.11	11.41	1.48	0.30	0.36	0.82	2.06
PIM Strategic Ethical Active - Profile A	Mar-12	5.87	14.60	6.31	15.15	38.62	61.07	99.34	6.87	10.82	8.76	8.34	8.11	8.16	1.45	0.30	0.36	0.79	1.90
PIM Strategic Ethical Active - Profile B	Mar-12	5.86	14.51	6.27	15.12	38.63	60.88	110.21	6.61	10.73	8.72	8.30	8.10	8.06	1.44	0.30	0.36	0.78	1.88
PIM Strategic Ethical Active - Profile C	Mar-12	6.04	15.07	6.79	14.93	38.41	60.28	108.21	6.67	10.71	8.70	8.48	8.28	8.24	1.41	0.30	0.36	0.75	1.89
PIM Strategic Ethical Active - Profile D	Mar-12	5.96	14.72	6.53	14.82	38.50	60.68	110.28	6.64	10.59	8.67	8.48	8.29	8.24	1.40	0.30	0.36	0.74	1.91
PIM Tactical Active	Dec-08	5.85	13.01	5.95	14.68	37.53	59.50	197.93	8.07	10.30	8.29	7.97	8.05	9.23	1.46	0.30	0.36	0.80	1.92
PIM Tactical Ethical Active	Dec-08	5.74	14.32	6.44	15.05	38.08	58.12	185.24	6.43	10.57	8.56	8.16	7.92	9.26	1.44	0.30	0.36	0.78	1.81
PIM Tactical Income	Feb-14	3.16	9.76	3.21	7.03	24.53	39.11	47.02	7.17	8.37	7.03	6.91	6.94	6.75	1.37	0.30	0.36	0.71	4.96
<b>PIM In-House Passive Solutions</b>																			
PIM Strategic Multi-Option (Passive)	Sep-09	3.44	11.59	3.70	12.09	33.68	51.97	146.95	9.03	10.66	8.78	8.19	8.31	9.15	0.50	0.30	0.00	0.20	3.24
PIM Tactical Passive	Aug-11	3.86	11.93	4.50	12.95	35.18	51.95	90.65	8.55	10.44	8.69	8.13	8.45	8.55	0.82	0.30	0.36	0.16	2.90
<b>Fund Manager Focus Solutions</b>																			
PIM Strategic MO Value & Small Cap: UK Pure	Jan-13	2.49	9.46	1.05	6.55	25.52	35.86	56.14	8.49	9.18	7.79	7.47	7.50	7.58	0.75	0.30	0.00	0.45	2.32
PIM Strategic MO Value & Small Cap: UK Passive	Jan-13	2.70	10.51	1.88	8.00	27.15	40.68	62.04	8.52	9.36	7.91	7.59	7.69	7.68	0.63	0.30	0.00	0.33	2.64
PIM Strategic MO Value & Small Cap: Global Pure	Jan-13	3.41	9.80	2.32	7.00	26.24	44.09	65.80	9.10	10.81	8.44	7.95	8.35	8.20	0.79	0.30	0.00	0.49	1.54
PIM Strategic MO Value & Small Cap: Global Passive	Jan-13	3.66	10.67	3.26	8.52	28.16	48.10	70.87	8.84	10.64	8.38	7.87	8.42	8.20	0.64	0.30	0.00	0.34	1.92
Vanguard LifeStrategies	Apr-12	4.81	13.48	7.12	15.11	34.73	61.26	99.77	7.77	10.43	8.47	7.81	8.11	7.96	0.52	0.30	0.00	0.22	1.80
Risk Grade 7 Benchmark		3.07	10.53	4.12	11.40	27.95	45.39	7.14		8.35	7.16	6.81	6.84						
Risk Grade 8 Benchmark		3.62	11.93	5.06	13.58	34.57	54.61	8.74		10.28	8.62	8.09	8.25						
Risk Grade 9 Benchmark		3.94	12.57	5.89	14.48	37.19	58.20	9.16		10.83	9.15	8.68	9.07						

Where performance data is not available for a period of five years or more, this is quoted from inception date. Where there are no performance figures available N/A is shown.

\*Total Annual Charge is inclusive of the default Custody Fee, Investment Charge and Ongoing Charge Figure (OCF).

\*\*For reference the Investment Charge is the same as a Discretionary Fund Management Fee.

# 9 ■ Performance and Volatility up to 30 June 2019

The volatility of the Risk Grade 9 portfolio benchmark was 10.83% over the last 12 months, with volatility tolerance limits of 10.28% and 12.09%, as shown by the benchmarks for Risk Grades 8 and 10. PIM Strategic Guardian exhibited marginally higher volatility of 1bp, which we consider to be immaterial and therefore of no concern, though we will continue to monitor. PIM Tactical Income delivered lower volatility due to its higher exposure to defensive assets such as Property and Maximiser funds. All other portfolios are within the tolerance limits for Risk Grade 9.

**Note.** Risk Grade commentaries are included to provide a summary of any portfolios that have experienced a volatility above or below the tolerance limit for that risk grade over the last 12 months. References will only be made to the data over other periods, where it is relevant to this analysis.

**Figure 20:** 12 Month Risk Grade 9 Benchmark Standard Deviation Tolerance Limits

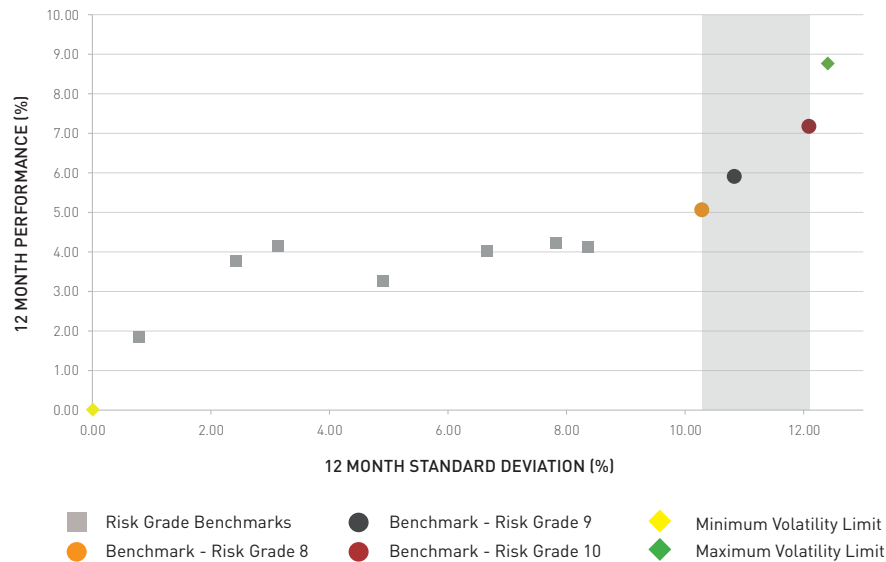
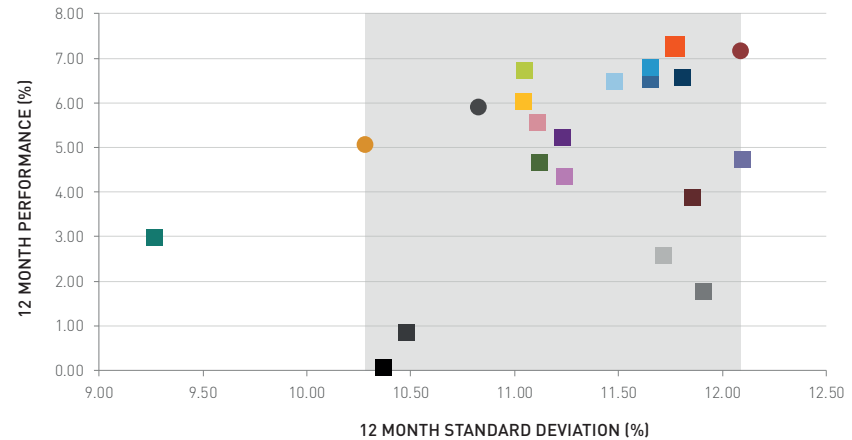


Figure 20 above shows the 12 month performance and standard deviation of the Risk Grade 9 benchmark relative to the benchmark volatility tolerance limits.

Figure 21 to the right shows the 12 month performance and standard deviation of each solution's Risk Grade 9 portfolio relative to the Risk Grade benchmark and benchmark volatility tolerance limits.

**Source of graphs:** FE Analytics 12 months 30/06/2018 - 30/06/2019. Excluding tax and charges. Bid to bid total return basis with income reinvested.

**Figure 21:** 12 Month Performance and Standard Deviation



- |                                       |  |  |
|---------------------------------------|--|--|
| ● Benchmark - Risk Grade 8            | ■ PIM Strategic Ethical Active B       | ■ PIM Strategic MO Value & Small Cap: UK Pure        |
| ● Benchmark - Risk Grade 9            | ■ PIM Strategic Ethical Active C       | ■ PIM Strategic MO Value & Small Cap: UK Passive     |
| ● Benchmark - Risk Grade 10           | ■ PIM Strategic Ethical Active D       | ■ PIM Strategic MO Value & Small Cap: Global Pure    |
| ■ PIM Strategic Multi-Option (Active) | ■ PIM Tactical Active                  | ■ PIM Strategic MO Value & Small Cap: Global Passive |
| ■ PIM Strategic Conviction            | ■ PIM Tactical Ethical Active          | ■ Vanguard LifeStrategies                            |
| ■ PIM Strategic Guardian              | ■ PIM Tactical Income                  |  |
| ■ PIM Strategic Active                | ■ PIM Strategic Multi-Option (Passive) |  |
| ■ PIM Strategic Ethical Active A      | ■ PIM Tactical Passive                 |  |

# Investment Solution

INCEPTION DATE  
 3 MONTH RETURN (%)  
 6 MONTH RETURN (%)  
 1 YEAR RETURN (%)  
 2 YEAR RETURN (%)  
 3 YEAR RETURN (%)  
 5 YEAR RETURN (%)  
 RETURN SINCE INCEPTION (%)  
 6 MONTH STANDARD DEVIATION (ANNUALISED %)  
 1 YEAR STANDARD DEVIATION (ANNUALISED %)  
 2 YEAR STANDARD DEVIATION (ANNUALISED %)  
 3 YEAR STANDARD DEVIATION (ANNUALISED %)  
 5 YEAR STANDARD DEVIATION (ANNUALISED %)  
 VOLATILITY SINCE INCEPTION (ANNUALISED %)  
 TOTAL ANNUAL CHARGE (%)\*\*  
 DEFAULT CUSTODY FEE (%)  
 INVESTMENT CHARGE (%)\*\*  
 ONGOING CHARGE FIGURE (OCF) (%)  
 HISTORIC YIELD (%)

## PIM In-House Active Solutions

PIM Strategic Multi-Option (Active)	Jun-09	5.68	13.27	5.54	13.48	37.10	61.12	183.83	8.73	11.11	8.88	8.51	8.53	9.73	1.48	0.30	0.36	0.82	2.10
PIM Strategic Conviction	Aug-15	5.16	13.23	5.21	13.07	37.10	N/A	53.74	8.85	11.23	9.09	8.59	N/A	8.56	1.31	0.30	0.36	0.65	2.43
PIM Strategic Guardian	May-16	5.82	13.66	4.73	12.02	34.05	N/A	40.61	8.88	12.10	9.01	8.01	N/A	8.14	1.45	0.30	0.36	0.79	2.08
PIM Strategic Active	Jun-08	5.03	13.03	3.85	13.77	39.97	58.84	90.43	8.30	11.86	9.59	8.87	8.71	12.21	1.49	0.30	0.36	0.83	1.90
PIM Strategic Ethical Active - Profile A	Mar-12	6.22	15.58	6.56	15.71	40.76	64.50	104.77	7.52	11.81	9.56	9.10	8.87	8.95	1.47	0.30	0.36	0.81	1.74
PIM Strategic Ethical Active - Profile B	Mar-12	6.21	15.47	6.52	15.70	40.75	64.48	118.21	7.15	11.66	9.47	9.04	8.83	8.80	1.46	0.30	0.36	0.80	1.68
PIM Strategic Ethical Active - Profile C	Mar-12	6.30	15.75	6.78	15.61	40.64	64.17	116.26	7.20	11.66	9.46	9.13	8.92	8.88	1.45	0.30	0.36	0.79	1.69
PIM Strategic Ethical Active - Profile D	Mar-12	6.22	15.34	6.48	15.51	40.77	64.49	118.43	7.11	11.48	9.40	9.11	8.92	8.87	1.43	0.30	0.36	0.77	1.73
PIM Tactical Active	Dec-08	6.05	13.50	6.01	14.89	39.57	61.82	205.62	8.80	11.05	8.89	8.59	8.69	9.75	1.48	0.30	0.36	0.82	1.87
PIM Tactical Ethical Active	Dec-08	5.80	14.51	6.71	15.67	39.87	59.48	191.98	6.58	11.05	9.01	8.61	8.49	9.99	1.47	0.30	0.36	0.81	1.64
PIM Tactical Income	Feb-14	3.32	10.27	2.97	7.11	26.29	41.25	49.71	8.01	9.27	7.77	7.61	7.62	7.41	1.39	0.30	0.36	0.73	5.19

## PIM In-House Passive Solutions

PIM Strategic Multi-Option (Passive)	Sep-09	3.76	12.08	4.35	12.73	36.28	54.89	146.86	9.59	11.24	9.30	8.77	9.11	10.00	0.48	0.30	0.00	0.18	3.06
PIM Tactical Passive	Aug-11	3.98	12.20	4.66	13.46	38.03	54.83	94.19	9.20	11.12	9.27	8.72	9.13	9.22	0.83	0.30	0.36	0.17	2.90

## Fund Manager Focus Solutions

PIM Strategic MO Value & Small Cap: UK Pure	Jan-13	2.63	9.90	0.05	6.22	27.54	36.17	59.79	9.75	10.37	8.65	8.16	8.06	8.13	0.77	0.30	0.00	0.47	2.42
PIM Strategic MO Value & Small Cap: UK Passive	Jan-13	2.78	10.76	0.82	7.54	28.96	40.34	64.78	9.68	10.48	8.71	8.20	8.13	8.14	0.65	0.30	0.00	0.35	2.69
PIM Strategic MO Value & Small Cap: Global Pure	Jan-13	3.62	10.08	1.76	6.76	28.45	45.49	68.88	10.23	11.91	9.27	8.72	9.06	8.89	0.83	0.30	0.00	0.53	1.54
PIM Strategic MO Value & Small Cap: Global Passive	Jan-13	3.78	10.78	2.56	8.14	30.30	48.95	73.01	9.95	11.72	9.20	8.63	9.10	8.85	0.67	0.30	0.00	0.37	1.89
Vanguard LifeStrategies	Apr-12	5.16	14.53	7.26	16.20	38.74	66.14	112.56	8.83	11.77	9.52	8.74	9.26	9.33	0.52	0.30	0.00	0.22	1.88
Risk Grade 8 Benchmark		3.62	11.93	5.06	13.58	34.57	54.61		8.74	10.28	8.62	8.09	8.25						
Risk Grade 9 Benchmark		3.94	12.57	5.89	14.48	37.19	58.20		9.16	10.83	9.15	8.68	9.07						
Risk Grade 10 Benchmark		4.56	14.07	7.16	15.98	41.53	64.78		10.07	12.09	10.24	9.81	10.49						

Where performance data is not available for a period of five years or more, this is quoted from inception date. Where there are no performance figures available N/A is shown.

\*Total Annual Charge is inclusive of the default Custody Fee, Investment Charge and Ongoing Charge Figure (OCF).

\*\*For reference the Investment Charge is the same as a Discretionary Fund Management Fee.

Risk Grade

# 10. Performance and Volatility up to 30 June 2019

The volatility of the Risk Grade 10 portfolio benchmark was 12.09% over the last 12 months, with volatility tolerance limits of 10.83% and 12.40%, as shown by the benchmarks for Risk Grade 9 and our maximum volatility limit. A number of portfolios exhibited a higher volatility owing to the exposure to foreign assets in these portfolios, in particular US, Europe, Asia and Emerging Market equities. The PIM Tactical Income portfolio experienced lower volatility owing to its mix of more defensive assets especially the Maximiser funds.

**Note.** Risk Grade commentaries are included to provide a summary of any portfolios that have experienced a volatility above or below the tolerance limit for that risk grade over the last 12 months. References will only be made to the data over other periods, where it is relevant to this analysis.

Figure 22: 12 Month Risk Grade 10 Benchmark Standard Deviation Tolerance Limits

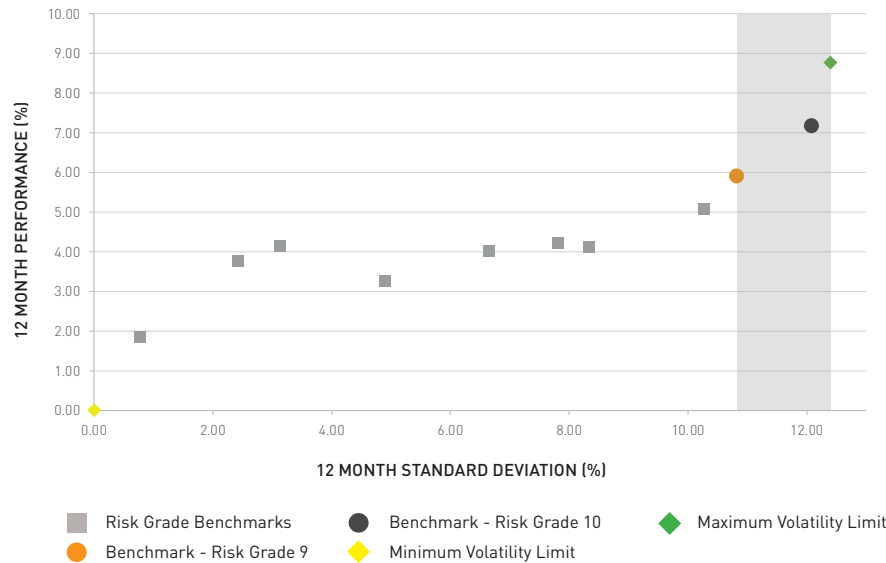
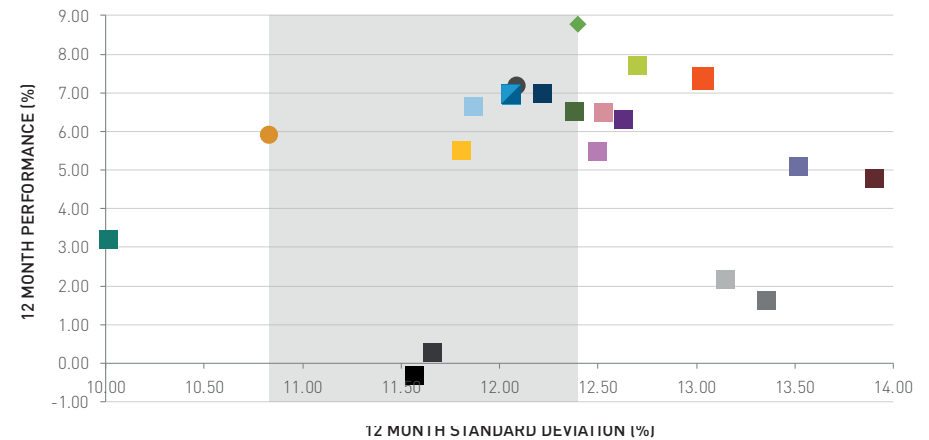


Figure 22 above shows the 12 month performance and standard deviation of the Risk Grade 10 benchmark relative to the benchmark volatility tolerance limits.

Figure 23 to the right shows the 12 month performance and standard deviation of each solution's Risk Grade 10 portfolio relative to the Risk Grade benchmark and benchmark volatility tolerance limits.

**Source of graphs:** FE Analytics 12 months 30/06/2018 - 30/06/2019. Excluding tax and charges. Bid to bid total return basis with income reinvested.

Figure 23: 12 Month Performance and Standard Deviation



● Benchmark - Risk Grade 9	■ PIM Strategic Ethical Active B	■ PIM Strategic MO Value & Small Cap: UK Pure
● Benchmark - Risk Grade 10	■ PIM Strategic Ethical Active C	■ PIM Strategic MO Value & Small Cap: UK Passive
◆ Maximum Volatility Limit	■ PIM Strategic Ethical Active D	■ PIM Strategic MO Value & Small Cap: Global Pure
■ PIM Strategic Multi-Option (Active)	■ PIM Tactical Active	■ PIM Strategic MO Value & Small Cap: Global Passive
■ PIM Strategic Conviction	■ PIM Tactical Ethical Active	■ Vanguard LifeStrategies
■ PIM Strategic Guardian	■ PIM Tactical Ethical Active C	
■ PIM Tactical Income	■ PIM Tactical Ethical Active D	
■ PIM Strategic Active	■ PIM Tactical Passive	
■ PIM Strategic Ethical Active A		

# Investment Solution

INCEPTION DATE  
 3 MONTH RETURN (%)  
 6 MONTH RETURN (%)  
 1 YEAR RETURN (%)  
 2 YEAR RETURN (%)  
 3 YEAR RETURN (%)  
 5 YEAR RETURN (%)  
 RETURN SINCE INCEPTION (%)  
 6 MONTH STANDARD DEVIATION (ANNUALISED %)  
 1 YEAR STANDARD DEVIATION (ANNUALISED %)  
 2 YEAR STANDARD DEVIATION (ANNUALISED %)  
 3 YEAR STANDARD DEVIATION (ANNUALISED %)  
 5 YEAR STANDARD DEVIATION (ANNUALISED %)  
 VOLATILITY SINCE INCEPTION (ANNUALISED %)  
 TOTAL ANNUAL CHARGE (%)\*\*  
 DEFAULT CUSTODY FEE (%)  
 INVESTMENT CHARGE (%)\*\*  
 ONGOING CHARGE FIGURE (OCF) (%)  
 HISTORIC YIELD (%)

## PIM In-House Active Solutions

PIM Strategic Multi-Option (Active)	Jun-09	6.42	14.99	6.47	14.50	40.64	66.20	194.06	10.09	12.53	10.04	9.72	9.91	11.11	1.51	0.30	0.36	0.85	1.77
PIM Strategic Conviction	Aug-15	5.97	15.02	6.29	14.15	41.02	N/A	62.19	10.10	12.63	10.22	9.75	N/A	9.93	1.34	0.30	0.36	0.68	2.09
PIM Strategic Guardian	May-16	6.33	14.92	5.07	12.91	37.59	N/A	45.81	10.17	13.52	10.09	9.01	N/A	9.21	1.50	0.30	0.36	0.84	2.08
PIM Strategic Active	Jun-08	5.62	15.10	4.76	16.55	47.30	68.12	84.92	9.73	13.91	11.23	10.38	10.36	14.37	1.51	0.30	0.36	0.85	1.07
PIM Strategic Ethical Active - Profile A	Mar-12	6.38	16.06	6.96	16.05	41.72	67.03	107.10	7.71	12.22	9.92	9.52	9.29	9.40	1.48	0.30	0.36	0.82	1.59
PIM Strategic Ethical Active - Profile B	Mar-12	6.37	15.93	6.92	16.04	41.70	67.00	123.05	7.32	12.06	9.82	9.45	9.25	9.21	1.48	0.30	0.36	0.82	1.53
PIM Strategic Ethical Active - Profile C	Mar-12	6.37	15.93	6.92	16.04	41.70	67.00	121.40	7.32	12.06	9.82	9.45	9.25	9.20	1.48	0.30	0.36	0.82	1.53
PIM Strategic Ethical Active - Profile D	Mar-12	6.28	15.51	6.62	15.96	41.85	67.31	123.64	7.21	11.87	9.75	9.42	9.23	9.19	1.45	0.30	0.36	0.79	1.58
PIM Tactical Active	Dec-08	5.81	13.90	5.48	15.19	42.01	62.17	205.94	8.94	11.81	9.51	9.02	9.10	10.12	1.50	0.30	0.36	0.84	1.63
PIM Tactical Ethical Active	Dec-08	6.79	16.82	7.70	17.91	44.40	67.71	193.82	7.91	12.70	10.10	9.41	9.26	10.75	1.48	0.30	0.36	0.82	1.39
PIM Tactical Income	Feb-14	3.58	11.11	3.19	6.93	27.22	42.18	50.91	8.78	10.02	8.35	8.28	8.27	8.04	1.38	0.30	0.36	0.72	5.34

## PIM In-House Passive Solutions

PIM Strategic Multi-Option (Passive)	Sep-09	4.39	13.38	5.46	13.94	40.56	60.57	153.21	10.65	12.50	10.37	9.87	10.50	11.47	0.43	0.30	0.00	0.13	2.79
PIM Tactical Passive	Aug-11	4.97	14.00	6.52	15.95	42.20	64.13	101.14	9.60	12.38	9.97	9.23	9.66	9.90	0.79	0.30	0.36	0.13	2.52

## Fund Manager Focus Solutions

PIM Strategic MO Value & Small Cap: UK Pure	Jan-13	2.78	10.74	-0.32	6.48	30.47	38.77	64.60	10.95	11.57	9.69	9.15	9.08	9.12	0.80	0.30	0.00	0.50	2.66
PIM Strategic MO Value & Small Cap: UK Passive	Jan-13	2.81	11.26	0.26	7.53	31.42	41.35	67.29	10.88	11.66	9.70	9.09	9.06	9.03	0.69	0.30	0.00	0.39	2.83
PIM Strategic MO Value & Small Cap: Global Pure	Jan-13	3.93	11.05	1.62	7.22	31.78	50.11	76.50	11.52	13.36	10.41	9.78	10.17	9.95	0.86	0.30	0.00	0.56	1.64
PIM Strategic MO Value & Small Cap: Global Passive	Jan-13	3.91	11.41	2.14	8.28	33.36	52.39	78.64	11.28	13.15	10.33	9.67	10.16	9.88	0.70	0.30	0.00	0.40	1.92
Vanguard LifeStrategies	Feb-16	5.49	15.52	7.39	17.23	42.69	N/A	64.17	9.83	13.04	10.52	9.62	N/A	9.80	0.52	0.30	0.00	0.22	1.95
Risk Grade 9 Benchmark		3.94	12.57	5.89	14.48	37.19	58.20		9.16	10.83	9.15	8.68	9.07						
Risk Grade 10 Benchmark		4.56	14.07	7.16	15.98	41.53	64.78		10.07	12.09	10.24	9.81	10.49						
Maximum Volatility Limit*		5.03	14.40	8.78	17.75	45.08	71.98		10.05	12.40	10.60	10.24	11.19						

Where performance data is not available for a period of five years or more, this is quoted from inception date. Where there are no performance figures available N/A is shown.

\*Total Annual Charge is inclusive of the default Custody Fee, Investment Charge and Ongoing Charge Figure (OCF).

\*\*For reference the Investment Charge is the same as a Discretionary Fund Management Fee.

# Solutions Index

## Investment Solution

RISK GRADES

ASSET ALLOCATION  
METHODOLOGY

### Investment Solutions

At Parmenion we provide an extensive range of investment solutions across varying Risk Grades and investment styles, here is a summary:

#### Active

Active funds are selected for their potential to outperform their sector with lower volatility. Active funds have higher charges as a result of the increased cost of the management process and associated research relative to Passive funds.

#### Tactical

Tactical asset allocation takes its lead from the fixed asset weightings of a strategic portfolio, but then allows the investment manager a degree of flexibility to vary those weightings within a risk-controlled framework. By moving among the various asset classes the investment manager looks to create an additional source of investment return by taking advantage of short term market inefficiencies which can help to manage investors' exposure to risk.

#### Passive

Passive funds are selected for their ability to track the asset benchmarks closely. As processes are largely technology driven, there is minimal human intervention and the associated cost is lower.

#### Strategic

Strategic portfolios define and fix the asset allocation weightings at the outset and are based on historical performance data. These are reviewed annually and are only changed when structural issues have been identified. Once the weightings of the portfolio are established, the emphasis is on maintaining the asset allocation through rebalancing to achieve performance over the long term.

#### PIM In-House Active Solutions

PIM Strategic Multi-Option	1-10	Strategic
PIM Strategic Conviction	1-10	Strategic
PIM Strategic Guardian	1-10	Strategic
PIM Strategic Active	1-10	Strategic
PIM Strategic Ethical Active (Profiles A-D)	1-10	Strategic
PIM Tactical Active	1-10	Tactical
PIM Tactical Ethical Active	1-10	Tactical
PIM Tactical Income	1-10	Tactical

#### PIM In-House Passive Solutions

PIM Strategic Passive	1-10	Strategic
PIM Tactical Passive	1-10	Tactical

#### Fund Manager Focus Solutions

PIM Strategic Multi-Option Value & Small Cap: UK Perspective (Pure & Passive)	1-10	Strategic
PIM Strategic Multi-Option Value & Small Cap: Global Perspective (Pure & Passive)	1-10	Strategic
Vanguard LifeStrategies	1-10	Strategic

ASSET WEIGHTINGS	INVESTMENT STYLE	INVESTMENT MANAGERS	OPEN TO	SOLUTION DESCRIPTION
PIM Efficient Frontier	Active and/or Passive	PIM	All Users	This solution uses seven asset groups and allows for active or passive fund selection.
PIM Efficient Frontier	Active and Passive	PIM	All users	This solution enables clients to divide their investment across various different asset classes. The amount invested into each asset class is dependent upon the clients' risk profile and, once agreed, is kept constant with periodic rebalancing. A strategic asset allocation will be followed and periodically reviewed by the Investment Manager. Only in exceptional or unusual market conditions will the Strategic asset weightings be re-defined, as appropriate. The split between active and passive funds will be determined by PIM using both quantitative and qualitative measures and may vary by asset class as deemed appropriate by the investment managers.
PIM Efficient Frontier	Active and/or Passive	PIM	All Users	This solution has been specifically designed to be used within a drawdown environment whether that be via pension drawdown or otherwise. Sixteen individual asset classes are blended to provide 10 Risk Graded portfolio's that are dual optimised to provide both capital growth and a stable yield. The solution uses predominately active fund managers however some passive funds are also utilised with certain asset classes.
PIM Efficient Frontier	Active	PIM	All Users	This solution is based on a pure strategic asset allocation and active fund selection using six asset groups, including specialist equity.
PIM Efficient Frontier	Active	PIM	All users	This solution combines various styles of ethical investing with strategic asset allocations and an active fund selection. All funds are screened for positive and negative ethical criteria and monitored on an on-going basis by the Ethical Oversight Committee.
PIM Efficient Frontier with changes according to market conditions	Active	PIM	All Users	This solution is based on PIM's tactical asset allocation and active fund selection, investment philosophy and process.
PIM Efficient Frontier with changes according to market conditions	Active	PIM	All Users	This solution is based on PIM's tactical asset allocation and active fund selection, investment philosophy and process. Funds are selected from the EIRIS universe which are deemed to be broadly ethical in nature.
PIM Asset Allocation Committee	Active and/or Passive	PIM	All Users	This investment solution enables clients to invest in a range of carefully constructed Tactical portfolios, according to the client's requirement for yield, total return and capacity for loss. The amount invested into each portfolio is dependent upon the clients' risk profile and, once agreed, is kept constant with periodic rebalancing. The investment managers have and will use a degree of flexibility to vary these weightings within a risk controlled framework, to maintain the portfolios targeted yield, maximise total return and minimise losses in response to changing market conditions.
PIM Efficient Frontier	Passive	PIM	All Users	This solution is the standalone passive offering that is used in the PIM Strategic Multi-option solution.
PIM Efficient Frontier with changes according to market conditions	Passive	PIM	All Users	This solution is based on PIM's tactical asset allocation and a passive fund selection, investment philosophy and process.
PIM Efficient Frontier	Factor Driven and/or Passive	PIM	Approved Users	The PIM Strategic Multi Option Value & Small Cap: UK Perspective solution enables clients to allocate monies across multiple asset classes within a risk graded framework that has a bias to domestic assets. There is a Multi-Option functionality that provides the client with additional flexibility to accommodate pure exposure to Dimensional, passive and (where appropriate) active funds within each asset class, and to vary the value and small cap tilt as appropriate.
PIM Efficient Frontier	Factor Driven and/or Passive	PIM	Approved Users	The PIM Strategic Multi Option Value & Small Cap: Global Perspective solution enables clients to allocate monies across multiple asset classes within a risk graded framework that has an asset allocation in line with its global market capitalisation. There is a Multi-Option functionality that provides the client with additional flexibility to accommodate pure exposure to Dimensional, passive and (where appropriate) active funds within each asset class, and to vary the value and small cap tilt as appropriate.
Vanguard	Passive	PIM	All Users	This solution invests solely into Vanguard LifeStrategy funds.

# Full Breakdown of Risk Grade Benchmarks

ASSET CLASS	INDICES	PERCENTAGE (%)	RISK GRADE 1	RISK GRADE 2	RISK GRADE 3	RISK GRADE 4
<b>Managed liquidity</b>	UK Treasury Bill Tender 3 Month		80.00%	25.00%	15.00%	15.00%
<b>Fixed interest</b>			20.00%	55.00%	55.00%	35.00%
UK Corporate bonds	IBOXX Sterling Corporates All Maturities	30.00%	6.00%	16.50%	16.50%	10.50%
UK Government bonds	FTSE Actuaries UK Conventional Gilts All Stocks	20.00%	4.00%	11.00%	11.00%	7.00%
UK Index Linked Government bonds	FTSE Actuaries UK Index Linked All Stocks	10.00%	2.00%	5.50%	5.50%	3.50%
Global Corporate & Government bonds	Barclays Global Aggregate GBP (Hedged)	40.00%	8.00%	22.00%	22.00%	14.00%
<b>Property</b>	PIM Property Index		0.00%	10.00%	10.00%	10.00%
<b>UK equity</b>	FTSE All Share		0.00%	5.00%	5.00%	10.00%
<b>UK equity income</b>	FTSE UK Equity Income		0.00%	5.00%	10.00%	20.00%
<b>Developed ex-UK equity</b>	FTSE Developed Ex-UK		0.00%	0.00%	5.00%	10.00%
<b>Emerging markets equity</b>	FTSE Emerging		0.00%	0.00%	0.00%	0.00%
<b>Defensive assets %</b>	Managed liquidity, fixed interest and property		100.00%	90.00%	80.00%	60.00%
<b>Growth assets %</b>	UK, developed and emerging markets equity		0.00%	10.00%	20.00%	40.00%

\*Risk Grade 11, is used to define Parmenion's maximum volatility limit for a Risk Grade 10 portfolio.



<i>RISK GRADE 5</i>	<i>RISK GRADE 6</i>	<i>RISK GRADE 7</i>	<i>RISK GRADE 8</i>	<i>RISK GRADE 9</i>	<i>RISK GRADE 10</i>	<i>RISK GRADE 11*</i>
5.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30.00%	25.00%	15.00%	0.00%	0.00%	0.00%	0.00%
9.00%	7.50%	4.50%	0.00%	0.00%	0.00%	0.00%
6.00%	5.00%	3.00%	0.00%	0.00%	0.00%	0.00%
3.00%	2.50%	1.50%	0.00%	0.00%	0.00%	0.00%
12.00%	10.00%	6.00%	0.00%	0.00%	0.00%	0.00%
10.00%	10.00%	15.00%	15.00%	10.00%	0.00%	0.00%
15.00%	20.00%	20.00%	15.00%	15.00%	15.00%	10.00%
20.00%	20.00%	20.00%	20.00%	15.00%	10.00%	0.00%
20.00%	25.00%	25.00%	35.00%	35.00%	40.00%	45.00%
0.00%	0.00%	5.00%	15.00%	25.00%	35.00%	45.00%
45.00%	35.00%	30.00%	15.00%	10.00%	0.00%	0.00%
55.00%	65.00%	70.00%	85.00%	90.00%	100.00%	100.00%

# Notes

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