

# Quarterly Investment Review

Q3 / 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 September 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 Quarterly Investment Review 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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# Parmenion Investment Management

Parmenion Investment Management (PIM) is a leading provider of discretionary management services to Financial Advisers. Renowned for its investment expertise, service excellence and unique risk management framework, PIM provides Advisers with an extensive range of market-leading investment solutions to assist in creating customised offerings to best meet the specific requirements of their individual clients.

Our aim is to be the investment manager of choice for Financial Advisers looking to profitably grow their business. We pledge to undertake the investment research, fund selection and monitoring, allowing you to focus more closely on ensuring the on-going suitability of the selected investment solution to best align with the risk mandate agreed between you and your clients. This ensures that the client and Adviser can have complete confidence in their investments and their risk-adjusted returns regardless of market conditions, strategy or investment style, whilst also providing Advisers with greater opportunity to expand new business prospects.

The enhanced client and Adviser confidence stems from the unique approach PIM takes towards investing. With a firm belief that risk and return are inextricably linked, our focus at all times is on managing the expectations of clients and Financial Advisers in relation to their investment outcomes – a fundamental premise being that long term returns are likely to be commensurate with the level of risk taken.

In contrast, many Investment Managers focus on benchmark investment performance, which we believe only leads to disappointment. Instead, we place the emphasis on managing risk so that clients understand the inherent volatilities they are taking with their investments and consequently the range of outcomes they can expect.

We believe the management of risk within an investment portfolio is critical. To assist in this process Modern Portfolio Theory (MPT) is used to substantiate and underpin our investment solutions with the objective of reducing overall risk whilst maximising returns for any given level of risk taken. This is done by varying the exposure to risky and defensive asset classes and back testing using 20 years of historical data to help determine an optimised weighting to each asset class for any given level of risk. PIM then overlays this with our experience and a variety of techniques, including stress testing, that takes into account a range of potential scenarios to ensure that each and every portfolio is suitably protected and diversified.

The comprehensive PIM investment range encompasses a Strategic Multi-Option solution, with a mix of Active and Passive options, plus Tactical, Income, de-accumulation and Ethical solutions. Each of the PIM solutions are built using asset classes (Equities, Fixed Interest and Property) that are optimally combined to match the risk tolerance of each client.

PIM undertakes rigorous research for each fund included in its portfolios. The objective is to select funds that will provide favourable risk adjusted returns over the long term. The research of these funds is divided into two stages: qualitative and quantitative. The qualitative element involves meeting with the fund manager to understand their investment philosophy, process and methodology and how they have generated the favourable risk-adjusted performance that PIM has identified. The quantitative analysis measures raw data including the risk/return performance of the fund and the downside risk management and skill of the fund manager.

# Market Commentary



**Simon Brett**  
Chief Investment Strategist  
Parmenion Investment Management

What is the normal rate of interest? The past quarter has seen both the United States and Europe lower interest rates in fear of future slower growth. The much talked about Quantitative Tightening leading back to higher 'normal interest rates' appears to have stalled for the time being. The immediate outlook suggests that higher rates are some way off for the reasons we discuss below.

For the first time in a decade since the 2008 financial crisis the US Federal Reserve lowered interest rates twice in the space of three months. Although the US is enjoying the lowest unemployment rate since the 1960s, and the Fed did state the outlook for the economy remains favourable, it was cautious about future growth prospects given the continuing US-China trade war. Any increases in tariffs will have a bigger effect on the economy and will likely hit corporate sentiment, lowering investment spending which will lead to job cuts and in turn may eventually lower consumption and the service sector. Whether the above scenario comes to pass, and hits Trump's chances of re-election remains to be seen. Remember 'it's the economy, stupid' and at the moment the US economy appears fine.

In his final weeks as ECB President, Mario Draghi restarted its QE programme with the buying of bonds and lowering of interest rates for banks to a more negative -0.5% from -0.4%, in effect encouraging banks to lend money. The region is still suffering from sluggish growth and low inflation, (its target is 2%) and this is not helped by US-China trade spats and uncertainty over BREXIT. This demonstrates that trade is becoming a global problem. Germany, whose manufacturing sector is probably now in recession, is in the firing line. It is an exporting nation and a reduction in world trade hurts (see chart below). Another downside is the decrease in business investment which may be a warning sign that a recession is coming. Will the ECB policy work? Doubts have been expressed given that the described global events are outside the control of the ECB and therefore its monetary policy moves may have limited effect.

Perhaps in realisation of this, Draghi also hinted that the limits of monetary policy may be being reached and called for a fiscal stimulus i.e. governments start to spend on infrastructure and the like, which should also raise productivity. The likes of Germany in particular,

the Netherlands, and Sweden have budget surpluses. Such spending may offset a fall in demand in a world of slowing growth.

As the collective nervous breakdown of UK politics continues, the next month will be interesting. Will the UK leave the EU without a deal at the end of the month? As it stands this appears to be against the law with the Benn Act mandating a deal must be in place before leaving. Will there soon be an election and what of its result? It appears that the incumbent Conservative government has announced an end to austerity and will up spending on popular themes such as healthcare, the police and education. Surely this hints of an election manifesto?

Leaving behind the parochial nature of UK politics, the bigger questions remain; are we approaching the end of this record breaking economic cycle? Will the recent interest rate cuts avoid a slowdown? Or should investors just get used to a low growth, low inflation economy? Perhaps the best indicator to examine is global export trade volume, which is a good proxy for world trade. A persistent slowdown may indicate the end of this expansion.

## German Ifo Business Climate Index



SOURCE: TRADINGECONOMICS.COM | IFO INSTITUTE

# Featured Article

## Are we heading for another currency war?



**Meera Hearnden**  
Senior Investment Manager  
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Currency markets are such an important part of global trade. A strength or weakness of a major currency can have a significant impact on the well-being of many economies. Over time, politicians have used policy measures (rightly or wrongly) to strengthen or weaken their currency to their advantage, and therein lies the problem of potential currency disputes.

When a currency is devalued, it makes the exports of a nation more competitive, thereby boosting economic growth, and vice versa. In recent years, we have seen major currencies weakening. The deliberate act of doing this is referred to as a currency war.

Currency wars have simmered for years as countries have looked at ways of coming out of a recession to improve growth. One example goes back to the 1930s Great Depression when economic hardship was rife and the US dollar saw a significant devaluation during a time of the gold standard. What followed was the Bretton Woods system where currencies were fixed to the dollar. That system also collapsed and led to the devaluation of several currencies and ultimately the dollar.

The most recent example of a brewing currency war is between the US and China where trade tensions are rife. It is widely known that US President, Donald Trump, has long accused China of unfair trading practices. This has led to the imposition of tariffs on imports of Chinese goods into the US. China has retaliated by imposing its own tariffs on American goods.

The US believes China has deliberately kept its currency weak in order to improve its own growth, and from there the trade wars have intensified. It is argued that China's central bank has allowed the yuan to weaken further as shown on the chart below. The chart plots the yuan relative to the US dollar over the last five years. It is clear the yuan has weakened over that time but the degree of weakness this year has steepened so it's no wonder that the US feel there are unfair trading practices going on.

That said, China's central bank has historically intervened in foreign exchange markets to slow any rapid appreciation of the yuan relative to the dollar. Similarly, it has intervened to stop its currency becoming too weak as it leads to a flight of capital out of the country. Whether it is right or wrong, its use of currency intervention is nothing new.

Despite this, the Americans are convinced the stronger dollar has been one of the reasons for their weakening economy. It has negatively impacted business confidence, and this is now filtering down to weaker consumer confidence. This is one of the reasons why the Fed has cut interest rates twice this year, with potentially more to come.

The reality is the dollar plays a huge part in financial markets, and other countries see it as a 'safe haven' currency in times of uncertainty. Therefore, any attempt to devalue the dollar and cause a currency war, could actually have the opposite effect and strengthen its currency even more as the demand for it as a reserve currency remains high during uncertain times. If the dollar strength continues, the worry is that the US may turn to Europe as its next opponent in the fight against weak currencies. Under the Trump administration, we cannot rule anything out.



# M PIM Strategic Multi-Option Active and Passive Portfolios

The Multi-Option offering is built around seven asset classes; Managed Liquidity, Fixed Interest, Property, UK Value and Income, UK Growth, Developed Markets and Emerging Markets. An investor in the Multi-Option offering assumes that the risk and return relationships between the various asset classes are stable over the long term. Thus, the asset allocations for the ten Risk Graded portfolios will not change frequently. The Multi-Option offering allows a choice of either Active or Passive investment for each asset class.

The PIM Strategic Passive solution, is identical in structure to the PIM Strategic Multi-Option Passive solution and as such is excluded from the QIR. Strategic Multi-Option gives Advisers the flexibility to choose between Active or Passive for each asset class, whilst PIM Strategic Passive has a passive fund selection across all available asset classes. Whilst the DFM fee differs slightly for PIM Strategic Multi-Option (proportional to the Active exposure) this would not affect the performance figures as they are gross of fees from Parmenion or the Adviser.

## PIM Strategic Multi-Option - Asset Allocation Table

	MANAGED LIQUIDITY	FIXED INTEREST	PROPERTY	UK VALUE AND INCOME	UK GROWTH	DEVELOPED MARKETS	EMERGING MARKETS	TOTAL
<b>Risk Grade</b>								
1	80%	20%	0%	0%	0%	0%	0%	100%
2	25%	55%	10%	5%	5%	0%	0%	100%
3	15%	55%	10%	10%	5%	5%	0%	100%
4	15%	35%	10%	20%	10%	10%	0%	100%
5	5%	30%	10%	20%	15%	20%	0%	100%
6	0%	25%	10%	20%	20%	25%	0%	100%
7	0%	15%	15%	20%	20%	25%	5%	100%
8	0%	0%	15%	20%	15%	35%	15%	100%
9	0%	0%	10%	15%	15%	35%	25%	100%
10	0%	0%	0%	10%	15%	40%	35%	100%

Active portfolios are rebalanced to their asset allocation on a quarterly basis.  
Passive portfolios are rebalanced to their asset allocation on a half yearly basis.

## Net Ongoing Charge Figure (OCF) and Historic Yield

The fund OCF and historic yield for each asset class are shown below. The data included will vary from month to month, depending on the fund selection of the investment manager and the expenses of the underlying funds themselves. These figures are therefore only included for the purposes of transparency.

### PIM Strategic Multi-Option Active

	MANAGED LIQUIDITY	FIXED INTEREST	PROPERTY	UK VALUE AND INCOME	UK GROWTH	DEVELOPED MARKETS	EMERGING MARKETS
Fund OCF	0.08%	0.50%	0.71%	0.83%	0.75%	0.79%	0.99%
Historic Yield	0.78%	2.48%	3.49%	4.01%	2.20%	1.00%	1.97%

Fund OCF and historic yield data is correct as at 02 October 2019.

### PIM Strategic Multi-Option Passive

	MANAGED LIQUIDITY	FIXED INTEREST	PROPERTY	UK VALUE AND INCOME	UK GROWTH	DEVELOPED MARKETS	EMERGING MARKETS
Fund OCF	0.08%	0.08%	0.71%	0.12%	0.05%	0.08%	0.22%
Historic Yield	0.78%	1.80%	3.49%	5.25%	3.93%	1.96%	2.55%

Fund OCF and historic yield data is correct as at 02 October 2019.



## Portfolio Holdings as of 30 September 2019

The current portfolio holdings for PIM Strategic Multi-Option are shown in the tables below, as at 30 September 2019. Please refer to page 57 for details on fund changes over the period. If you have any further queries, please refer to your relationship manager.

### PIM Strategic Multi-Option Active

MANAGED LIQUIDITY	FIXED INTEREST	PROPERTY	UK VALUE AND INCOME	UK GROWTH	DEVELOPED MARKETS	EMERGING MARKETS
Federated Short-Term Sterling Prime	Allianz Gilt Yield	Threadneedle UK Property Authorised Trust Feeder	Trojan Income	LF Lindsell Train UK Equity	Dodge & Cox US Stock	GS Emerging Markets Equity Portfolio
Aberdeen Standard Liquidity Sterling	M&G Index Linked Bond	L&G UK Property Feeder	Threadneedle UK Equity Income	Liontrust Special Situations	Vontobel US Equity	Schroder Global Emerging Markets
	Fidelity Moneybuilder Income	Standard Life Investments UK Real Estate Income Feeder	Evenlode Income	Jupiter UK Special Situations	Pioneer US Fundamental Growth	Artemis Global Emerging Markets
	BlackRock Corporate Bond		LF Miton UK Multi Cap Income	Investec UK Alpha	LF Miton US Opportunities	JPM Emerging Markets Small Cap
	Muzinich Global Tactical Credit				Fidelity European	
	PIMCO GIS Global Bond				Schroder European	
	Jupiter Strategic Bond				FP CRUX European Special Situations	
	Royal London Sterling Credit				LF Morant Wright Nippon Yield	
					Schroder Tokyo	
					Veritas Asian	
					Schroder Asian Income	

### PIM Strategic Multi-Option Passive

MANAGED LIQUIDITY	FIXED INTEREST	PROPERTY	UK VALUE AND INCOME	UK GROWTH	DEVELOPED MARKETS	EMERGING MARKETS
Federated Short-Term Sterling Prime	Vanguard UK Government Bond Index	Threadneedle UK Property Authorised Trust Feeder	Vanguard FTSE UK Equity Income Index	Vanguard FTSE UK All Share Index	Vanguard US Equity Index	Vanguard Emerging Markets Stock Index
Aberdeen Standard Liquidity Sterling	L&G All Stocks Index Linked Gilt Index	L&G UK Property Feeder			Fidelity Index US	
	Vanguard UK Investment Grade Bond Index	Standard Life Investments UK Real Estate Income Feeder			Vanguard FTSE Developed Europe ex UK Equity Index	
	Vanguard Global Bond Index GBP Hedged				L&G Japan Index	
					L&G Pacific Index	

\*Switch was made on 1st October 2018

### PIM Strategic Multi-Option Active - Portfolio Returns to period end 30 September 2019

All portfolios continue to perform in line with their relative risk over 2, 3 and 5 years, with the only exception being Risk Grade 7 over 2 years. Shorter time periods are more distorted, primarily driven by the strong performance of Fixed Interest relative to both UK Property and UK Equities, and the relative underperformance of Emerging Markets versus Developed Markets over 3 & 6 months.

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	5 YEAR RETURN
<b>Active</b>						
1	0.87%	1.50%	2.63%	2.99%	3.27%	7.44%
2	2.25%	4.19%	6.23%	7.76%	10.14%	22.85%
3	2.51%	5.04%	6.71%	9.19%	12.83%	28.81%
4	2.30%	5.46%	5.72%	9.88%	16.01%	34.35%
5	2.55%	6.61%	6.05%	12.23%	20.59%	44.58%
6	2.63%	7.23%	6.10%	13.55%	23.40%	50.76%
7	2.30%	6.98%	5.49%	13.13%	24.53%	52.06%
8	2.03%	7.42%	5.22%	13.60%	28.06%	59.46%
9	1.93%	7.72%	5.96%	13.49%	28.98%	61.62%
10	1.99%	8.54%	7.07%	14.17%	31.03%	67.02%

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

### PIM Strategic Multi-Option Passive - Portfolio Returns to period end 30 September 2019

All portfolios continue to perform in line with their relative risk over 2, 3 and 5 years, with the only exception being Risk Grade 7 over 2 years. Shorter time periods are more distorted, primarily driven by the strong performance of Fixed Interest relative to UK Property, UK Equities and Emerging Market Equities.

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	5 YEAR RETURN
<b>Passive</b>						
1	0.95%	1.53%	2.80%	3.20%	3.04%	7.76%
2	2.38%	3.84%	6.37%	7.81%	8.78%	22.26%
3	2.59%	4.41%	6.68%	9.02%	11.24%	27.46%
4	2.14%	4.10%	5.00%	8.71%	13.73%	30.13%
5	2.36%	5.01%	5.16%	10.69%	18.26%	39.05%
6	2.41%	5.42%	5.03%	11.62%	20.90%	43.93%
7	1.96%	4.94%	4.07%	11.05%	22.07%	44.78%
8	1.56%	5.06%	3.34%	11.64%	26.29%	52.15%
9	1.38%	5.20%	3.73%	11.71%	27.46%	54.71%
10	1.38%	5.84%	4.50%	12.57%	29.92%	60.35%

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

**PIM Strategic Multi-Option - Asset Class Returns to period end 30 September 2019**

The PIM Strategic Multi-Option Risk Graded portfolios are built through a weighted exposure to seven underlying asset classes. For transparency purposes the returns of each asset class are given below. These returns should not be considered in isolation as the asset class risk and return characteristics are taken into account within the construction of each risk graded portfolio.

**PIM Strategic Multi-Option Active**

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	5 YEAR RETURN
Managed Liquidity	0.18%	0.37%	0.75%	1.21%	1.46%	2.79%
Fixed Interest	3.57%	6.03%	10.31%	10.26%	10.52%	27.51%
Property	0.19%	0.36%	-0.97%	5.87%	15.46%	24.19%
UK Value and Income	2.27%	6.96%	4.43%	8.63%	19.95%	40.24%
UK Growth	2.02%	7.95%	5.61%	15.60%	29.23%	59.05%
Developed Markets	3.43%	10.84%	6.24%	21.96%	37.90%	90.84%
Emerging Markets	0.26%	6.61%	9.26%	5.92%	25.96%	50.62%

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

**PIM Strategic Multi-Option Passive**

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	5 YEAR RETURN
Managed Liquidity	0.18%	0.37%	0.75%	1.21%	1.46%	2.79%
Fixed Interest	3.98%	6.17%	11.22%	11.38%	9.24%	29.32%
Property	0.19%	0.36%	-0.97%	5.87%	15.46%	24.19%
UK Value and Income	0.97%	1.73%	0.69%	3.99%	12.50%	24.21%
UK Growth	1.27%	4.54%	2.60%	8.94%	21.83%	38.88%
Developed Markets	3.69%	10.30%	6.48%	22.16%	41.44%	91.33%
Emerging Markets	-1.14%	2.48%	3.96%	5.54%	24.84%	46.59%

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

# C PIM Strategic Conviction Portfolios

PIM Strategic Conviction was launched in August 2015. The solution combines both active and passive funds within each asset class in order to achieve attractive long term risk adjusted returns, a unique feature within the PIM investment solutions. By combining both types of fund, the PIM Conviction Solution overcomes the difficulty of choosing one approach over the other. PIM uses its experience to decide the split between active/passive by examining monthly a range of quantitative and qualitative factors. Thus the split between active and passive in each asset class is likely to vary over time depending on PIM's analysis and interpretation of market conditions. The current allocations can be seen on page 13.

The PIM Strategic Conviction solution is built around seven broad asset classes; Managed Liquidity, Fixed Interest, Property, UK Value and Income, UK Growth, Developed Markets and Emerging Markets. Fixed Interest is then split into four sub asset classes: UK Gilts, Index Linked Gilts, Corporate Bonds and Strategic Bonds. Developed Markets is also split into four sub asset classes; European Equity, US Equity, Japanese Equity and Asia Pacific ex Japan Equity. An investor in the PIM Strategic Conviction assumes that the risk and return relationships between the various asset classes are stable over the long term. Thus, the asset allocations for the ten Risk Graded portfolios will not change frequently.

## PIM Strategic Conviction Portfolios - Asset Allocation Table

Asset Group	1	2	3	4	5	6	7	8	9	10
Managed Liquidity	80.00%	25.00%	15.00%	15.00%	5.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Gilts	4.00%	11.00%	11.00%	7.00%	6.00%	5.00%	3.00%	0.00%	0.00%	0.00%
Index Linked Gilts	2.00%	5.50%	5.50%	3.50%	3.00%	2.50%	1.50%	0.00%	0.00%	0.00%
Corporate Bonds	6.00%	16.50%	16.50%	10.50%	9.00%	7.50%	4.50%	0.00%	0.00%	0.00%
Global Bonds	8.00%	22.00%	22.00%	14.00%	12.00%	10.00%	6.00%	0.00%	0.00%	0.00%
Property	0.00%	10.00%	10.00%	10.00%	10.00%	10.00%	15.00%	15.00%	10.00%	0.00%
UK Equity Income	0.00%	5.00%	10.00%	20.00%	20.00%	20.00%	20.00%	20.00%	15.00%	10.00%
UK Equity Growth	0.00%	5.00%	5.00%	10.00%	15.00%	20.00%	20.00%	15.00%	15.00%	15.00%
European Equity	0.00%	0.00%	1.00%	2.00%	4.00%	5.00%	5.00%	7.00%	7.00%	8.00%
US Equity	0.00%	0.00%	3.00%	6.00%	12.00%	15.00%	15.00%	21.00%	21.00%	24.00%
Japanese Equity	0.00%	0.00%	0.50%	1.00%	2.00%	2.50%	2.50%	3.50%	3.50%	4.00%
Asia Pacific ex Japan Equity	0.00%	0.00%	0.50%	1.00%	2.00%	2.50%	2.50%	3.50%	3.50%	4.00%
Emerging Market Equity	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.00%	15.00%	25.00%	35.00%

\*Portfolios are rebalanced to their asset allocation on a quarterly basis or when a change is made between the active/passive allocations.

### Net Ongoing Charge Figure (OCF) and Historic Yield

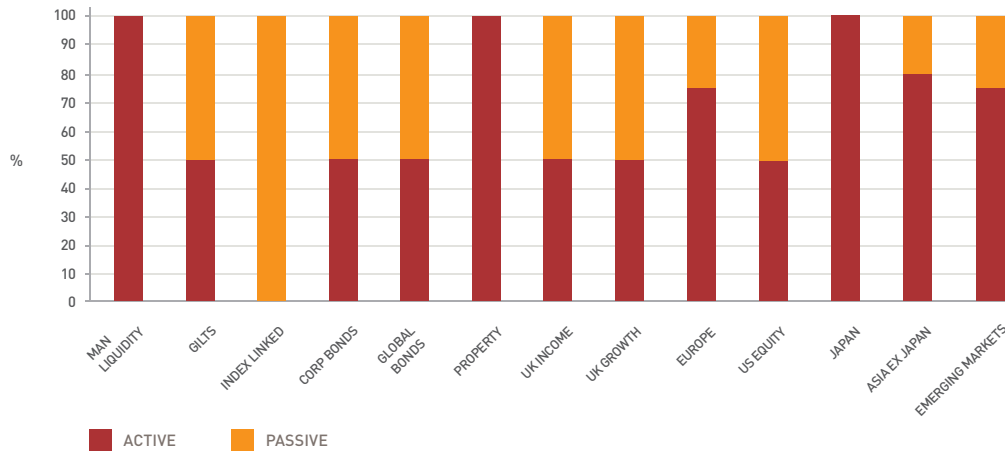
The fund OCF and historic yield for each asset class are shown below. The data included will vary from month to month, depending on the fund selection of the investment manager and the expenses of the underlying funds themselves. These figures are therefore only included for the purposes of transparency.

	MANAGED LIQUIDITY	GILTS	INDEX LINKED GILTS	CORPORATE BONDS	STRATEGIC BONDS	PROPERTY	UK EQUITY INCOME	UK EQUITY GROWTH	EUROPEAN EQUITY	US EQUITY	JAPANESE EQUITY	ASIA PACIFIC EX JAPAN EQUITY	EMERGING MARKET EQUITY
Fund OCF	0.08%	0.19%	0.10%	0.27%	0.38%	0.71%	0.47%	0.40%	0.66%	0.38%	1.00%	0.77%	0.80%
Historic Yield	0.78%	1.37%	0.00%	2.92%	2.45%	3.49%	4.63%	3.07%	2.19%	0.91%	2.20%	2.27%	2.12%

Fund OCF and historic yield data is correct as at 02 October 2019.

### Active/Passive Allocation as at 30 September 2019

The chart below displays the current active/passive weights within each asset class as at 30 September 2019.



## Portfolio Holdings as of 30 September 2019

The current portfolio holdings for PIM Strategic Conviction are shown in the tables below, as at 30 September 2019. Please refer to page 57 for details on fund changes over the period. If you have any further queries, please refer to your relationship manager.

### PIM Strategic Conviction Active and Passive Funds

MANAGED LIQUIDITY	GILTS	INDEX LINKED GILTS	CORPORATE BONDS	GLOBAL STRATEGIC BONDS	PROPERTY	UK EQUITY INCOME	UK EQUITY GROWTH	EUROPEAN EQUITY	US EQUITY	JAPANESE EQUITY	ASIA PACIFIC EX JAPAN EQUITY	EMERGING MARKET EQUITY
Federated Short-Term Sterling Prime	Allianz Gilt Yield	L&G All Stocks Index Linked Gilt Index	Fidelity Moneybuilder Income	Jupiter Strategic Bond	Threadneedle UK Property Authorised Trust Feeder	Trojan Income	LF Lindsell Train UK Equity	Fidelity European	Vontobel US Equity	LF Morant Wright Nippon Yield	Schroder Asian Income	Artemis Global Emerging Markets
Aberdeen Standard Liquidity Sterling	Vanguard UK Government Bond Index		BlackRock Corporate Bond	Muzinich Global Tactical Credit	L&G UK Property Feeder	Evenlode Income	Liontrust Special Situations	Schroder European	Pioneer US Fundamental Growth	Schroder Tokyo	Veritas Asian	JPM Emerging Markets Small Cap
			Vanguard UK Investment Grade Bond Index	PIMCO GIS Global Bond	Standard Life Investments UK Real Estate Income Feeder	LF Miton UK Multi Cap Income	Jupiter UK Special Situations	FP CRUX European Special Situations	LF Miton US Opportunities		L&G Pacific Index	Schroder Global Emerging Markets
			Royal London Sterling Credit	Vanguard Global Bond Index GBP Hedged		Threadneedle UK Equity Income	Investec UK Alpha	Vanguard FTSE Developed Europe ex UK Equity Index	Vanguard US Equity Index			GS Emerging Markets Equity Portfolio
						Vanguard FTSE UK Equity Income Index	Vanguard FTSE UK All Share Index		Fidelity Index US			Vanguard Emerging Markets Stock Index
									Dodge & Cox US Stock			

**PIM Strategic Conviction - Portfolio Returns to period end 30 September 2019**

All portfolios have performed in line with their relative risk over 3 years and since inception. Over shorter periods there is more distortion due to the strong performance of Gilts and Index Linked Gilts relative to, most notably, UK Equities and Emerging Market Equities.

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	FROM INCEPTION (31.08.2015)
<b>Risk Grade</b>						
1	0.92%	1.53%	2.73%	3.11%	3.24%	5.72%
2	2.34%	4.08%	6.36%	7.90%	9.79%	17.64%
3	2.56%	4.80%	6.71%	9.22%	12.40%	22.39%
4	2.21%	4.87%	5.33%	9.49%	15.26%	26.66%
5	2.42%	5.89%	5.48%	11.55%	19.60%	35.11%
6	2.47%	6.40%	5.38%	12.64%	22.20%	40.19%
7	2.09%	6.10%	4.70%	12.15%	23.39%	42.17%
8	1.76%	6.52%	4.31%	12.57%	27.24%	51.06%
9	1.65%	6.89%	5.09%	12.52%	28.35%	56.27%
10	1.69%	7.76%	6.19%	13.19%	30.58%	64.94%

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

**PIM Strategic Conviction - Asset Class Returns to period end 30 September 2019**

The PIM Strategic Conviction portfolios are built through a weighted exposure to thirteen underlying asset classes. For transparency purposes the returns of each sub-asset class are given below. These returns should not be considered in isolation as the asset class risk and return characteristics are taken into account within the construction of each risk graded portfolio.

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	FROM INCEPTION (31.08.2015)
<b>Asset Class</b>						
Managed Liquidity	0.18%	0.37%	0.75%	1.21%	1.46%	1.84%
Gilts	6.44%	8.17%	14.36%	15.07%	9.68%	28.22%
Index Linked Gilts	7.56%	10.05%	18.31%	19.80%	11.73%	41.40%
Corporate Bonds	3.04%	5.39%	9.48%	10.01%	10.12%	21.98%
Global Strategic Bonds	2.21%	4.81%	8.28%	7.57%	9.88%	15.20%
Property	0.19%	0.36%	-0.97%	5.87%	15.46%	13.56%
UK Equity Income	1.60%	4.71%	2.78%	7.63%	18.47%	28.82%
UK Equity Growth	1.65%	6.26%	4.16%	12.74%	25.12%	48.75%
European Equity	1.56%	11.92%	3.44%	9.18%	32.03%	55.75%
US Equity	4.03%	10.85%	7.12%	27.55%	43.76%	86.39%
Japanese Equity	5.15%	8.50%	-3.62%	6.97%	23.43%	53.91%
Asia Pacific ex Japan Equity	0.68%	6.91%	7.33%	18.16%	23.89%	66.80%
Emerging Market Equity	-0.14%	6.19%	8.89%	6.05%	27.26%	69.86%

Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

# PIM Strategic Guardian Portfolios

The PIM Strategic Guardian solution enables clients to invest in one of ten carefully constructed Strategic portfolios, according to the client's requirement for yield, total return, attitude to risk 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. This solution has been specifically designed to be used within a drawdown environment whether that be via pension drawdown or otherwise.

## PIM Strategic Guardian Portfolios - Asset Allocation Table

Asset Group	1	2	3	4	5	6	7	8	9	10
Managed Liquidity	60.00%	30.00%	18.00%	13.50%	10.50%	8.50%	6.00%	4.00%	2.00%	0.00%
Short Dated Bonds	10.50%	13.50%	12.50%	8.00%	5.50%	2.50%	1.00%	0.00%	0.00%	0.00%
UK Gilts	7.00%	8.00%	9.00%	8.00%	8.00%	6.50%	5.00%	3.50%	1.50%	0.00%
UK Index Linked Gilts	3.50%	7.00%	7.50%	7.00%	6.50%	5.00%	4.00%	3.00%	1.00%	0.00%
UK Corporate Bonds	8.00%	13.00%	12.00%	10.00%	7.50%	5.00%	4.00%	2.50%	1.50%	0.00%
Global Strategic Bonds	0.00%	6.00%	7.00%	6.00%	4.50%	3.50%	3.00%	2.00%	1.00%	0.00%
Global High Yield Bonds	0.00%	4.00%	5.00%	4.50%	3.00%	2.50%	2.00%	1.50%	1.00%	0.00%
UK Property	3.00%	6.00%	7.00%	7.50%	5.00%	4.00%	3.00%	2.00%	1.00%	0.00%
UK Equity Income	0.00%	1.00%	2.00%	2.50%	4.50%	6.00%	6.50%	7.00%	6.00%	5.00%
UK Large Cap Equity	0.00%	0.00%	1.50%	3.00%	4.50%	6.00%	6.00%	5.50%	5.00%	4.50%
UK Mid Cap Equity	0.00%	1.00%	1.50%	3.00%	4.50%	6.00%	7.50%	8.50%	10.00%	12.00%
UK Small Cap Equity	0.00%	0.00%	1.50%	3.00%	4.00%	6.00%	7.00%	7.50%	8.00%	8.00%
US Equity	0.00%	1.00%	2.00%	4.00%	6.00%	7.50%	9.00%	10.00%	11.00%	11.00%
US Equity Small Cap	0.00%	0.00%	1.50%	3.50%	5.00%	6.50%	8.00%	10.00%	12.50%	14.00%
Europe ex UK Equity	0.00%	0.00%	1.00%	2.00%	3.00%	3.50%	4.00%	4.50%	4.50%	4.50%
Japan Equity	0.00%	1.00%	1.50%	3.00%	4.00%	5.50%	7.00%	7.00%	6.00%	5.00%
Pacific ex Japan Equity	0.00%	0.00%	1.00%	2.50%	4.50%	5.50%	6.50%	8.00%	10.00%	11.00%
Emerging Markets Equity	0.00%	1.00%	1.50%	3.50%	5.00%	6.50%	8.00%	12.00%	17.00%	25.00%
Targeted Return	8.00%	7.50%	7.00%	5.50%	4.50%	3.50%	2.50%	1.50%	1.00%	0.00%

\*Portfolios are rebalanced to their asset allocation on a quarterly basis.



## Net Ongoing Charge Figure (OCF) and Historic Yield

The fund OCF and historic yield for each asset class are shown below. The data included will vary from month to month, depending on the fund selection of the investment manager and the expenses of the underlying funds themselves. These figures are therefore only included for the purposes of transparency.

	SHORT DATED BONDS	MANAGED LIQUIDITY	UK GILTS	UK INDEX LINKED GILTS	UK CORPORATE BONDS	GLOBAL STRATEGIC BONDS	GLOBAL HIGH YIELD BONDS	UK PROPERTY	UK EQUITY INCOME	UK LARGE CAP EQUITY GROWTH	UK MID CAP EQUITY	UK SMALL CAP EQUITY	US EQUITY	US EQUITY SMALL CAP	EUROPE EX UK EQUITY	JAPAN	PACIFIC EX JAPAN EQUITY	EMERGING MARKETS EQUITY	TARGETED RETURN
Fund OCF	0.08%	0.31%	0.06%	0.10%	0.47%	0.65%	0.64%	0.72%	0.83%	0.71%	0.82%	1.40%	0.38%	0.87%	0.84%	1.00%	0.50%	0.96%	0.95%
Historic Yield	0.78%	1.50%	1.36%	0.00%	3.28%	3.02%	4.55%	3.56%	4.01%	2.33%	2.68%	0.25%	0.87%	0.00%	2.05%	2.20%	5.17%	2.19%	0.79%

Fund OCF and historic yield data is correct as at 02 October 2019.

## Portfolio Holdings as at 30 September 2019

The current portfolio holdings for PIM Strategic Guardian are shown in the tables below, as at 30 September 2019. Please refer to page 57 for details on fund changes over the period. If you have any further queries, please refer to your relationship manager.

MANAGED LIQUIDITY	SHORT DATED BONDS	UK GILTS	UK INDEX LINKED GILTS	UK CORPORATE BONDS	GLOBAL STRATEGIC BONDS	GLOBAL HIGH YIELD BONDS	UK PROPERTY	UK EQUITY INCOME	UK LARGE CAP EQUITY	UK MID CAP EQUITY	UK SMALL CAP EQUITY	US EQUITY	US EQUITY SMALL CAP	EUROPE EX UK EQUITY	JAPAN EQUITY	PACIFIC EX JAPAN EQUITY	EMERGING MARKETS EQUITY	TARGETED RETURN
Aberdeen Standard Liquidity Sterling	M&G Short Dated Corporate Bond	Vanguard UK Government Bond Index	L&G All Stocks Index Linked Gilt Index	Fidelity Moneybuilder Income	Jupiter Strategic Bond	PIMCO Global High Yield Bond	Threadneedle UK Property Authorised Trust Feeder	Evenlode Income	Investec UK Alpha	Franklin UK Mid Cap	Liontrust UK Smaller Companies	LF Miton US Opportunities	Brown Advisory US Smaller Companies	Fidelity European	LF Morant Wright Nippon Yield	Schroder Asian Income Maximiser	GS Emerging Markets Equity Portfolio	Jupiter Absolute Return
Federated Short-Term Sterling Prime	Royal London Short Duration Gilts			BlackRock Corporate Bond	Muzinich Global Tactical Credit	Threadneedle High Yield Bond	L&G UK Property Feeder	LF Miton UK Multi Cap Income	Jupiter UK Special Situations			Pioneer US Fundamental Growth		FP CRUX European Special Situations	Schroder Tokyo	L&G Pacific Index	Artemis Global Emerging Markets	Pyrford Global Total Return
				Royal London Sterling Credit	PIMCO Global Bond			Trojan Income	LF Lindsell Train UK Equity			Dodge & Cox US Stock		Schroder European				Schroder UK Dynamic Absolute Return
								Threadneedle UK Equity Income				Vontobel US Equity						
												Vanguard US Equity Index						

**PIM Strategic Guardian - Portfolio Returns to period end 30 September 2019**

All portfolios have performed in line with their relative risk over 2, 3 and since inception, with the only exception being Risk Grade 8 over 2 years. Performance over 6 months is also in line. 3 month and 1 year performance is somewhat inverted, however, with Gilts and Index Linked Gilts contributing to a strong relative performance for lower Risk Grades.

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	FROM INCEPTION (03.05.2016)
<b>Risk Grade</b>						
1	1.20%	1.93%	2.95%	3.39%	4.60%	6.51%
2	2.01%	3.49%	4.87%	5.43%	7.04%	10.64%
3	2.20%	4.37%	5.23%	6.34%	8.72%	13.78%
4	2.17%	5.13%	4.90%	7.86%	13.68%	20.20%
5	2.22%	5.91%	4.89%	9.14%	16.62%	24.28%
6	2.09%	6.44%	4.53%	10.36%	19.39%	28.80%
7	2.01%	6.89%	4.05%	10.62%	21.97%	33.64%
8	1.75%	7.15%	3.85%	10.36%	23.87%	39.09%
9	1.32%	7.22%	3.54%	11.00%	25.80%	42.46%
10	0.98%	7.37%	3.53%	11.17%	27.35%	47.24%

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

**PIM Strategic Guardian - Asset Class Returns to period end 30 September 2019**

The PIM Strategic Guardian portfolios are built through a weighted exposure to nineteen underlying asset classes. For transparency purposes the returns of each sub-asset class are given below. These returns should not be considered in isolation as the asset class risk and return characteristics are taken into account within the construction of each risk graded portfolio.

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	FROM INCEPTION (03.05.2016)
<b>Asset Class</b>						
Managed Liquidity	0.18%	0.37%	0.75%	1.21%	1.46%	1.65%
Short Dated Bonds*	0.71%	1.52%	N/A	N/A	N/A	N/A
UK Gilts	7.04%	8.51%	14.94%	15.71%	11.10%	22.16%
UK Index Linked Gilts	7.56%	10.05%	18.45%	20.00%	11.92%	41.84%
UK Corporate Bonds	2.99%	5.50%	9.42%	10.05%	11.18%	19.72%
Global Strategic Bonds	2.07%	4.83%	7.69%	7.00%	10.74%	16.16%
Global High Yield Bonds	1.36%	3.91%	5.88%	7.21%	15.23%	20.56%
UK Property	0.44%	0.90%	-1.37%	5.50%	16.27%	10.28%
UK Equity Income	2.27%	6.96%	4.43%	9.29%	16.65%	25.74%
UK Large Cap Equity*	3.33%	8.63%	N/A	N/A	N/A	N/A
UK Mid Cap Equity	5.53%	12.66%	2.58%	-0.91%	15.04%	23.28%
UK Small Cap Equity	-2.40%	6.10%	-5.04%	13.67%	40.73%	54.86%
US Equity	4.30%	11.24%	8.76%	29.05%	42.68%	71.04%
US Equity Small Cap	-2.17%	3.41%	-7.45%	7.23%	24.38%	51.65%
Europe ex UK Equity	1.58%	12.50%	1.09%	11.64%	33.34%	47.20%
Japan Equity*	4.93%	8.21%	N/A	N/A	N/A	N/A
Pacific ex Japan Equity	-0.64%	4.86%	4.12%	10.98%	25.38%	53.48%
Emerging Markets Equity	-0.78%	5.30%	8.80%	2.05%	20.29%	45.94%
Targeted Return	0.13%	1.65%	-0.38%	-1.96%	-1.18%	-1.43%

\*PIM introduced the Short Dated Bonds, UK Large Cap Equity and Japan Equity asset classes on 09 October 2018. Data is therefore unavailable over longer periods.

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

# S PIM Strategic Active Portfolios

The PIM Strategic Active portfolios are constructed using six asset classes each with their own distinctive risk and reward characteristics. By varying the percentage exposure to each asset class, ten Risk Graded portfolios are produced that can match the risk tolerance of a particular client. The current split between the asset classes for each of the ten Risk Graded portfolios is detailed in the table below. An investor in the PIM Strategic Active solution assumes that the risk and return relationships between the various asset classes are stable over the long term. Thus, the asset allocations for the ten Risk Graded portfolios will not change frequently.

## PIM Strategic Active Portfolios - Asset Allocation Table

	MANAGED LIQUIDITY	FIXED INTEREST	PROPERTY	EQUITY INCOME	EQUITY GROWTH	GLOBAL ALPHA	TOTAL
<b>Risk Grade</b>							
1	80%	20%	0%	0%	0%	0%	100%
2	25%	55%	10%	5%	5%	0%	100%
3	15%	55%	10%	10%	10%	0%	100%
4	15%	35%	10%	25%	15%	0%	100%
5	5%	30%	15%	25%	25%	0%	100%
6	0%	25%	15%	25%	25%	10%	100%
7	0%	10%	15%	25%	35%	15%	100%
8	0%	0%	15%	20%	35%	30%	100%
9	0%	0%	10%	20%	30%	40%	100%
10	0%	0%	0%	0%	35%	65%	100%

## Net Ongoing Charge Figure (OCF) and Historic Yield

Fund OCF	0.08%	0.50%	0.71%	0.85%	0.80%	0.85%
Historic Yield	0.78%	2.48%	3.49%	3.74%	1.40%	0.87%

Fund OCF and historic yield data is correct as at 02 October 2019.

Portfolios are rebalanced to their asset allocation on a quarterly basis.

## PIM Strategic Active - Model Portfolio Holdings as at 30 September 2019

The current portfolio holdings for PIM Strategic Active are shown in the table below, as at 30 September 2019. Please refer to page 57 for further details on fund changes over the period. If you have any further queries, please refer to your relationship manager.

MANAGED LIQUIDITY	FIXED INTEREST	PROPERTY	EQUITY INCOME	EQUITY GROWTH	GLOBAL ALPHA
Federated- Short-Term Sterling Prime	Allianz Gilt Yield	Threadneedle UK Property Authorised Trust Feeder	Trojan Income	Liontrust Special Situations	Franklin UK Managers Focus
Aberdeen Standard Liquidity Sterling	M&G Index Linked Bond	L&G UK Property Feeder	Threadneedle UK Equity Income	LF Lindsell Train UK Equity	Merian North American Equity
	BlackRock Corporate Bond	Standard Life Investments UK Real Estate Income Feeder	Evenlode Income	Investec UK Alpha	JOHCM Continental European
	Fidelity Moneybuilder Income		LF Miton UK Multi Cap Income	Jupiter UK Special Situations	Baillie Gifford Japanese
	Muzinich Global Tactical Credit		Fidelity Global Dividend	Vontobel US Equity	Schroder Asian Alpha Plus
	Jupiter Strategic Bond			LF Miton US Opportunities	Baillie Gifford Emerging Markets Growth
	PIMCO Global Bond			Pioneer US Fundamental Growth	
	Royal London Sterling Credit			Dodge & Cox US Stock	
				Fidelity European	
				Schroder European	
				FP CRUX European Special Situations	
				LF Morant Wright Nippon Yield	
				Schroder Tokyo	
				Schroder Asian Income	
				Veritas Asian	
				Artemis Global Emerging Markets	
				GS Emerging Markets Equity Portfolio	
				Schroder Global Emerging Markets	
				JPM Emerging Markets Small Cap	

### PIM Strategic Active - Portfolio Returns to period end 30 September 2019

All portfolios continue to perform in line with their relative risk over 2, 3 and 5 years, as well as 6 months. The outperformance of Fixed Interest, relative to all other asset classes, over 3 months and 1 year has meant Risk Grade returns are more distorted over these periods.

	<i>3 MONTH RETURN</i>	<i>6 MONTH RETURN</i>	<i>1 YEAR RETURN</i>	<i>2 YEAR RETURN</i>	<i>3 YEAR RETURN</i>	<i>5 YEAR RETURN</i>
<b>Risk Grade</b>						
1	0.87%	1.50%	2.63%	2.99%	3.27%	7.44%
2	2.31%	4.31%	6.20%	7.92%	10.47%	23.73%
3	2.56%	5.14%	6.61%	9.20%	13.14%	29.43%
4	2.39%	5.59%	5.40%	9.47%	16.09%	34.15%
5	2.48%	6.23%	5.34%	10.98%	19.68%	41.68%
6	2.52%	6.66%	5.08%	12.00%	22.82%	47.31%
7	2.38%	7.10%	4.26%	13.06%	26.59%	54.50%
8	2.24%	7.23%	3.49%	13.92%	30.03%	60.13%
9	2.33%	7.48%	3.54%	14.29%	31.26%	62.00%
10	2.48%	8.24%	3.89%	16.74%	36.34%	72.49%

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

### PIM Strategic Active - Asset Class Returns to period end 30 September 2019

The PIM Strategic Active Risk Graded portfolios are built through a weighted exposure to six underlying asset classes. For transparency purposes the returns of each asset class are given below. These returns should not be considered in isolation as the asset class risk and return characteristics are taken into account within the construction of each risk graded portfolio.

	<i>3 MONTH RETURN</i>	<i>6 MONTH RETURN</i>	<i>1 YEAR RETURN</i>	<i>2 YEAR RETURN</i>	<i>3 YEAR RETURN</i>	<i>5 YEAR RETURN</i>
<b>Asset Class</b>						
Managed Liquidity	0.18%	0.37%	0.75%	1.21%	1.46%	2.79%
Fixed Interest	3.57%	6.03%	10.31%	10.26%	10.52%	27.51%
Property	0.19%	0.36%	-0.97%	5.87%	15.46%	24.19%
Equity Income	2.73%	7.81%	3.66%	9.30%	22.49%	43.68%
Equity Growth	2.75%	9.66%	5.67%	18.36%	34.67%	78.96%
Global Alpha	2.34%	7.48%	2.92%	15.85%	37.19%	68.90%

\*Prior to 16 February 2015 the returns shown as Global Alpha were synonymous with Specialist Equity.

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

# T PIM Tactical Active & Passive Portfolios

The Tactical offering is built around five asset classes; Managed Liquidity, Cautious, Balanced, Active and Global Alpha. The Managed Liquidity and Global Alpha portfolios are the same as PIM Strategic Active portfolios. The asset allocation between bonds, equities and other asset classes may vary within the Cautious, Balanced and Active portfolios, at the discretion of the investment manager (PIM). The aim is to minimise volatility whilst maximising risk adjusted returns.

These five asset class portfolios are blended to give ten Risk Graded portfolios, as shown below. The Tactical Passive investment solution seeks to replicate the asset allocation of Tactical Active via the use of passive funds. The exceptions are Managed Liquidity and Property where passive alternatives are unavailable. Global Alpha has the same sub-asset allocations for Active and Passive, however is labelled Active Plus in the latter.

## PIM Tactical Portfolios Active and Passive - Asset Allocation Table

	MANAGED LIQUIDITY	CAUTIOUS	BALANCED	ACTIVE	GLOBAL ALPHA	TOTAL
<b>Risk Grade</b>						
1	50%	50%	0%	0%	0%	100%
2	25%	75%	0%	0%	0%	100%
3	0%	100%	0%	0%	0%	100%
4	0%	75%	25%	0%	0%	100%
5	0%	25%	75%	0%	0%	100%
6	0%	0%	100%	0%	0%	100%
7	0%	0%	75%	25%	0%	100%
8	0%	0%	25%	75%	0%	100%
9	0%	0%	0%	100%	0%	100%
10	0%	0%	0%	75%	25%	100%

Portfolios are rebalanced to their asset allocation on a periodic basis.

## Net Ongoing Charge Figure (OCF) and Historic Yield

The fund OCF and historic yield for each asset class are shown below. The data included will vary from month to month, depending on the fund selection of the investment manager and the expenses of the underlying funds themselves. These figures are therefore only included for the purposes of transparency.

### PIM Tactical Active

	MANAGED LIQUIDITY	CAUTIOUS	BALANCED	ACTIVE	GLOBAL ALPHA	INCOME
Fund OCF	0.08%	0.53%	0.72%	0.83%	0.85%	0.75%
Historic Yield	0.78%	2.09%	2.06%	1.91%	0.87%	4.24%

Fund OCF and historic yield data is correct as at 02 October 2019.

### PIM Tactical Passive

	MANAGED LIQUIDITY	CAUTIOUS	BALANCED	ACTIVE	ACTIVE PLUS
Fund OCF	0.08%	0.14%	0.14%	0.17%	0.09%
Historic Yield	0.78%	2.15%	2.90%	2.89%	2.14%

Fund OCF and historic yield data is correct as at 02 October 2019.

### PIM Tactical Active (Cautious, Balanced and Active) - Portfolio Holdings\*

ASSET CLASS	FUND	CAUTIOUS	BALANCED	ACTIVE	
Managed Liquidity	Federated Short-Term Sterling Prime	7.50%	0.00%	0.00%	
	Aberdeen Standard Liquidity Sterling	7.50%	0.00%	0.00%	
Fixed Interest	Allianz Gilt Yield	16.87%	6.63%	0.00%	
	M&G Index Linked Bond	3.75%	0.87%	0.00%	
	BlackRock Corporate Bond	2.21%	0.50%	0.00%	
	Fidelity Moneybuilder Income	2.21%	0.50%	0.00%	
	Royal London Sterling Credit	2.21%	0.50%	0.00%	
	Muzinich Global Tactical Credit	7.34%	3.34%	0.00%	
	Jupiter Strategic Bond	7.33%	3.33%	0.00%	
	PIMCO Global Bond	7.33%	3.33%	0.00%	
	Property	L&G UK Property Feeder	3.34%	3.34%	3.34%
		Threadneedle UK Property Authorised Trust Feeder	3.33%	3.33%	3.33%
Standard Life Investments UK Real Estate Income Feeder		3.33%	3.33%	3.33%	
UK Equities	LF Lindsell Train UK Equity	6.00%	14.09%	10.67%	
	Jupiter UK Special Situations	6.00%	14.08%	10.67%	
	Liontrust Special Situations	6.00%	14.08%	10.66%	
International Equities	Vontobel US Equity	0.75%	3.75%	4.50%	
	LF Miton US Opportunities	0.75%	3.75%	4.50%	
	Pioneer SICAV US Fundamental Growth	0.75%	3.75%	4.50%	
	Dodge & Cox US Stock	0.75%	3.75%	4.50%	
	Schroder European	0.34%	1.66%	2.33%	
	Fidelity European	0.33%	1.67%	2.33%	
	FP CRUX European Special Situations	0.33%	1.67%	2.34%	
	LF Morant Wright Nippon Yield	0.25%	1.25%	1.75%	
	Schroder Tokyo	0.25%	1.25%	1.75%	
	Schroder Asian Income	0.12%	0.62%	0.50%	
Emerging Markets	Veritas Asian	0.13%	0.63%	0.50%	
	JPM Emerging Markets Small Cap	0.75%	1.25%	7.13%	
	GS Emerging Markets Equity Portfolio	0.75%	1.25%	7.13%	
	Schroder Global Emerging Markets	0.75%	1.25%	7.12%	
	Artemis Global Emerging Markets	0.75%	1.25%	7.12%	
<b>Total</b>		<b>100%</b>	<b>100%</b>	<b>100%</b>	

### PIM Tactical Passive (Cautious, Balanced and Active) - Portfolio Holdings\*

ASSET CLASS	FUND	CAUTIOUS	BALANCED	ACTIVE	ACTIVE PLUS
Managed Liquidity	Federated Short-Term Sterling Prime	7.50%	0.00%	0.00%	0.00%
	Aberdeen Standard Liquidity Sterling	7.50%	0.00%	0.00%	0.00%
Fixed Interest	Vanguard UK Government Bond Index	16.87%	6.63%	0.00%	0.00%
	L&G All Stocks Index Linked Gilt Index	3.75%	0.87%	0.00%	0.00%
	Vanguard UK Investment Grade Bond Index	6.63%	1.50%	0.00%	0.00%
	Vanguard Global Bond Index Hedge	22.00%	10.00%	0.00%	0.00%
Property	L&G UK Property Feeder	3.34%	3.34%	3.34%	0.00%
	Threadneedle UK Property Authorised Trust Feeder	3.33%	3.33%	3.33%	0.00%
	Standard Life Investments UK Real Estate Income Feeder	3.33%	3.33%	3.33%	0.00%
UK Equities	Vanguard FTSE UK All Share Index	18.00%	42.25%	32.00%	7.90%
International Equities	Vanguard US Equity Index	1.50%	7.50%	9.00%	25.80%
	Fidelity Index US	1.50%	7.50%	9.00%	25.80%
	Vanguard FTSE Developed Europe ex UK Equity Index	1.00%	5.00%	7.00%	18.20%
	L&G Japan Index	0.50%	2.50%	3.50%	8.20%
Emerging Markets	L&G Pacific Index	0.25%	1.25%	1.00%	6.75%
Emerging Markets	Vanguard Emerging Markets Stock Index	3.00%	5.00%	28.50%	7.35%
<b>Total</b>		<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

\*The current portfolio holdings for PIM Tactical (Active and Passive) are shown in the tables above, as at 02 October 2019. Please refer to page 57 for details on fund changes over the period. If you have any further queries, please refer to your relationship manager.

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

## PIM Tactical Active - Portfolio Returns to period end 30 September 2019

### PIM Tactical Active - Portfolio Returns

All portfolios continue to perform in line with their relative risk over 3 and 5 years. Performance over shorter time periods is fairly flat across the Risk Grades, commensurate with the returns of Tactical Cautious, Balanced and Active being quite similar.

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	5 YEAR RETURN
<b>Risk Grade</b>						
1	1.35%	2.92%	3.99%	5.71%	7.72%	16.03%
2	1.94%	4.21%	5.63%	8.01%	10.94%	23.16%
3	2.51%	5.49%	7.27%	10.33%	14.22%	30.65%
4	2.49%	6.07%	7.15%	11.59%	17.03%	36.26%
5	2.46%	7.23%	6.90%	14.10%	22.80%	48.08%
6	2.44%	7.81%	6.77%	15.36%	25.76%	54.28%
7	2.28%	7.84%	6.68%	15.11%	26.97%	56.53%
8	1.95%	7.91%	6.50%	14.59%	29.38%	60.97%
9	1.79%	7.95%	6.40%	14.32%	30.59%	63.17%
10	1.95%	7.87%	5.52%	14.69%	32.19%	64.63%

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

### PIM Tactical Passive - Portfolio Returns

All portfolios continue to perform in line with their relative risk over 3 and 5 years. Performance over shorter time periods is fairly flat across the Risk Grades, commensurate with the returns of Tactical Cautious, Balanced and Active being quite similar.

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	5 YEAR RETURN
<b>Risk Grade</b>						
1	1.41%	2.54%	3.80%	5.35%	6.74%	14.77%
2	2.02%	3.63%	5.34%	7.45%	9.44%	21.16%
3	2.63%	4.72%	6.88%	9.58%	12.17%	27.84%
4	2.54%	4.99%	6.45%	10.26%	14.61%	31.94%
5	2.35%	5.53%	5.58%	11.61%	19.59%	40.39%
6	2.26%	5.80%	5.15%	12.28%	22.13%	44.73%
7	2.01%	5.67%	4.83%	12.20%	23.75%	47.25%
8	1.51%	5.42%	4.18%	12.02%	27.02%	52.24%
9	1.26%	5.30%	3.86%	11.92%	28.66%	54.70%
10	2.23%	7.31%	4.98%	15.93%	33.57%	65.72%

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.



**PIM Tactical Active & Passive - Asset Class Returns to period end 30 September 2019**

The PIM Tactical Risk Graded portfolios are built through a weighted exposure to the five underlying asset classes. For transparency purposes the returns of each asset class are given below. These returns should not be considered in isolation as the asset class risk and return characteristics are taken into account within the construction of each risk graded portfolio.

**PIM Tactical Active**

	<i>3 MONTH RETURN</i>	<i>6 MONTH RETURN</i>	<i>1 YEAR RETURN</i>	<i>2 YEAR RETURN</i>	<i>3 YEAR RETURN</i>	<i>5 YEAR RETURN</i>
Managed Liquidity	0.18%	0.37%	0.75%	1.21%	1.46%	2.79%
<b>PIM Tactical Active: Cautious</b>	2.51%	5.49%	7.27%	10.33%	14.22%	30.65%
IA Mixed Investment 20-60% Shares	1.83%	4.74%	4.01%	6.72%	13.28%	27.42%
<b>PIM Tactical Active: Balanced</b>	2.44%	7.81%	6.77%	15.36%	25.76%	54.28%
IA Mixed Investment 40-85% Shares	1.98%	6.28%	4.20%	9.78%	19.75%	39.00%
<b>PIM Tactical Active: Active</b>	1.79%	7.95%	6.40%	14.32%	30.59%	63.17%
IA Flexible Investment	1.73%	5.82%	3.24%	8.79%	20.24%	39.10%
<b>PIM Tactical Active: Global Alpha</b>	2.34%	7.48%	2.92%	15.85%	37.19%	68.90%
FTSE World	3.78%	10.56%	7.93%	23.21%	42.22%	88.10%

\*Prior to 16 February 2015 the returns shown as Global Alpha were synonymous with Specialist Equity.

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

**PIM Tactical Passive**

	<i>3 MONTH RETURN</i>	<i>6 MONTH RETURN</i>	<i>1 YEAR RETURN</i>	<i>2 YEAR RETURN</i>	<i>3 YEAR RETURN</i>	<i>5 YEAR RETURN</i>
Managed Liquidity	0.18%	0.37%	0.75%	1.21%	1.46%	2.79%
<b>PIM Tactical Passive: Cautious</b>	2.63%	4.72%	6.88%	9.58%	12.17%	27.84%
IA Mixed Investment 20-60% Shares	1.83%	4.74%	4.01%	6.72%	13.28%	27.42%
<b>PIM Tactical Passive: Balanced</b>	2.26%	5.80%	5.15%	12.28%	22.13%	44.73%
IA Mixed Investment 40-85% Shares	1.98%	6.28%	4.20%	9.78%	19.75%	39.00%
<b>PIM Tactical Passive: Active</b>	1.26%	5.30%	3.86%	11.92%	28.66%	54.70%
IA Flexible Investment	1.73%	5.82%	3.24%	8.79%	20.24%	39.10%
<b>PIM Tactical Passive: Active Plus</b>	3.18%	9.33%	6.07%	19.97%	38.52%	77.27%
FTSE World	3.78%	10.56%	7.93%	23.21%	42.22%	88.10%

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

## PIM Tactical Active & Passive - Portfolio Volatility Against Comparable Indices

All portfolios have outperformed their respective IA Mixed Investment sector averages over all time periods other than Tactical Passive Cautious over 3 years. However all portfolios are ahead of their IA Mixed Investment sector averages on return/risk ratios. All portfolios have lower volatility relative to their respective peers except for the Tactical Active model (Active and Passive) over 1 and 3 years.

	1 YEAR RETURN	1 YEAR VOLATILITY	1 YEAR RETURN/RISK RATIO	3 YEAR ANNUALISED RETURN	3 YEAR ANNUALISED VOLATILITY	3 YEAR ANNUALISED RETURN/RISK RATIO
<b>PIM Tactical Active: Cautious</b>	7.27%	3.28%	2.22x	4.53%	2.91%	1.56x
<b>PIM Tactical Passive: Cautious</b>	6.88%	3.41%	2.02x	3.90%	3.23%	1.21x
IA Mixed Investment 20-60% Shares	4.01%	6.42%	0.62x	4.24%	4.77%	0.89x
<b>PIM Tactical Active: Balanced</b>	6.77%	8.59%	0.79x	7.94%	6.12%	1.30x
<b>PIM Tactical Passive: Balanced</b>	5.15%	8.96%	0.57x	6.89%	6.65%	1.04x
IA Mixed Investment 40-85% Shares	4.20%	9.52%	0.44x	6.19%	6.80%	0.91x
<b>PIM Tactical Active: Active</b>	6.40%	11.86%	0.54x	9.30%	8.47%	1.10x
<b>PIM Tactical Passive: Active</b>	3.86%	11.71%	0.33x	8.76%	8.77%	1.00x
IA Flexible Investment	3.24%	10.09%	0.32x	6.34%	7.20%	0.88x

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

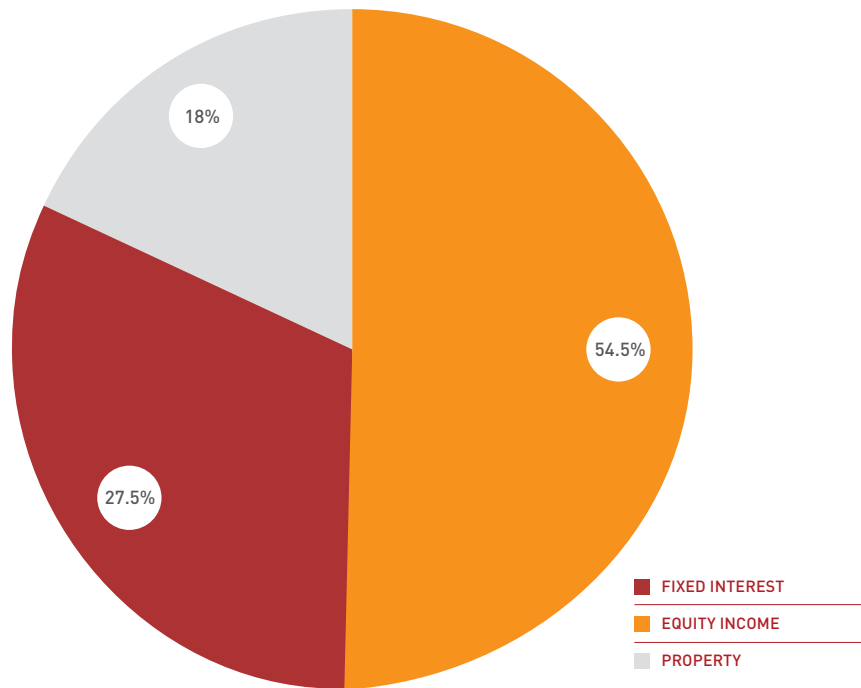
## PIM Tactical Active Income - Portfolio Returns to period end 30 September 2019

The Tactical Active Income portfolio invests in a combination of Managed Liquidity, Fixed Interest, Property and Equity Income collectives with the aim of providing a yield between 10% and 20% greater than that of the broad UK stock market, which is currently 4.13%. The mix of asset classes will be varied by the investment manager (PIM) depending upon their risk and return characteristics. Given the unique character of the portfolio, Tactical Income does not easily fit within any of the IA sector definitions and there is no natural benchmark for performance comparisons. However, in the table below are some of the common benchmarks for reference purposes.

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	5 YEAR RETURN
PIM Tactical Active Income	1.72%	4.37%	3.59%	7.09%	16.34%	31.69%
FTSE UK Government Bond	7.00%	8.73%	15.11%	15.78%	11.23%	37.44%
IA Sterling Corporate Bond Sector	3.08%	5.49%	9.03%	9.14%	9.80%	26.69%
IA UK Equity Income Sector	1.12%	3.09%	-0.11%	3.33%	14.26%	31.78%

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

PIM Tactical Active Income % Asset Allocation as of 30 September 2019



The PIM Tactical Active Income portfolios have a target yield of between 10% and 20% above the UK Equity Market.

PIM Tactical Active Income Portfolio Holdings as at 30 September 2019

The current portfolio holdings for PIM Tactical Active Income are shown in the table below, as at 30 September 2019. Please refer to page 57 for details on fund changes over the period. If you have any further queries, please refer to your relationship manager.

ASSET CLASS	FUND	TACTICAL INCOME
Fixed Interest	M&G Index Linked Bond	2.50%
	BlackRock Corporate Bond	2.50%
	Royal London Sterling Credit	2.50%
	Muzinich Global Tactical Credit	6.67%
	Jupiter Strategic Bond	6.67%
	PIMCO Global Bond	6.66%
Property	L&G UK Property Feeder	6.00%
	Threadneedle UK Property Authorised Trust Feeder	6.00%
	Standard Life Investments UK Real Estate Income Feeder	6.00%
Equity Income	Evenlode Income	9.74%
	LF Miton UK Multi Cap Income	9.74%
	Trojan Income	9.74%
	Schroder Income Maximiser	9.74%
	Fidelity Enhanced Income	9.74%
	Fidelity Global Dividend	5.80%
<b>Total</b>		<b>100%</b>

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

# TI PIM Tactical Income Solution

The PIM Tactical Income portfolios aim to deliver a set of target yields while controlling the level of portfolio volatility. Parmenion will use tactical asset allocation to both achieve the target yields and to keep portfolio volatility within the constraints identified for each risk grade.

The PIM Tactical Income portfolios have, as their name suggests, the flexibility to adopt tactical asset allocations. This means the investment manager (PIM) has the capability to alter the asset allocation of the portfolios in light of changing market conditions.

This flexibility enhances PIM's ability to increase allocations to income generating assets to meet the target yields, when it is prudent to do so, while simultaneously managing the portfolios' volatility and exposure to risk. All changes to asset allocation are made within prescribed limits only.

## Key Benefits

- 10 Risk Graded Portfolios
- Rising target yields, rising from 3% to 5.25%
- Tactical asset allocation to make the targeted yields achievable
- Proactive blending of Passive and Active funds
- Natural income arises periodically, not evenly, and can be paid as it arises
- Controlled use of Maximiser Funds.

## What are Maximiser Funds?

Up to 35% of a PIM Tactical Income portfolio may be invested in Maximiser Funds to help ensure an attractive level of income. It is important that clients understand this. A Maximiser Fund is a portfolio of stocks in which the fund manager has a high level of conviction.

Derivatives contracts are written on a select number of underlying companies, carefully managed by a derivatives specialist, generating additional income in return for giving up some potential return on a stock above the level specified in the contract. In this way, Maximiser Funds can generate an income greater than that achieved by only investing in stocks.

## Tactical Asset Allocation

Parmenion has designed the PIM Tactical Income portfolios using a range of neutral strategic asset allocations as its starting point. These strategic asset allocations are based around the performance and volatilities of various asset class indices over a 20 year period and combined with a qualitative overlay to ensure diversification. As market conditions change over time, so do the relative volatility and valuations of different asset classes.

When prudent to do so, the PIM Tactical Income portfolio asset allocations can adapt to ensure that target yields are achieved with the least anticipated risk and within the acceptable range of volatility for each particular risk grade.

## PIM Tactical Income Portfolios - Historic Yield, Fund OCF and Return Data

	TARGET YIELD	HISTORIC YIELD (LAST 12 MONTHS)	ANNUALISED RETURN	ANNUALISED STANDARD DEVIATION	MAXIMUM 12 MONTH LOSS	MAXIMUM 12 MONTH GAIN	FUND OCF
<b>Risk Grade</b>							
1	3.00%	2.71%	4.12%	2.30%	-6.39%	13.64%	0.48%
2	3.25%	3.36%	5.08%	4.00%	-12.94%	22.73%	0.55%
3	3.50%	3.85%	5.82%	5.49%	-17.46%	31.35%	0.59%
4	3.75%	4.20%	6.36%	6.68%	-21.35%	37.17%	0.62%
5	4.00%	4.46%	6.78%	7.74%	-24.44%	41.44%	0.64%
6	4.25%	4.66%	7.02%	9.08%	-27.02%	44.72%	0.64%
7	4.50%	4.85%	7.18%	10.09%	-29.09%	46.89%	0.65%
8	4.75%	5.11%	7.35%	11.21%	-31.59%	49.46%	0.67%
9	5.00%	5.34%	7.53%	12.42%	-34.04%	52.09%	0.68%
10	5.25%	5.52%	7.55%	13.43%	-35.46%	54.56%	0.67%

Fund OCF and historic yield data is correct as at 02 October 2019.

Please note, the Annualised Return, Standard Deviation, Maximum Loss and Gain figures are based on the simulated returns, of the portfolio's neutral asset weightings over the last 20 years to December 2018. Figures are based on indices and therefore exclude the effect of taxes or fees from Parmenion or the Adviser. Charges are however taken from portfolio liquidity and therefore will not affect the income distributed.

## Portfolio Holdings as of 30 September 2019

The current fund holdings for PIM Tactical Income portfolios are shown in the table below, as at 30 September 2019. Please refer to page 57 for details on fund changes over the period. If you have any further queries, please refer to your relationship manager.

Asset Group	Holdings	1	2	3	4	5	6	7	8	9	10
Managed Liquidity	Dimensional Global Ultra Short Fixed Income	18.34%	11.67%	5.00%	1.67%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	AXA Sterling Credit Short Duration Bond	18.33%	11.67%	5.00%	1.67%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	M&G Short Dated Corporate Bond	18.33%	11.66%	5.00%	1.66%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Corporate Bonds	Fidelity Moneybuilder Income	5.00%	5.00%	7.50%	7.50%	6.67%	5.00%	3.33%	1.67%	0.00%	0.00%
	Royal London Sterling Credit	5.00%	5.00%	7.50%	7.50%	6.66%	5.00%	3.34%	1.66%	0.00%	0.00%
	M&G Corporate Bond	5.00%	5.00%	7.50%	7.50%	6.67%	5.00%	3.33%	1.67%	0.00%	0.00%
	Jupiter Strategic Bond	7.50%	7.50%	11.25%	11.25%	10.00%	7.50%	5.00%	2.50%	0.00%	0.00%
	PIMCO Global Bond	3.75%	3.75%	5.62%	5.62%	5.00%	3.75%	2.50%	1.25%	0.00%	0.00%
	Muzinich Global Tactical Credit	3.75%	3.75%	5.63%	5.63%	5.00%	3.75%	2.50%	1.25%	0.00%	0.00%
High Yield Bonds	PIMCO Global High Yield Bond	0.00%	0.00%	1.00%	1.50%	2.00%	3.00%	3.50%	4.00%	4.50%	5.00%
	Threadneedle High Yield Bond	0.00%	0.00%	1.00%	1.50%	2.00%	3.00%	3.50%	4.00%	4.50%	5.00%
Property	Janus Henderson UK Property Feeder	3.09%	4.13%	3.09%	3.09%	3.09%	2.06%	2.06%	2.06%	2.06%	0.00%
	L&G UK Property Feeder	3.09%	4.13%	3.09%	3.09%	3.09%	2.06%	2.06%	2.06%	2.06%	0.00%
	Threadneedle UK Property Authorised Trust Feeder	6.19%	8.25%	6.19%	6.19%	6.19%	4.13%	4.13%	4.13%	4.13%	0.00%
UK Equity Income	LF Miton UK Multi Cap Income	0.00%	1.00%	1.50%	1.90%	2.20%	2.60%	2.90%	3.30%	3.50%	3.80%
	Trojan Income	0.00%	1.00%	1.50%	1.90%	2.20%	2.60%	2.90%	3.30%	3.50%	3.80%
	Artemis Income	0.00%	1.00%	1.50%	1.90%	2.20%	2.60%	2.90%	3.30%	3.50%	3.80%
	Vanguard FTSE UK Equity Income Index	0.00%	3.50%	5.25%	6.65%	7.70%	9.10%	10.15%	11.55%	12.25%	13.30%
	Fidelity Enhanced Income	0.00%	1.75%	2.62%	3.32%	3.85%	4.55%	5.07%	5.77%	6.12%	6.65%
	Schroder Income Maximiser	0.00%	1.75%	2.63%	3.33%	3.85%	4.55%	5.08%	5.78%	6.13%	6.65%
US Equity	JPM US Equity Income	0.00%	1.00%	1.50%	2.00%	2.50%	3.50%	4.00%	3.50%	3.00%	2.50%
	Fidelity Index US	0.00%	1.00%	1.50%	2.00%	2.50%	3.50%	4.00%	3.50%	3.00%	2.50%
Europe ex UK	Polar Capital European [Ex UK] Income	0.00%	1.00%	2.00%	3.00%	4.00%	6.00%	7.00%	8.00%	10.00%	12.00%
Asia Pacific ex Japan	L&G Pacific Index	0.00%	0.00%	0.00%	0.67%	1.67%	2.67%	3.33%	4.33%	5.67%	6.67%
	Janus Henderson Asian Dividend Income	0.00%	0.00%	0.00%	0.66%	1.66%	2.66%	3.33%	4.33%	5.66%	6.66%
	Schroder Asian Income Maximiser	0.00%	0.00%	0.00%	0.67%	1.67%	2.67%	3.34%	4.34%	5.67%	6.67%
Global Maximiser	Schroder ISF Global Dividend Maximiser	1.97%	4.11%	4.22%	4.97%	5.72%	6.56%	8.06%	9.56%	11.06%	11.25%
	Fidelity Global Enhanced Income	0.66%	1.38%	1.41%	1.66%	1.91%	2.19%	2.69%	3.19%	3.69%	3.75%
<b>Total</b>		<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

### PIM Tactical Income - Portfolio Returns to period end 30 September 2019

Risk Grades 2 to 10 have continued to exceed their income targets over the last 12 months. From a total return perspective, all portfolios have performed in line with their relative risk over 3 and 5 years. Over shorter time periods Risk Grade returns are more distorted due to the strong performance of Investment Grade and High Yield Bonds relative to UK Equities, in particular.

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	5 YEAR RETURN
<b>Risk Grade</b>						
1	1.22%	2.66%	3.81%	4.98%	7.85%	15.55%
2	1.44%	3.19%	3.70%	5.89%	10.55%	21.22%
3	1.93%	4.15%	4.92%	7.15%	12.39%	26.21%
4	2.04%	4.55%	5.05%	7.77%	14.05%	30.01%
5	2.02%	4.77%	4.90%	8.16%	15.49%	33.27%
6	2.00%	5.03%	4.67%	8.43%	16.79%	36.57%
7	1.89%	5.04%	4.17%	8.48%	17.84%	38.89%
8	1.69%	4.90%	3.52%	8.18%	18.47%	40.32%
9	1.49%	4.87%	2.95%	7.98%	19.38%	42.31%
10	1.55%	5.18%	3.24%	7.92%	19.41%	43.52%

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

### PIM Tactical Income - Asset Class Returns to period end 30 September 2019

The PIM Tactical Income Risk Graded portfolios are built through a weighted exposure to nine underlying asset classes. For transparency purposes the returns of each asset class are given below. These returns should not be considered in isolation as the asset class risk and return characteristics are taken into account within the construction of each Risk Graded portfolio.

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	5 YEAR RETURN
<b>Asset Class</b>						
Managed Liquidity	0.55%	1.33%	2.24%	2.49%	3.52%	6.83%
Corporate Bonds	2.80%	5.52%	8.90%	8.85%	10.99%	24.99%
High Yield Bonds	1.36%	3.91%	6.24%	9.01%	18.68%	31.55%
Property	0.34%	0.91%	-1.37%	5.29%	16.01%	21.39%
UK Equity Income	1.36%	2.45%	0.44%	2.77%	9.54%	24.71%
US Equity	5.09%	11.68%	9.96%	25.79%	39.59%	92.39%
Europe ex UK	4.02%	10.32%	2.33%	4.28%	20.98%	51.61%
Asia Pacific ex Japan	-0.21%	5.53%	5.22%	12.23%	26.83%	57.02%
Global Equity Income Maximiser	1.21%	6.14%	3.74%	11.29%	26.23%	56.92%

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

# SE PIM Strategic Ethical Active Portfolios: Profile A-D

## What is Ethical Investing?

Ethical investment is known by a variety of terms including: 'Green investment', 'Socially responsible investment' (SRI) and 'Sustainable finance'. All of these terms refer to financial or investment services which strive to maximise investment performance and social welfare. In general, ethical investment looks to encourage corporate practices that promote environmental stewardship, consumer protection, human rights and diversity, although additional criteria such as the avoidance of weapons, alcohol, tobacco, gambling and pornography are often included as legitimate areas of concern. These criteria can be broadly summarised as environmental, social justice and corporate governance issues or ESG criteria.

## What are the benefits of Investing Ethically?

Ethical investment provides the opportunity to invest in ethically sound investment solutions that cater for a range of ethical preferences. It gives investors the option to avoid companies that engage in activities that they could not usually support, and proactively invest in companies that recognise their corporate responsibilities. Investing ethically is now one of the fastest growing areas in financial services with funds under management having grown to approximately \$8.72 trillion in the United States alone (Source: <http://ussif.org>).

## Solution Description

The PIM Strategic Ethical Active Investment Solution offers the discretionary management of active funds across up to eight distinct asset class groups. There is an independent ethical overlay provided by the Ethical Oversight Committee, which includes Julian Parrott and Julia Dreblow. Both Julian and Julia are ethical specialists, with over 20 years experience in ethical investing, previously holding the positions of Chair of the EIA and Director of UKSIF, respectively.

Each asset class is populated with funds according to their Ethical Profile and risk adjusted returns. Incorporated within the solution are four Ethical Profiles (A to D) and ten Risk Graded portfolios (1 to 10), which are designed to capture the majority of clients' ethical preferences and values. The Ethical Portfolio Selector is available to assist Advisers in identifying the appropriate Ethical Profile for their client.

## Ethical Screening Criteria by Ethical Profile

ETHICAL CRITERIA	ETHICAL PROFILE A (LIMITS EXPOSURE)	ETHICAL PROFILE B (LIMITS EXPOSURE)	ETHICAL PROFILE C (AIMS TO AVOID <sup>**</sup> )	ETHICAL PROFILE D (AIMS TO AVOID <sup>**</sup> )
Armaments (Strategic)	✓	✓	✓	✓
Pornography (Production)	✓	✓	✓	✓
Human Rights (Evidenced/Country Based)	✓	✓	✓	✓
Environmental Management / Technology**	✓	✓	✓	✓
Animal Testing (Non-Medical)	✓	✓	✓	✓
Tobacco (Production)	✓	✓	✓	✓
Environmental Impact		✓	✓	✓
Gambling			✓	✓
Alcohol Production				✓
Nuclear (Power)				✓

<sup>\*</sup>Exposure to ethical criteria is likely to be limited by the responsible approach to environmental, social and governance issues adopted in Ethical Profiles A and B.

<sup>\*\*</sup>Ethical Profiles C and D only invest in funds which include the specified ethical criteria, as defined by the Ethical Oversight Committee.

**Note.** Avoidance criteria does not always mean 'zero involvement' as most ethical funds have de minimis limits which allow for limited (normally non-manufacturing or wholesale related) exposure to excluded areas. This allows funds to be manageable and support otherwise positive larger companies.



## PIM Strategic Ethical Active - Asset Class Weightings as of 30 September 2019

The PIM Strategic Ethical Active portfolios are constructed using up to eight asset classes, each with their own distinctive risk and reward characteristics. Ten Risk Graded portfolios (1-10) are produced, by varying the percentage exposure to each asset class, to match the risk tolerance of a particular client. UK Government Bonds are currently excluded from Ethical Profiles B-D, whilst Ethical Profiles C-D also exclude Property due to the difficulties in screening the underlying tenants. The current split between the asset classes for each of the portfolios are detailed in the tables below. Strategic investors assume relatively constant long term risk and return characteristics and as such the underlying asset allocations will only vary where these have materially changed.

### PIM Strategic Ethical Active - Profile A

Asset Group	1	2	3	4	5	6	7	8	9	10
Managed Liquidity (Unscreened)	70.00%	45.00%	15.00%	5.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
UK Ethical Corporate Bonds	24.00%	28.00%	40.00%	40.00%	32.00%	24.00%	12.00%	4.00%	0.00%	0.00%
UK Government Bonds	6.00%	7.00%	10.00%	10.00%	8.00%	6.00%	3.00%	1.00%	0.00%	0.00%
UK Property	0.00%	10.00%	15.00%	15.00%	15.00%	10.00%	10.00%	10.00%	5.00%	0.00%
UK Ethical Equity Growth	0.00%	3.00%	6.00%	9.00%	15.00%	18.00%	21.00%	21.00%	24.00%	24.00%
UK Ethical Equity Income	0.00%	2.00%	4.00%	6.00%	10.00%	12.00%	14.00%	14.00%	16.00%	16.00%
International Ethical Equity	0.00%	5.00%	10.00%	15.00%	15.00%	20.00%	25.00%	30.00%	30.00%	30.00%
Ethical Emerging Markets Equity	0.00%	0.00%	0.00%	0.00%	5.00%	10.00%	15.00%	20.00%	25.00%	30.00%

### PIM Strategic Ethical Active - Profile B

Asset Group	1	2	3	4	5	6	7	8	9	10
Managed Liquidity (Unscreened)	70.00%	45.00%	15.00%	5.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
UK Ethical Corporate Bonds	30.00%	35.00%	50.00%	50.00%	40.00%	30.00%	15.00%	5.00%	0.00%	0.00%
UK Property	0.00%	10.00%	15.00%	15.00%	15.00%	10.00%	10.00%	10.00%	5.00%	0.00%
UK Ethical Equity Growth	0.00%	3.00%	6.00%	9.00%	15.00%	18.00%	21.00%	21.00%	24.00%	24.00%
UK Ethical Equity Income	0.00%	2.00%	4.00%	6.00%	10.00%	12.00%	14.00%	14.00%	16.00%	16.00%
International Ethical Equity	0.00%	5.00%	10.00%	15.00%	15.00%	20.00%	25.00%	30.00%	30.00%	30.00%
Ethical Emerging Markets Equity	0.00%	0.00%	0.00%	0.00%	5.00%	10.00%	15.00%	20.00%	25.00%	30.00%

### PIM Strategic Ethical Active - Profile C

<b>Asset Group</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>
Managed Liquidity (Unscreened)	70.00%	45.00%	15.00%	5.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
UK Ethical Corporate Bonds	30.00%	45.00%	65.00%	65.00%	55.00%	40.00%	25.00%	15.00%	5.00%	0.00%
UK Ethical Equity Growth	0.00%	3.00%	6.00%	9.00%	15.00%	18.00%	21.00%	21.00%	24.00%	24.00%
UK Ethical Equity Income	0.00%	2.00%	4.00%	6.00%	10.00%	12.00%	14.00%	14.00%	16.00%	16.00%
International Ethical Equity	0.00%	5.00%	10.00%	15.00%	15.00%	20.00%	25.00%	30.00%	30.00%	30.00%
Ethical Emerging Markets Equity	0.00%	0.00%	0.00%	0.00%	5.00%	10.00%	15.00%	20.00%	25.00%	30.00%

### PIM Strategic Ethical Active - Profile D

<b>Asset Group</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>
Managed Liquidity (Unscreened)	70.00%	45.00%	15.00%	5.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
UK Ethical Corporate Bonds	30.00%	45.00%	65.00%	65.00%	55.00%	40.00%	25.00%	15.00%	5.00%	0.00%
UK Ethical Equity Growth	0.00%	3.00%	6.00%	9.00%	15.00%	18.00%	21.00%	21.00%	24.00%	24.00%
UK Ethical Equity Income	0.00%	2.00%	4.00%	6.00%	10.00%	12.00%	14.00%	14.00%	16.00%	16.00%
International Ethical Equity	0.00%	5.00%	10.00%	15.00%	15.00%	20.00%	25.00%	30.00%	30.00%	30.00%
Ethical Emerging Markets Equity	0.00%	0.00%	0.00%	0.00%	5.00%	10.00%	15.00%	20.00%	25.00%	30.00%

Portfolios in all profiles are rebalanced to their asset allocation on a periodic basis.

### Ongoing Charge Figure (OCF) Net of Rebates and Historic Yield

The fund OCF and historic yield for each asset class are shown below. The data included will vary from month to month, depending on the fund selection of the investment manager and the expenses of the underlying funds themselves. These figures are therefore only included for the purposes of transparency.

#### PIM Strategic Ethical Active - Profile A

	MANAGED LIQUIDITY	UK ETHICAL CORPORATE BONDS	UK GOVERNMENT BONDS	UK PROPERTY	UK ETHICAL EQUITY GROWTH	UK ETHICAL EQUITY INCOME	INTERNATIONAL ETHICAL EQUITY	ETHICAL EMERGING MARKETS EQUITY
Fund OCF	0.08%	0.53%	0.31%	0.76%	0.54%	0.83%	0.77%	0.98%
Historic Yield	0.78%	3.83%	0.69%	3.41%	2.27%	4.27%	0.84%	0.41%

Fund OCF and historic yield data is correct as at 02 October 2019.

#### PIM Strategic Ethical Active - Profile B

	MANAGED LIQUIDITY	UK ETHICAL CORPORATE BONDS	UK PROPERTY	UK ETHICAL EQUITY GROWTH	UK ETHICAL EQUITY INCOME	INTERNATIONAL ETHICAL EQUITY	ETHICAL EMERGING MARKETS EQUITY
Fund OCF	0.08%	0.53%	0.76%	0.54%	0.83%	0.75%	0.98%
Historic Yield	0.78%	3.83%	3.41%	2.27%	4.27%	0.66%	0.41%

Fund OCF and historic yield data is correct as at 02 October 2019.

#### PIM Strategic Ethical Active - Profile C

	MANAGED LIQUIDITY	UK ETHICAL CORPORATE BONDS	UK ETHICAL EQUITY GROWTH	UK ETHICAL EQUITY INCOME	INTERNATIONAL ETHICAL EQUITY	ETHICAL EMERGING MARKETS EQUITY
Fund OCF	0.08%	0.49%	0.54%	0.83%	0.75%	0.98%
Historic Yield	0.78%	3.55%	2.27%	4.27%	0.66%	0.41%

Fund OCF and historic yield data is correct as at 02 October 2019.

#### PIM Strategic Ethical Active - Profile D

	MANAGED LIQUIDITY	UK ETHICAL CORPORATE BONDS	UK ETHICAL EQUITY GROWTH	UK ETHICAL EQUITY INCOME	INTERNATIONAL ETHICAL EQUITY	ETHICAL EMERGING MARKETS EQUITY
Fund OCF	0.08%	0.54%	0.58%	0.81%	0.70%	0.98%
Historic Yield	0.78%	3.39%	2.36%	4.34%	0.67%	0.41%

Fund OCF and historic yield data is correct as at 02 October 2019.

## PIM Strategic Ethical Active (A-D): Portfolio Holdings as of 30 September 2019

The fund universe for each of the Ethical Profiles is determined by the Ethical Oversight Committee (EOC) as per the ethical screening criteria defined on page 32 of the QIR. The table below shows the current holdings for each Ethical Profile (A-D), to demonstrate the impact of the ethical screening on fund selection and for the purposes of transparency. Please note these holdings may change over the period, depending on the views of the investment manager (PIM). Details of any fund changes over the period, are available on page 57 of this document.

### Illustration of the Impact of Ethical Screening on Portfolio Holdings as of 30 September 2019

FUND		PROFILE A	PROFILE B	PROFILE C	PROFILE D
<b>Asset Class</b>					
Managed Liquidity (unscreened)	Federated Short-Term Sterling Prime				
	Aberdeen Standard Liquidity Sterling				
UK Ethical Corporate Bonds	Rathbone Ethical Bond				
	Liontrust Sustainable Future Corporate Bond				
	Royal London Ethical Bond				
	EdenTree Amity Sterling Bond				
	BMO Responsible Sterling Corporate Bond				
	Kames Ethical Corporate Bond				
UK Government / Inflation Linked Bonds	Allianz Gilt Yield				
	M&G Index Linked Bond				
UK Responsible Property	Janus Henderson UK Property Feeder				
	L&G UK Property Feeder				
	Threadneedle UK Property Authorised Trust Feeder				
UK Ethical Equity Growth	Royal London Sustainable Leaders				
	Liontrust Sustainable Future UK Growth				
	Liontrust UK Ethical				
	BMO Responsible UK Equity Growth				
	Kames Ethical Equity				

FUND		PROFILE A	PROFILE B	PROFILE C	PROFILE D
<b>Asset Class</b>					
UK Ethical Equity Income	BMO Responsible UK Income				
	Janus Henderson UK Responsible Income				
International Ethical Equity	Sarasin Responsible Global Equity				
	Stewart Investors Worldwide Sustainability				
	Janus Henderson Global Sustainable Equity				
Ethical Emerging Market Equity	BMO Responsible Global Equity				
	Liontrust Sustainable Future Global Growth				
	Stewart Investors Asia Pacific Sustainability				
	Vontobel mtX Sustainable Emerging Markets Leaders				

\*Fund weightings are excluded, as it would depend upon the Risk Grade selected. For further information please contact your relationship manager.

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

Please refer to the Ethical Portfolio Selector and supporting documents for further information.

**PIM Strategic Ethical Active (Profile A-D): Portfolio Returns to period end 30 September 2019**

All portfolios continue to perform in line with their relative risk over 2, 3 and 5 years. Over 6 months performance is also in line, with the exception of Risk Grade 10 in Profiles C and D. 3 month and 1 year performance is flatter across the Risk Grades, with strong returns from Fixed Interest and International Equity outperforming Emerging Market Equity, particularly over the last 3 months.

**PIM Strategic Ethical Active - Profile A**

	<i>3 MONTH RETURN</i>	<i>6 MONTH RETURN</i>	<i>1 YEAR RETURN</i>	<i>2 YEAR RETURN</i>	<i>3 YEAR RETURN</i>	<i>5 YEAR RETURN</i>
<b>Risk Grade</b>						
1	1.23%	2.07%	3.48%	4.03%	4.47%	11.15%
2	1.70%	3.46%	4.60%	6.73%	9.83%	21.16%
3	2.50%	5.40%	6.69%	10.15%	15.64%	33.88%
4	2.77%	6.45%	7.42%	11.82%	19.14%	40.71%
5	2.70%	6.97%	7.44%	12.72%	21.95%	46.02%
6	2.63%	7.61%	7.68%	13.82%	24.77%	51.41%
7	2.41%	8.01%	7.41%	14.72%	27.97%	56.69%
8	2.24%	8.24%	7.34%	15.55%	30.39%	61.06%
9	2.21%	8.57%	7.57%	16.05%	31.56%	64.02%
10	2.22%	8.74%	8.01%	16.48%	31.89%	65.94%

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

**PIM Strategic Ethical Active - Profile B**

	<i>3 MONTH RETURN</i>	<i>6 MONTH RETURN</i>	<i>1 YEAR RETURN</i>	<i>2 YEAR RETURN</i>	<i>3 YEAR RETURN</i>	<i>5 YEAR RETURN</i>
<b>Risk Grade</b>						
1	1.03%	1.90%	3.11%	3.65%	4.58%	10.35%
2	1.41%	3.20%	4.11%	6.21%	9.91%	20.08%
3	2.06%	4.99%	5.94%	9.35%	15.73%	32.15%
4	2.27%	5.98%	6.61%	10.95%	19.17%	38.83%
5	2.26%	6.56%	6.76%	11.98%	21.93%	44.40%
6	2.21%	7.20%	7.06%	13.14%	24.63%	50.00%
7	2.03%	7.61%	6.91%	14.19%	27.68%	55.69%
8	1.87%	7.84%	6.90%	15.08%	29.96%	60.32%
9	1.87%	8.20%	7.20%	15.65%	31.11%	63.46%
10	1.89%	8.38%	7.63%	16.09%	31.44%	65.38%

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

PIM Strategic Ethical Active - Profile C

	<i>3 MONTH RETURN</i>	<i>6 MONTH RETURN</i>	<i>1 YEAR RETURN</i>	<i>2 YEAR RETURN</i>	<i>3 YEAR RETURN</i>	<i>5 YEAR RETURN</i>
<b>Risk Grade</b>						
1	1.08%	1.94%	3.24%	3.71%	4.59%	10.36%
2	1.74%	3.70%	5.19%	6.54%	9.38%	20.24%
3	2.54%	5.74%	7.56%	9.84%	14.86%	32.33%
4	2.75%	6.72%	8.23%	11.43%	18.26%	38.97%
5	2.73%	7.29%	8.32%	12.45%	21.01%	44.54%
6	2.53%	7.69%	8.11%	13.47%	24.00%	50.08%
7	2.33%	8.10%	7.90%	14.48%	27.05%	55.77%
8	2.15%	8.32%	7.84%	15.35%	29.32%	60.39%
9	2.01%	8.44%	7.66%	15.78%	30.79%	63.49%
10	1.89%	8.38%	7.63%	16.09%	31.44%	65.38%

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

PIM Strategic Ethical Active - Profile D

	<i>3 MONTH RETURN</i>	<i>6 MONTH RETURN</i>	<i>1 YEAR RETURN</i>	<i>2 YEAR RETURN</i>	<i>3 YEAR RETURN</i>	<i>5 YEAR RETURN</i>
<b>Risk Grade</b>						
1	1.11%	1.95%	3.26%	3.64%	4.54%	10.37%
2	1.73%	3.66%	5.10%	6.35%	9.27%	20.13%
3	2.50%	5.64%	7.36%	9.51%	14.66%	32.07%
4	2.65%	6.56%	7.92%	11.00%	18.01%	38.55%
5	2.49%	6.97%	7.75%	11.81%	20.60%	43.74%
6	2.23%	7.29%	7.42%	12.76%	23.55%	49.08%
7	1.96%	7.62%	7.08%	13.71%	26.55%	54.56%
8	1.78%	7.85%	7.03%	14.63%	28.87%	59.17%
9	1.57%	7.88%	6.72%	14.96%	30.25%	62.03%
10	1.44%	7.82%	6.69%	15.27%	30.91%	63.89%

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

**PIM Strategic Ethical Active (Profile A-D): Asset Class Returns to period end 30 September 2019**

The PIM Strategic Ethical Risk Graded portfolios are built through a weighted exposure to a number of underlying asset classes. For transparency purposes the returns of each asset class are given below. These returns should not be considered in isolation as the asset class risk and return characteristics are taken into account within the construction of each risk graded portfolio.

**PIM Strategic Ethical Active - Profile A**

	<i>3 MONTH RETURN</i>	<i>6 MONTH RETURN</i>	<i>1 YEAR RETURN</i>	<i>2 YEAR RETURN</i>	<i>3 YEAR RETURN</i>	<i>5 YEAR RETURN</i>
<b>Asset Class</b>						
Managed Liquidity	0.18%	0.37%	0.75%	1.21%	1.46%	2.68%
UK Ethical Corporate Bonds	2.99%	5.51%	8.73%	9.46%	11.97%	29.83%
UK Government Bonds	6.31%	8.24%	15.07%	16.12%	9.44%	44.53%
UK Property	0.45%	1.04%	-0.08%	7.00%	17.41%	27.38%
UK Ethical Equity Growth	2.44%	9.90%	5.52%	13.77%	31.43%	55.64%
UK Ethical Equity Income	2.96%	8.16%	6.70%	10.01%	21.21%	45.32%
International Ethical Equity	3.09%	12.48%	9.70%	22.78%	46.31%	87.30%
Ethical Emerging Markets Equity	0.70%	4.41%	8.81%	15.60%	23.87%	63.51%

**PIM Strategic Ethical Active - Profile B**

	<i>3 MONTH RETURN</i>	<i>6 MONTH RETURN</i>	<i>1 YEAR RETURN</i>	<i>2 YEAR RETURN</i>	<i>3 YEAR RETURN</i>	<i>5 YEAR RETURN</i>
<b>Asset Class</b>						
Managed Liquidity	0.18%	0.37%	0.75%	1.21%	1.46%	2.68%
UK Ethical Corporate Bonds	2.99%	5.51%	8.73%	9.46%	11.97%	29.83%
UK Property	0.45%	1.04%	-0.08%	7.00%	17.41%	27.38%
UK Ethical Equity Growth	2.44%	9.90%	5.52%	13.77%	31.43%	55.64%
UK Ethical Equity Income	2.96%	8.16%	6.70%	10.01%	21.21%	45.32%
International Ethical Equity	1.95%	11.19%	8.44%	21.37%	44.63%	85.15%
Ethical Emerging Markets Equity	0.76%	4.47%	8.82%	15.64%	23.93%	63.59%

**PIM Strategic Ethical Active - Profile C**

	<i>3 MONTH RETURN</i>	<i>6 MONTH RETURN</i>	<i>1 YEAR RETURN</i>	<i>2 YEAR RETURN</i>	<i>3 YEAR RETURN</i>	<i>5 YEAR RETURN</i>
<b>Asset Class</b>						
Managed Liquidity	0.18%	0.37%	0.75%	1.21%	1.46%	2.68%
UK Ethical Corporate Bonds	3.15%	5.61%	9.18%	9.67%	11.97%	29.83%
UK Ethical Equity Growth	2.44%	9.90%	5.52%	13.77%	31.43%	55.64%
UK Ethical Equity Income	2.96%	8.16%	6.70%	10.01%	21.21%	45.32%
International Ethical Equity	1.95%	11.19%	8.44%	21.37%	44.63%	85.15%
Ethical Emerging Markets Equity	0.76%	4.47%	8.82%	15.64%	23.93%	63.59%

**PIM Strategic Ethical Active - Profile D**

	<i>3 MONTH RETURN</i>	<i>6 MONTH RETURN</i>	<i>1 YEAR RETURN</i>	<i>2 YEAR RETURN</i>	<i>3 YEAR RETURN</i>	<i>5 YEAR RETURN</i>
<b>Asset Class</b>						
Managed Liquidity	0.18%	0.37%	0.75%	1.21%	1.46%	2.68%
UK Ethical Corporate Bonds	3.25%	5.66%	9.23%	9.44%	11.82%	29.85%
UK Ethical Equity Growth	0.80%	8.39%	2.39%	10.82%	29.49%	50.26%
UK Ethical Equity Income	2.15%	6.34%	4.85%	8.39%	19.43%	43.19%
International Ethical Equity	2.18%	11.47%	8.79%	21.90%	45.40%	85.83%
Ethical Emerging Markets Equity	0.76%	4.47%	8.82%	15.64%	23.93%	63.59%

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.



# PIM Tactical Ethical Active Portfolios

The Tactical Ethical Active offering is built around five asset classes; Managed Liquidity, Cautious, Balanced, Active and Global Alpha. The Managed Liquidity portfolio is the same as PIM Strategic Active portfolios given the difficulties in sourcing an appropriate ethical fund in this area. The asset allocation between bonds, equities and other asset classes may vary within the Cautious, Balanced and Active portfolios, at the discretion of the investment manager (PIM). The aim is to minimise volatility whilst maximising risk adjusted returns. Funds are selected from the Ethical Investment Research Services (EIRiS) fund universe, after applying PIM's due diligence process. Passive investments are not available within this solution.

## PIM Tactical Ethical Active Portfolios - Asset Allocation Table

Risk Grade	MANAGED LIQUIDITY	CAUTIOUS	BALANCED	ACTIVE	GLOBAL ALPHA	TOTAL
1	50%	50%	0%	0%	0%	100%
2	25%	75%	0%	0%	0%	100%
3	0%	100%	0%	0%	0%	100%
4	0%	75%	25%	0%	0%	100%
5	0%	25%	75%	0%	0%	100%
6	0%	0%	100%	0%	0%	100%
7	0%	0%	75%	25%	0%	100%
8	0%	0%	25%	75%	0%	100%
9	0%	0%	0%	100%	0%	100%
10	0%	0%	0%	75%	25%	100%

Portfolios are rebalanced to their asset allocation on a periodic basis.

## Net Ongoing Charge Figure (OCF) and Historic Yield

Fund OCF	0.08%	0.47%	0.66%	0.78%	0.84%	0.69%
Historic Yield	0.78%	2.38%	2.35%	1.64%	0.67%	3.98%

Fund OCF and historic yield data is correct as at 02 October 2019.

## Portfolio Holdings as at 30 September 2019

The current portfolio holdings for the PIM Tactical Ethical Active portfolios are shown in the table below, as at 30 September 2019. Please refer to page 57 for details on fund changes over the period. If you have any further queries, please refer to your relationship manager.

HOLDINGS		CAUTIOUS	BALANCED	ACTIVE
Managed Liquidity	Federated Short-Term Sterling Prime	7.50%	0.00%	0.00%
	Aberdeen Standard Liquidity Sterling	7.50%	0.00%	0.00%
Fixed Interest	Allianz Gilt Yield	16.87%	6.63%	0.00%
	M&G Index Linked Bond	3.75%	0.87%	0.00%
	Liontrust Sustainable Future Corporate Bond	6.63%	1.50%	0.00%
	Rathbone Ethical Bond	11.00%	5.00%	0.00%
Property	Royal London Ethical Bond	11.00%	5.00%	0.00%
	L&G UK Property Feeder	3.34%	3.34%	3.34%
	Threadneedle UK Property Authorised Trust Feeder	3.33%	3.33%	3.33%
UK Equity	Standard Life Investments UK Real Estate Income Feeder	3.33%	3.33%	3.33%
	BMO Responsible UK Equity Growth	3.60%	8.45%	6.40%
	Liontrust Sustainable Future UK Growth	3.60%	8.45%	6.40%
	Royal London Sustainable Leaders	3.60%	8.45%	6.40%
	BMO Responsible UK Income	3.60%	8.45%	6.40%
	Janus Henderson UK Responsible Income	3.60%	8.45%	6.40%
International Equity	Stewart Investors Worldwide Sustainability	1.18%	5.93%	7.86%
	Stewart Investors Asia Pacific Sustainability	1.50%	2.50%	14.25%
	Vontobel mtx Sustainable Emerging Markets Leaders	1.50%	2.50%	14.25%
	Liontrust Sustainable Future Global Growth	1.19%	5.94%	7.21%
	Janus Henderson Global Sustainable Equity	1.19%	5.94%	7.21%
	BMO Responsible Global Equity	1.19%	5.94%	7.22%
<b>Total</b>		<b>100%</b>	<b>100%</b>	<b>100%</b>



### PIM Tactical Ethical Active - Portfolio Returns to period end 30 September 2019

All portfolios continue to perform in line with their relative risk over all 2, 3 and 5 years. Shorter term performance is misaligned due to the similar returns experienced by Tactical Cautious, Balanced and Active, particularly over 3 months and 1 year.

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	5 YEAR RETURN
<b>Risk Grade</b>						
1	1.47%	3.00%	4.13%	5.75%	8.01%	16.87%
2	2.10%	4.33%	5.83%	8.07%	11.38%	24.48%
3	2.74%	5.66%	7.54%	10.41%	14.81%	32.48%
4	2.66%	6.26%	7.49%	11.31%	17.54%	36.96%
5	2.51%	7.47%	7.37%	13.08%	23.13%	46.25%
6	2.43%	8.07%	7.30%	13.96%	25.99%	51.06%
7	2.24%	7.95%	7.21%	14.36%	27.18%	53.35%
8	1.86%	7.70%	7.03%	15.17%	29.58%	59.29%
9	1.67%	7.57%	6.95%	15.57%	30.79%	60.29%
10	2.11%	9.04%	7.84%	18.49%	35.24%	68.58%

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

### PIM Tactical Ethical Active - Asset Class Returns to period end 30 September 2019

The PIM Tactical Ethical Risk Graded portfolios are built through a weighted exposure to the five underlying asset classes. For transparency purposes the returns of each asset class are given below. These returns should not be considered in isolation as the asset class risk and return characteristics are taken into account within the construction of each Risk Graded portfolio.

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	5 YEAR RETURN
<b>Portfolio</b>						
PIM Tactical Ethical Active: Cautious	2.74%	5.66%	7.54%	10.41%	14.81%	32.48%
IA Mixed Investment 20-60% Shares	1.83%	4.74%	4.01%	6.72%	13.28%	27.42%
PIM Tactical Ethical Active Balanced	2.43%	8.07%	7.30%	13.96%	25.99%	51.06%
IA Mixed Investment 40-85% Shares	1.98%	6.28%	4.20%	9.78%	19.75%	39.00%
PIM Tactical Ethical Active: Active	1.67%	7.57%	6.95%	15.57%	30.79%	60.29%
IA Flexible Investment	1.73%	5.82%	3.24%	8.79%	20.24%	39.10%
PIM Tactical Ethical Active Global Alpha	3.36%	13.47%	10.45%	27.50%	49.27%	95.40%
FTSE World	3.78%	10.56%	7.93%	23.21%	42.22%	88.10%

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

## PIM Tactical Ethical Active Income

The Tactical Ethical Active Income portfolio invests in a combination of Bonds, Property and Equity collectives with the aim of providing a yield between 10% and 20% greater than that of the broad UK stock market, which is currently 4.13%. The mix of asset classes will be varied by the investment manager (PIM) depending upon their risk and return characteristics. Funds will be selected from the Ethical Investment Research Services (EIRiS) fund universe within Fixed Interest and Equity Income in line with the Ethical mandate.

### PIM Tactical Ethical Active Income - Portfolio Returns to period end 30 September 2019

Given the unique character of the portfolio, Tactical Ethical Active Income does not easily fit within any of the IA sector definitions and there is no natural benchmark for performance comparisons. However, in the table below are some of the common benchmarks for reference purposes.

Portfolio / Benchmark	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	5 YEAR RETURN
PIM Tactical Ethical Active Income	2.49%	5.91%	6.11%	9.22%	17.41%	36.73%
FTSE UK Government Bond	7.00%	8.73%	15.11%	15.78%	11.23%	37.44%
IA Sterling Corporate Bond Sector	3.08%	5.49%	9.03%	9.14%	9.80%	26.69%
IA UK Equity Income Sector	1.12%	3.09%	-0.11%	3.33%	14.26%	31.78%

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

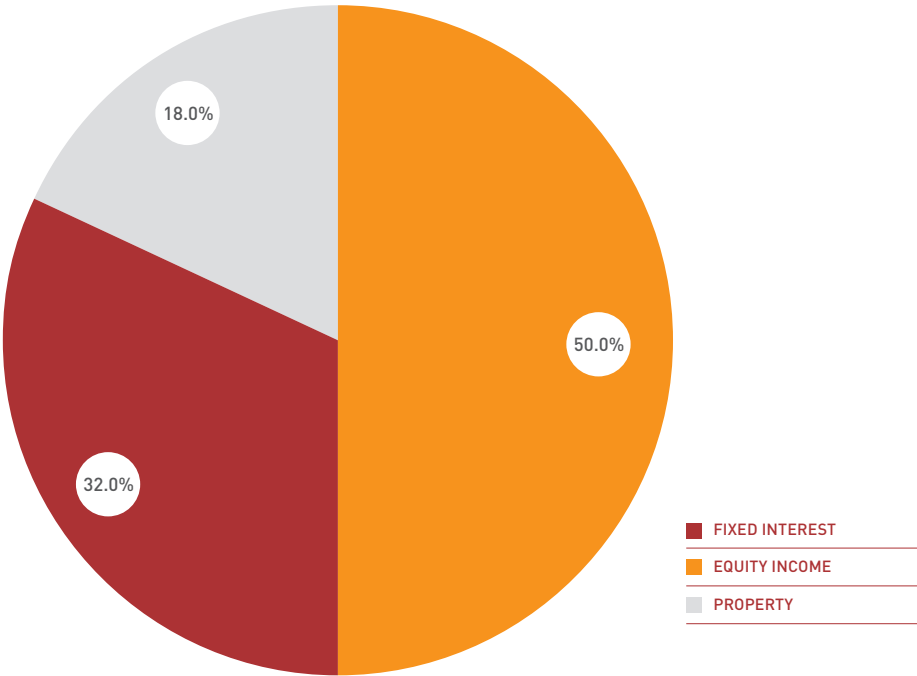
### Portfolio Holdings as of 30 September 2019

The current portfolio holdings for PIM Tactical Ethical Active Income are shown in the table below, as at 30 September 2019. Please refer to page 57 for details on fund changes over the period. If you have any further queries, please refer to your relationship manager.

	HOLDINGS	INCOME
Fixed Interest	Liontrust Sustainable Future Corporate Bond	10.00%
	Rathbone Ethical Bond	11.00%
	Royal London Ethical Bond	11.00%
Property	L&G UK Property Feeder	6.00%
	Threadneedle UK Property Authorised Trust Feeder	6.00%
	Standard Life Investments UK Real Estate Income Feeder	6.00%
Equity Income	Janus Henderson UK Responsible Income	25.00%
	BMO Responsible UK Income	25.00%
<b>Total</b>		<b>100%</b>



PIM Tactical Ethical Active Income % Asset Allocation as of 30 September 2019



The PIM Tactical Ethical Active (Income) Portfolios have a target yield greater than 10% than that of the UK Equity Market.

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

# UP PIM Strategic Multi-Option Value & Small Cap: UK Perspective

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. The Multi-Option profile provides the client with additional flexibility to accommodate both pure Dimensional, passive and (where appropriate) active exposure within each asset class, and to vary the value and small cap tilt as appropriate. The amount to invest into each asset group is dependent upon the clients' risk profile and, once agreed, is kept constant by the investment manager (PIM) by periodic rebalancing. PIM only have the authority to make infrequent changes to asset weightings, as identified by a structural change.

## PIM Strategic Multi-Option Value & Small Cap: UK Perspective - Asset Allocation Table

	MANAGED LIQUIDITY	FIXED INTEREST	PROPERTY	UK EQUITY GROWTH	UK EQUITY INCOME	UK VALUE & SMALL CAP EQUITY	WORLD EX-UK EQUITY	WORLD EX-UK VALUE & SMALL CAP EQUITY	EMERGING MARKETS EQUITY	EMERGING MARKET VALUE & SMALL CAP EQUITY	TOTAL
<b>Risk Grade</b>											
1	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
2	45%	40%	5%	1%	1%	3%	2%	3%	0%	0%	100%
3	25%	45%	10%	2%	1%	7%	2%	3%	3%	2%	100%
4	10%	50%	10%	3%	2%	10%	4%	6%	3%	2%	100%
5	0%	50%	10%	3%	3%	14%	4%	6%	5%	5%	100%
6	0%	45%	5%	4%	4%	17%	6%	9%	5%	5%	100%
7	0%	35%	5%	5%	4%	21%	6%	9%	8%	7%	100%
8	0%	25%	5%	6%	5%	24%	6%	9%	10%	10%	100%
9	0%	20%	0%	6%	6%	28%	8%	12%	10%	10%	100%
10	0%	10%	0%	7%	7%	31%	8%	12%	13%	12%	100%

Portfolios are rebalanced to their asset allocation on a semi annual basis.

## Ongoing Charge Figure (OCF) Net of Rebates and Historic Yield

The fund OCF and historic yield for each asset class are shown below. The data included will vary from month to month, depending on the fund selection of the investment manager and the expenses of the underlying funds themselves. These figures are therefore only included for the purposes of transparency.

### PIM Strategic Multi-Option Value & Small Cap: UK Perspective Pure

	MANAGED LIQUIDITY	FIXED INTEREST	PROPERTY	UK EQUITY GROWTH	UK EQUITY INCOME	UK VALUE & SMALL CAP	WORLD EX-UK EQUITY	WORLD EX-UK VALUE & SMALL CAP	EMERGING MARKETS EQUITY	EMERGING MARKETS VALUE & SMALL CAP EQUITY
Fund OCF	0.20%	0.28%	0.18%	0.24%	0.12%	0.51%	0.35%	0.56%	0.67%	0.91%
Historic Yield	1.82%	0.50%	2.78%	3.60%	5.25%	3.41%	1.63%	1.43%	2.06%	1.76%

Fund OCF and historic yield data is correct as at 02 October 2019.

### PIM Strategic Multi-Option Value & Small Cap: UK Perspective Passive

	MANAGED LIQUIDITY	FIXED INTEREST	PROPERTY	UK EQUITY GROWTH	UK EQUITY INCOME	UK VALUE & SMALL CAP	WORLD EX-UK EQUITY	WORLD EX-UK VALUE & SMALL CAP	EMERGING MARKETS EQUITY	EMERGING MARKETS VALUE & SMALL CAP EQUITY
Fund OCF	0.20%	0.08%	0.18%	0.05%	0.12%	0.51%	0.08%	0.56%	0.22%	0.91%
Historic Yield	1.82%	1.80%	2.78%	3.93%	5.25%	3.41%	1.96%	1.43%	2.55%	1.76%

Fund OCF and historic yield data is correct as at 02 October 2019.

## Portfolio Holdings as at 30 September 2019

The current portfolio holdings for PIM Strategic Multi-Option Value & Small Cap: UK Perspective (Pure and Passive) are shown in the tables below, as at 30 September 2019. For the purposes of on-going suitability due diligence is conducted on DFA and underlying passive fund providers on a 6 monthly basis.

### PIM Strategic Multi-Option Value & Small Cap: UK Perspective Pure

<i>MANAGED LIQUIDITY</i>	<i>FIXED INTEREST</i>	<i>GLOBAL PROPERTY</i>	<i>UK EQUITY GROWTH</i>	<i>UK EQUITY INCOME</i>	<i>UK VALUE &amp; SMALL CAP</i>	<i>WORLD EX-UK EQUITY</i>	<i>WORLD EX-UK VALUE &amp; SMALL CAP EQUITY</i>	<i>EMERGING MARKETS EQUITY</i>	<i>EMERGING MARKETS VALUE &amp; SMALL CAP EQUITY</i>
Dimensional Global Ultra Short Fixed Income	Dimensional Global Short Dated Bond	iShares Global Property Securities Equity Index	Dimensional UK Core Equity	Vanguard FTSE UK Equity Income Index	Dimensional UK Value	Dimensional International Core Equity	Dimensional Global Targeted Value	Dimensional Emerging Markets Core Equity	Dimensional Emerging Markets Targeted Value
	Dimensional Sterling Inflation Linked Intermediate Duration Fixed Income				Dimensional UK Small Companies				

### PIM Strategic Multi-Option Value & Small Cap: UK Perspective Passive

Dimensional Global Ultra Short Fixed Income	Vanguard UK Government Bond Index	iShares Global Property Securities Equity Index	Vanguard FTSE UK All Share Index	Vanguard FTSE UK Equity Income Index	Dimensional UK Value	Vanguard US Equity Index	Dimensional Global Targeted Value	Vanguard Emerging Markets Stock Index	Dimensional Emerging Markets Targeted Value
	L&G All Stocks Index Linked Gilt Index				Dimensional UK Small Companies	Fidelity Index US			
	Vanguard UK Investment Grade Bond Index					Vanguard FTSE Developed Europe ex UK Equity Index			
	Vanguard Global Bond Index Hedge					L&G Japan Index			
						L&G Pacific Index			

## PIM Strategic Multi-Option Value & Small Cap: UK Perspective - Portfolio Returns to period end 30 September 2019

All portfolios (Pure and Passive) continue to perform in line with their relative risk over 3 and 5 years, with the exception of Passive Risk Grade 6 & 9 over 5 years. Performance over shorter time periods is distorted primarily due to the strong performance of Global Property coupled with the underperformance of the Value and Small Cap Equity tilts and Emerging Markets versus World ex UK Equity.

### PIM Strategic Multi-Option Value & Small Cap: UK Perspective Pure

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	5 YEAR RETURN
<b>Risk Grade</b>						
1	0.20%	0.55%	1.32%	1.50%	1.34%	2.72%
2	1.38%	2.48%	3.84%	4.72%	5.86%	14.74%
3	1.79%	3.30%	4.99%	6.37%	9.05%	22.75%
4	2.05%	3.93%	5.05%	7.13%	11.49%	28.20%
5	1.95%	4.03%	4.98%	7.21%	13.24%	32.01%
6	1.67%	3.90%	3.66%	6.32%	14.15%	32.42%
7	1.46%	3.85%	3.20%	6.13%	15.70%	35.11%
8	1.22%	3.73%	2.70%	5.86%	17.07%	37.56%
9	0.94%	3.60%	1.35%	4.89%	17.90%	37.77%
10	0.73%	3.53%	0.88%	4.66%	19.31%	40.19%

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

### PIM Strategic Multi-Option Value & Small Cap: UK Perspective Passive

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	5 YEAR RETURN
<b>Risk Grade</b>						
1	0.20%	0.55%	1.32%	1.50%	1.34%	2.72%
2	2.33%	3.85%	6.07%	7.31%	7.87%	21.03%
3	2.85%	4.83%	7.51%	9.34%	11.46%	30.29%
4	3.23%	5.63%	7.87%	10.47%	14.24%	37.01%
5	3.13%	5.72%	7.78%	10.56%	16.09%	41.07%
6	2.72%	5.42%	6.19%	9.38%	16.81%	40.75%
7	2.29%	5.02%	5.19%	8.60%	17.97%	41.85%
8	1.82%	4.56%	4.16%	7.72%	18.90%	42.65%
9	1.43%	4.25%	2.55%	6.49%	19.53%	42.13%
10	0.99%	3.83%	1.58%	5.69%	20.54%	42.91%

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

**PIM Strategic Multi-Option Value & Small Cap: UK Perspective - Asset Class Returns to period end 30 September 2019**

The PIM Strategic Multi-Option Value and Small Cap UK Risk Graded portfolios are built through a weighted exposure to ten underlying asset classes. For transparency purposes the returns of each asset class are given below. These returns should not be considered in isolation as the asset class risk and return characteristics are taken into account within the construction of each risk graded portfolio.

**PIM Strategic Multi-Option Value & Small Cap: UK Perspective Pure**

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	5 YEAR RETURN
<b>Asset Class</b>						
Managed Liquidity	0.20%	0.55%	1.32%	1.50%	1.34%	2.72%
Fixed Interest	1.62%	2.76%	5.61%	5.01%	4.37%	13.58%
Global Property	8.43%	11.26%	20.84%	28.04%	24.89%	84.32%
UK Equity Growth	1.23%	4.03%	1.57%	8.37%	22.42%	38.95%
UK Equity Income	0.97%	1.73%	0.69%	3.99%	12.50%	24.21%
UK Value and Small Cap	1.69%	3.51%	-0.93%	3.77%	21.24%	34.64%
World Ex-UK Equity	3.65%	10.62%	5.54%	19.07%	37.92%	82.19%
World Ex-UK Value & Small Cap Equity	2.24%	6.30%	-4.90%	1.72%	19.22%	55.53%
Emerging Markets Equity	-1.37%	2.89%	3.71%	4.35%	21.14%	44.10%
Emerging Markets Value & Small Cap Equity	-4.08%	-1.83%	0.21%	-2.54%	13.06%	35.29%

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

**PIM Strategic Multi-Option Value & Small Cap: UK Perspective Passive**

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	5 YEAR RETURN
<b>Asset Class</b>						
Managed Liquidity	0.20%	0.55%	1.32%	1.50%	1.34%	2.72%
Fixed Interest	3.98%	6.17%	11.22%	11.38%	9.24%	29.32%
Global Property	8.43%	11.26%	20.84%	28.04%	24.89%	84.32%
UK Equity Growth	1.27%	4.54%	2.60%	8.94%	21.83%	38.88%
UK Equity Income	0.97%	1.73%	0.69%	3.99%	12.50%	24.21%
UK Value and Small Cap	1.69%	3.51%	-0.93%	3.77%	21.24%	34.64%
World Ex-UK Equity	3.68%	10.29%	6.53%	22.20%	41.58%	91.70%
World Ex-UK Value & Small Cap Equity	2.24%	6.30%	-4.90%	1.72%	19.22%	55.53%
Emerging Markets Equity	-1.14%	2.48%	3.96%	5.54%	24.84%	46.59%
Emerging Markets Value & Small Cap Equity	-4.08%	-1.83%	0.21%	-2.54%	13.06%	35.29%

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

# GP PIM Strategic Multi-Option Value & Small Cap: Global Perspective

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 uses a global approach to asset weightings. The Multi-Option profile provides the client with additional flexibility to accommodate both pure Dimensional, passive and (where appropriate) active exposure within each asset class, and to vary the value and small cap tilt as appropriate. The amount to invest into each asset group is dependent upon the clients' risk profile and, once agreed, is kept constant by the investment manager (PIM) by periodic rebalancing. PIM only has the authority to make infrequent changes to asset weightings, as identified by a structural change.

## PIM Strategic Multi-Option Value & Small Cap: Global Perspective - Asset Allocation Table

	MANAGED LIQUIDITY	FIXED INTEREST	GLOBAL PROPERTY	GLOBAL EQUITY	GLOBAL VALUE & SMALL CAP EQUITY	EMERGING MARKETS EQUITY	EMERGING MARKET VALUE & SMALL CAP EQUITY	TOTAL
<b>Risk Grade</b>								
1	100%	0%	0%	0%	0%	0%	0%	100%
2	45%	40%	5%	4%	6%	0%	0%	100%
3	25%	45%	10%	6%	9%	3%	2%	100%
4	10%	50%	10%	10%	15%	3%	2%	100%
5	0%	50%	10%	12%	18%	5%	5%	100%
6	0%	45%	5%	14%	21%	8%	7%	100%
7	0%	35%	5%	16%	24%	10%	10%	100%
8	0%	25%	5%	18%	27%	13%	12%	100%
9	0%	20%	0%	20%	30%	15%	15%	100%
10	0%	10%	0%	22%	33%	18%	17%	100%

Portfolios are rebalanced to their asset allocation on a semi annual basis.

## Net Ongoing Charge Figure (OCF) and Historic Yield

The fund OCF and historic yield for each asset class are shown below. The data included will vary from month to month, depending on the fund selection of the investment manager and the expenses of the underlying funds themselves. These figures are therefore only included for the purposes of transparency.

### PIM Strategic Multi-Option Value & Small Cap: Global Perspective Pure

	MANAGED LIQUIDITY	FIXED INTEREST	GLOBAL PROPERTY	GLOBAL EQUITY	GLOBAL VALUE & SMALL CAP	EMERGING MARKETS EQUITY	EMERGING MARKETS VALUE & SMALL CAP EQUITY
Fund OCF	0.20%	0.29%	0.18%	0.36%	0.56%	0.67%	0.91%
Historic Yield	1.82%	0.59%	2.78%	1.74%	1.43%	2.06%	1.76%

Fund OCF and historic yield data is correct as at 02 October 2019.

### PIM Strategic Multi-Option Value & Small Cap: Global Perspective Passive

	MANAGED LIQUIDITY	FIXED INTEREST	GLOBAL PROPERTY	GLOBAL EQUITY	GLOBAL VALUE & SMALL CAP	EMERGING MARKETS EQUITY	EMERGING MARKETS VALUE & SMALL CAP EQUITY
Fund OCF	0.20%	0.10%	0.18%	0.08%	0.56%	0.22%	0.91%
Historic Yield	1.82%	1.69%	2.78%	2.35%	1.43%	2.55%	1.76%

Fund OCF and historic yield data is correct as at 02 October 2019.



### Portfolio Holdings as at 30 September 2019

The current portfolio holdings for PIM Strategic Multi-Option Value & Small Cap: Global Perspective Pure and Passive are shown in the tables below, as at 30 September 2019. For the purposes of on-going suitability, due diligence is conducted on Dimensional Fund Advisers (DFA) and underlying passive fund providers on a 6 monthly basis.

#### PIM Strategic Multi-Option Value & Small Cap: Global Perspective Pure

MANAGED LIQUIDITY	FIXED INTEREST	GLOBAL PROPERTY	GLOBAL EQUITY	GLOBAL VALUE AND SMALL CAP	EMERGING MARKETS EQUITY	EMERGING MARKETS VALUE & SMALL CAP EQUITY
Dimensional Global Ultra Short Fixed Income	Dimensional Global Short Dated Bond	iShares Global Property Securities Equity Index	Dimensional Global Core Equity	Dimensional Global Targeted Value	Dimensional Emerging Markets Core Equity	Dimensional Emerging Markets Targeted Value
	Dimensional Sterling Inflation Linked Intermediate Duration Fixed Income					

#### PIM Strategic Multi-Option Value & Small Cap: Global Perspective Passive

Dimensional Global Ultra Short Fixed Income	L&G All Stocks Index Linked Gilt Index	iShares Global Property Securities Equity Index	Vanguard FTSE UK All Share Index	Dimensional Global Targeted Value	Vanguard Emerging Markets Stock Index	Dimensional Emerging Markets Targeted Value
	Vanguard Global Bond Index Hedged		Vanguard FTSE UK Equity Income Index			
			Vanguard US Equity Index			
			Fidelity Index US			
			Vanguard FTSE Developed Europe ex UK Equity Index			
			L&G Japan Index			
			L&G Pacific Index			

### PIM Strategic Multi-Option Value & Small Cap: Global Perspective - Portfolio Returns to period end 30 September 2019

All portfolios (Pure and Passive) continue to perform in line with their relative risk over 3 and 5 years. Performance over shorter time periods is distorted due to the strong performance of Global Property combined with the underperformance of the Value and Small Cap Equity tilts, plus Emerging Markets lagging Global Equity.

#### PIM Strategic Multi-Option Value & Small Cap: Global Perspective Pure

	<i>3 MONTH RETURN</i>	<i>6 MONTH RETURN</i>	<i>1 YEAR RETURN</i>	<i>2 YEAR RETURN</i>	<i>3 YEAR RETURN</i>	<i>5 YEAR RETURN</i>
<b>Risk Grade</b>						
1	0.20%	0.55%	1.32%	1.50%	1.34%	2.72%
2	1.17%	2.34%	3.25%	4.24%	5.47%	14.58%
3	1.60%	3.33%	4.30%	5.97%	8.77%	23.62%
4	1.89%	4.12%	4.25%	6.81%	11.35%	30.23%
5	1.85%	4.45%	4.16%	7.12%	13.40%	35.56%
6	1.40%	4.23%	3.03%	6.14%	14.23%	36.55%
7	1.30%	4.43%	2.64%	6.23%	16.08%	40.96%
8	1.22%	4.67%	2.28%	6.38%	18.00%	45.48%
9	0.75%	4.40%	1.10%	5.30%	18.68%	46.20%
10	0.68%	4.63%	0.74%	5.43%	20.58%	50.69%

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

#### PIM Strategic Multi-Option Value & Small Cap: Global Perspective Passive

	<i>3 MONTH RETURN</i>	<i>6 MONTH RETURN</i>	<i>1 YEAR RETURN</i>	<i>2 YEAR RETURN</i>	<i>3 YEAR RETURN</i>	<i>5 YEAR RETURN</i>
<b>Risk Grade</b>						
1	0.20%	0.55%	1.32%	1.50%	1.34%	2.72%
2	1.93%	3.71%	5.46%	6.67%	7.37%	19.27%
3	2.45%	4.85%	6.80%	8.78%	11.10%	29.34%
4	2.82%	5.80%	7.03%	9.96%	14.05%	36.95%
5	2.78%	6.12%	6.95%	10.31%	16.26%	42.59%
6	2.24%	5.70%	5.53%	9.04%	17.01%	43.06%
7	1.94%	5.53%	4.60%	8.56%	18.50%	46.32%
8	1.68%	5.40%	3.71%	8.16%	20.09%	49.66%
9	1.11%	4.93%	2.27%	6.80%	20.62%	49.77%
10	0.86%	4.80%	1.38%	6.38%	22.15%	52.99%

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

**PIM Strategic Multi-Option Value & Small Cap: Global Perspective - Asset Class Returns to period end 30 September 2019**

The PIM Strategic Multi-Option Value and Small Cap Global Risk Graded portfolios are built through a weighted exposure to seven underlying asset classes. For transparency purposes the returns of each asset class are given below. These returns should not be considered in isolation as the asset class risk and return characteristics are taken into account within the construction of each risk graded portfolio.

**PIM Strategic Multi-Option Value & Small Cap: Global Perspective Pure**

<b>Asset Class</b>	<b>3 MONTH RETURN</b>	<b>6 MONTH RETURN</b>	<b>1 YEAR RETURN</b>	<b>2 YEAR RETURN</b>	<b>3 YEAR RETURN</b>	<b>5 YEAR RETURN</b>
Managed Liquidity	0.20%	0.55%	1.32%	1.50%	1.34%	2.72%
Fixed Interest	0.91%	1.86%	4.26%	3.39%	2.81%	10.24%
Global Property	8.43%	11.26%	20.84%	28.04%	24.89%	84.32%
Global Equity	3.49%	9.70%	5.47%	19.11%	35.89%	79.81%
Global Value & Small Cap	2.24%	6.30%	-4.90%	1.72%	19.22%	55.53%
Emerging Markets Equity	-1.37%	2.89%	3.71%	4.35%	21.14%	44.10%
Emerging Markets Value & Small Cap Equity	-4.08%	-1.83%	0.21%	-2.54%	13.06%	35.29%

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

**PIM Strategic Multi-Option Value & Small Cap: Global Perspective Passive**

<b>Asset Class</b>	<b>3 MONTH RETURN</b>	<b>6 MONTH RETURN</b>	<b>1 YEAR RETURN</b>	<b>2 YEAR RETURN</b>	<b>3 YEAR RETURN</b>	<b>5 YEAR RETURN</b>
Managed Liquidity	0.20%	0.55%	1.32%	1.50%	1.34%	2.72%
Fixed Interest	2.84%	5.33%	9.82%	9.39%	7.29%	21.65%
Global Property	8.43%	11.26%	20.84%	28.04%	24.89%	84.32%
Global Equity	3.29%	9.18%	5.81%	19.82%	37.86%	81.55%
Global Value & Small Cap	2.24%	6.30%	-4.90%	1.72%	19.22%	55.53%
Emerging Markets Equity	-1.14%	2.48%	3.96%	5.54%	24.84%	46.59%
Emerging Markets Value & Small Cap Equity	-4.08%	-1.83%	0.21%	-2.54%	13.06%	35.29%

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.



# Distribution Technology Multi-Option

The Distribution Technology (DT) Multi-Option Solution incorporates ten risk graded model portfolios constructed by Parmenion Investment Management (PIM). The asset weightings of these portfolios exactly match those specified by Distribution Technology in their quarterly investment report. This solution allows the Adviser to choose between active and/or passive fund exposure, within each asset class, as appropriate for the underlying client.

## Distribution Technology Multi-Option: Asset Allocation Table

	UK CASH	UK CORP BONDS	UK V/L BONDS	INTERNATIONAL BONDS	UK GILTS	GLOBAL HIGH YIELD	UK EQUITY	EUROPEAN EQUITY	US EQUITY	JAPAN EQUITY	PACIFIC EX-JAPAN EQUITY	EMERGING MARKETS EQUITY	UK PROPERTY	TOTAL
<b>Risk Grade</b>														
1	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100%
2	46.00%	12.00%	5.00%	10.00%	10.00%	0.00%	10.00%	0.00%	2.00%	0.00%	0.00%	0.00%	5.00%	100%
3	15.00%	21.00%	7.00%	13.00%	12.00%	0.00%	14.00%	0.00%	8.00%	5.00%	0.00%	0.00%	5.00%	100%
4	10.00%	21.00%	7.00%	7.00%	6.00%	0.00%	18.00%	5.00%	12.00%	5.00%	4.00%	0.00%	5.00%	100%
5	5.00%	19.00%	4.00%	4.00%	3.00%	0.00%	23.00%	5.00%	16.00%	6.00%	5.00%	5.00%	5.00%	100%
6	4.00%	12.00%	0.00%	3.00%	0.00%	3.00%	26.00%	6.00%	17.00%	7.00%	8.00%	9.00%	5.00%	100%
7	0.00%	0.00%	0.00%	3.00%	0.00%	4.00%	35.00%	6.00%	15.00%	8.00%	12.00%	12.00%	5.00%	100%
8	0.00%	0.00%	0.00%	0.00%	0.00%	4.00%	20.00%	6.00%	10.00%	6.00%	23.00%	26.00%	5.00%	100%
9	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	15.00%	6.00%	6.00%	6.00%	25.00%	42.00%	0.00%	100%
10	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.00%	0.00%	5.00%	0.00%	28.00%	64.00%	0.00%	100%

These are the asset weightings that were in effect as at 02 October 2019. Please refer to solution factsheet for details of current asset weightings.

Portfolios are rebalanced to their asset allocation on a quarterly basis.

## Net Ongoing Charge Figure (OCF) and Historic Yield

The fund OCF and historic yield for each asset class are shown below. The data included will vary from month to month, depending on the fund selection of the investment manager and the expenses of the underlying funds themselves. These figures are therefore only included for the purposes of transparency.

### Distribution Technology Multi-Option Active

	UK CASH	UK CORP BONDS	UK V/L GILTS	INTERNATIONAL BONDS	UK GILTS	GLOBAL HIGH YIELD	UK EQUITY	EUROPEAN EQUITY	US EQUITY	JAPAN EQUITY	PACIFIC EX-JAPAN EQUITY	EMERGING MARKETS EQUITY	UK PROPERTY
Fund OCF	0.08%	0.48%	0.30%	0.65%	0.32%	0.64%	0.79%	0.84%	0.71%	1.00%	0.93%	0.99%	0.89%
Historic Yield	0.78%	3.27%	0.00%	3.02%	1.38%	4.55%	3.11%	2.05%	0.28%	2.20%	2.02%	1.97%	3.05%

Fund OCF and historic yield data is correct as at 02 October 2019.

### Distribution Technology Multi-Option Passive

	UK CASH	UK CORP BONDS	UK V/L GILTS	INTERNATIONAL BONDS	UK GILTS	GLOBAL HIGH YIELD	UK EQUITY	EUROPEAN EQUITY	US EQUITY	JAPAN EQUITY	PACIFIC EX-JAPAN EQUITY	EMERGING MARKETS EQUITY	UK PROPERTY
Fund OCF	0.08%	0.06%	0.10%	0.10%	0.06%	0.64%	0.09%	0.09%	0.06%	0.10%	0.14%	0.22%	0.45%
Historic Yield	0.78%	2.57%	0.00%	1.88%	1.36%	4.55%	4.59%	2.61%	1.54%	1.85%	3.29%	2.55%	3.14%

Fund OCF and historic yield data is correct as at 02 October 2019.

## Portfolio Holdings as at 30 September 2019

The current portfolio holdings for DT Multi Option are shown in the tables below, as at 30 September 2019. Please refer to page 57 for details on fund changes over the period. If you have any further queries, please refer to your relationship manager.

### Distribution Technology Multi-Option Active and Passive

UK CASH	UK CORP BONDS	UK I/L GILTS	INTERNATIONAL BONDS	UK GILTS	GLOBAL HIGH YIELD	UK EQUITY	EUROPEAN EQUITY	US EQUITY	JAPAN EQUITY	PACIFIC EX-JAPAN EQUITY	EMERGING MARKETS EQUITY	UK PROPERTY
<b>Active</b>												
Federated Short-Term Sterling Prime	Fidelity Moneybuilder Income	M&G Index Linked Bond	Muzinich Global Tactical Credit	Allianz Gilt Yield	Threadneedle High Yield Bond	Trojan Income	Fidelity European	Vontobel US Equity	LF Morant Wright Nippon Yield	Veritas Asian	GS Emerging Markets Equity Portfolio	Threadneedle UK Property Authorised Trust Feeder
Aberdeen Standard Liquidity Sterling	BlackRock Corporate Bond		Jupiter Strategic Bond		PIMCO Global High Yield Bond	LF Lindsell Train UK Equity	Schroder European	LF Miton US Opportunities	Schroder Tokyo	Schroder Asian Income	Schroder Global Emerging Markets	L&G UK Property Feeder
	Royal London Sterling Credit		PIMCO Global Bond			Evenlode Income	FP CRUX European Special Situations	Pioneer US Fundamental Growth			Artemis Global Emerging Markets	Janus Henderson Horizon Global Property Equities
						Threadneedle UK Equity Income		Dodge & Cox US Stock			JPM Emerging Markets Small Cap	Standard Life Investments UK Real Estate Income Feeder
						LF Miton UK Multi Cap Income						
						Liontrust Special Situations						
						Jupiter UK Special Situations						
						Investec UK Alpha						
<b>Passive</b>												
Federated Short-Term Sterling Prime	Vanguard UK Investment Grade Bond Index	L&G All Stocks Index Linked Gilt Index	Vanguard Global Bond Index GBP Hedged	Vanguard UK Government Bond Index	Threadneedle High Yield Bond	Vanguard FTSE UK All Share Index	Vanguard FTSE Developed Europe ex UK Equity Index	Vanguard US Equity Index	L&G Japan Index	L&G Pacific Index	Vanguard Emerging Markets Stock Index	Threadneedle UK Property Authorised Trust Feeder
Aberdeen Standard Liquidity Sterling					PIMCO Global High Yield Bond	Vanguard FTSE UK Equity Income Index		Fidelity Index US				L&G UK Property Feeder
												iShares Global Property Securities Equity Index
												Standard Life Investments UK Real Estate Income Feeder

### Distribution Technology Multi-Option - Portfolio Returns to period end 30 September 2019

All Active and Passive portfolios have performed in line with their relative risk over 3 and 5 years, with the exception of Risk Grade 10 given the relative underperformance of Emerging Markets compared to Developed Markets. When coupled with the recent outperformance of Fixed Interest (Gilts and Index Linked Gilts in particular) relative to a number of equity markets, shorter term performance is much more distorted across the Risk Grades.

#### Distribution Technology Multi-Option Active

	<i>3 MONTH RETURN</i>	<i>6 MONTH RETURN</i>	<i>1 YEAR RETURN</i>	<i>2 YEAR RETURN</i>	<i>3 YEAR RETURN</i>	<i>5 YEAR RETURN</i>
<b>Risk Grade</b>						
1	0.18%	0.37%	0.75%	1.21%	1.46%	2.79%
2	2.11%	3.87%	5.59%	7.12%	9.12%	21.18%
3	3.22%	6.13%	7.60%	10.97%	14.85%	35.90%
4	3.10%	7.01%	7.31%	12.42%	19.01%	43.91%
5	2.94%	7.55%	7.06%	13.03%	22.88%	51.14%
6	2.52%	7.67%	6.33%	12.71%	24.77%	55.20%
7	2.36%	8.04%	6.06%	12.54%	26.77%	58.42%
8	1.79%	7.74%	6.97%	12.17%	27.60%	60.24%
9	1.29%	7.59%	7.21%	11.02%	27.74%	62.92%
10	0.69%	7.00%	8.93%	9.89%	27.04%	58.01%

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

#### Distribution Technology Multi-Option Passive

	<i>3 MONTH RETURN</i>	<i>6 MONTH RETURN</i>	<i>1 YEAR RETURN</i>	<i>2 YEAR RETURN</i>	<i>3 YEAR RETURN</i>	<i>5 YEAR RETURN</i>
<b>Risk Grade</b>						
1	0.18%	0.37%	0.75%	1.21%	1.46%	2.79%
2	2.18%	3.45%	5.52%	6.93%	8.16%	20.03%
3	3.39%	5.62%	7.70%	11.03%	14.00%	35.12%
4	3.12%	6.13%	7.06%	12.15%	18.18%	41.50%
5	2.79%	6.19%	6.20%	12.34%	21.59%	46.41%
6	2.20%	5.93%	4.93%	11.51%	22.96%	48.47%
7	1.87%	5.83%	4.09%	10.95%	24.75%	49.50%
8	1.09%	5.50%	4.19%	10.73%	26.48%	52.15%
9	0.39%	4.98%	3.78%	9.68%	26.81%	54.90%
10	-0.51%	4.00%	4.13%	8.60%	26.64%	52.80%

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

## Distribution Technology Multi-Option - Asset Class Returns to period end 30 September 2019

The DT Multi Option Risk Graded portfolios are built through a weighted exposure to thirteen underlying asset classes. For transparency purposes the returns of each asset class are given below. These returns should not be considered in isolation as the asset class risk and return characteristics are taken into account within the construction of each risk graded portfolio.

### Distribution Technology Multi-Option Active

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	5 YEAR RETURN
<b>Asset Class</b>						
UK Cash	0.18%	0.37%	0.75%	1.21%	1.46%	2.79%
UK Corp Bonds	3.01%	5.51%	9.42%	9.63%	10.20%	25.27%
UK I/L Gilts	6.80%	8.60%	16.28%	17.62%	9.48%	55.92%
International Bonds	2.07%	4.83%	7.22%	6.75%	11.61%	19.52%
UK Gilts	5.84%	7.82%	13.78%	14.56%	9.31%	33.44%
UK Property	4.67%	7.38%	11.41%	19.10%	29.89%	39.71%
Global High Yield*	1.36%	3.91%	5.91%	7.97%	15.86%	N/A
UK Equity	2.14%	7.46%	5.03%	11.73%	25.34%	53.00%
European Equity	1.57%	12.51%	1.79%	10.40%	31.90%	77.24%
US Equity	4.23%	11.34%	9.03%	29.12%	43.86%	101.82%
Japan Equity	4.95%	8.23%	-3.88%	5.28%	24.85%	77.00%
Pacific Ex-Japan Equity	0.89%	7.04%	8.44%	14.86%	25.40%	65.71%
Emerging Markets Equity	0.26%	6.61%	9.26%	5.92%	25.96%	50.67%

\*Distribution Technology introduced the Global High Yield asset class on 15 January 2015. Data is therefore unavailable over longer periods.

Please refer to Important Notes on page 4 for how performance figures are calculated. Performance data is correct as of 02 October 2019. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

### Distribution Technology Multi-Option Passive

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	5 YEAR RETURN
<b>Asset Class</b>						
UK Cash	0.18%	0.37%	0.75%	1.21%	1.46%	2.79%
UK Corp Bonds	3.00%	5.12%	9.49%	10.32%	9.88%	31.10%
UK I/L Gilts	7.56%	10.05%	18.45%	20.00%	11.92%	58.05%
International Bonds	2.34%	4.79%	8.87%	8.24%	6.83%	17.94%
UK Gilts	7.04%	8.51%	14.94%	15.71%	11.10%	37.08%
UK Property	4.31%	5.77%	9.40%	16.95%	27.55%	37.19%
Global High Yield*	1.36%	3.91%	5.91%	7.97%	15.86%	N/A
UK Equity	1.12%	3.14%	1.66%	6.45%	17.11%	31.39%
European Equity	1.52%	10.17%	5.45%	7.85%	31.80%	57.78%
US Equity	4.62%	10.97%	8.29%	30.53%	49.49%	111.93%
Japan Equity	6.28%	10.27%	-0.03%	13.09%	25.38%	72.96%
Pacific Ex-Japan Equity	-0.17%	6.36%	3.92%	11.86%	27.60%	60.31%
Emerging Markets Equity	-1.14%	2.48%	3.96%	5.54%	24.84%	46.59%

\*Distribution Technology introduced the Global High Yield asset class on 15 January 2015. Data is therefore unavailable over longer periods.

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# Portfolio Changes

## Portfolios Affected: PIM Strategic Conviction

**CHANGE** Corporate Bonds  
Active/Passive Split: 60/40 to 50/50

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Having had a slight Active bias (60:40) we moved to a neutral (50:50) position as the quantitative analysis pointed to a Passive tilt. We chose not to move more Passive on qualitative grounds given medium term concerns over credit quality given the extended maturity of the economic cycle.

## Portfolios Affected: PIM Strategic Conviction

**CHANGE** Emerging Markets  
Active/Passive Split: 100/0 to 75/25

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Having been positioned fully Active in Emerging Markets, the asset class has performed very well over the past 6 months. As a result the charts, as you would expect, became less supportive of 100% Active (due to active funds doing well) and therefore it was decided it was prudent to pare back the position. This has been scaled back to a 75:25 position, still in favour of Active.

## Portfolios Affected: PIM Strategic Conviction

**CHANGE** UK Equity Income  
Active/Passive Split: 60/40 to 50/50

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Similar to Corporate Bonds, we moved from a 60:40 weighting in favour of Active, to a neutral 50:50 position as the 1 year charts did not warrant an Active bias anymore, despite the current uncertainty stemming from Brexit, trade wars and slowing global growth.

## Portfolios Affected: PIM Strategic Conviction

**CHANGE** Japan  
Active/Passive Split: 90/10 to 100/0

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The quantitative technical analysis supported a fully Active position, which in conjunction with high conviction in our selected Active managers led us to move to a 100% Active stance. Our selected Japanese managers have struggled of late with a clear value and mid cap bias, however the value inherent in their portfolios appears compelling for medium to long term investors and with strong quantitative signals this further substantiated our decision.

# Portfolio Changes

## Portfolios Affected: PIM Strategic Conviction

- SELL** Fidelity American Special Situations
- BUY** Dodge & Cox US Stock / Vontobel US Equity
- REDUCE** LF Miton US Opportunities / Amundi Pioneer US Equity Fundamental Growth

Following continued dialogue with Fidelity, we identified a number of areas which gave us cause for concern. The poor description of the investment process presented by the lead manager, who in our view remains the sole decision maker despite the addition of a co manager to the team, plus concerns surrounding risk controls, which are a key part of our due diligence process, led to us losing confidence in the reliability of delivering better than average returns with lower than peer group volatility. While we appreciate the fund has a value style bias, our concern is the manager has drifted towards deep value, which has had a detrimental impact on performance and could continue for some time. By contrast the addition of Dodge & Cox and Vontobel adds positively to the remaining holdings in the asset class supporting a more diversified yet balanced style approach, something which we believe is prudent in building a US portfolio.

## Portfolios Affected: PIM Tactical Income

- SELL** Aviva US Equity Income II
- BUY** Fidelity Index US

Whilst we understand that the fund's defensive income generating approach means it may lag rising markets, it should protect on the downside when things get harder. This has not proven to be reliably the case. In addition we feel that the income return has come at too great a cost to capital growth. Given we are fulfilling the Risk Grade income targets within Tactical Income where the fund is held, we decided to investigate alternative options. Historic analysis on performance, yield and OCF showed the Fidelity passive fund added to performance at an average cost to the portfolio of 2bp of yield. The largest impact being to Risk Grade 7 with a 4bp reduction in yield. Given the performance pick up this was deemed optimal.

## Portfolios Affected: PIM Strategic Active / PIM Strategic Multi Option Active / DT Multi Option Active / PIM Tactical Active / PIM Strategic Guardian

- SELL** Fidelity American Special Situations
- BUY** LF Miton US Opportunities

Following continued dialogue with Fidelity, we identified a number of areas which gave us cause for concern. The poor description of the investment process presented by the lead manager, who in our view remains the sole decision maker despite the addition of a co manager to the team, plus concerns surrounding risk controls, which are a key part of our due diligence process, led to us losing confidence in the reliability of delivering better than average returns with lower than peer group volatility. While we appreciate the fund has a value style bias, our concern is the manager has drifted towards deep value, which has had a detrimental impact on performance and could continue for some time. By contrast the addition of Miton adds positively to the remaining holdings in the asset class with its multi cap approach supporting a more diversified asset class with the ability to move from a growth to a value investment approach, where and when necessary. Something which we believe the US asset class dominated by style factors requires in order to tap into potential alpha opportunities.

## Portfolios Affected: All PIM Solutions With Managed Liquidity Asset Class / DT Multi Option Active / DT Multi Option Passive

- SELL** Blackrock ICS Institutional Sterling Liquidity
- BUY** Aberdeen Standard Liquidity Sterling

Following a review of the asset class, we identified the Aberdeen Standard fund as a superior addition based on a number of factors. Firstly, the ASI fund has a yield expectation of 3M Libor plus 8-10bps, which for a fund of this nature is attractive. This means that at present, its historic yield is 0.79% versus the BlackRock's yield of 0.72% (FE, 11/09/2019). The ASI fund also has a strong emphasis on risk controls and liquidity which are both inherent to the fund's philosophy. For a cash fund, we also believe that charges are an important aspect of the total return profile of a fund and with that in mind the lower OCF versus the BlackRock fund is extremely competitive. This in turn should provide a better total return outcome for investors over the longer term, without deteriorating the risk profile of the asset class.

# Portfolio Changes

**Portfolios Affected:** PIM Strategic Multi Option Active / PIM Strategic Active / PIM Strategic Conviction / PIM Tactical Active / DT Multi Option Active

**SELL** Fidelity Emerging Markets

**BUY** JPM Emerging Markets Small Cap

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Ongoing analysis of the JPM Emerging Markets Small Cap fund highlighted consistently lower volatility than peers with strong returns. As such, as part of a wider review of the EM asset class it was identified that Baillie Gifford EM Growth was more appropriate for the Global Alpha asset class given its superior returns but with higher than peer group volatility reflecting its all cap, high conviction, high growth and beta strategy (JPM EM Smaller beta of 0.8 v Baillie Gifford EM Growth beta of 1.2).

In contrast, adding JPM Emerging Market Smaller Cap into the Emerging Asset class in replacement for the Fidelity Emerging Markets fund would help improve the asset class by adding diversification given the small cap focus.

**Portfolios Affected:** PIM Tactical Income

**SELL** SLI European Equity Income

**BUY** Polar Capital European (Ex UK) Income

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The SLI fund has performed poorly over 1 and 3 years due to high weighting to bond proxies, loss of key analyst resource and excessive focus on income over capital growth. At least part of this is a function of the investment process which appears overly prescriptive with an inability of the manager to adjust to market valuations relative to fundamentals. The Polar Capital fund in contrast has a highly disciplined process that focuses on both capital growth and income, looking for companies that compound total shareholder return. Risk control is very much at the heart of the fund and aligns well with our desire for a focus on risk adjusted returns and minimising volatility.

**Portfolios Affected:** PIM Tactical Active / PIM Strategic Active / PIM Strategic Multi Option Active / PIM Strategic Conviction / PIM Strategic Guardian / DT Multi Option Active

**SELL** Jupiter European

**BUY** Fidelity European

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This was an automatic sell, triggered by the exit of lead manager Alexander Darwall from the Jupiter fund. It had previously been highlighted that Alexander was critical to the investment process, and that remains the view of the team, leading to the sale. Fidelity European was added for a number of reasons. Quantitatively the fund has performed very well, with respect to return and volatility as well as downside risk control. Qualitatively the fund has a repeatable process and a prudent style. It can be classed as a core holding and complements the remaining funds in the asset class.

**Portfolios Affected:** PIM Tactical Ethical Active / PIM Strategic Ethical Active Profiles A-C

**SELL** Premier Ethical

**BUY** BMO Responsible UK Equity Growth

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"The Premier Ethical fund has lagged for some time and following the announced departure of the fund manager this cemented our loss of conviction for the fund to recover. The lack of experience / tenure of the newly appointed managers, who don't appear to have a clear Ethical background, further reiterated this view. In addition to this, the fund is expensive versus the peer group and there are now also concerns given the announcement of the merger between Premier and Miton around team instability.

The BMO UK Equity fund has been consistently held in Ethical Profile D for a number of years and is clearly acceptable/best fit for Ethical Profiles A-C as per the EOC SRI report in July 2017. Making this switch leaves us invested in a manager/team which is highly experienced given Catherine has been managing the fund since June 2009 and has close to 30 years experience managing UK Equities.

# Solutions Index

## Investment Solution

NO. OF PORTFOLIOS /  
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 class 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 errors 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 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 Tactical Active	1-10	Tactical
PIM Tactical Passive	1-10	Tactical
PIM Tactical Income	1-10	Tactical
PIM Strategic Ethical Active (A-D)	1-10	Strategic
PIM Tactical Ethical Active	1-10	Tactical
Fund Manager Focus Solutions		
PIM Strategic Multi-Option Value & Small Cap: UK Perspective Passive	1-10	Strategic
PIM Strategic Multi-Option Value & Small Cap: Global Perspective Passive	1-10	Strategic
Distribution Technology Multi-Option	(DT) 1-10	Strategic

ASSET WEIGHTINGS	PAGES	INVESTMENT STYLE	OPEN TO	SOLUTION DESCRIPTION
PIM Efficient Frontier	8-11	Active and/or Passive	All Users	This solution uses seven asset groups and allows for active or passive fund selection, within a Strategic Asset Allocation. The PIM Strategic Passive solution has an identical structure to PIM Multi-Option Passive and has therefore been excluded from the QIR.
PIM Efficient Frontier	12-15	Active and Passive	All users	The PIM Strategic Conviction 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	16-19	Active and/or Passive	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 portfolios 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	20-21	Active	All Users	This solution is based on a pure strategic asset allocation and active fund selection using six asset groups, including Equity Income, Equity Growth and Global Alpha.
PIM Asset Allocation Committee	22-27	Active	All Users	This solution is based on PIM's tactical asset allocation and a passive fund selection, investment philosophy and process.
PIM Asset Allocation Committee	22-27	Passive	All Users	This solution is based on PIM's tactical asset allocation and a passive fund selection, investment philosophy and process.
PIM Asset Allocation Committee	28-31	Active and/or Passive	All Users	This investment solution enables clients to invest in a range of carefully constructed Tactical portfolios, according to their requirement for yield, total return and capacity for loss. The amount invested into each portfolio is dependent upon the client's 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 portfolio's targeted yield, maximise total return and minimise losses in response to changing market conditions.
PIM Efficient Frontier	32-39	Active	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 Asset Allocation Committee	40-43	Active	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 Efficient Frontier	44-47	Pure/Passive	Approved Users	This solution provides the client with additional flexibility to accommodate both pure and passive exposure within each asset class, and to vary the value and small cap tilt as appropriate. The portfolio strategy incorporates a traditional domestic bias to UK equity in line with the Dimensional approach. This solution is strategic in nature; as such asset allocations are only changed on an infrequent basis, in response to structural issues.
PIM Efficient Frontier	48-51	Pure/Passive	Approved Users	This solution provides the client with additional flexibility to accommodate both pure and passive exposure within each asset class, and to vary the value and small cap tilt as appropriate. The portfolio strategy incorporates a global approach to asset allocations, in line with each country's market capitalisation relative to the global economy. This solution is strategic in nature; as such asset allocations are only changed on an infrequent basis, in response to structural issues.
Distribution Technology's Strategic Asset Allocation (SAA)	52-56	Active and/or Passive	All Users	This solution asset weightings match DT's Strategic Asset Allocation (SAA) and allows for active or passive fund selection.

# Index and Peer Group Returns

## Index and Peer Group Returns to period end 30 September 2019

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	5 YEAR RETURN
<b>Comparative Indices</b>						
IA Mixed Investment 0-35% Shares	1.85%	4.35%	4.87%	6.11%	9.48%	21.68%
IA Mixed Investment 20-60% Shares	1.83%	4.74%	4.01%	6.72%	13.28%	27.42%
IA Mixed Investment 40-85% Shares	1.98%	6.28%	4.20%	9.78%	19.75%	39.00%
IA Flexible Investment	1.73%	5.82%	3.24%	8.79%	20.24%	39.10%
LIBOR GBP 12m	0.23%	0.48%	1.05%	1.96%	2.68%	4.71%
FTSE Actuaries UK Conventional Gilts All Stocks	6.20%	7.59%	13.36%	14.06%	10.00%	34.07%
FTSE Actuaries UK Index Linked All Stocks	7.76%	9.80%	18.43%	20.02%	15.47%	58.34%
IBOXX Sterling Corporates All Maturities	3.72%	6.12%	10.98%	11.01%	11.30%	34.00%
Barclays Global Aggregate GBP (H)	2.19%	4.71%	8.71%	7.97%	6.69%	17.77%
PIM Property Index	-0.98%	-1.12%	-1.68%	4.36%	12.43%	19.39%
FTSE All Share	1.27%	4.57%	2.68%	8.71%	21.69%	38.89%
FTSE UK Equity Income	1.05%	1.83%	0.38%	3.87%	12.52%	24.56%
FTSE North America	4.78%	11.76%	9.68%	31.20%	49.82%	107.61%
FTSE Europe Ex UK	1.53%	10.21%	5.95%	7.61%	30.82%	53.76%
FTSE Asia Pacific Ex Japan	-0.86%	2.38%	3.82%	8.95%	25.78%	59.09%
FTSE Japan	6.43%	9.47%	-0.05%	13.46%	26.07%	74.66%
FTSE World ex UK	3.94%	10.93%	8.21%	24.15%	43.70%	92.45%
FTSE Emerging	-0.66%	2.93%	6.73%	8.45%	25.98%	49.29%

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# Notes

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# Notes

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## Get in touch

To speak to one of the Parmenion Investment Management team,  
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