

Brooks Macdonald

Recent Investment Changes to Hampshire Run Radcliffe Portfolio Service (RPS)

Models:

Afternoon all,

Hope you're all keeping well.

I wanted to make you aware of the recent investment changes we have made to the RPS models which we manage out of the Hampshire office. The details are as follows:

- The main change to the models has been a reduction in the UK fixed interest allocation in favour of reinvesting into equities.
 - The reduction in UK fixed interest exposure has been achieved by taking profits in a number of UK gilt funds. Gilts have provided some degree of protection to portfolios over the past 1.5 years and any upside from here is limited.
- A similar decision was made in the International fixed interest sector. We have switched from the Vanguard US Government Bond Index Fund into the Aberdeen Standard Total Return Credit Fund for all risk profiles. The fund provides a yield of circa 4.3% and is well positioned to take advantage of the current fixed interest environment.
- We have also increased our structured product exposure by adding the Fortem Progressive Growth Fund for the Low to Medium risk models (both the income and capital growth mandates). This fund will produce a strong annualised return going forward even if markets remain at current levels. This is due to the defensiveness of the underlying autocall investments within the fund.
- Following profit taking in the UK fixed interest sector (as detailed above) we have invested the proceeds into the UK equity sector. For the Low Risk (income & growth mandate) we have added 2% to the JO Hambro UK Equity Income Fund and for Low to Medium risk and above mandates we have added 1% or 2%, depending on the risk profile, to the Chelverton UK Equity Growth Fund.

These trades have been sent for processing this afternoon and this process is likely to be completed tomorrow morning. The trades will then be sent to the market for execution on Thursday and this will trigger the usual rebalancing process in client portfolios. It is normal for the rebalance to take 7 business days to complete. The reason for explaining this is that any cash requests sent to the RPS team in London will take a bit longer than usual whilst the above processes complete.

Please let me know if you have any questions.