

DMS Verbatim Portfolio Growth Funds



Performance excellence, consistently reassuring

Our flagship active fund range is one of the longest established and most successful risk-managed, multi-asset solutions in the market. Launched in 2010, the fund range has consistently performed within the parameters of each given risk profile.

About the Funds

The DMS Verbatim Portfolio funds are an active, unfettered, multi-asset portfolio of funds. The fund managers are able to screen the whole market, through a rigorous fund selection process, to select the most appropriate funds to match the risk mandates in order to maximise potential returns.

The mandate allows the fund managers to utilise their expertise by giving them the ability to apply a tactical tilt on the asset allocation, enabling them to be under or overweight by 3% in any given asset class.

Each of the five funds has been awarded a Lipper Leader rating. In 2016, RSMR, one of the leading fund research agencies, accredited the DMS Verbatim Portfolio Growth Fund range an RSMR Rated Fund Range Status.

Meet the Managers



John Husselbee



Paul Kim

John and Paul are co-managers of the DMS Verbatim Portfolio Growth Funds and are two of the most high-profile multi-asset managers, with 63 years of combined investment experience. John has been Head of the Multi-Asset team at Liontrust since 2013, with Paul joining at the same time as co-Fund Manager. John was previously Director of Multi-Manager Investments at Henderson Global Investors and launched the portfolio management service at Rothschild Asset Management. Paul was previously Head of Fund Selection and Multi-Manager at Liverpool Victoria Asset Management (LVAM).



Funds Selection

Risk & Performance Analysis

We invest in a range of funds and fund managers, including active, passive and alternative investment strategies.

Our analysis has shown that many funds with headline-grabbing cumulative returns have been remarkably inconsistent when analysed on a discrete basis. One period of extreme outperformance can often mask subsequent longer-term underperformance, so we will never look at cumulative performance in isolation. We believe the key elements that should underpin fund selection are; investment process, manager experience, manager knowledge and manager incentives (remuneration). Our fund manager selection process incorporates both quantitative and qualitative analysis.

Style Analysis

We select funds and fund managers that complement each other in terms of their investment style. It is key, therefore, that the managers have a track record of maintaining their investment style and do not drift away from it. If they do, this is a reason for us to consider selling out of a fund.

Holdings Analysis

Quantitative analysis allows us to highlight the relatively attractive opportunities that exist in the defined investment universe of approximately 5,000 funds. The objective is to identify fund managers who use an investment process that consistently outperforms an appropriate benchmark with little style drift and an appropriate level of investment risk (their returns are generated from the correct application of their investment process). The aim of this analysis is to determine if a fund's return has been generated by genuine manager skill or if it is more down to chance, and if the manager is consistent in the application of his or her investment process. Having passed through the quantitative process, the funds are then subject to a qualitative review which looks at additional characteristics and risks.

Meeting the Managers

We identify the key personnel who have historically contributed to the fund's performance, whether

the same people are in place to drive future performance and the impact of changes in personnel. We always meet the key individuals who are likely to have a material impact on future performance: we conduct more than 100 detailed one-to-one manager meetings each year. We emphasise understanding the motivations of a fund's key contributors. This includes the remuneration of fund managers but we also evaluate changes in the contentment and commitment of managers, which can be a warning signal of a future deterioration in performance.

Ongoing Monitoring

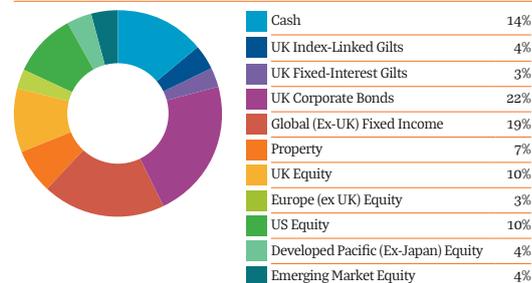
As we look to add value from investment style and fund selection as well as tactical asset allocation, it is important that we consider both the weightings and the blend or interaction of our holdings. We want to ensure the funds are exposed to the segment of the market which we feel has the most potential for outperformance whilst controlling risk. This process requires us to consider how each holding interacts with each other in terms of correlation, risk and return to ensure the benefits identified at the holding and sector levels are not diversified away when grouped together at the fund level. We also look at the size of a fund and the degree to which the fund has recently enjoyed inflows or suffered outflows. This is becoming increasingly relevant as a smaller number of discretionary and wealth managers control an ever larger proportion of assets in the retail market. Funds can grow to a size that can detrimentally impact performance.

Summary

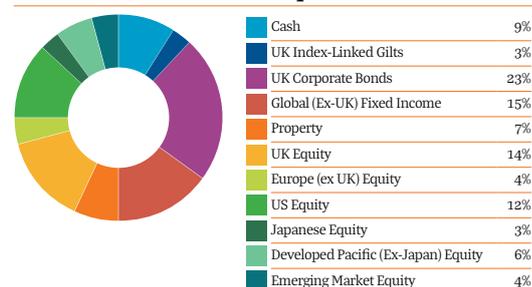
- Full active management, the fund managers can be +/- up to 3% in each asset class to optimise returns.
- Proven strategic asset allocations that optimise risk and return for each client's risk appetite.
- Fund range rated by leading research agencies, demonstrating the performance and management of the funds.
- Available in ISA, GIA, SIPP, Personal Pension and Investment Bond contracts and platforms.

Strategic Asset Allocations applicable from 7 July 2020

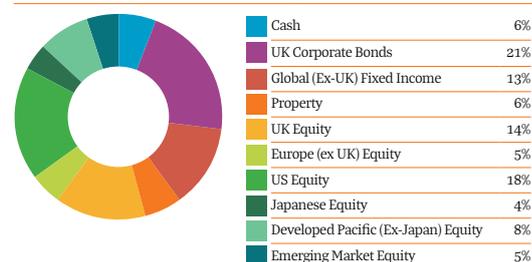
Verbatim Asset Allocation 3



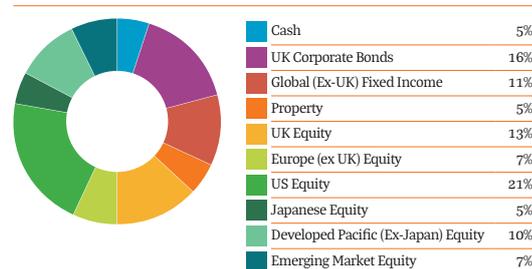
Verbatim Asset Allocation 4



Verbatim Asset Allocation 5



Verbatim Asset Allocation 6



Verbatim Asset Allocation 7

