

PASSIVE GROWTH PORTFOLIO SERVICE

Progeny Asset Management - Passive Growth Portfolio 5

The value of investments and income from them is not guaranteed, can fall, and you may get back less than you invested. Your capital is therefore always at risk. Past performance is not a guide to future performance. Any specific investments mentioned are for illustrative purposes only and this is not intended as investment advice. If you are unsure as to the suitability of the service, please contact your IFA or Progeny Asset Management to discuss.

Risk Profile Description

An investment portfolio appropriate for this risk profile may contain, for example, a mix of lower and medium-risk investments such as cash, cash-type assets, bonds and UK commercial property, and higher-risk investments such as UK and Overseas shares. Exposure to these investment types is via passive tracker funds, which seek to replicate the performance of various market indices and enable access to the many securities included in a market index at a lower cost.

Market Commentary

Ongoing events have taken a toll on global markets. Overall the FTSE 100 has been range bound since February trading between 7000 to 7600. The S&P 500 was up 3.46% for the quarter, as investors appear to be brushing aside the trade war.

Turning to the defensive element, there was also notable news in the Fixed Interest sector. We experienced a rare event in the bond market during quarter three, which was the inversion of the US and UK yield curve. 10-year Treasury Bonds and Gilts had a lower yield than those of the 2-year rates. This is unusual as naturally one would require a greater expected return from a longer duration bond, to account for the increased levels of risk being taken (such as inflationary risk). The inversion of the yield curve tells us investors expect slower inflation and more tepid economic growth in the future and is sometimes seen as an early indicator for a future recession. In recent weeks, we have seen yields return to 'normality' with 10-year Gilts currently yielding 0.52% and 2-year Gilts yielding 0.45%.

Whilst it was doom and gloom on a macro-economic front, we have seen impressive earnings reports and performances from many companies. These have been epitomized by takeover bids, for numerous UK listed companies from foreign buyers, using the low exchange rate to pick up businesses at a discount.

Turning to the portfolio, there have been no fund or asset allocation changes. However, we are monitoring three funds closely, one of which is performance related.

*Performance calculation:

Performance is calculated by reference to historic Dynamic Planner asset allocations and back tested using the current methodology using data from FE.

All income reinvested. Performance is shown inclusive of underlying fund charges but gross of Progeny Asset Management investment management fees. Deduction of this charge will have the result of reducing the illustrated performance.

Portfolio Information

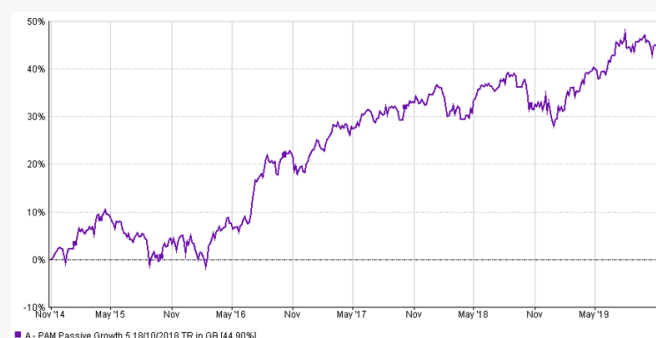
Portfolio Benchmark	ARC Steady Growth
Investment Management fee (p.a)	0.30% + VAT
Fund Underlying OCF*	0.11%
Transaction Costs	0.01%
Yield	2.32%
Rebalance	Quarterly
Inception date	25 th October 2018

*The OCF is not required to include transactional costs. Please refer to separate Costs and Charges Disclosure for full details

Based on the model portfolio and provided for illustrative purposes only and should not be viewed as the performance of a specific client account.

*Performance

%	1m	3m	6m	1y	3y	5y
*Passive Growth Portfolio 5	-1.55	-1.66	3.40	8.99	19.00	44.90
Benchmark	-1.30	-2.19	1.60	7.00	15.84	33.24



Leeds

Progeny House, 46 Park Place, Leeds LS1 2RY

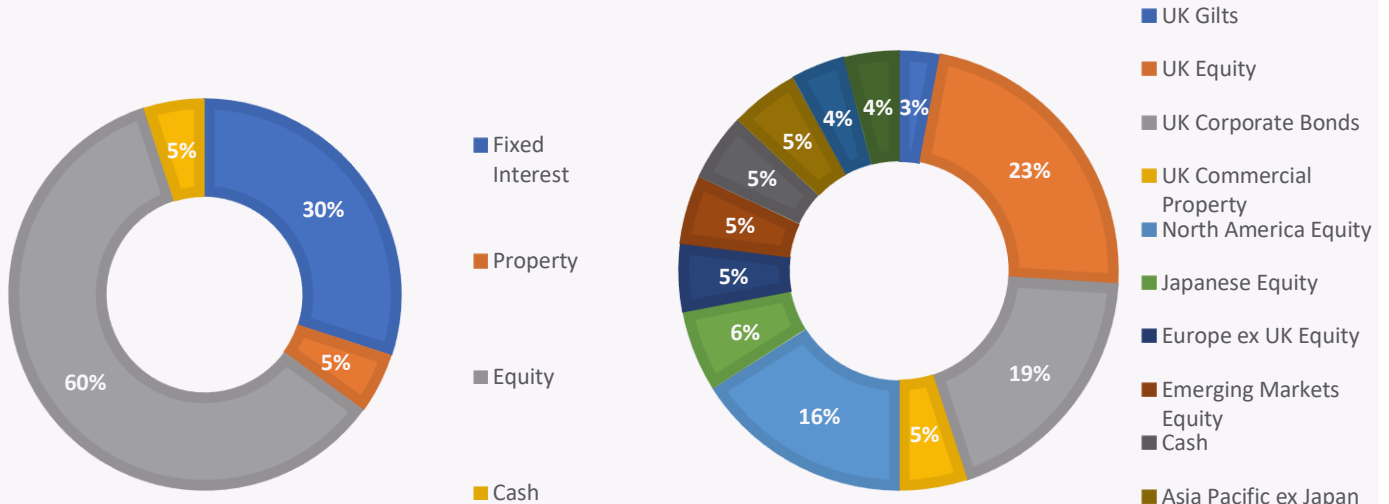
t: +44 113 467 1596

London

Egyptian House, 170-173 Piccadilly, London W1J 9EJ

t: +44 20 3284 5071

Asset Allocation



Portfolio Holdings

L&G All Stocks Gilt	3 %
Vanguard UK Inflation-Linked Gilt	4 %
L&G Sterling Corporate Bond	19 %
Vanguard Global Bond	4 %
Vanguard FTSE UK All Share Index	23 %
HSBC European Index	5 %
HSBC American Index	16 %
Fidelity Index Japan	6 %
iShares Pacific ex Japan Equity Index (UK)	5 %
Fidelity Index Emerging Markets	5 %
iShares Global Property	5 %
Cash or Cash Equivalent Fund	5 %

Process

The management of the portfolio is achieved through the utilisation of Progeny Asset Management's investment process. This process has been agreed by the internal Investment Committee, and it is this Committee which agrees the fund universe to be used in this solution, monitoring and reviewing fund choice on a regular basis.

Quantitative filters looking at financial strength, performance, tracking deviation and cost are overlaid with fundamental analysis. Asset allocation is determined by Dynamic Planner and a quarterly rebalance will ensure clients stay within their desired degree of risk.

Past performance is not a guide to future performance. The value of investments can fall and you may get back less than you invested, therefore your capital is always at risk. If you invest in currencies other than your own, fluctuations in currency value will mean that the value of your investment will move independently of the underlying asset. This information is for illustrative purposes only and is not intended as investment advice. The information contained in this document has been taken from sources stated and is believed to be reliable and accurate, but without further investigation cannot be warranted as to accuracy or completeness. Partners, staff and clients may have a position or engage in transactions in any of the securities mentioned.

Progeny Asset Management Ltd is registered in England and Wales number 09415365.

Registered Office Address: Progeny House, 46 Park Place, Leeds, LS1 2RY.

Authorised and regulated by the Financial Conduct Authority (FCA). Progeny Asset Management Ltd is entered on the Financial Services Register (www.fca.org.uk/register) under reference 740528.

The information contained within this document is subject to the UK regulatory regime and is therefore primarily targeted at consumers based in the UK.

The value of investments and the income from them can fall as well as rise, and you may not recover the amount of your original investment. Your capital is therefore always at risk.