

## Overseas Focused Portfolios

### Summary

Portcullis Asset Management is a trading name of RC Brown Investment Management, and has been created to manage the Overseas Focused Portfolio range, following a specific request from a Financial Adviser firm wanting a more global bias.

We take a highly disciplined approach to managing investments, which begins by deciding on the overall structure of the portfolio, to ensure it contains the most appropriate balance between different asset types and geographical markets to achieve the particular investment objectives. By avoiding over-concentration in any one fund or market sector, we aim to achieve consistent, above average long-term performance without exposing our clients to undue volatility or risk.

We invest directly only in our core areas of expertise, primarily UK equities, and use a combination of talented third party managers and an index approach elsewhere. We have particular expertise and access to the 'wholesale markets' – Initial Public Offerings (IPOs), Rights Issues, Placings by companies to raise new share capital, and Placings by Known Sellers.

In selecting funds we favour managers with consistently good performance and a robust and coherent investment approach. However in addition to this we use sophisticated analytical tools to understand the style bias of each individual fund and that of the combined portfolio.

### Asset Allocation

The Asset Allocation model for the Portcullis Asset Management Overseas Focused portfolios is:

| Asset Class              | Defensive | Conservative | Cautious | Cautious Balanced | Balanced | Balanced Growth | Growth |
|--------------------------|-----------|--------------|----------|-------------------|----------|-----------------|--------|
| <b>UK Equities</b>       | 0-20%     | 0-20%        | 0-20%    | 5-30%             | 5-30%    | 5-35%           | 10-45% |
| <b>Overseas Equities</b> | 10-50%    | 20-50%       | 30-60%   | 30-70%            | 35-80%   | 35-85%          | 35-85% |
| <b>Alternatives</b>      | 0-25%     | 0-25%        | 0-25%    | 0-25%             | 0-25%    | 0-25%           | 0-25%  |
| <b>Commodities</b>       | 0-10%     | 0-10%        | 0-10%    | 0-15%             | 0-15%    | 0-15%           | 0-20%  |
| <b>Property</b>          | 0-10%     | 0-10%        | 0-10%    | 0-15%             | 0-15%    | 0-15%           | 0-20%  |
| <b>Fixed Interest</b>    | 40-70%    | 40-70%       | 30-60%   | 20-45%            | 5-35%    | 0-25%           | 0-20%  |
| <b>Cash</b>              | 0-25%     | 0-10%        | 0-10%    | 0-10%             | 0-10%    | 0-10%           | 0-10%  |

### Performance

The historic performance (after fees) of the Portcullis Asset Management Overseas Focused portfolios, across the 7 risk profiles, to 31<sup>st</sup> Mar 2022 was:

| Risk Category     | Portfolio                   | Last Quarter | 1 Year | 3 Years | 5 Years | 10 Years |
|-------------------|-----------------------------|--------------|--------|---------|---------|----------|
| Defensive         | Portcullis AM Managed Funds | -4.9%        | -2.0%  | 11.2%   | 13.8%   | 25.0%    |
|                   | ARC £ Cautious              | -2.6%        | 1.6%   | 10.5%   | 13.2%   | 38.2%    |
| Conservative      | Portcullis AM Managed Funds | -4.7%        | -0.3%  | 15.4%   | 19.1%   | 33.4%    |
|                   | ARC £ Cautious              | -2.6%        | 1.6%   | 10.5%   | 13.2%   | 38.2%    |
| Cautious          | Portcullis AM Managed Funds | -4.5%        | 1.0%   | 18.7%   | 23.5%   | 39.9%    |
|                   | ARC £ Cautious              | -2.6%        | 1.6%   | 10.5%   | 13.2%   | 38.2%    |
| Cautious Balanced | Portcullis AM Managed Funds | -4.5%        | 1.9%   | 22.4%   | 28.4%   | 48.0%    |
|                   | ARC £ Balanced              | -3.4%        | 3.5%   | 15.3%   | 19.7%   | 60.2%    |
| Balanced          | Portcullis AM Managed Funds | -4.2%        | 3.1%   | 25.8%   | 32.6%   | 54.0%    |
|                   | ARC £ Steady Growth         | -4.1%        | 4.6%   | 19.3%   | 26.7%   | 82.4%    |
| Balanced Growth   | Portcullis AM Managed Funds | -4.0%        | 4.2%   | 27.2%   | 34.2%   | 57.8%    |
|                   | ARC £ Steady Growth         | -4.1%        | 4.6%   | 19.3%   | 26.7%   | 82.4%    |
| Growth            | Portcullis AM Managed Funds | -4.1%        | 4.4%   | 28.7%   | 36.6%   | 61.3%    |
|                   | ARC £ Equity Risk           | -4.9%        | 4.8%   | 23.5%   | 33.3%   | 102.0%   |

(All data for Portcullis Asset Management Overseas Focused strategies is indicative only and was obtained from FE Analytics)

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## Fees

### Investment Management Fees (VAT may be added at the applicable rate)

| <u>Portfolio value</u> | <b>Option 1: Performance fee</b><br><input type="checkbox"/> | <b>Option 2: Conventional fee</b><br><input type="checkbox"/> |
|------------------------|--|---|
| £15,000 to £374,999    | 0.625%   | 1.25%   |
| £375,000 and over      | 0.40%  | 0.80%   |
|                        | Plus 20% of the portfolio's annual return in excess of 4%    |   |

### **Notes**

- Fees are calculated calendar monthly and charged according to the total portfolio value at the month end.
- All fee options are INCLUSIVE of trading, custody and administration costs.
- Portfolios close to / at the threshold will only switch once the value has moved as follows: Rising portfolios will have to have gone above £385,000 before switching Decreasing portfolios will have to have gone below £350,000 before switching
- Clients can switch between our Core portfolio range and Portcullis AM Overseas Focused portfolio range for free.

### **Risk Warnings**

Investing in equities involves risk. The value of investments, and the income from them, can go down as well as up. Investments may be subject to an initial charge. You may not get back all that you originally invested, particularly in the case of early withdrawal.

For portfolios invested in overseas markets, the value of investments may also rise and fall purely as a result of exchange rate changes. Investment in corporate bonds involves some risk to capital and income, particularly in the event of default by the issuer.

Some portfolios may include investment funds (including hedge funds and funds of hedge funds) that use gearing as part of their investment strategy. Such investment funds may be subject to sudden and large falls in value and you may get back nothing on this part of your portfolio if the fall in value is sufficiently large.

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