

Hymans Robertson Investment Services (HRIS)

2023 Strategy Review

June 2023

We've carried out our latest strategic review. As part of this review, we've revisited your portfolios' weightings to different assets and funds.

We're making a relatively small number of changes to your portfolio. These changes are aligned to our long-term approach to investing and market outlook.

Changes will take place week commencing 19 June 2023.



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What is meant by a strategy review?

Your money is invested across multiple asset classes via a portfolio of funds, with each having a target allocation. For example, Fund A: 2%, Fund B: 3% etc. A strategy review is a re-assessment of these weightings.

Why do we carry out a strategy review?

Economic conditions and investment markets change. It's therefore good "housekeeping" to review these target weightings so we can be confident they remain appropriate and aligned to your needs.

What are the key market themes since the last strategic review?

2022/2023 has seen considerable market volatility, driven by several key themes, including:

- Concerns over soaring inflation and slowing economic growth; and
- Rapid interest rate increases by Central Banks in response.

In addition, long-term prospective returns for all mainstream asset classes now look more attractive than at the time of the previous strategic review, which is a positive for investors.

What changes are we making as part of this strategic review?

The high-level weightings (split between equities and bonds etc) remain broadly unchanged. Our changes are more nuanced, within asset classes, such as:

Key changes	Rationale
Regional equity exposure e.g., more UK and Emerging Markets, lower US.	Increases portfolios' regional diversification.
Bond and cash allocation: Increase "quality" of underlying portfolio holdings.	Reflects the higher yields that quality bonds can now offer, relative to last year.

In many cases there is no change to the funds used in portfolios. Where there are, these are relatively minor, with *additions* driven by a desire to increase diversification in an asset class, and *removals* reflecting that we can be well diversified without this fund in the portfolio. For certain funds, you may see some changes at share class level i.e. no change to the fund, but we are now able to access the fund at a cheaper rate via a preferential share class, bringing your overall cost down slightly.

Summary

The strategic review forms a key part of our approach to managing money. The changes we are making ensures portfolios reflect our latest long-term strategic thinking and gives us continued confidence in the future outcomes. We also believe that the range of different asset classes and funds will provide a source of diversification should market volatility return over the coming months. These changes will take place week commencing 19 June 2023.

Risk warning

The value of your investments and the income from them may go down as well as up and neither is guaranteed. Investors could get back less than they invested. Past performance is not a reliable indicator of future results. Changes in exchange rates may have an adverse effect on the value of an investment. Changes in interest rates may also impact the value of fixed income investments. The value of your investment may be impacted if the issuers of underlying fixed income holdings default, or market perceptions of their credit risk change. There are additional risks associated with investments in emerging or developing markets. The information in this document does not constitute advice, nor a recommendation, and investment decisions should not be made on the basis of it. The material provided should not be released or otherwise disclosed to any third party without prior consent from HRIS.