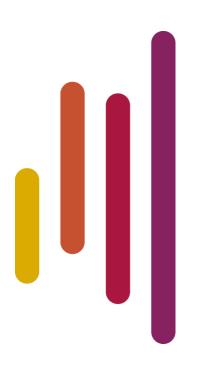




# Margetts Quarterly Risk Profile Update Note Q3 2022



Fund	Weighted average asset allocation^	Latest historical asset allocation*	Comparable DP volatility <sup>†</sup>	Assigned risk profile	Status
Providence Strategy	5 (5)	5 (5)	4 (4)	5	
Select Strategy	6 (6)	6 (6)	5 (5)	6	
International Strategy	7 (7)	7 (8)	7 (7)	8	
Venture Strategy	9 (9)	9 (9)	8 (8)	9	

This quarter, we placed the International Strategy fund on Green and maintained the status of the remaining funds. While on green, it is worth mentioning that it lies on the lower boundary of RP8 and may breach if the risk is reduced slightly in the following quarters.

Each of the remaining solutions continue to lie safely within the assigned boundaries.

We have based our review on the approach that was agreed at the start of the risk profiling service and used the DP capital market assumptions for Q3 2022. There have been no changes to the risk profile boundaries this quarter.

<sup>()</sup> Analysis based on data to the end of March 2022 are shown in brackets.

The weighted average approach incorporates the strategic asset allocation (if applicable) and the distribution of the historical asset allocations.

<sup>\*</sup> This column provides the position of the expected volatility based on the latest historical asset allocation (i.e. 30 June 2022). The figure in brackets illustrates the position of the volatility based on the previous quarter's allocation.

DP has a set of asset allocation models which are managed to operate within each profile's boundaries. This column compares the annualised rolling volatility of each solution to the DP models and shows which model has been closest since inception. The rolling volatility period in each instance is assessed based on the performance data provided.

Please see Appendix for the Red, Amber & Green status descriptions.

# Comments and notes from previous reviews

# Q2 2022

This quarter we have placed the International Strategy fund on Amber. The risk level of this solution has been fluctuating between a high RP7 and low RP8 for over a year now. It had breached the lower boundary in the months of November and December 2021, and January of this quarter. We will continue to monitor going forward.

### Q1 2022

This quarter we have maintained the green statuses of the solutions.

While on green, the International Strategy has been a low 8 for almost a year and has slightly violated the lower boundary of its risk profile during the last 2 months of the quarter. If this position is maintained during the next quarter, we will place the fund on Amber.

### Q4 2021

This quarter we have maintained the green statuses of the solutions.

There have not been significant changes in expected volatilities of profiles solutions - all of them are safely within assigned risk boundaries.

### Q3 2021

This quarter we have maintained the green statuses of the solutions.

We note that there has been a marginal increase in the expected volatility of International Strategy, however the solution remains very close to the lower boundary of its risk profile. We remain comfortable with the assigned profile.

# Q2 2021

This quarter we have maintained the green statuses of the solutions.

We note that there has been a decline in the expected volatility of International Strategy. The solution was already in the lower regions of risk profile 8, and being an equity product, a small change in the underlying investments which has altered the geographical regions of equity exposure and marginally increased cash has resulted the small but noticeable drop in the expected volatility which has brought it extremely close to the lower boundary of risk profile 8. Fluctuations in the expected volatility of the other three solutions are insignificant.

## Q1 2021

This quarter we have maintained the green statuses of the solutions.

# Appendix

# **Status descriptions**



A **red** status indicates that the solution's current risk profile is no longer appropriate to the DP scale and that it will be changed at next quarter's review unless action is taken by the asset management team.



An **amber** status indicates that one or more of the measures considered may indicate the possibility of an alternative risk profile. This could be due to short-term tactical positioning within the solution or other market considerations and does not imply that the long-term risk profile should necessarily change.



A **green** status indicates that the solution is in line with the assigned risk profile and no action is needed.

### Basis of Preparation and Use

You should not rely on this information in making an investment decision and it does not constitute a recommendation or advice in the selection of a specific investment or class of investments.

The analysis in this report has been based on data and information provided by Margetts Fund Management as at 30 June 2022.

The information does not indicate a promise, forecast or illustration of future volatility or returns. The outputs represent a range of possible indications of volatility and returns for various collections of asset classes. Distribution Technology Ltd, trading as Dynamic Planner ("DP") is not liable for the data in respect of direct or consequential loss attaching to the use of or reliance upon this information.

DP does not warrant or claim that the information in this document or any associated form is compliant with obligations governing the provision of advice or the promotion of products as defined by the Financial Services Act.

# Copyright

Distribution Technology Ltd 2017 onwards. All rights reserved.

No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or any means, electronic or mechanical, including photocopying and recording for any purpose other than the purchaser's personal use without the written permission of DP.

### Source of information

Hedge Fund Research, World Bank, MSCI Inc, Intercontinental Exchange Data Indices LLC, Henley Business School, Bloomberg LLC, Strategic Frontier Management.

### Publication date

09/09/2022

### **Trademarks**

DP may have patents or pending patent applications, trademarks, copyrights or other intellectual property rights covering subject matter in this document. The furnishing of this document does not give you any license to these patents, trademarks, copyrights or other intellectual property rights except as expressly provided in any written license agreement from DP.

All other companies and product names are trademarks or registered trademarks of their respective holders.

www.dynamicplanner.com