



LYNDHURST

PLAN • INVEST • PROTECT

FINANCIAL MANAGEMENT

LYNDHURST INVESTMENT SOLUTIONS

Investing in a proven process for a secure future



Welcome To Lyndhurst Investment Solutions

For over 25 years, we've helped our clients work towards and achieve their investment objectives at every stage of their financial journey.

As independent financial advisers we are passionate about providing both financial planning and investment expertise. With over £500 million in assets under management, our clients trust us to provide strategic investment solutions aligned with their goals, circumstances, and attitude to risk.

We would welcome the opportunity to do the same for you.



Scott Draycon
Head of Investment Solutions
Lyndhurst Financial Management



Our Investment Capabilities

In collaboration with leading fund management groups, our Investment Committee design a wide range of portfolios in line with six key strategic capabilities, all prioritising risk adjusted performance but covering a broad range of preferences.



Growth – Active & passive vehicles.



Passive – Passive/Index vehicles.



Income – Increased income yield.



Advice – Multi-asset, risk profiled investment solutions.



Sustainable – Sustainable & sustainably tilted solutions.



Decumulation – Defensive solutions mitigating periods of market volatility.

Our investment capabilities are a key driver for our competitive advantage. Our scale enables us to have direct access to fund managers, and we have developed long-standing relationships across several fund management groups. The process which our team follow is grounded in proven academia and in-depth research. This has enabled us to deliver a consistent track record of success.

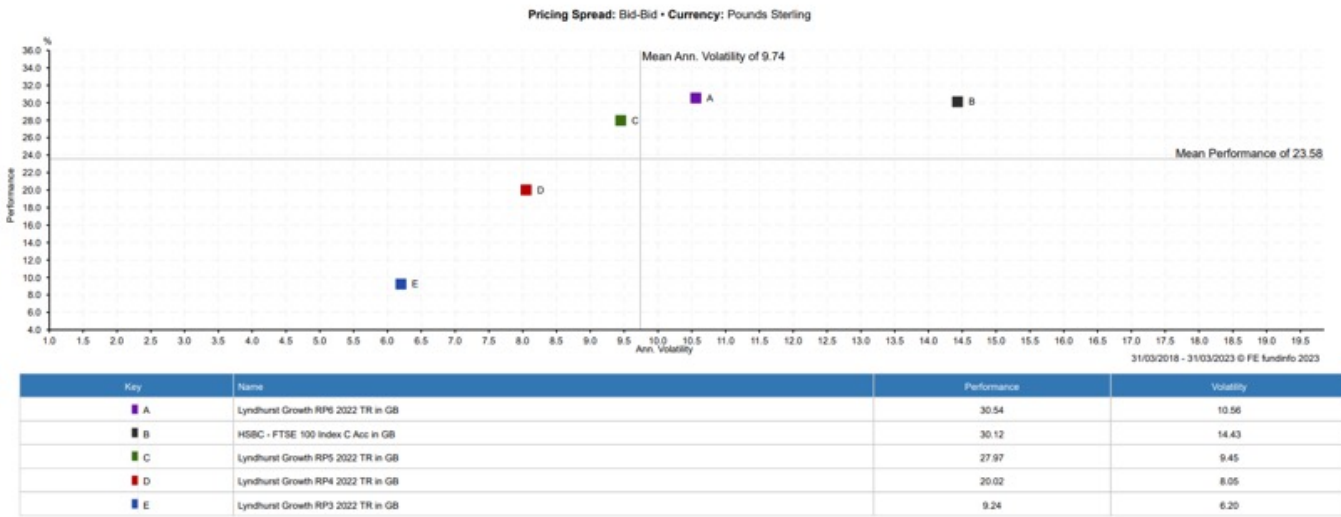


Our Track Record

Investment selection is notoriously difficult for individuals with an investment universe of well over 4000 funds. The team's expertise, combined with a well-researched investment process, has consistently delivered attractive returns over the longer-term investment horizon.

The graph opposite illustrates the risk adjusted performance of the FTSE 100 and the most popular Lyndhurst Growth Portfolios over the last 5 years. Past performance is no guarantee of future performance and the value of investment can go down as well as up.

Our Five Year Track Record



Name	13/04/2022 to 13/04/2023	13/04/2021 to 13/04/2022	13/04/2020 to 13/04/2021	13/04/2019 to 13/04/2020	13/04/2018 to 13/04/2019
HSBC FTSE 100 index C Acc	6.99	14.30	23.70	-19.77	6.96
Lyndhurst Growth RP3 2022	-4.30	-1.29	10.17	0.32	4.76
Lyndhurst Growth RP4 2022	-3.05	0.71	17.34	-1.51	6.21
Lyndhurst Growth RP5 2022	-1.56	1.69	23.70	-3.53	6.77
Lyndhurst Growth RP6 2022	-0.49	1.89	28.73	-6.34	6.28



The Lyndhurst Investment Committee

With wide ranging industry experience, our Investment Committee is responsible for researching, constructing, and maintaining a range of portfolios designed to meet a wide variety of preferences.

The team consists of investment professionals with experience in portfolio management and fund manager selection at leading investment banks and asset management companies.

The committee meets monthly and proactively works throughout the year to review funds, monitor the performance of portfolios, and manage risk based on leading insights. The team view the markets by probability not prediction, and are key believers in:

Diversification

Diversification is a risk management strategy that is central to the proposition, it essentially stipulates that combining a wide variety of assets, geographies and styles improves the risk adjusted performance of the overall portfolio.

Strategic Asset Allocation

We utilise strategic asset allocations in our portfolios where future risk/reward expectations for different assets and sectors are modelled to provide clients with attractive and robust return profiles.

As well as undertaking our own analysis, our portfolios have been analysed by some of the world's largest asset management groups such as **JP Morgan, The Vanguard Group** and **BlackRock** who provide risk management consultancy and access to stress testing software. As of 2022, we were granted access to BlackRock's software for use in-house, meaning we can produce institutional grade research from our office whenever necessary.

J.P.Morgan **Vanguard** **BlackRock**



Our Philosophy

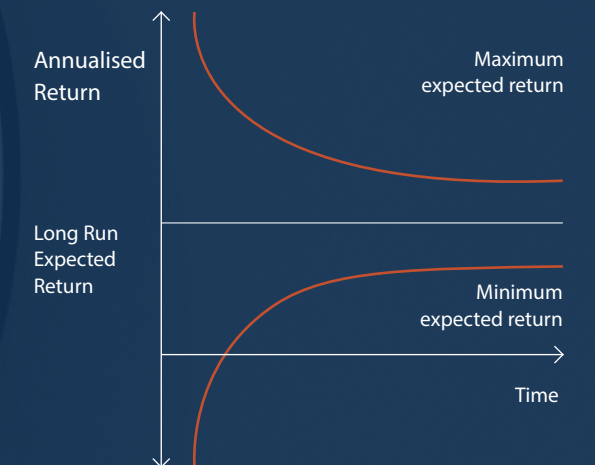
We take a long-term view on investment decisions.

Under an advisory model, we feel it is most efficient to position portfolios for all market conditions and a long-term time horizon. We aim to maintain funds for, at least, a full market cycle.

It is our experience that under performance is often followed by out performance (and vice versa) so it is important to understand the drivers and timing of performance before taking views on re-allocations.

Long-term Time Horizon

The diagram illustrates the variability of expected return over time with uncertainty reducing the longer the investment time horizon.



Source: Lyndhurst Financial Management, Illustration only. The expected maximum/minimum return are based on the 90% confidence level.

Our Process

Asset Allocation

Given the importance of asset allocation, the investment committee feel our clients are best served by utilising the assistance of a specialist asset allocation provider with greater scale and access to a wealth of research and data to make these decisions.

Dynamic Planner is a multi-award-winning service with a track record of success that ensures initial and ongoing investment suitability. Dynamic Planner's distribution technology (DT) asset allocation model was first developed in 2005 and has been continually refined and advanced ever since.

DT review forward and backward looking data to build a range of benchmark asset allocations for corresponding risk levels 1-10 with respective volatility bands. These tie to a comprehensive risk questionnaire that signals the appropriate portfolio for a given risk level, this ensures that the centralised investment proposition and recommendations are consistent with client risk profiles.

Lyndhurst Financial Management reserve the right to deviate from the benchmark asset allocation and change asset allocation provider.

If Lyndhurst were to advise a deviation from the benchmark, this would be discussed with the client before changes are made.

Asset Class Performance

The asset class performance diagram below illustrates the complexity of the markets and the need for a well-diversified portfolio to maintain returns across varying market environments.

2014	2015	2016	2017	2018	2019	2020	2021	2022	Q1 '23	10-year ann. return	Vol.
REITs 35.1%	REITs 8.2%	HY bonds 36.9%	EM equities 25.8%	Govt bonds 5.8%	DM equities 23.4%	EM equities 15.0%	REITs 41.2%	Cmdty 30.7%	DM equities 5.0%	DM equities 12.8%	Cmdty 18.8%
EMD 14.1%	EMD 7.0%	Cmdty 33.3%	DM equities 12.4%	HY bonds 2.7%	REITs 23.1%	DM equities 12.9%	Cmdty 28.3%	Hedge funds 7.6%	EM equities 1.2%	REITs 10.1%	REITs 18.5%
DM equities 12.1%	DM equities 5.5%	EM equities 33.1%	Portfolio 5.6%	IG bonds 2.4%	EM equities 14.3%	Portfolio 7.1%	DM equities 23.5%	Cash 0.0%	Portfolio 1.2%	Portfolio 7.0%	EM equities 14.7%
IG bonds 9.6%	Govt bonds 2.3%	EMD 31.4%	EMD 0.7%	REITs 1.9%	Portfolio 12.6%	IG bonds 7.0%	Portfolio 9.7%	HY bonds -2.3%	HY bonds 0.8%	HY bonds 6.3%	DM equities 11.5%
Portfolio 8.8%	IG bonds 2.0%	REITs 30.4%	HY bonds 0.6%	EMD 1.7%	EMD 10.6%	Govt bonds 6.1%	Hedge funds 4.6%	Portfolio -4.4%	IG bonds 0.7%	EM equities 4.9%	EMD 10.9%
HY bonds 6.1%	Hedge funds 1.9%	DM equities 29.0%	Cash 0.4%	Cash 0.9%	HY bonds 9.3%	HY bonds 4.7%	HY bonds 2.3%	IG bonds -6.2%	Cash 0.4%	Hedge funds 4.9%	HY bonds 10.5%
Hedge funds 5.6%	HY bonds 1.4%	Portfolio 27.0%	REITs -0.2%	Portfolio -0.5%	IG bonds 7.2%	Hedge funds 3.5%	Cash 0.1%	Govt bonds -7.1%	Govt bonds 0.3%	EMD 4.7%	Portfolio 8.1%
Govt bonds 5.4%	Portfolio 1.2%	IG bonds 24.4%	IG bonds -0.4%	Hedge funds -0.9%	Hedge funds 4.4%	EMD 2.0%	EMD -0.9%	DM equities -7.4%	EMD -0.9%	IG bonds 3.9%	IG bonds 8.1%
EM equities 4.3%	Cash 0.7%	Hedge funds 22.3%	Govt bonds -2.0%	DM equities -2.5%	Cmdty 3.5%	Cash 0.6%	EM equities -1.3%	EMD -7.4%	REITs -1.3%	Govt bonds 1.9%	Govt bonds 8.0%
Cash 0.6%	EM equities -9.7%	Govt bonds 21.3%	Hedge funds -3.2%	Cmdty -5.7%	Govt bonds 1.5%	Cmdty -6.1%	IG bonds -2.0%	EM equities -9.6%	Hedge funds -3.0%	Cmdty 1.7%	Hedge funds 6.5%
Cmdty -11.8%	Cmdty -20.3%	Cash 0.7%	Cmdty -7.1%	EM equities -8.9%	Cash 1.0%	REITs -8.8%	Govt bonds -5.7%	REITs -15.7%	Cmdty -7.9%	Cash 0.5%	Cash 0.3%

Source: Bloomberg Barclays, FTSE, J.P. Morgan Economic Research, MSCI, Refinitiv Datastream, J.P. Morgan Asset Management. Annualised return and volatility covers the period from 2013 to 2022. Vol. is the standard deviation of annual returns. Govt bonds: Bloomberg Barclays Global Aggregate Government Treasuries; HY bonds: ICE BofA Global High Yield; EMD: J.P. Morgan EMBI Global Diversified; IG bonds: Bloomberg Barclays Global Aggregate – Corporates; Cmdty: Bloomberg Commodity; REITs: FTSE NAREIT All REITs; DM equities: MSCI World; EM equities: MSCI EM; Hedge funds: HFRI Global Hedge Fund Index; Cash: JP Morgan Cash United Kingdom (3M). Hypothetical portfolio (for illustrative purposes only and should not be taken as a recommendation): 30% DM equities; 10% EM equities; 15% IG bonds; 12.5% government bonds; 7.5% HY bonds; 5% EMD; 5% commodities; 5% cash; 5% REITs and 5% hedge funds. All returns are total return, in GBP, and are unhedged. Past performance is not a reliable indicator of current and future results. Guide to the Markets - UK. Data as of 31 March 2023.



Fund Selection

Populating the given asset allocation is the responsibility of the Investment Committee. We seek to include quality and complimentary funds from a diversified range of fund houses and can combine both passive and active vehicles to balance active risks and lower costs. All investment decisions are informed by a basis of quantitative and qualitative analysis.

Quantitative analysis refers to statistical analysis on funds and portfolios.

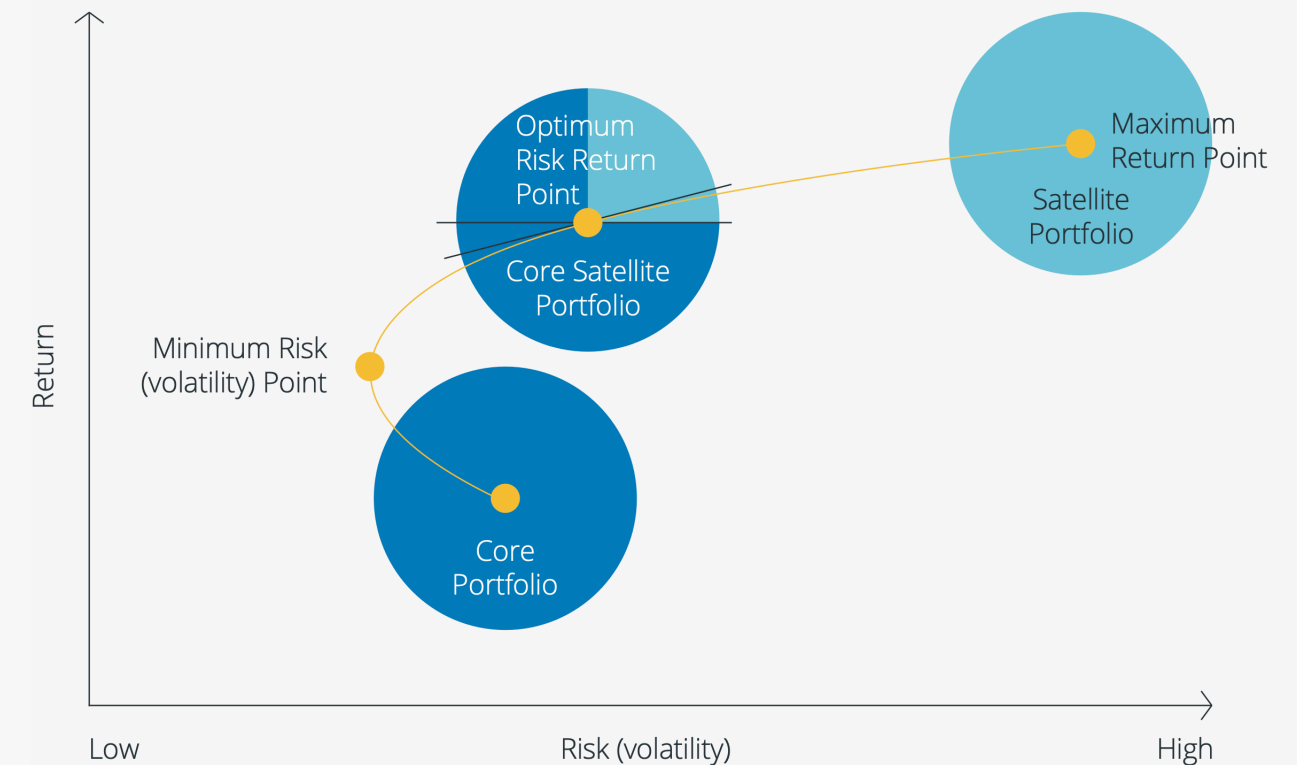
Qualitative analysis reflects strategy, process and personnel based analysis with regular meetings with fund managers, current and prospective, to understand the drivers of performance.

We follow a defensive philosophy aiming specifically for additional protection in falling markets as well as overall capital appreciation above benchmark across any 5 year time horizon. It is our observations that clients disproportionately value capital preservation in tough markets over additional performance in strong markets.

The Core & Satellite Approach

We believe in a core and satellite approach. In this context, our 'core' holding refers to the allocation held in broadly diversified and low-cost funds. The other portion of the assets, the 'satellite' holdings, are held in funds categorised as 'higher risk', which seek to outperform the core benchmarks. The satellite funds are actively managed, where the managers deviate from the broader market with the aim of achieving greater returns. In combining these two types of fund, our goal is to achieve greater returns for a similar level of risk.

Diagram 1: Core satellite portfolio & efficient frontier model





Sustainable Investing

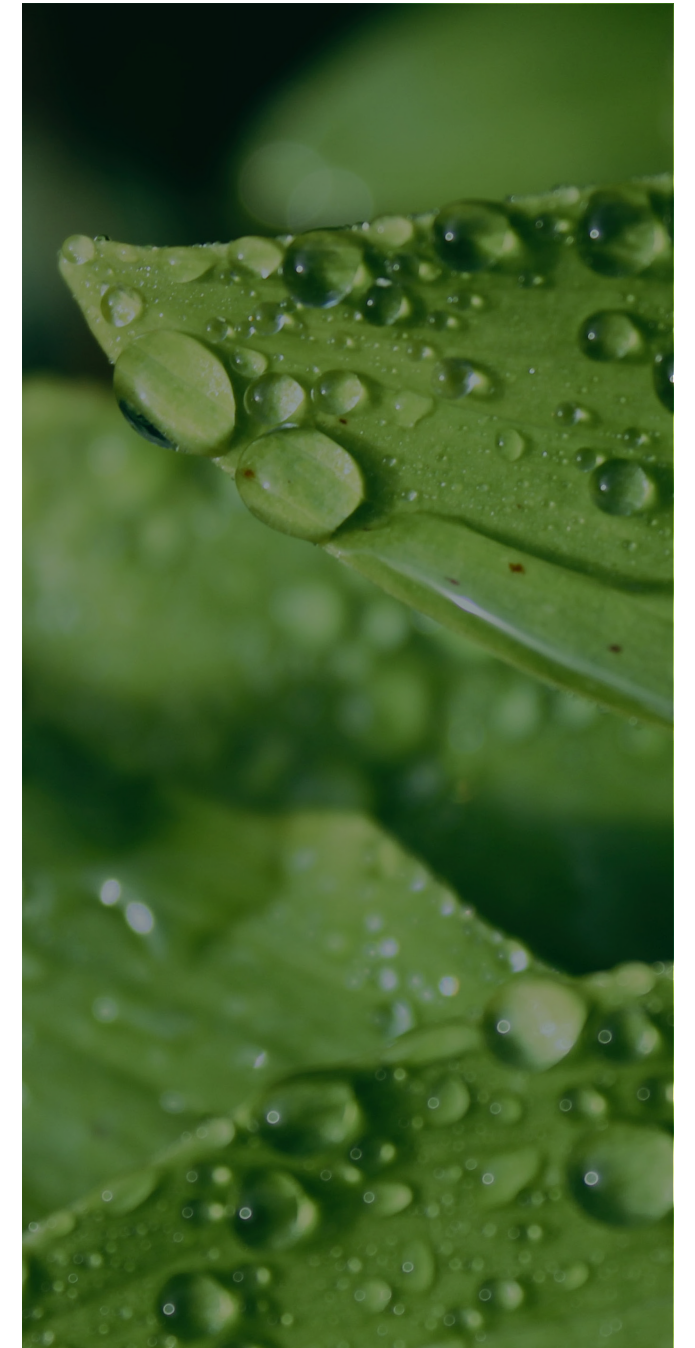
In keeping with our values, the investment committee have sought to develop the sustainable investment offering as part of the proposition.

The aim of our sustainable offerings is to create long-term value for clients alongside sustainable benefits for the economy, environment, and society.

Our Sustainable Portfolios provide exposure to some of the world's most forward thinking and innovative companies whose success may well determine the longevity of humanity. The performance of these funds demonstrate that it is perfectly possible to invest with a conscience and enjoy healthy returns at the same time.

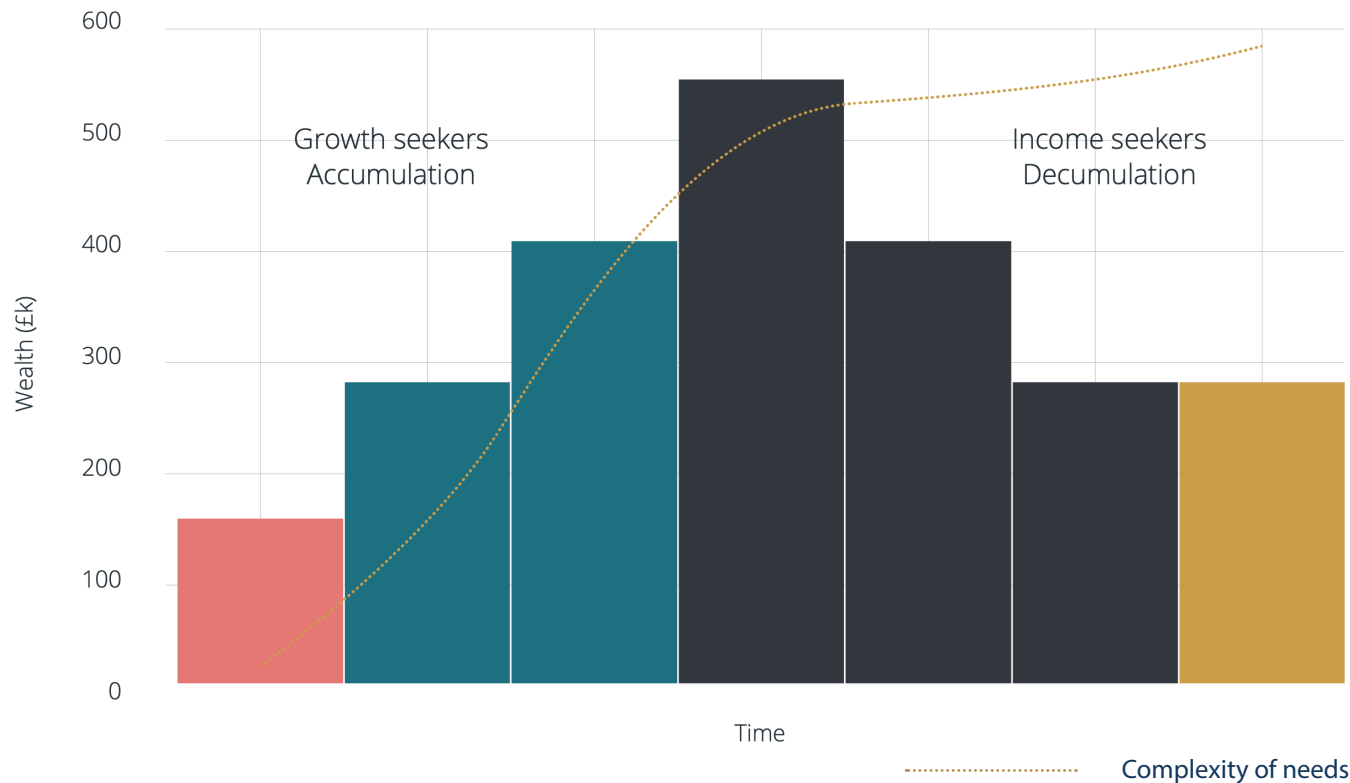
These portfolios seek to perform for investors while promoting change across the world through using strong sustainable stewardship principles (using shareholdings to promote sustainable change), channeling investment to sustainable companies and avoiding companies making negative contributions.

We understand some clients may have specific requirements in terms of their sustainable investment plan. We are happy to introduce you to our approved Discretionary Wealth Manager to develop a bespoke portfolio that could include specific areas you may wish to avoid or invest in.

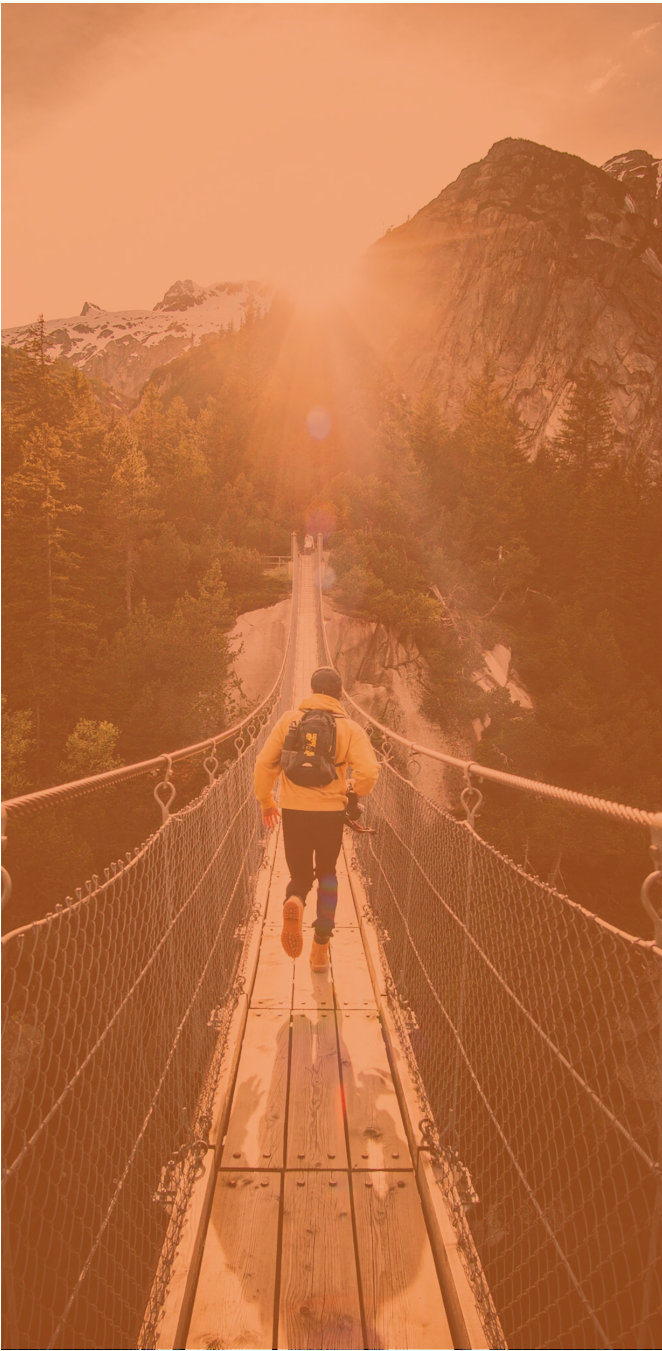


Investment strategies for different life stages

We strive to offer suitable investment options for all periods across a client's investment time horizon. Clients face inherently different risks at different times and as such portfolios must respond accordingly, we therefore provide different service levels for clients at different life stages.



Source: Lyndhurst Financial Management, basic Illustration only.



The change in risk is most apparent when a client transfers from accumulation to decumulation. Clients in accumulation are in the process of growing their wealth and clients in decumulation are taking income from their assets in retirement. Some of these risks are discussed below:

Sequencing Risk is the risk posed by the timing of portfolio withdrawals whereby withdrawals in a falling market can have disproportionate implications on the sustainability of income over a client lifetime.

Longevity Risk is the risk that the client lives longer than expected.

Inflation Risk is the value of money (withdrawals and portfolio) eroding over time.

These risks must be carefully balanced against the opportunity cost of performance drags. Our specialised decumulation portfolios mitigate this risk by

- Providing down market withdrawal protection
- Reducing the volatility
- Using inflation expectations and a life expectancy buffer in cash flow analysis.

Alternative Investment Solutions

Alternative investment solutions can add value, create further diversification, and offer tax advantages.



The Investment Committee are responsible for assessing the markets for other investment products that are useful and add value in financial planning. This includes tax efficient products such as Business Relief, Enterprise Investment Schemes and Venture Capital Trusts.

These products can reduce the burden of taxation by reducing income, capital gains or inheritance tax liabilities.

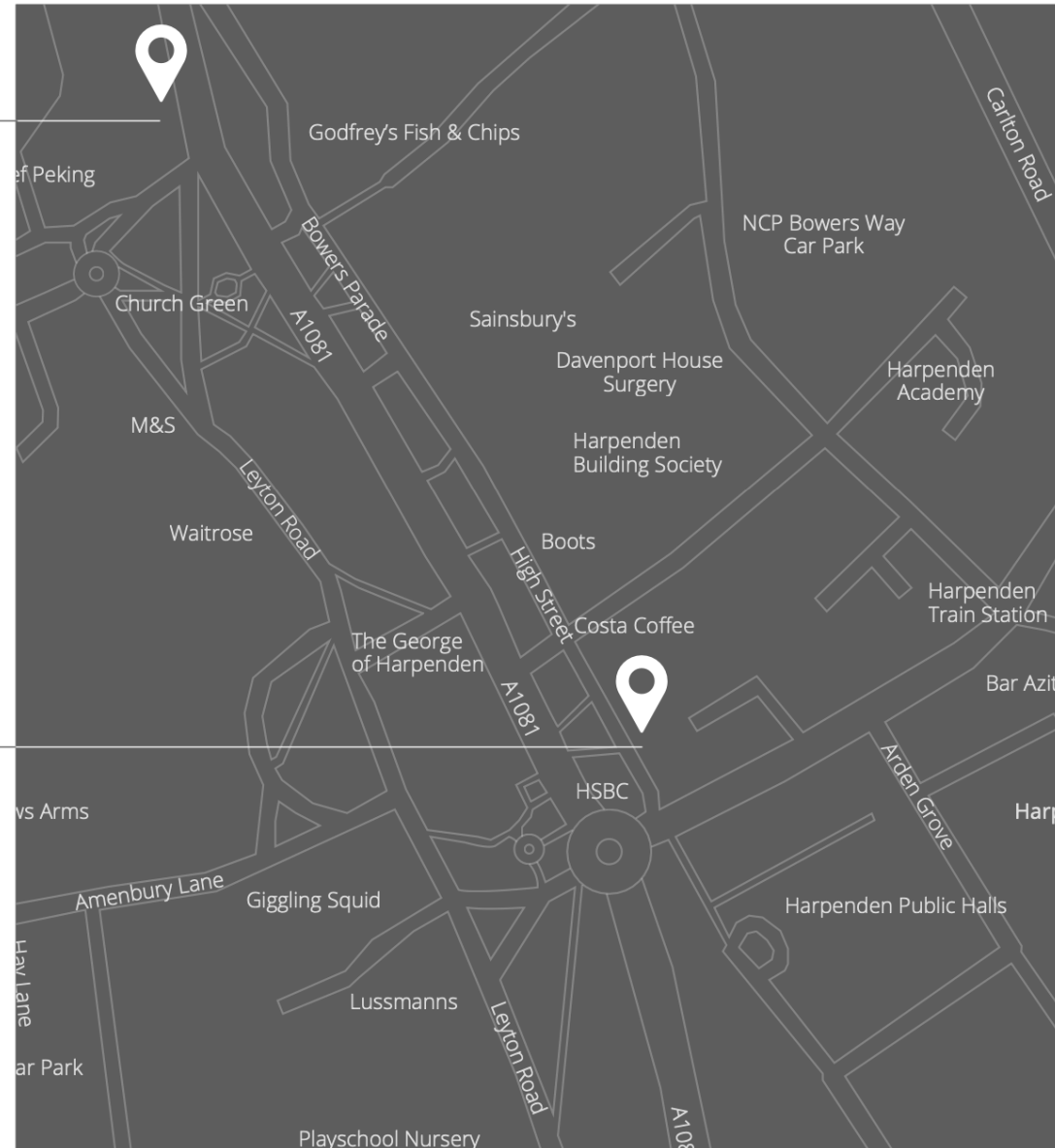
The investment committee also monitor structured contract instruments (structured products) that can add new characteristics to portfolios and help hedge risks.

While the Investment Committee works to build a comprehensive offering aimed at providing investment solutions to a wide range of preferences, and the vast majority of clients, there may be circumstances in which centralised models are less suitable. Bespoke models may be appropriate for clients who have strong views over allocations or seek portfolio characteristics unavailable under an advised model. If you have complex bespoke requirements, we are happy to introduce you to our researched discretionary partner.

Where to find us

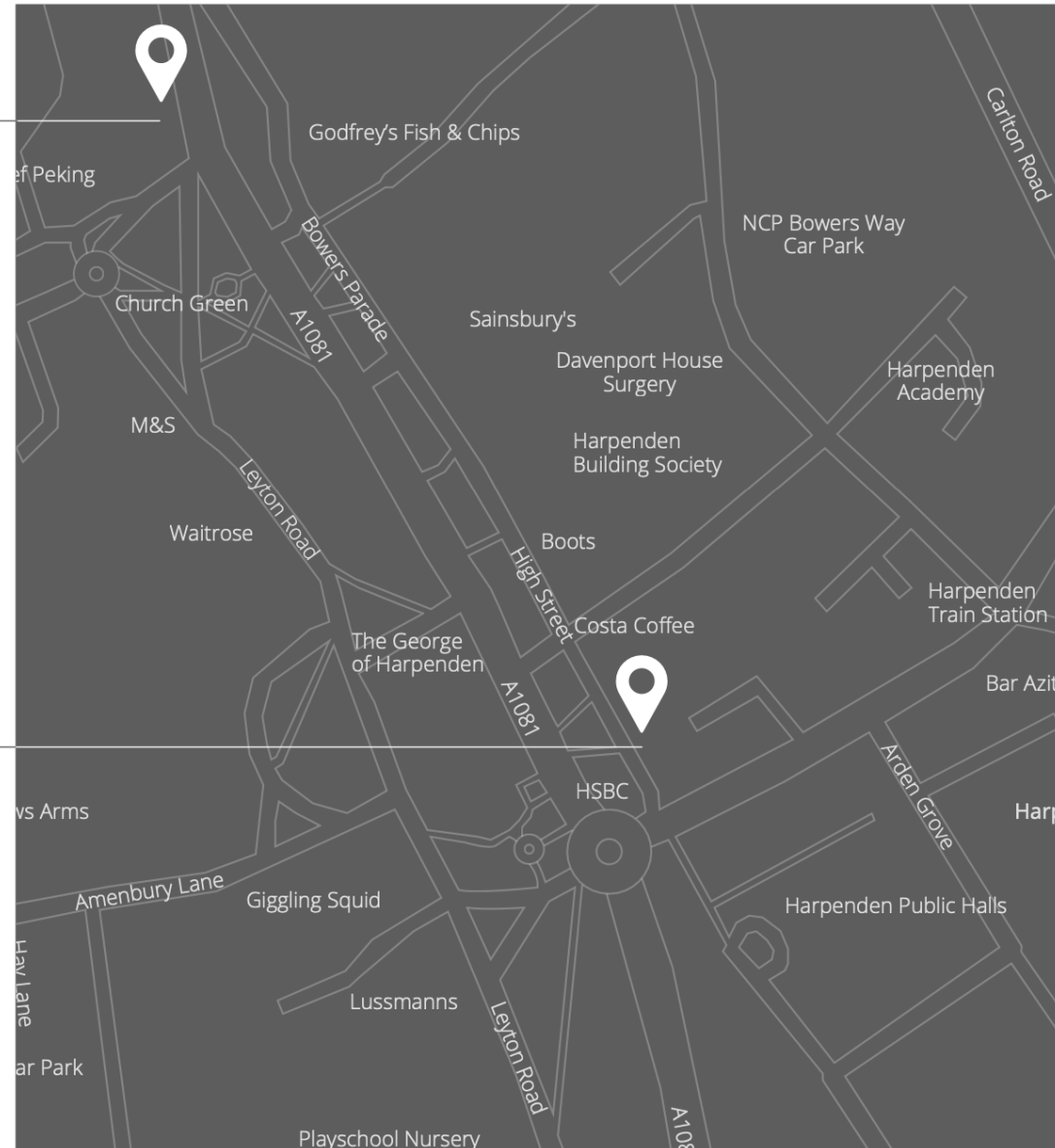
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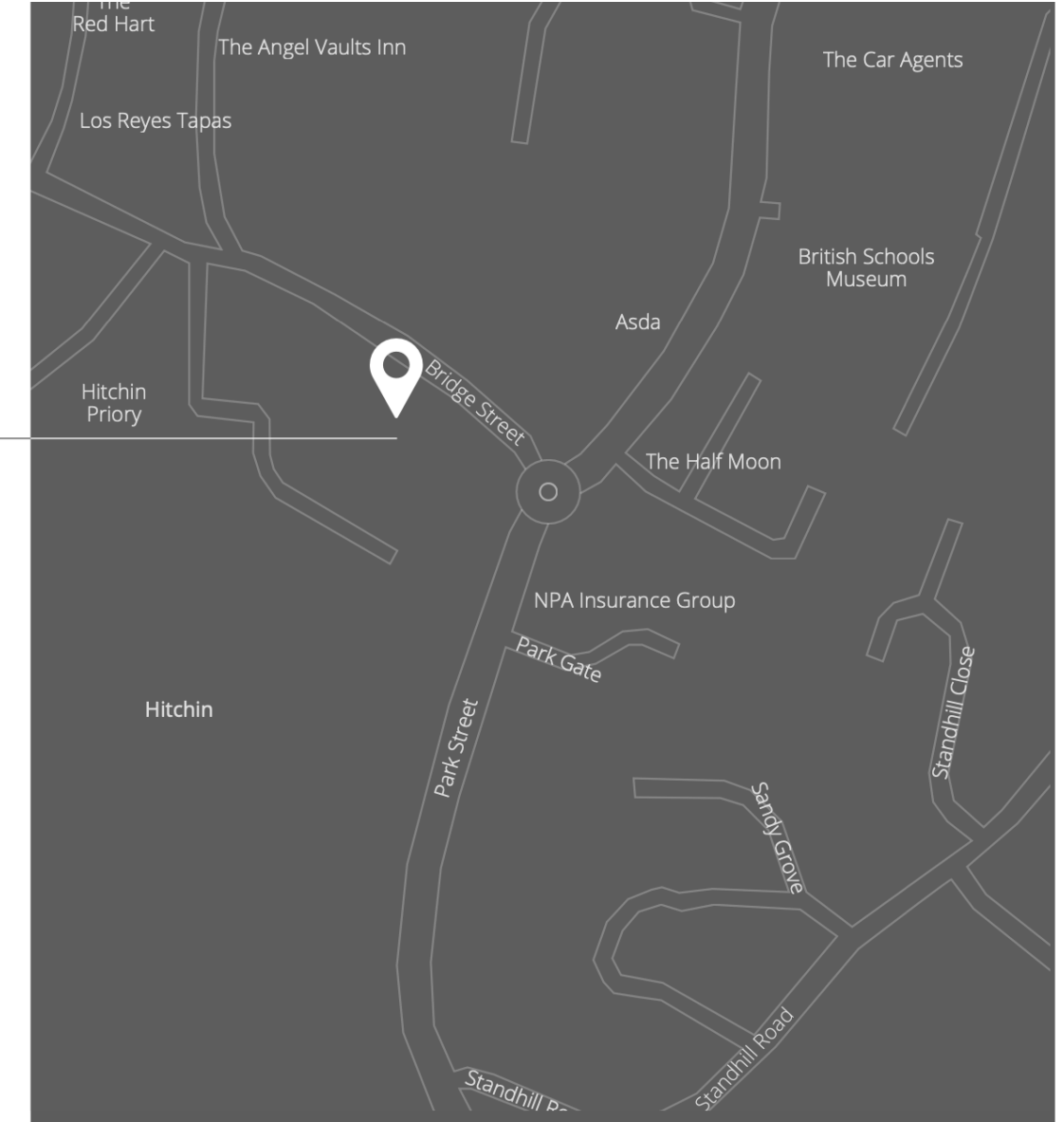
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Important information

This brochure is for information purposes only and is not intended to offer advice. Remember, with investment your capital is at risk. The value of your portfolio could go down as well as up and you may get back less than you invest. Past Performance is not a reliable indicator of future performance.

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