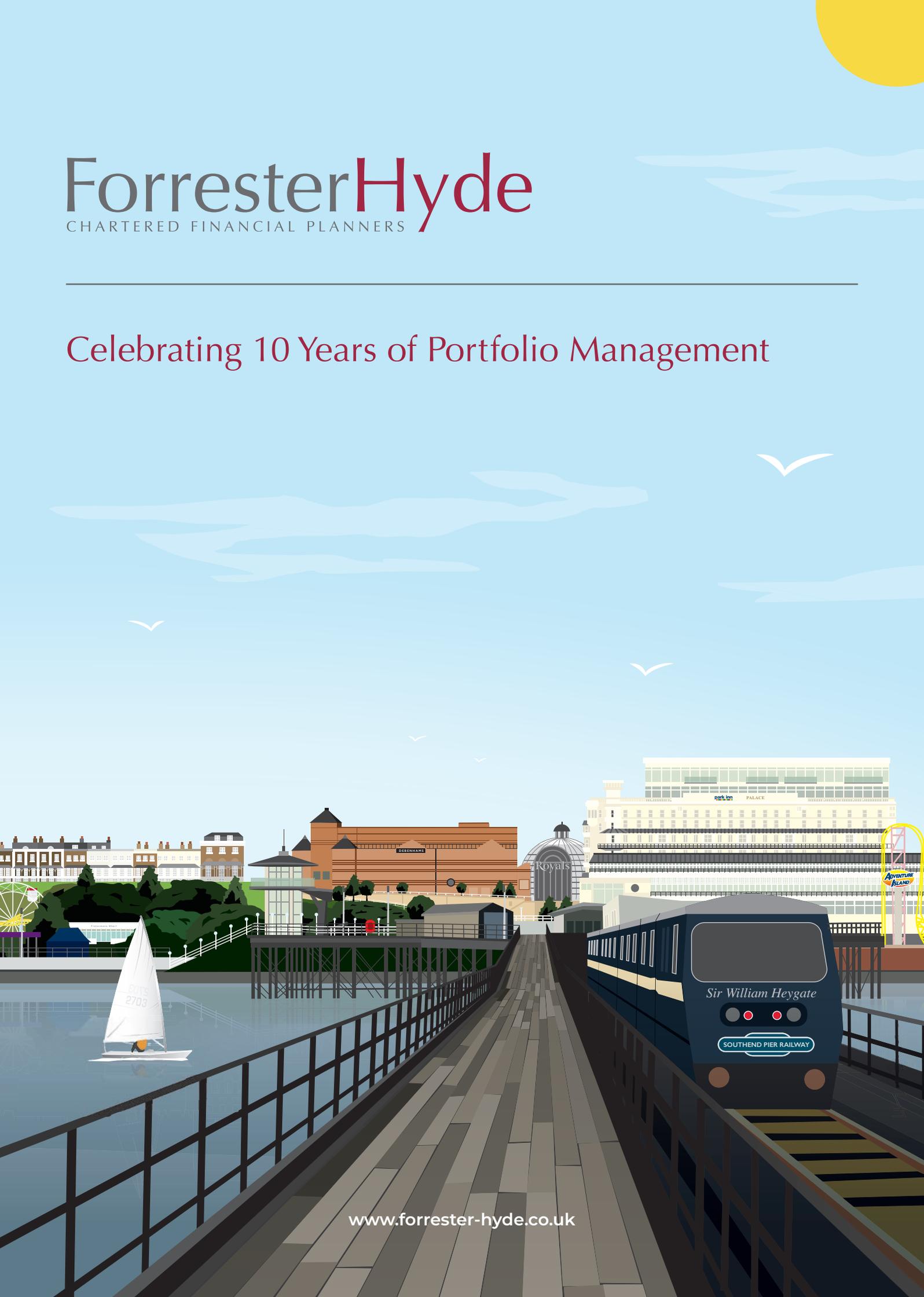


ForresterHyde

CHARTERED FINANCIAL PLANNERS

Celebrating 10 Years of Portfolio Management





Celebrating 10 Years of Successful Portfolio Management

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The Information contained in this guide was updated in April 2018 and was based on the rules and regulations, limits and allowances in existence at that time. Readers should always ensure that they receive appropriate financial advice from a regulated adviser prior to making any investments.

Past performance is no guarantee of future returns. The price of units and income from them can fall as well as rise. The value of any investment is not guaranteed and on encashment, you may not get back the full amount invested.

Data policy – All information should be used for indicative purposes only. This does not constitute advice. Forrester Hyde cannot guarantee that the data is accurate or complete, and accepts no responsibility for how it may be used. Prices provided by Morningstar and FE Analytics, correct as at 3 April 2018.

Foreword



Matthew Barber
Chief Executive

“Whilst our Model Portfolios have reached 10 years of track record, the company has achieved over 47 years experience in private client servicing.”

Nick Hyde founded Forrester-Hyde in January 1971. We are now in our 47th year and are looking forward to celebrating our 50th anniversary in January 2021. The Company is in safe hands. The directors, James, Mike, Howard and myself, have 96 years combined experience at Forrester-Hyde.

The Company has grown and our team are passionate about helping people manage their money. We are regulated by the Financial Conduct Authority and are fully independent, advising on products across the whole market. We are also Chartered, the highest professional status an Adviser can achieve.

We advise individual clients on Investment, Retirement, Mortgage and Protection. We also advise Public and Private companies on the provision and delivery of employee benefits, to include Pension, Protection and Private Medical Insurance.

From inception we have advised individual clients on savings and investment and this sector of our business has grown exponentially. In April 2008 we launched a range of Model Portfolios, which we research and construct in-house. The Portfolio range has expanded from the original five core Portfolios to a total of fifteen Portfolios. The Portfolios are risk weighted from Conservative to Aggressive with specialist Portfolios to include Ethical and Distribution for those investors seeking income. The internal Investment Committee determine the asset allocation and the funds in which our clients invest. The Portfolios are continuously monitored and benchmarked.

From launch we moved from commission to an Adviser Charge disclosed in advance and agreed with each investor to ensure transparency, which is key to establishing trust.

Where we are retained, we review and report quarterly with an updated valuation, consolidating the investor's assets in an analytical statement. We publish this review in conjunction with 'Outlook', our economic perspective that underpins our asset allocation strategy. 'Outlook' demonstrates our performance against benchmark, maintaining that transparency.

The financial crisis in the autumn of 2008 negatively impacted all equity based investment with the FTSE-100 falling from 5,852.58 on 1 April 2008 to a low of 3,512.09 on 3 March 2009. Despite the unfortunate timing of our launch, we are rightly proud of the returns we have achieved for our clients.

This document is designed to provide further information relating to our Managed Portfolio Service, introduce you to the team and explain how we construct and review the individual Portfolios. It also provides an analysis of investment performance over the 10 year period.

Forrester-Hyde has:

26	£459m	613	15
Staff	Assets Under Agency	Individual Managed Clients	Managed Portfolios

Who We Are



Forrester-Hyde Investment Committee

The Investment Committee sit at the heart of our Managed Portfolio Service. There are eleven members, ten directly employed, the eleventh is our Fixed Interest Specialist.

We utilise investment research from companies such as Morningstar and Financial Express. We also meet and interview Fund Managers from a variety of Institutions.

In practice the Committee is the guardian of our investment process that is designed to benefit our investors. Within the Investment Committee sits our dedicated Investment Team as detailed below.

Investment Team

The Investment Team are at the forefront of our Investment Research and all sit on the Investment Committee.

1. Nick Hyde

Nick founded Forrester-Hyde in January 1971, but stepped down as an Adviser in December 2012. He is the author of 'Outlook' – the Company's perspective on economies at home and overseas.

2. James Dear

James joined Forrester-Hyde in July 2007 and is responsible for Corporate Pension Development. He is a member of the Chartered Insurance Institute and is closing in on Chartered status.

4. James Hyde

James joined Forrester-Hyde in October 2003 and is Head of Corporate Client. He is a member of the Chartered Insurance Institute and is approaching Chartered status.

5. Jonathan Gray

Jonathan joined Forrester-Hyde in March 1999 and is our Retirement Specialist. He is a Fellow of the Chartered Insurance Institute and a Chartered Financial Planner.

3. Jakob Payne – Investment Manager

Jakob joined Forrester-Hyde in July 2014. Jakob went straight into investments after completing his Bachelor of Law Honours degree in 2009. Since then he has achieved his Investment Management Certificate, Diploma in Financial Planning, Certificate in Discretionary Management and is closing in on Chartered Status. He is a member of both the CFA Society and Chartered Insurance Institute.

6. Mathew Barber

Matthew joined Forrester-Hyde in January 1988 and is Chief Executive and Chair of the Investment Committee, with responsibility for Compliance and Risk Oversight. Matthew is a Fellow of the Chartered Insurance Institute and a Chartered Financial Planner.

7. Mike Robinson

Mike joined Forrester-Hyde in October 1988 and is Pensions Technical Director. He is a Fellow of the Chartered Insurance Institute and a Chartered Financial Planner.

8. Howard Imbert

Howard Joined Forrester-Hyde in August 1995 and is our Corporate Risk Specialist. He is a member of the Chartered Insurance Institute and is nearing Chartered status.

Steve Wynne (not pictured)

Steve joined Forrester-Hyde in May 2017. Steve is our external Consultant. He has worked on the Fixed Interest desks at Deutsche Bank and Mitsubishi. He brings 43 years' expertise in Fixed Interest.

9. Ray Turner – Investment Analyst

Ray joined Forrester-Hyde in September 2017 having gained a First in History and Politics at Exeter University. He is a member of the Chartered Insurance Institute and is completing his Diploma in Financial Planning.

David Spendiff – Investment Analyst (not pictured)

David joined Forrester-Hyde in March 2018 having graduated with a degree in Finance and Management. David has become a member of Chartered Insurance Institute and is studying towards the Diploma in Financial Planning.



What We Do

Under our Private Client Service we look after our clients' money and identify below the disciplined steps taken in this process. This money may be invested in Pension, ISA, a Bond on or offshore, or directly invested in a Portfolio of Authorised Unit and Investment Trusts.

Step 1

Asset Allocation

Asset Allocation is conducted using Morningstar Investment Research, data and tools. Founded in 1977 Ibbotson, a Morningstar Company, started developing risk profiling tools and has become a leading authority on asset allocation, manager selection and portfolio construction. We base our asset allocation on Morningstar's strategic model which is revised annually. This provides our working model which is continually reviewed, with the Forrester-Hyde Investment Committee seeking to overlay a tactical strategy in light of macro opportunities.

Alongside Morningstar we subscribe to FE Analytics. The Company focus is on performance measurement, publishing sector analysis, Crown ratings and the Adviser Fund Index. Crown ratings are a quant based ratings system designed to identify funds that have had superior performance in relation to risk, relative to their peer group. Crown ratings are compiled using three key measures of a fund's performance – alpha, volatility and consistence.

Step 2

Fund Selection

We start with a potential of 4,200+ funds from which we filter a panel of circa 50 funds. Using modelling tools we look at:-

- Process, what is the fund's strategy and does the management have a competitive advantage.
- Performance, is the fund's performance pattern logical given its process.
- People, assessing the Manager's talent, tenure and resources.
- Parent, what are the prevailing principals at Head Office.
- Price, is the fund a good value proposition compared with similar funds.

We are now in a position to construct our Portfolios from our Fund Panel.

Step 3

Constructing our Core, Passive Plus and Specialist Portfolios

The object is to combine investments that complement each other with a view to delivering consistent performance over time without exposure to unnecessary risk. The funds in each Portfolio will be blended to increase diversification and control risk.

Step 4

Matching the Investor to the Most Appropriate Portfolio

This requires us know the Investor's attitude to risk and we ask they complete a specially designed Questionnaire to identify their risk tolerance. The higher the rating the more willing the Investor is to take greater levels of risk when making financial decisions and accept volatility, with the value going up and down. Having matched the respective Portfolio we intermedate on the Investor's behalf to arrange the Retail Investment Products and funds, but the story doesn't end there.

Step 5

Review and Governance

It is essential we review how the funds in each Portfolio are performing. It is equally important the recommended asset mix is maintained and where necessary we rebalance the amounts held in each fund. We are here to work closely with our investors on an ongoing basis regularly reviewing their Portfolio to make their money work harder and help them achieve their investment goals. It is also important to remember an individual's circumstance and objectives may change making it necessary to realign their Portfolio according to their new circumstance.

We believe the combined expertise of Morningstar, FE Analytics and Forrester-Hyde adds up to a service our investors can depend on. We value each Portfolio quarterly reporting to Investors to include Outlook our economic perspective on markets at home and overseas.

Our Portfolio Range

All our Portfolios are globally diversified, multi-asset and geared to the medium to long-term, ten years plus. We do not seek to time markets believing time in the market is of greater value to our Investors.

We launched our five **Core Portfolios** on 1 April 2008, shortly before the global banking crisis triggered by the collapse of Lehman Brothers. During this period the FTSE-100 fell by 40% from 5,852.58 to 3,512.09 on 3 March 2009.

Since 2008 we have diversified the Portfolio range adding three **Passive Plus Portfolios** and four **Specialist Portfolios**. All the Portfolios are designed, constructed and maintained in-house by our Investment Team.





Core Portfolios

Conservative – Low risk. The aim of this Portfolio is to provide a real rate of return above inflation. It is designed for an Investor with little appetite for risk and volatility. Up to 70% of the fund will be held in Cash and Fixed Interest Securities to reduce volatility.

Cautious – Low to Medium risk. This Portfolio is designed for an Investor with a below average appetite for risk and volatility. Up to 60% of the Portfolio will be invested in UK and Overseas Equities, Property and Commodities with the remainder in Cash and Fixed Interest Securities. The Portfolio is benchmarked to the Morningstar Cautious Portfolio with FH seeking to add value by tactical overlay.

Balanced – Medium Risk. This Portfolio adopts a fully diversified strategy across the spectrum of asset classes weighted to 70% Equity exposure. The Portfolio benchmarks the Morningstar Balanced Portfolio.

Assertive – Medium to High Risk. This Portfolio is designed for an Investor with an above average appetite for risk and volatility. The Portfolio is fully invested with exposure to Cash and Fixed Interest Securities restricted to less than 20%. This is an actively managed high alpha diversified Portfolio and is designed to generate a higher rate of growth with increased volatility.

Aggressive – High Risk. This Portfolio is designed to provide significant growth and carries the highest degree of risk and volatility. There is little or no exposure to Cash and Fixed Interest Securities. The target is a fully invested Portfolio to include Commodities and Property. Funds are blended to increase diversification.

The table below shows the risk rating, OCF (Ongoing Charge Figure), total return since launch and annualised return to 1 April 2018 for each of the five core Portfolios.

	Conservative	Cautious	Balanced	Assertive	Aggressive
Core Portfolio Risk Rating	Low	Low to Medium	Medium	Medium to High	High
OCF (%)	0.55 - 0.75	0.60 - 0.80	0.65 - 0.85	0.75 - 0.95	0.80 - 1.00
Total Return 1 April 2008 – 1 April 2018 (%)	60.09	76.68	88.70	107.13	113.70
Annualised Return (%)	4.80	5.81	6.47	7.42	7.71
Annualised Risk (%)	4.55	6.58	9.09	11.45	14.00
Low to High (Max Gain %)	76.15	101.71	133.41	172.48	213.45
High to Low (Max Loss %)	-6.44	-9.28	-17.59	-23.67	-32.67
Max Loss of FTSE 100 over the same time period was -43.09%					

FH Balanced Portfolio Since Launch



Discrete Annual Performance – 1 April

2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
-11.50	25.28	8.39	0.96	11.50	7.75	10.17	-2.07	17.09	2.46

Our Portfolio Range

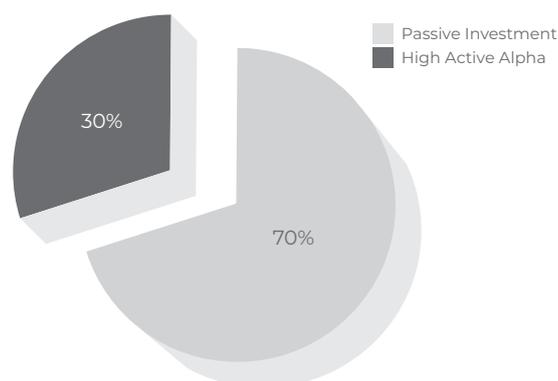
Passive Plus Portfolios

Having launched 1 September 2015, the **FH Passive Plus Portfolio** range offers investors the choice between three diverse risk targeted model portfolios.

The Passive – Around 70% of the portfolio will be held in passive investment that track their benchmark index and deliver market like returns, regardless of direction. Tracker funds attract a lower Ongoing Charge Figure, OCF, than actively managed funds. The use of Passive investment helps minimise the overall cost of the portfolio.

Model Portfolio	Total Return 1 Year (%)	Total Return Since Inception (%) 1 Sept 2015
FH Passive Plus Cautious	2.49	20.46
FH Passive Plus Balanced	3.35	24.76
FH Passive Plus Assertive	4.69	30.45

The Plus – The remaining 30% will be in funds selected by Forrester-Hyde where we are looking to add value, active funds that aim to out perform their given sector. This allocation can be invested in diversifying asset classes such as Commodities, Property, Currency and other strategies.



Specialist Portfolios

Defensive – Designed to protect capital against significant loss and is suitable for an investor with little appetite for risk.

Model Portfolio	Total Return 5 Year (%)	Total Return Since Inception 1 Dec 2011 (%)
FH Defensive	16.94	34.44

Distribution – Designed to provide income, it is benchmarked against the Morningstar Cautious Portfolio. Whilst providing income the Portfolio also seeks to protect the capital from which income is derived. The equity weighting is capped at 60%, focusing on funds which are managed to provide yield. The balance is invested in Cash and Fixed interest Securities to dampen volatility.

Model Portfolio	Total Return 5 Year (%)	Total Return Since Inception 1 Feb 2010 (%)
FH Distribution	31.04	64.03

Ethical – Designed for the socially responsible Investor unwilling to invest in alcohol, arms, gambling and tobacco. The Funds selected for inclusion are managed to make a positive contribution to the quality of life and the environment. For example, we look to avoid investing in Companies which burn fossil fuel or which practice intensive farming. We look positively on Companies with green credentials developing energy from renewable resources. This fund is benchmarked against the Morningstar Cautious Portfolio.

Model Portfolio	Total Return 5 Year (%)	Total Return Since Inception 14 Nov 2008 (%)
FH Ethical Portfolio	39.51	108.01

Tactical – Designed for an Investor with a significantly higher tolerance to risk and volatility, but who does not want to incur the additional cost of a Bespoke Portfolio. It is benchmarked against the Morningstar Aggressive Portfolio. The Portfolio invests in funds that adopt a tactically aggressive position within their Sector with the aim of out performance. By their very nature these funds will display volatility.

Model Portfolio	Total Return 5 Year (%)	Total Return Since Inception 1 Feb 2010 (%)
FH Tactical	51.31	105.10

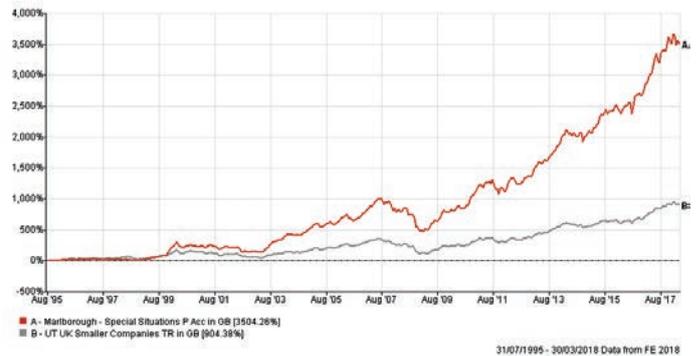


Managed Portfolio Funds

Marlborough – Special Situations Held since September 2011

Giles Hargreave (Fund Manager) – Giles Hargreave is the manager of the Marlborough Special Situations fund. He started his career in 1969 and is FE Alpha Manager rated, meaning he has maintained a consistently high alpha score over a proven track record in rising and falling markets.

“Forrester-Hyde take a long-term approach to investing, just as we do on the Marlborough Special Situations fund, so we have a common outlook and approach. What I believe we also share is an overriding commitment to our investors. Whenever I’ve met the team at Forrester-Hyde I’ve been impressed by their professionalism and the rigorous approach they take to ensuring they are selecting the very best funds for their clients.”



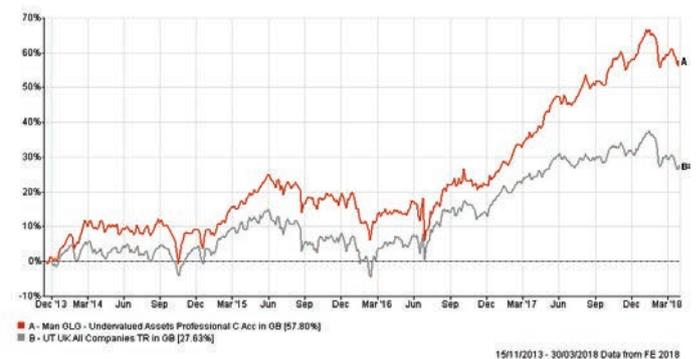
Fund	3 Year	Q	5 Year	Q	Since FH Inclusion	Q	Since Launch	Q
Marlborough Special Situations	62.45	1	113.36	1	179.97	2	3,504.26	1
IA Sector Average	46.13	-	84.37	-	138.08	-	904.38	-

GLG Undervalued Assets Held since December 2013

Henry Dixon (Fund Manager) – Henry Dixon is the manager of GLG and an FE Alpha Manager meaning he has maintained a consistently high alpha score over a proven track record in rising and falling markets.

“Forrester-Hyde backed me at an early stage and I will always be incredibly grateful as a result. Their due diligence and investment meetings are always thorough but I have enjoyed them enormously. The upside from this approach is that there is a good understanding of when the strategy should work well and when it may struggle versus the benchmark.”

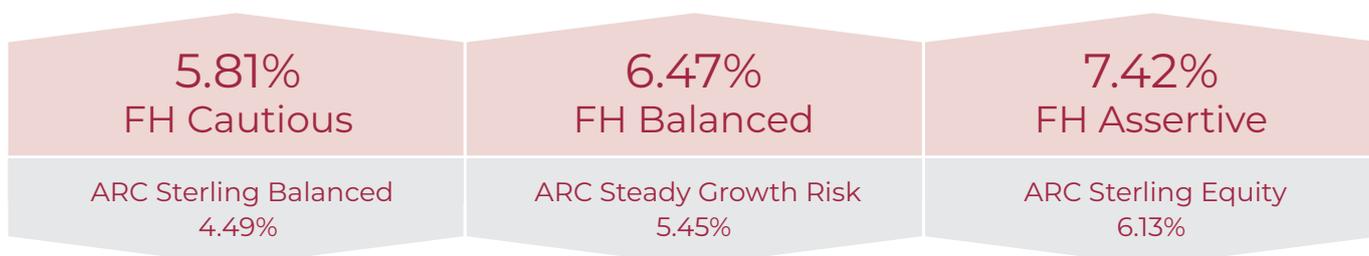
The wake of Brexit would be a good example of the latter and I thank you for the support you showed to me. I look forward to continuing our relationship for many years to come. Huge congratulations on your 10 year anniversary and I wish you every success for at least the next 10 years.”



Fund	2014	Q	2015	Q	2016	Q	2017	Q	Since Launch	Q
GLG Undervalued Assets	3.71	1	10.01	1	5.26	4	30.29	1	57.80	1
IA Sector Average	0.59	-	3.66	-	11.16	-	13.78	-	27.63	-

Investment Performance

10 Year Annualised Return



Model Portfolio	Total Return 5 Year (%)	Total Return Since Inception 1 April 2008 – 1 April 2018 (%)
Forrester-Hyde Conservative	23.84	60.09
Morningstar Conservative Benchmark	24.09	64.15
ARC Sterling Cautious PCI	14.93	40.18
Forrester-Hyde Cautious	31.40	76.68
Morningstar Cautious Benchmark	26.13	66.47
ARC Sterling Balanced Asset PCI	23.06	55.35
Forrester-Hyde Balanced	39.47	88.70
Morningstar Balanced Benchmark	34.15	79.04
ARC Sterling Steady Growth PCI	31.51	70.22
Forrester-Hyde Assertive	52.06	107.13
Morningstar Assertive Benchmark	38.55	82.06
ARC Sterling Equity Risk PCI	36.81	81.45
Forrester-Hyde Aggressive	59.86	113.70
Morningstar Aggressive Benchmark	50.69	94.35

How do we compare?

Morningstar Benchmark – Morningstar are an innovative leading authority on asset allocation. Their global team of Analysts look forward at valuations and sentiment across asset classes to create asset allocation models for different risk profiles. FH overlay industry average performance with Morningstar allocations to create a high level benchmark, raising the performance bar which our portfolios are measured against.

Our Core Portfolios are aligned to Morningstar for risk. ARC comprises a range of managers and as a consequence ARC Portfolio risk rating may be at variance to the Morningstar benchmark.

ARC Index – The ARC Index is actual performance figures from over forty discretionary investment houses, representing in excess of 50,000 private client portfolios. Companies such as Close Brothers, UBS Wealth Management, Barclays and Brewin Dolphin all contribute. Performance from each manager across their client base is distilled into four in-house averages, corresponding to four risk categories. Then, the in-house averages are used to calculate an overall industry performance average for each risk category, the ARC Index.



The Future



James Hyde
Director

“Our investors are at the forefront of our mind. On behalf of everyone at Forrester-Hyde, we would like to take this opportunity to say thank you to all our Private Clients.”

We launched our five Core Model Portfolio's in April 2008 in the midst of the 'Financial Crisis'. The underlying investments within the products we are advising on remain at the heart of the merits of the advice given and the relative success of the outcome. By 2008 it had become apparent that as a business to deliver consistency and fairness to all of our clients, we needed to centralise our investment proposition within the business.

At outset this process commenced with the creation of a new Investment Committee with a dedicated Investment Manager, whose role was to research, build, and maintain the Portfolios. This role was guided by our Investment Committee whose aim was to input on the Macro-Economic Outlook and Asset Allocation. Since launching we have continued to invest time, money and resources to develop and evolve the proposition to the considerable benefit of our clients.

In addition to the external resources that we draw upon with Financial Express Analytics (FE), Morningstar, Natixis and JP Morgan, we now have an Investment Manager and two dedicated Analysts working full time on our Portfolios. We have upgraded the technology and software that we utilise, giving us much greater insight into the Funds that sit within the Portfolios. All bar one of the original Committee remain in their seats, and now have the benefit of a further ten years investment experience.

The Annualised return for a Balanced Investor over the past ten years is 6.47%, but stripping out the Financial Crisis of 2008, the annualised return increases to 9.17% from 3 March 2009 to 1 April 2018.

In addition to podcasts, webcasts and telephone updates with Fund Managers our Investment Team regularly meet with the Fund Managers themselves. In 2017 our Investment Team held over 76 meetings with Fund Managers and representatives alone. All this accumulated data is analysed and logged. We review performance daily and value, report and rebalance quarterly.

Internally we look to recruit and grow high calibre individuals funding their training to the highest level. All of our advisers continue to take on new qualifications tested by examinations through the Chartered Insurance Institute. A total of 23 exams have been passed by our advisers in the past three years alone. We have a high retention rate enabling Forrester-Hyde deliver consistent top quality advice to our clients, who have the benefit of dealing with the same staff on a daily basis. Our clients tell us this is an immense benefit.

We have grown the Company by private and professional referrals and will continue to do so moving forward. Forrester-Hyde is owned by the four shareholding directors Matthew, Howard, Mike and myself. The business is well capitalised, has no debt and owns prestigious premises in the heart of Southend-on-Sea, that we are further looking to develop and enhance this year.

On a personal note I have not been more excited about the future of Forrester-Hyde than I am now. We look forward to working with you to help you achieve your financial aims and objectives for the next ten years and beyond.



ForresterHyde

CHARTERED FINANCIAL PLANNERS

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