



# Managed Portfolio Service

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FOR INVESTMENT PROFESSIONALS ONLY

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# About Us

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**At London Tyne, we pride ourselves on our extensive background in capital markets, boasting a combined experience of over 50 years in both the buy-side and sell-side domains.**

We believe in harnessing the power of global research to drive our success, gaining access to valuable insights and opportunities that shape our strategies. It's not just about the data and numbers. We also rely on our human touch, blending modern portfolio management techniques with our own judgment and intuition.

Our focus is on delivering consistent and reliable results. We are confident in our ability to navigate the complexities of the financial landscape with a steady hand. We are committed to providing a trusted partnership built on experience, expertise, and an unwavering commitment to help their clients achieve their financial goals.

## MPS

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Sentinel Portfolio Management Limited ('Sentinel'), trading as London Tyne, presents the Managed Portfolio Service, a comprehensive solution offering a wide range of discretionary actively managed, multi-asset, risk-rated, and diversified portfolios.

Irrespective of the size of their portfolio, your clients benefit from our extensive centralised research and the expertise of our investment team. We excel in allocating to various asset classes, ensuring exceptional value and superior risk-adjusted returns for each investment strategy.

Our partners leverage the knowledge and capabilities of the London Tyne investment team to conduct thorough research on each investment. We rigorously stress test each model and seek to reduce correlation with major equity and bond markets, aiming to deliver returns across varying market conditions.



# Asset Classes

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Our investment success stems from a disciplined, repeatable, and robust process, guided by a proven philosophy. Adhering to our time-tested approach, we establish a solid foundation for overcoming obstacles that often impede investors from achieving their financial goals.

**Our risk-rated model portfolios provide investment across five major asset classes, providing diversification, income, and growth opportunities:**

**Cash or Cash Equivalents** – During uncertain times, we may allocate a portion of the portfolios to cash or cash equivalents, by way of safe haven. Therefore, we may hold cash, treasury bills, treasury notes, money markets, deposit certificates, global foreign exchange, etc.

**Fixed Income** – Our portfolios have the flexibility to invest in major bond markets, encompassing government, corporate, and high-yield bonds. We carefully assess global, country, and sector-specific opportunities within this asset class.

**Equities** – We employ a range of equity strategies, which may include active managers, passive managers and ETFs tracking global indices, as well as geographically specific equity managers.

**Real Assets** – Our evaluation encompasses both commodity and property markets, allowing us to take short-term safe-haven positions or long-term positions based on price dynamics or income/growth potential.

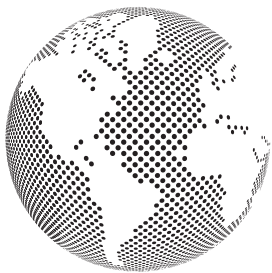
**Alternatives** – To reduce volatility and pursue absolute returns, we incorporate funds with managers who are specialist in sectors such as CTAs (Commodity Trading Advisors), systematic approaches, and managed futures. This aims to provide returns that are less dependent on the overall direction of markets.

Through our thoughtful allocation across these asset classes, we strive to optimise risk-adjusted returns to support your clients' investment objectives.



# Our Investment Philosophy and Process

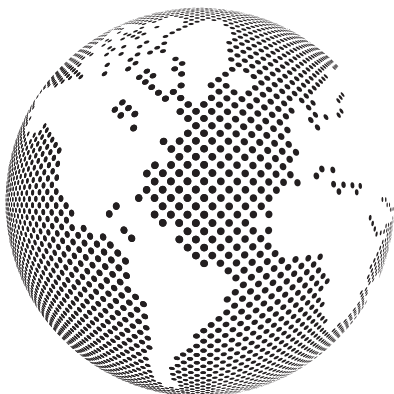
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## **Portfolio Stress Testing**

As part of our risk management framework, we conduct thorough portfolio stress testing. This process involves subjecting our portfolios to various hypothetical and historical scenarios to assess their resilience in adverse market conditions. Identifying potential vulnerabilities and understanding the potential impact on portfolio performance, we proactively manage risk and make informed adjustments when necessary.

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## **Macro Academic Research**

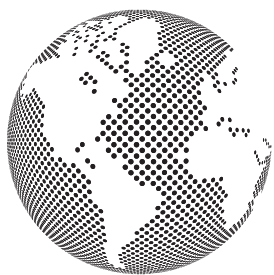
We leverage macroeconomic academic research to enhance our investment decision-making process. Staying abreast of the latest academic insights and research, we gain valuable perspectives on global economic trends, market dynamics, and potential risks. This research-driven approach allows us to make more informed investment choices and better navigate changing market conditions.

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## **Maximum Asset Class Exposure**

We set maximum exposure limits for each asset class within our portfolios. Defining these thresholds, we control the level of risk associated with each asset class. This prudent risk management strategy ensures that our portfolios remain well-diversified and protected against excessive concentration in any single asset class.



## Value at Risk

Value at Risk (VaR) is a quantitative measure that helps us assess the potential loss our portfolios may face within a given confidence level and time horizon. We utilise VaR calculations to estimate the risk associated with our portfolios and employ risk mitigation strategies to manage and minimise this risk effectively.

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## Correlation Risk

We carefully evaluate correlation risk between different asset classes within our portfolios. Correlation measures the degree to which the price movements of two or more assets are related. Considering correlation risk, we aim to build portfolios that contain assets with diverse performance patterns, reducing the overall sensitivity to any single asset or market factor.

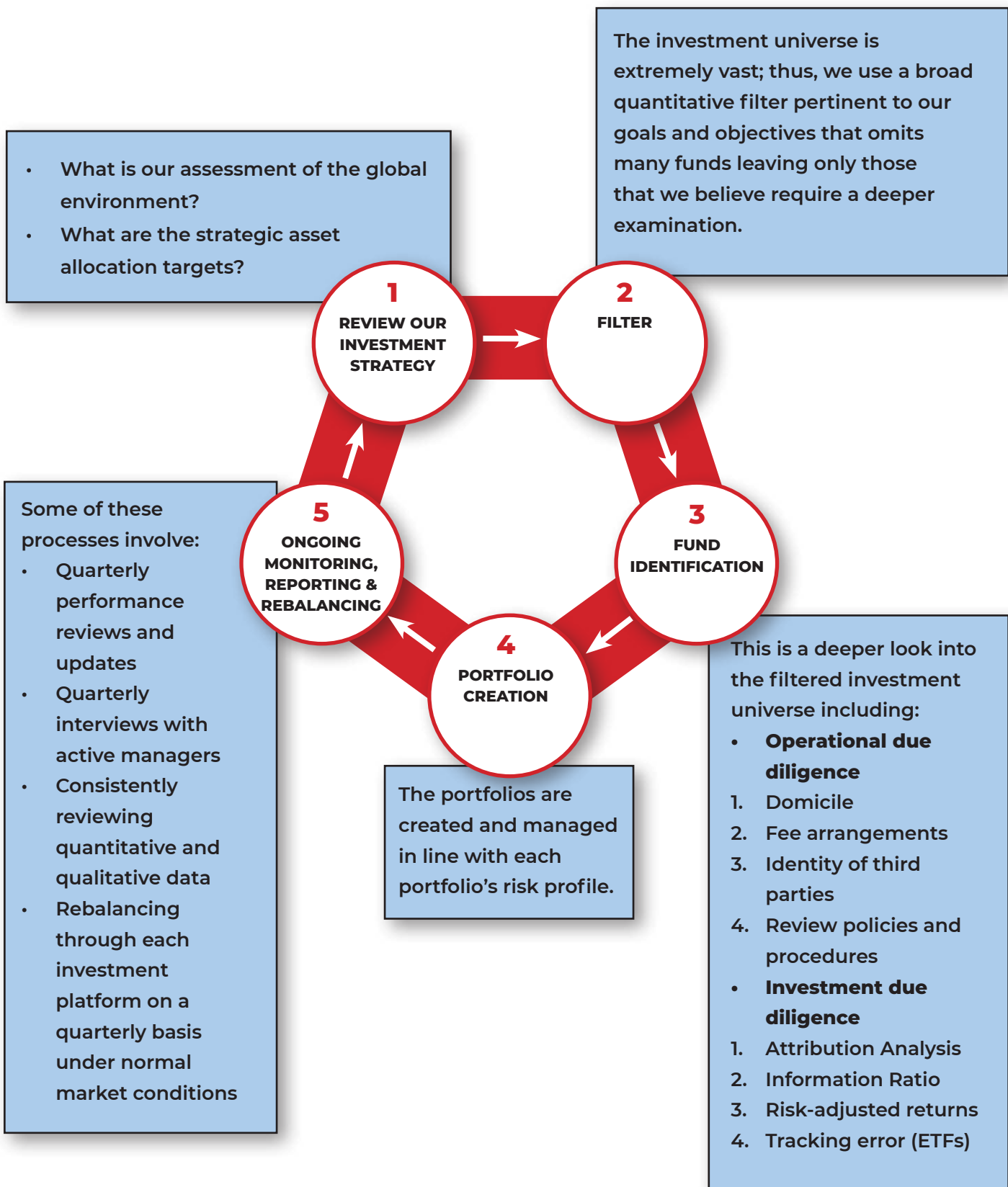
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During each step of our investment process, we remain vigilant in monitoring and evaluating asset class weightings, portfolio exposures, investment correlations, and performance against relevant benchmarks or peers.

This comprehensive risk management approach ensures that we can proactively identify and address potential risks, ultimately safeguarding our investments and striving for optimal risk-adjusted returns.



# Portfolio Process and Due Diligence



# Asset Allocation

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**Asset allocation drives the majority of long-term returns, not security selection. Thus, we employ a comprehensive approach to asset allocation. Our team utilises a quantitative methodology to create strategic asset allocations, which are regularly reviewed and updated. Additionally, we incorporate a qualitative overview into the process.**

These frequent reviews and adjustments to asset allocations ensure that our portfolios align with their long-term risk profiles. Through a single investment solution, our portfolios are well diversified across various asset classes, geographies, and sectors, offering comprehensive exposure.

**Strategic** - Strategic focuses on longer-term financial goals, and the investors risk tolerance. It is the most common type of asset allocation. According to research, 90% of returns come from long-term positions. The strategic approach places a set proportion of capital into each asset category. That proportion remains the same, as long as the financial goals and risk tolerance endure.

**Tactical** - Tactical asset allocation (TAA) represents an evolution of Strategic Asset Allocation (SAA), incorporating additional considerations for short-term economic or market trends. This flexibility adds a market-timing component to the portfolio, allowing us to participate in economic conditions more favourable for one asset class than for others.

While both approaches involve establishing a baseline asset allocation, tactical asset allocation allows for temporary adjustments based on current conditions. These adjustments are made to deviate from the predetermined asset mix, but the portfolio will eventually revert to its original allocation when circumstances warrant.

**Dynamic** - Dynamic asset allocation (DAA) is in between SAA and TAA. It's an active approach to altering a portfolio's asset allocation over the medium term. DAA recognises markets will constantly move around from what is considered 'fair value'. It provides a level of flexibility to alter the asset mix of the portfolio to take opportunities as they arise or to help preserve wealth if markets fall.

The most notable benefit of the dynamic approach to asset allocation is the potential for higher average returns due to the ability to reallocate capital in response to a changing market.

# Our Two Ranges

We offer our Managed Portfolio Service across two ranges — Cost Conscious and Premium — each available at three risk profiles: Cautious, Balanced and Opportunistic. This gives six portfolios in total, covering a wide spread of client objectives and attitudes to risk.

Both ranges share the same investment philosophy, risk framework and risk profiles. What differs is how each portfolio is built;

**Cost Conscious** — Constructed primarily from lower-cost, passive and index-tracking instruments, this range is designed to keep ongoing charges to a minimum while delivering broad, diversified exposure in line with each risk profile.

**Premium** — This range blends active managers, alternatives and specialist strategies alongside passive instruments, drawing on the full breadth of our research where we believe active management and alternative sources of return can add value.

Each portfolio is managed to the same risk profile across both ranges, so you can match a client's attitude to risk first and then choose the range. The ranges differ in construction and cost: Cost Conscious prioritises low ongoing charges through passive instruments, while the Premium range draws on active managers and alternative strategies where we believe they can enhance risk-adjusted returns within that profile. This lets you weigh cost against potential value for each client.

	<b>Cautious</b>	<b>Balanced</b>	<b>Opportunistic</b>
Cost Conscious	CC Cautious	CC Balanced	CC Opportunistic
Premium	LT Cautious	LT Balanced	LT Opportunistic

Our portfolios are independently risk-rated and actively managed. The Cautious, Balanced and Opportunistic profiles target risk ratings of 3, 5 and 7 respectively. As we adjust allocations to changing market conditions, a portfolio's rating may vary slightly around its target. Current ratings are shown on the monthly fact sheets.



Each risk profile below is available in both the Cost Conscious and Premium ranges.

## Our Risk-Rated Portfolios

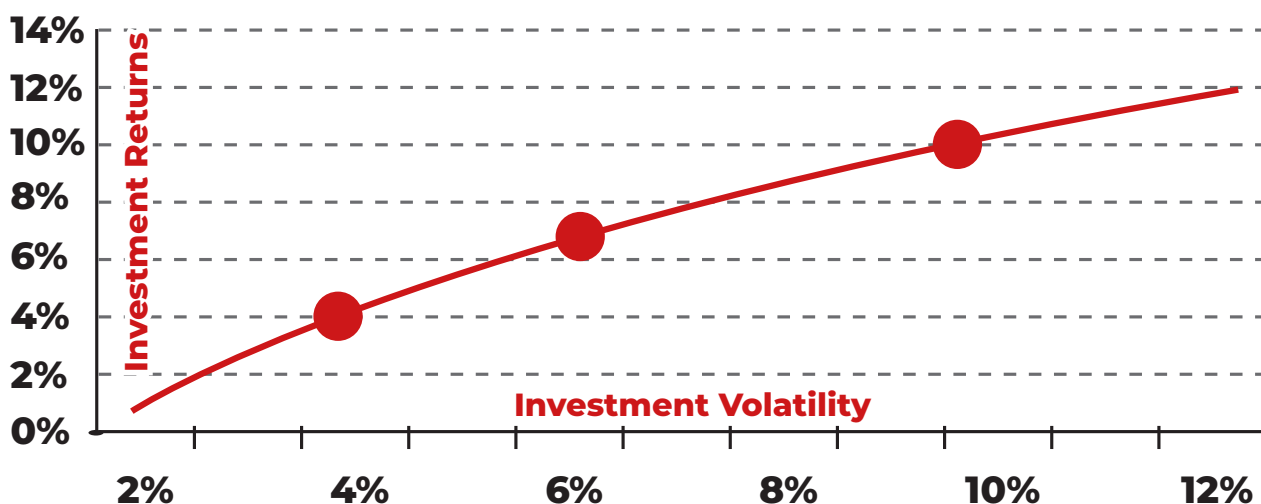
**Cautious Allocation** - The investment objective is to generate a return from the income of the portfolio. The Strategy is designed for an investor with a time horizon of more than 3 years, and a lower tolerance for risk that regardless of market conditions would only be comfortable with a lower degree of variation or disruption to capital value or income.

**Balanced Allocation** - The investment objective is to grow the capital value of the portfolio as well as to generate some degree of income. The Strategy is designed for an investor with a time horizon of more than 5 years, and a medium tolerance for risk that can accept moderate variation or disruption to capital value or current income in order to achieve their longer-term objective.

**Opportunistic Allocation** - The investment objective is to grow the capital value of the portfolio. The strategy is designed for an investor with a time horizon of more than 5 years, and a higher tolerance for risk that can accept significant variation or disruption to capital value or current income in order to achieve their longer-term objective.

## Choosing your Portfolio

We have created six efficient risk-rated portfolios that cover a wide range of investment objectives and risk profiles. Investments within each risk-rated portfolio are actively managed to take advantage of market opportunities as they arise. We will work alongside you, to help you assess the suitability of this service for your clients and to choose the portfolio which best suits their investment objectives, attitude to risk, capacity for loss and time horizon.



Note: this graph is for illustrative purposes only, to show how higher expected returns typically come with higher expected volatility, and is not based on actual data.

# Quick Summary

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**The Service:**

Managed Portfolio Service

**Portfolio Options:**

Six portfolios - two ranges (Cost Conscious & Premium) across three risk profiles

**Management Agreement:**

Discretionary Mandate

**Investment Manager:**

Sentinel Portfolio Management Limited trading as London Tyne

**Access:**

Through Life Bonds, Fund Platforms

**Platforms:**

Scottish Widows, Aberdeen and Fundment, with onboarding to your preferred platform available on request

**Asset Class:**

Multiple Asset Classes

**Currency:**

GBP

**Strategy:**

Actively managed asset allocation

**Risk Management:**

Disciplined, with allocation guidelines

**Minimum Investment:**

None

**Availability:**

Advised clients only, via their financial adviser

If you share our investment philosophy or would simply like to find out more, we invite you to discuss with our investment team.

## **THIS DOCUMENT IS INTENDED FOR INVESTMENT PROFESSIONALS ONLY.**

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