



November 2021

The New LEBC Investment Solution

Create your tomorrow



Existing (legacy) Investment Solution

Your investments are currently in an advisory Governed Investment Portfolio. Each portfolio has a defined objective in mind and a risk profile with the investments selected to meet that objective within the chosen risk profile. The funds within the Governed Investment Portfolios are selected following research undertaken by LEBC Group's Investment Committee which includes input from a third-party independent research organisation.

Advisory management - The portfolios are regularly monitored by the Investment Committee with quarterly reviews to ensure that the funds are still the most appropriate to meet your objectives. As the portfolios are advisory, if there is a need to change any of the funds, we write to you letting you know the reasons why we feel a change is appropriate. You are invited to make the change by completing the consent webform or signing and returning a reply slip. You are not obliged to follow our recommendation to change and may choose not to do so.

Advisory management can be suitable for investors that do not want investment changes to be made without prior consultation. You retain control of decisions and know in advance when changes are made.

The underlying funds are active. Active fund managers aim to outperform the market by using analysis, research and investment processes to make informed decisions when selecting stocks. Fund managers charge for their expertise and active funds are higher cost than passive funds.

New Investment Solution

We have partnered with Copia Capital Management (Copia) to deliver our new LEBC investment portfolios and they are now available on the Aegon Platform. They are a discretionary managed solution.

Discretionary management - The new investment solution offers discretionary managed portfolios, provided by our appointed managers, Copia. The discretionary approach provides auto rebalancing meaning that we can quickly make decisions on your behalf and adjust the risk exposure within the portfolio to adapt to market changes.

The ability to 'auto-rebalance' ensures that your investments remain aligned to your attitude to investment risk and overall objectives as economic and market conditions fluctuate.

Discretionary fund management is different to the current advisory portfolios as the manager can make investment decisions without the need to contact you on each occasion. This will reduce delays in implementing any portfolio changes.

The underlying funds are passive, these funds within the portfolios consist of diversified, transparent, liquid and low-cost index linked funds from some of the world's largest asset managers such as BlackRock, Legal & General Investment Management and Vanguard. These funds are designed to track rather than outperform their index.

LEBC will provide the strategic asset allocation models to Copia to populate the models. LEBC Investment Committee procure this data from an external third party and undertake the due diligence on the supplier.

Copia provide a tactical asset allocation overlay. They actively select and rebalance the asset allocation for clients, take a strategic stance away from the neutral asset allocation position within set parameters dependent on market and economic indicators, whilst providing active fund selection and governance.

Cost comparison - The new Centralised Investment solution is provided at lower cost than the legacy Governed portfolios. The saving depends on the portfolios you are invested, however is between 0.11% and 0.31% per annum

The tables below demonstrate the exact price of each portfolio your current portfolio and the new discretionary investment solutions.

Existing (legacy) Portfolios	Fund Charge %
Income	0.74
Income Plus	0.74
Cautious	0.70
Cautious Plus	0.71
Income & Growth	0.68
Income & Growth Plus	0.68
Higher Income	0.80
Higher Income Plus	0.79
Balanced Growth	0.62
Balanced Growth Plus	0.70
Growth	0.72
Growth Plus	0.71
Adventurous	0.76
Adventurous Plus	0.77

Portfolio	Fund & DFM %
1LT	0.49
2LT	0.50
3LT	0.49
4LT	0.49
5LT	0.51
Ethical	0.55

We have also been able to obtain a lower tiered charging structure on the Aegon Platform therefore providing an additional charge reduction based upon the value of your assets.

Please see table below for details:

Assets invested	Current Platform Charges (pa)	New Platform charges (pa)
£0k-£100k	0.25%	0.25%
£100k-£250k	0.23%	0.23%
£250k-£500k	0.2%	0.2%
£500k-£1m	0.17%	0
£1m+	0.12%	0

You do not need to take up the new Investment Solution to benefit from the lower platform charges but you do need to request us to amend the charges for you by ticking the box on the response webform: www.lebc-group.com/copia-switch or reply slip.

How we will make the change:

We have mapped the risk profiles of our existing portfolios to our new Copia portfolios, this means when we move your assets from the current investment strategy, we will ensure your new investment strategy matches your current attitude towards risk.

The below table demonstrates how the existing portfolios will be mapped into the new solution.

Existing Governed Investment Portfolio	New Copia Discretionary Portfolio
Income / Income Plus	2 LT - Cautious
Cautious / Cautious Plus	2 LT - Cautious
Higher Income / Higher Income Plus	3 LT - Medium
Income & Growth / Income and Growth Plus	3 LT - Medium
Balanced Growth / Balanced Growth Plus	3 LT - Medium
Growth / Growth Plus	4 LT - Medium/adventurous
Adventurous / Adventurous Plus	4 LT - Medium/adventurous

It is always good to revisit your attitude to risk and if you haven't done this within the last 12 months, or feel you need advice in relation to reviewing this, please contact your adviser.

Making the proposed switch out of any OEIC funds held, may result in the realisation of a capital gain which could result in a capital gains tax charge if, together with any other gains made by you, it exceeds the annual allowance for gains. If you wish to discuss this please call or you can indicate that you wish to speak to us by ticking the relevant box on the webform or reply slip.

Charges

To facilitate the changes for our clients comes at a cost to our business however we aim to subsidise this cost as much as possible for our clients therefore a charge of 0.1% of assets as a one-off charge will be applied to facilitate the change. This charge is capped at a maximum of £500.

This initial cost for switching to the new investment solution is in all instances lower than the ongoing annual costs of the legacy investment portfolios and therefore your overall costs in year one will be lower than the current portfolios.

Fund performance

Please see tables over page for the performance figures of the Governed Investment Portfolios and Copia portfolios.

Governed Investment Portfolios	Discrete Annual Performance					5 year Cumulative Performance to Last Month End Overall
	31/10/20 to 31/10/21	31/10/19 to 31/10/20	31/10/18 to 31/10/19	31/10/17 to 31/10/18	31/10/16 to 31/10/17	
Income	19.51	-8.08	6.25	-0.02	8.89	27.08
Income Benchmark	16.28	-2.80	6.53	-0.39	8.11	29.65
Income Plus	18.84	-9.34	4.67	-0.89	8.55	21.34
Income Plus Benchmark	16.33	-2.49	7.05	-0.49	8.32	30.90
Cautious	11.17	-0.12	6.13	-0.60	5.89	24.04
Cautious Benchmark	9.37	-0.49	5.97	-1.16	5.43	20.19
Cautious Plus	13.27	-1.77	7.00	-0.65	6.03	25.41
Cautious Plus Benchmark	11.11	-0.79	6.12	-1.21	6.03	22.53
Higher Income	23.36	-12.82	4.16	-0.32	8.07	20.67
Higher Income Benchmark	20.02	-5.98	8.19	-1.73	8.74	30.46
Higher Income Plus	22.52	-12.19	4.44	0.42	8.28	22.18
Higher Income Plus Benchmark	19.48	-5.79	7.83	-1.58	8.77	29.94
Income & Growth	24.87	-6.34	5.41	-1.45	12.35	36.51
Income & Growth Benchmark	21.40	-4.61	7.25	-0.90	10.16	35.59
Income & Growth Plus	25.95	-8.35	5.05	-1.16	11.48	33.61
Income & Growth Plus Benchmark	22.76	-4.92	7.23	-1.06	10.57	36.92
Balanced Growth	30.62	-5.90	5.32	-1.15	13.94	45.79
Balanced Growth Benchmark	26.10	-5.19	7.34	-1.08	12.21	42.44
Balanced Growth Plus	30.60	-6.60	5.95	-1.25	13.46	44.81
Balanced Growth Plus Benchmark	25.99	-5.82	7.46	-1.15	12.26	41.49
Growth	30.40	-0.49	8.79	-1.31	13.49	58.12
Growth Benchmark	26.77	-3.42	8.98	-1.75	12.82	47.90
Growth Plus	31.95	-2.00	9.09	-0.38	13.29	59.19
Growth Plus Benchmark	27.78	-3.47	9.07	-1.59	13.16	49.81

Governed Investment Portfolios	Discrete Annual Performance					5 year Cumulative Performance to Last Month End Overall
	31/10/20 to 31/10/21	31/10/19 to 31/10/20	31/10/18 to 31/10/19	31/10/17 to 31/10/18	31/10/16 to 31/10/17	
Adventurous	29.42	1.59	10.30	-1.15	11.97	60.52
Adventurous Benchmark	27.29	-0.42	9.39	-2.21	14.11	54.73
Adventurous Plus	26.57	3.26	11.25	-1.02	15.11	65.66
Adventurous Plus Benchmark	26.65	0.12	9.79	-2.25	14.56	55.89

Source: FE Analytics, November 2021

Copia Portfolio	Discrete Annual Performance 31/10/2019 to 31/10/2020 Annualised	Discrete Annual Performance 31/10/2020 to 31/10/2021 Annualised	2 year Cumulative Performance to Last Month End Overall
LEBC Governed 2LT	0.10	8.67	8.79
Expected Growth Rate	3.90	3.90	7.80
LEBC Governed 3LT	-1.32	13.87	12.36
Expected Growth Rate	5.30	5.30	10.60
LEBC Governed 4LT	-3.20	17.89	14.11
Expected Growth Rate	6.10	6.10	12.20

Source: FE Analytics, November 2021

Risk Warnings

If you choose to move to the new Copia discretionary portfolio you will continue to be exposed to ongoing investment risks. We have highlighted some of the key risks below:

- These are intended as medium to long term investments. Because of this your investment may go down as well as up and you may not get back the full amount invested.
- Information is based on our current understanding of taxation legislation and regulations, and information provided by you. Taxation levels and rules may be subject to change.
- The underlying investment funds may have exposure to more specific risks such as overseas currencies, smaller companies, emerging markets and property. Whilst it is not possible to remove these risks, the diversification of your investments aims to minimise the overall impact.
- Past performance is not a reliable indicator of future performance.

'LEBC Group Ltd is authorised and regulated by the Financial Conduct Authority'



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