

2nd Quarter 2021

**CGWM Risk profile 5**



**Nick Muir**  
Head of MPS and PPS

Nick manages discretionary investment portfolios on behalf of the clients

of Independent Financial Advisers. Joining CGWM from UBS in 2014, Nick is a Chartered Fellow of the Chartered Institute for Securities and Investment.



**Bilal Mohammed**

Bilal has worked with the MPS and Passive investment solutions for over five years. He oversees the team's day to day operations

and works closely with intermediaries and Independent Financial Advisers. Bilal holds a BSc in Economics from Aston University.

**Benchmark**

CGWM's Risk 5 benchmark may incur slightly higher short-term losses in exchange for the possibility of higher total returns. It comprises 35% in bonds, 57.5% in equities, 5% in diversified alternatives and 2.5% in cash.

**Contact us**

+44 (0)20 7523 4597

intermediary@canaccord.com

canaccordgenuity.com

The value of investments and any income from them can go down as well as up and you may not get back the amount originally invested.

Past performance is not a guide to future performance.

Levels and bases for taxation may change.

Investors should note that actual portfolio returns may be different to the returns of the model portfolio.

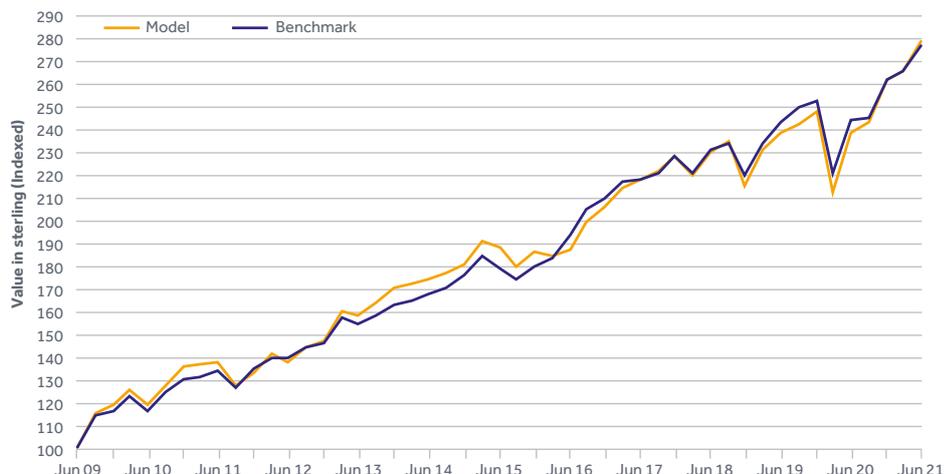
Figures represent performance of a model portfolio, individual account performance may differ.

# MPS Balanced Growth Portfolio

**Investment objective**

The MPS Balanced Growth Portfolio aims to produce a balance between capital appreciation and income over the medium to long term. The strategy utilises global equities and fixed interest/cash type investments to provide diversification, plus some focus on the themes likely to perform in the prevailing economic environment. Alternative asset classes may be employed in this strategy to hedge against unfavourable conditions and produce returns uncorrelated to the general market.

**Performance since inception (30/06/2009)**



**Discrete performance (%)**

Total return to end of last calendar quarter 30/06/2021.

	2020	2019	2018	2017	2016	2015	2014	2013	2012
Model	+6.0	+15.0	-5.6	+10.5	+11.0	+2.6	+6.5	+15.6	+10.9
Benchmark	+3.6	+15.0	-3.9	+8.9	+16.7	+2.0	+7.9	+11.7	+8.5

**Cumulative performance (%)**

Total return from inception to 30/06/2021.

	3 Months	1 Year	3 Years	5 Years	Inception (30/06/2009)
Model	+5.0	+17.0	+21.3	+48.7	+178.3
Benchmark	+4.4	+13.6	+19.9	+43.2	+176.5

Source: Canaccord Genuity Wealth Management (CGWM). Total return before fees and charges are deducted.

**Risk & return since inception (%)**

	Model	Benchmark
Annualised volatility	+10.0	+8.9
Maximum loss	-7.8	-6.1
Sharpe ratio	0.8	0.9

**Annualised volatility:** risk is measured by the variability of performance. The higher the standard deviation, the greater the variability (and therefore the risk) of the Fund or the index.

**Sharpe ratio:** measures the risk/return trade-off. It is the annualised return less the average risk-free rate, divided by the annualised volatility of the model.



## MPS Balanced Growth Portfolio suggested asset allocation (%)



	Model
Fixed Interest	12.7
Asia Equity	9.1
Europe Equity	5.6
Japan Equity	4.2
UK Equity	22.5
US Equity	13.8
Sector Specific	15.6
Alternatives	14.1
Cash	2.4

This document is for professional advisers only and is not for onward distribution to private clients. It is for information purposes only and is not to be construed as a solicitation or an offer to purchase or sell investments or related financial instruments. This has no regard for the specific investment objectives, financial situation or needs of any specific investor. Investors should make their own investment decisions based upon their own financial objectives and financial resources and, if in any doubt, should seek advice from an investment adviser.

Investment involves risk. The value of investments and any income from them can go down as well as up and you may not get back the amount originally invested. Past performance is not a guide to future performance. Investors should note that actual portfolio returns may be different to the returns of the model portfolio. Levels and bases for taxation may change.

None of Canaccord Genuity Wealth Management, its directors, employees or officers makes any warranties, express or implied, that the products or services in this document are suitable to your needs, or are available in your jurisdiction; nor shall Canaccord Genuity Wealth Management be liable for any damages of any kind, including lost profits, arising in any way from this material. Information concerning a security, investment vehicle, investment manager or contact mentioned does not imply any endorsement or recommendation by Canaccord Genuity Wealth Management. Canaccord Genuity Wealth Limited is authorised and regulated by the Financial Conduct Authority (registered no. 194927) and is a wholly owned subsidiary of Canaccord Genuity Group Inc. Registered Office: 41 Lothbury, London EC2R 7AE. Registered in England & Wales no. 03739694.

The information contained herein is based on materials and sources that we believe to be reliable, however, Canaccord Genuity Wealth Management makes no representation or warranty, either expressed or implied, in relation to the accuracy, completeness or reliability of the information contained herein. All opinions and estimates included in this document are subject to change without notice and Canaccord Genuity Wealth Management is under no obligation to update the information contained herein.

## Top 10 holdings (%)

NATIXIS INVESTMENT MANAGERS S.A. HARRIS ASSOCIATES US EQTY H-S/A GBP	7.6
FIL INVESTMENT SERVICES(UK)LIMITED SPECIAL SITUATIONS W ACC NAV GBP	7.1
FUNDROCK MANAGEMENT COMPANY SA ARTEMIS US SMALLER COMPANIES FI GBP	6.3
BLACKROCK FUND MANAGERS LTD EUROPEAN DYNAMIC FD ACC GBP	5.6
HERMES FUND MANAGERS IRELAND LTD FEDERATED HERMES ASIA EX JP EQ F GBP	5.3
ISHARES PHYSICAL METALS PLC ISHARES PHYSICAL GOLD ETC USD ACC GBP	4.7
LINK FUND SOLUTIONS LTD LF LINDSELL TRAIN UK EQUITY DIS GBP	4.2
SLATER INVESTMENTS LIMITED GROWTH P UNITS GBP ACC GBP	4.2
KBA CONSULTING MANAGEMENT LIMITED LINDSELL TRAIN JAPANESE EQUITY B HGD	4.2
LIONTRUST FUND PARTNERS LLP SUSTAINABLE FUTURE UK GROWTH 2 ACC NAV GBP	4.2

Source: CGWM

## Portfolio Manager commentary

Markets in the second quarter have benefited from global vaccine rollouts and a concerted effort from central banks and government agencies to encourage people back into spending in the economy. We have seen a modest recovery in the more broad spectrum industries and a small pull back from the technology and healthcare sectors that had previously fared best during the early stages of the pandemic.

With a return to spending, inflation is the key metric both the Bank of England (BoE) and the government are now concentrating on. Comments by Andrew Bailey, BoE Governor, following the June Monetary Policy Committee meeting were that an increase in inflation should not be seen as a concern this year. He stated that increased inflation should be welcomed in the shorter term, as it is a strong indicator of the UK economy recovering fully back to pre-COVID-19 levels.

The announcement last month of a US\$1.2trn bipartisan agreement on US infrastructure spending lifted US markets. This is the largest ever central government infrastructure budget and we will wait to see which areas of its economy are lifted as a result. All of our models hold infrastructure either directly or indirectly in one form or another.

During the last quarter, the MPS portfolios have benefited from the rotation into more value-based investments. The actions taken earlier in the year to reduce our technology and healthcare exposure and increase our holdings in UK and cyclical global value, resulted in good performance and we expect this to continue if markets continue to strengthen. The repositioned strategies aim to take advantage of the increasing inflation and a more normal level of consumer spending.

The current growth of the Delta variant could of course slow progress if authorities are forced to, once again, increase restrictions after the summer months.