

2nd Quarter 2021

CGWM Risk profile 4



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 4 benchmark may incur occasional moderate capital losses to achieve slightly higher total returns over time. It comprises 52.5% in bonds, 35% in equities, 10% in diversified alternatives and 2.5% in cash.

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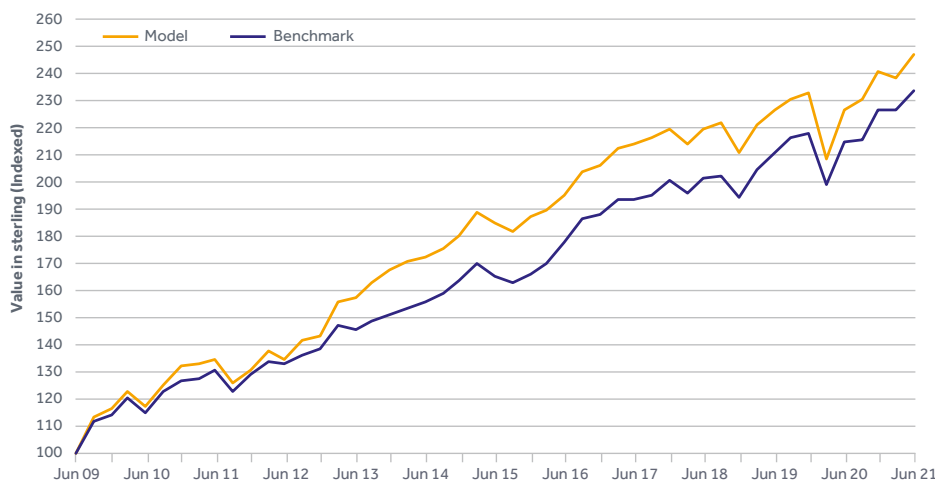
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MPS Cautious Balanced Portfolio

Investment objective

This portfolio aims to produce a balance between capital appreciation and reduced volatility over a typical investment cycle (i.e. 7-10 years). The strategy uses global equities and fixed interest and cash type investments to provide diversification, with a focus on the themes we consider are likely to perform in the prevailing economic environment. Alternative asset classes (such as commodities, currencies and hedge funds) may be employed in this strategy, to balance the risk during unfavourable conditions and produce returns uncorrelated to the general equity 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	+3.3	+10.3	-4.0	+6.5	+10.3	+3.8	+7.4	+16.9	+10.0
Benchmark	+4.2	+11.8	-3.0	+6.7	+13.2	+1.3	+8.4	+9.5	+7.1

Cumulative performance (%)

Total return from inception to 30/06/2021.

	3 Months	1 Year	3 Years	5 Years	Inception (30/06/2009)
Model	+3.7	+9.1	+12.6	+26.7	+146.4
Benchmark	+3.2	+8.8	+16.1	+31.4	+133.5

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

Risk & return since inception (%)

	Model	Benchmark
Annualised volatility	+7.8	+7.0
Maximum loss	-6.7	-5.7
Sharpe ratio	0.9	1.0

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.

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.

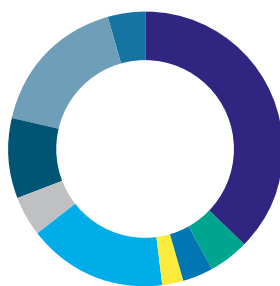
Levels and bases for taxation may change.

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 Cautious Balanced Portfolio suggested asset allocation (%)



	Model
Fixed Interest	37.4
Asia Equity	4.6
Europe Equity	3.6
Japan Equity	2.7
UK Equity	16.4
US Equity	4.6
Sector Specific	9.4
Alternatives	17.1
Cash	4.2

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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.

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Top 10 holdings (%)

FIL INVESTMENT SERVICES(UK)LIMITED SPECIAL SITUATIONS W ACC NAV GBP	6.7
ISHARES PHYSICAL METALS PLC ISHARES PHYSICAL GOLD ETC USD ACC GBP	6.0
LINK FUND SOLUTIONS LTD TROJAN X INC GBP	5.4
VONTOBEL ASSET MANAGEMENT SA TWENTYFOUR STRAT INC AQG GBP DIS GBP	5.3
INVESCO MANAGEMENT SA STERLING BOND S QD GBP DIS GBP EX_CUST	5.0
VONTOBEL ASSET MANAGEMENT SA TWENTYFOUR ABST RETURN CREDIT G GBP	5.0
LIONTRUST FUND PARTNERS LLP SUSTAINABLE FUTURE UK GROWTH 2 ACC NAV GBP	4.9
LINK FUND SOLUTIONS LTD LF LINDSELL TRAIN UK EQUITY DIS GBP	4.8
M&G SECURITIES LIMITED CORPORATE BOND PP GBP DIS GBP	4.8
NATIXIS INVESTMENT MANAGERS S.A. HARRIS ASSOCIATES US EQTY H-S/A GBP ACC GBP	4.6

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.