

2nd Quarter 2020

MPS Balanced Portfolio



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Team

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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.

Benchmark
PIMFA Balanced Portfolio Total Return

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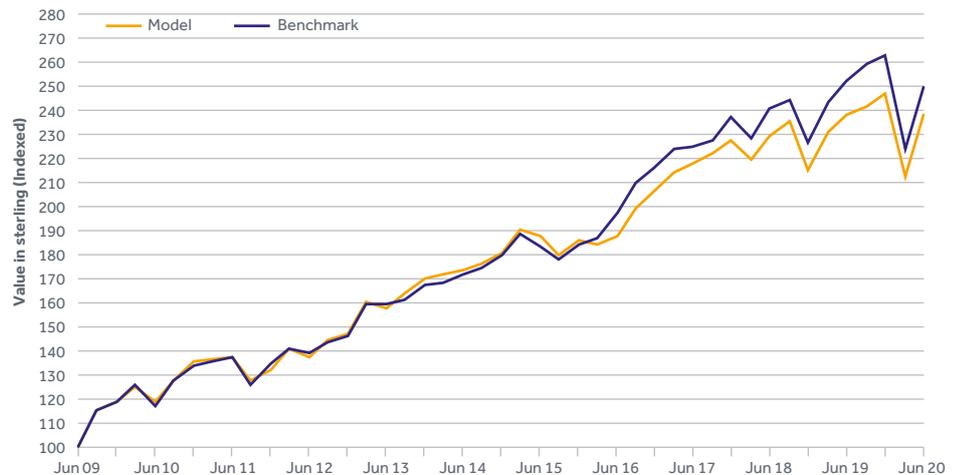
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Investment objective

The MPS Balanced 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 30/06/2020.

	2019	2018	2017	2016	2015	2014	2013	2012
Model	+15.0	-5.6	+10.5	+11.0	+2.6	+6.5	+15.6	+10.9
Benchmark	+16.2	-4.8	+10.0	+17.1	+2.7	+7.2	+14.1	+9.1

Cumulative performance (%)

Total return from inception to 30/06/2020.

	3 Months	1 Year	3 Years	5 Years	Inception (30/06/2009)
Model	+12.2	-0.1	+9.3	+26.5	+137.8
Benchmark	+11.1	-1.3	+10.6	+35.9	+148.8

Source: Canaccord Genuity Wealth Management (CGWM).

All performance data to 30/06/2020. Total return before fees and charges are deducted.

Risk & return since inception

	Model	Benchmark / PIMFA Balanced
Annualised volatility (%)	+10.3	+10.4
Maximum loss (%)	-7.8	-8.3
Sharpe ratio	0.7	0.8

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.

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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.

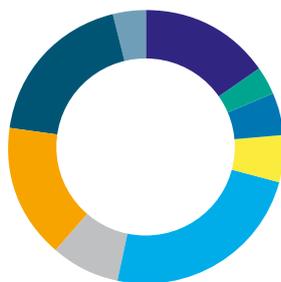
Levels and bases for taxation may change.

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 Portfolio suggested asset allocation (%)



	Model
Fixed Interest	15.3
Asia Equity	3.4
Europe Equity	5.2
Japan Equity	5.5
UK Equity	24.0
US Equity	8.1
Sector Specific	16.0
Alternatives	18.8
Cash	3.7

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Top 10 holdings (%)

ISHARES PHYSICAL METALS PLC ISHARES PHYSICAL GOLD ETC	6.1
NINETY ONE FUND MANAGERS UK LTD UK ALPHA J GBP ACC GBP	6.1
PERSONAL ASSETS TRUST ORD GBP12.50 GBP	5.9
LINDELL TRAIN LIMITED JAPANESE EQUITY B GBP QUOTED DIS	5.5
LINK FUND SOLUTIONS LTD LF LINDELL TRAIN UK EQUITY DIS	5.2
ISHARES VII PLC ISHARES MSCI EMU UCITS ETF (EUR) GBP	5.2
VANGUARD FUNDS PLC USD TREASURY BOND UCITS ETF USD	5.1
BROWN ADVISORY FUNDS US SUSTAINABLE GROWTH B GBP	4.7
HICL INFRASTRUCTURE PLC ORD GBP0.0001 GBP	4.5
Cash	3.8

Source: CGWM

Portfolio Manager commentary

There has been an eerie symmetry to market behaviour this year. After the ninth worst quarter for the S&P 500 since 1926 in the first quarter of 2020, the second quarter of the year saw the ninth best. Markets globally recovered strongly as they grappled with analysing more optimistic virus data and attempted to ascertain what this meant for earnings over the next year, should economies return to some degree of normality. While economic data remains somewhat alarming, there continues to be an unprecedented and coordinated response from both central banks and governments.

At times like these we feel it incumbent on ourselves to remind investors of the measures we take within portfolios to make them resilient in a variety of market environments. We own gold and have elevated cash positions which we feel will help cushion the strategies against more stressed market conditions such as the one we saw during the first quarter of the year. We also have targeted exposure to more resilient growth themes, such as technology and healthcare, that should be less impacted by unfolding events. During the quarter we added newer environmental, social and governance (ESG)-related themes to help the portfolios navigate a world where environmental and social issues could have significant financial implications. A geographical allocation was also made to Europe, a more cyclical market with differing sector exposure to what is held elsewhere in the portfolio.

Our focus is on making sure the portfolios are robust in the shorter term and well positioned for the recovery.