

MPS Fixed Income Portfolio



Paul Parker
Head of Intermediary
Portfolio Management
Team

Paul and his team manage CGWM's MPS models and inheritance

tax portfolios. He has been with Canaccord Genuity since 2001 and is a Chartered Fellow of the Chartered Institute for Securities and Investment.



Nick Muir
Investment Manager

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

100% EFFAS £3-7 Govt Bond Total Return

Contact us

+44 (0)20 7523 4597

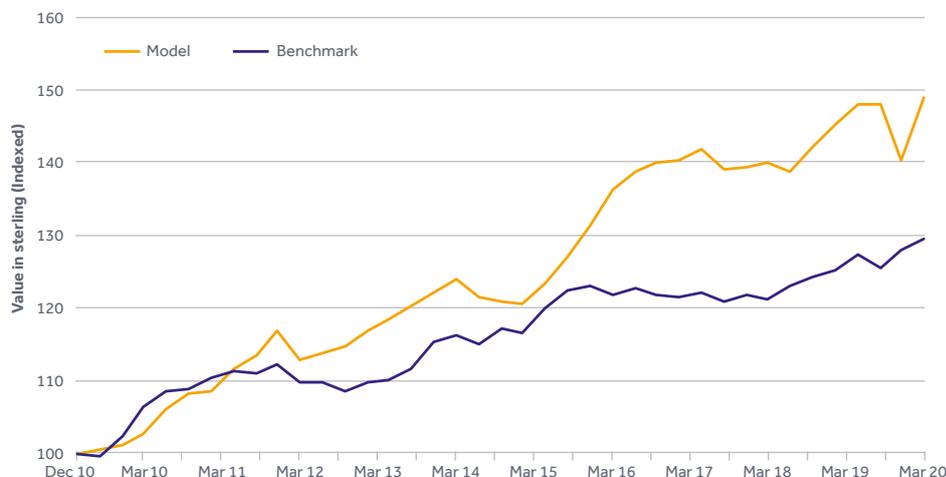
intermediary@canaccord.com

canaccordgenuity.com

Investment objective

This portfolio aims to produce a return primarily via an income stream, with limited capital volatility. It aims to achieve this objective by investing predominantly in fixed interest and cash type vehicles. The portfolio is unlikely to generate capital gains over the longer term; and as the portfolio is sensitive to interest rate changes, even though cash type vehicles are used, losses can occur.

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 | +6.7 | -2.1 | +4.1 | +13.0 | -1.4 | +6.6 | +0.9 | +7.0 |
| Benchmark | +2.0 | +0.7 | +0.2 | +4.5 | +1.2 | +6.3 | -2.3 | +2.1 |

Cumulative performance (%)

Total return from inception to 30/06/2020.

| | 3 Months | 1 Year | 3 Years | 5 Years | Inception (30/06/2009) |
|-----------|----------|--------|---------|---------|------------------------|
| Model | +6.3 | +2.7 | +6.6 | +22.8 | +49.1 |
| Benchmark | +1.1 | +3.4 | +6.1 | +12.5 | +29.4 |

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 /EFFAS £3-7 Govt Bond |
|---------------------------|-------|---------------------------------|
| Annualised volatility (%) | +4.1 | +2.8 |
| Maximum loss (%) | -3.8 | -2.3 |
| Sharpe ratio | 0.9 | 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.

This document is for professional advisers only and is not for onward distribution to private clients.

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.



Top 10 holdings (%)

| | |
|---|-----|
| UNITED KINGDOM(GOVERNMENT OF) IDX/LKD SNR NTS 17/07/2024 GBP1000 GBP | 8.8 |
| CASH | 7.4 |
| ISHARES CORE GBP CORP BD UCITS ETF GBP DIST GBP | 7.2 |
| KAMES CAPITAL INVT CO(IRELAND)PLC STRATEGIC GLOBAL BOND HGD B GBP ACC | 7.2 |
| ISHARES II PLC USD TIPS UCITS ETF USD ACC GBP GBP | 6.3 |
| INVESCO FUND MANAGERS INVESCO CORPORATE BD UK NO TRAIL GBP DIS GBP | 6.3 |
| JUPITER UNIT TRUST MANAGERS STRATEGIC BOND I INC GBP | 6.2 |
| M&G SECURITIES LIMITED GLOBAL FLTG RATE HIGH YIELD GBP I-H ACC GBP | 6.1 |
| MAN FUND MANAGEMENT UK LIMITED MAN GLG STEGIC BOND PROFESSIONAL C ACC GBP | 5.7 |
| GAM FUND MANAGEMENT CREDIT OPPORT (GBP) S GBP INSTL INC GBP | 5.6 |

Source: CGWM

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.

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.