Canaccord Genuity Wealth Management

2nd Quarter 2020

MPS Income Portfolio

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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.

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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 Income Portfolio Total Return

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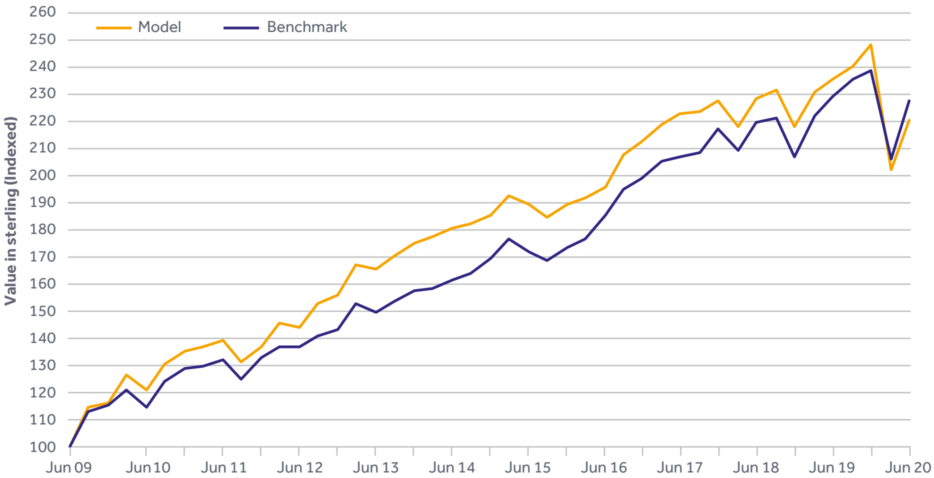
Investment objective

This portfolio aims to produce an income stream, with some prospects for capital appreciation over a typical investment cycle (i.e. 7-10 years). With its focus on income production, fixed interest type investments tend to feature significantly, although there also tends to be a large proportion devoted to income producing equities. 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 30/06/2020.

	2019	2018	2017	2016	2015	2014	2013	2012
Model	**+13.9**	**-4.4**	**+7.1**	**+12.2**	**+2.1**	**+6.2**	**+12.5**	**+13.4**
Benchmark	**+15.1**	**-4.6**	**+9.3**	**+14.9**	**+2.2**	**+7.7**	**+10.0**	**+7.8**

Cumulative performance (%)

Total return from inception to 30/06/2020.

	3 Months	1 Year	3 Years	5 Years	Inception (30/06/2009)
Model	**+9.4**	**-6.3**	**-0.9**	**+16.5**	**+120.9**
Benchmark	**+10.1**	**-1.0**	**+10.0**	**+32.0**	**+127.6**

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 Income
Annualised volatility (%)	**+10.0**	**+8.9**
Maximum loss (%)	**-6.0**	**-6.5**
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.

MPS Income Portfolio suggested asset allocation (%)

	Model
Fixed Interest	26.3
UK Equity	23.9
Asia Equity	4.8
Europe Equity	2.6
International Equity	22.8
Sector Specific	3.1
Alternatives	12.6
Cash	3.9

Top 10 holdings (%)

T BAILEY FUND SERVICES LTD EVENLODE GLOBAL INCOME F	**8.6**
THREADNEEDLE MGMT LUX UK EQUITY INCOME LGP GBP DIS	**7.3**
T BAILEY FUND SERVICES LTD TB EVENLODE INCOME C DIS GBP	**6.3**
BNY MELLON FUND MANAGERS LIMITED GLOBAL INCOME INST	**6.0**
VONTOBEL ASSET MANAGEMENT SA TWENTYFOUR STRAT INC	**5.3**
FIL INVESTMENT SERVICES(UK)LIMITED GLOBAL DIVIDEND W	**5.3**
SLATER INVESTMENTS LIMITED INCOME P SHARES GBP DIS GBP	**5.3**
JUPITER UNIT TRUST MANAGERS DYNAMIC BOND I INC NAV GBP	**5.1**
MAN ASSET MANAGEMENT IRELAND LTD GLG STRATEGIC BOND IXF	**5.1**
LEGG MASON INVESTMENTS IRELAND LTD WESTN ASSET MACRO	**5.1**

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.