

1st Quarter 2020

## 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

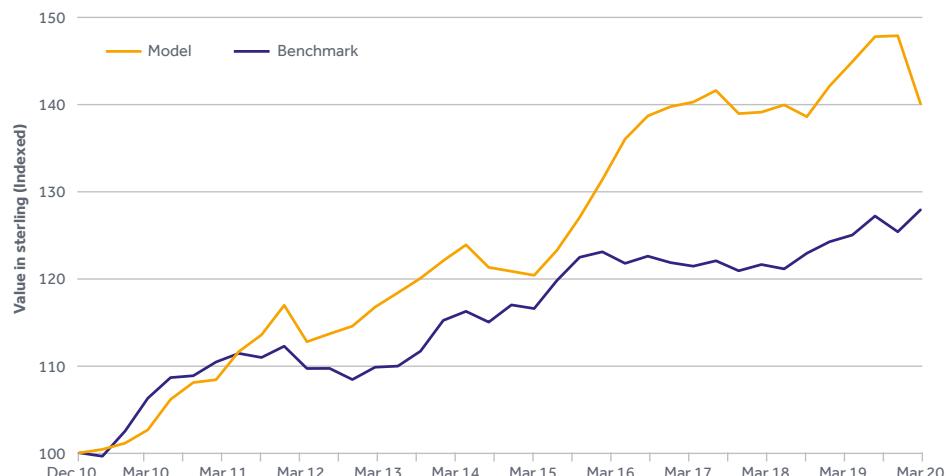
[intermediary@canaccord.com](mailto:intermediary@canaccord.com)

[canaccordgenuity.com](http://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 31/03/2020.

	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 31/03/2020.

	3 Months	1 Year	3 Years	5 Years	Inception (30/06/2009)
Model	-5.3	-1.4	+1.0	+13.1	+40.3
Benchmark	+2.0	+3.0	+4.4	+10.1	+28.0

**Source:** Canaccord Genuity Wealth Management (CGWM).

All performance data to 31/03/2020. Total return before fees and charges are deducted.

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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.

### Risk & return since inception

	Model	Benchmark /EFFAS £3-7 Govt Bond
Annualised volatility (%)	+3.8	+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.



## Top 10 holdings (%)

UNITED KINGDOM(GOVERNMENT OF) IDX/LKD SNR NTS 17/07/2024 GBP1000	<b>9.3</b>
Cash	<b>7.8</b>
ISHARES CORE GBP CORP BD UCITS ETF GBP DIST	<b>7.0</b>
KAMES CAPITAL INVT CO(IRELAND)PLC STRATEGIC GLOBAL BOND HGD B GBP ACC	<b>6.7</b>
JUPITER UNIT TRUST MANAGERS STRATEGIC BOND I INC	<b>6.4</b>
ISHARES II PLC USD TIPS UCITS ETF USD ACC GBP	<b>6.4</b>
INVESCO FUND MANAGERS INVESCO CORPORATE BD UK NO TRAIL GBP DIS	<b>6.3</b>
M&G SECURITIES LIMITED GLOBAL FLTG RATE HIGH YIELD GBP I-H ACC	<b>5.9</b>
MAN FUND MANAGEMENT UK LIMITED MAN GLG STEGIC BOND PROFESSIONAL CACC	<b>5.6</b>
GAM STAR FUND CREDIT OPPORT (GBP) S GBP INSTL INC GBP	<b>5.4</b>

Source: CGWM

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## Portfolio Manager commentary

In March it became clear that the COVID-19 pandemic posed a serious challenge to modern life as we know it. The immediate health threat requires a decisive mitigation strategy by all governments and this brings with it serious economic repercussions. Most individuals and businesses have been mandated to practice social distancing, creating one of the most precipitous declines in global demand since the 1930s.

Markets globally sold off aggressively as they grappled with analysing daily coronavirus data and attempted to ascertain what this meant for earnings over the next year. On a more positive note, there has been an unprecedented and coordinated response from both central banks and governments. Interest rates remain at historic lows, quantitative easing programmes have returned and many governments are now taking measures to ensure both individuals and companies can stay afloat.

At times like these we feel it's important to remind investors of the measures we take within portfolios to make them resilient during more volatile market environment. We own gold and have elevated cash positions which we feel will help cushion the strategies against more stressed market conditions. We have also targeted exposure to more resilient themes that should be less impacted by unfolding events. For example, technology, healthcare and infrastructure. To state the obvious, crises always happen and they always end. Our focus is on making sure the MPS portfolios are robust in the shorter term and well positioned for the recovery.