



## Portfolio Objective

The objective of this portfolio is to achieve higher levels of capital growth by primarily investing in equity markets. This will entail an above average level of risk and volatility. The managers will not only invest in the UK equity market but also seek to derive value by utilising funds which are invested in overseas markets, being primarily the USA, the Far East including Japan, various Emerging Markets and also the rest of Europe. Fixed income securities may occasionally be used, but their overall weighting within the portfolio will be low. The model portfolio will look to invest mostly in passive investments to achieve the above objectives. This portfolio follows an **internal risk profile** with a very high (i.e. 9 out of 10) attitude to investment risk. The Manager aims to achieve the objectives over a 5 year period.

## Commentary

It's been a very strong quarter for equities and credit as central banks and governments provided enormous amounts of stimulus and economies started to reopen. Despite the strong rebound in risk assets, traditional portfolio hedges such as government bonds and gold have held up well. US Treasuries are up about 9% year to date, while gold is up close to 18%.

As economies have started to reopen, economic data has shown signs of a sharp rebound. For example, US retail sales rose 17% month on month in May, while UK retail sales rebounded by 12%. While sales are still down 6% and 13% year on year respectively, the speed and magnitude of the bounce back is a clear positive. The other positive is that central banks globally have made clear that they stand willing to use their full firepower to keep government and corporate borrowing costs low.

The end of June is clearly the half way mark for the year and what strikes me most is how mediocre the UK stock market has been compared to most other major markets. The reason is primarily the makeup of the UK market, industry sector wise there are very few offsets for the; Oils, Banks, Travel, Property, Auto's, Transport, Telecoms, Aerospace and so on which are all down between 20 and 50% this year. Only two sectors are up meaningfully, Leisure Goods and Tech' Hardware, and these two sectors combined make up less than 5% of the index and Brexit and the accompanying UK-EU trade deal hasn't really been on the radar yet.

Overall, the market has rallied on the back of fiscal and monetary stimulus, combined with the reopening of economies. We believe the monetary support is here to stay, but that in some countries there is a risk that fiscal stimulus may become less generous.

## Portfolio Information

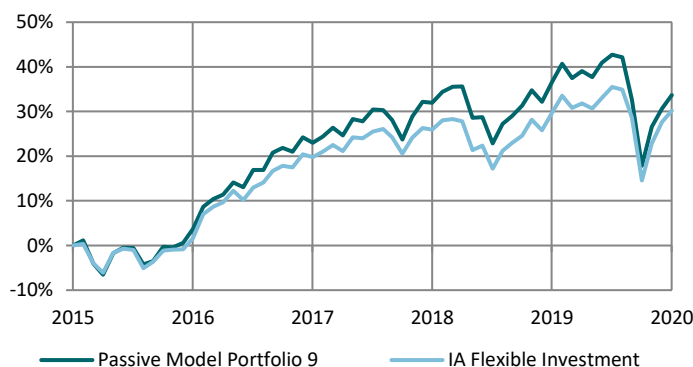
<b>Launch Date:</b>	01 March 2015	<b>Net yield***:</b>	2.69%
<b>Dealing Frequency:</b>	Daily	<b>No. of holdings:</b>	16
<b>Ongoing Portfolio Charge*:</b>	0.27%	<b>Minimum Investment:</b>	£1,200
<b>Brown Shipley AMC**:</b>	0.30%	<b>Fund Manager:</b>	Brown Shipley Fund Management Team
<b>Performance Comparator:</b>	IA Flexible Investment		

\*The ongoing charge of the model portfolio does not include Brown Shipley, platform provider or IFA fees.

\*\* AMC - Annual Management Charge does include VAT (0.05%).

\*\*\* This is the net yield of the underlying portfolio and does not include charges.

## Five Year Performance to 30 June 2020



## Rolling 12 Month Performance Record

	From	01/07/2019	01/07/2018	01/07/2017	01/07/2016	01/07/2015
	To	30/06/2020	30/06/2019	30/06/2018	30/06/2017	30/06/2016
<b>Passive Model Portfolio 9</b>		-2.1%	3.4%	7.3%	18.6%	3.7%
<b>IA Flexible Investment</b>		0.4%	2.9%	5.2%	17.8%	1.7%

The Passive Model Portfolio 9 was launched on 01 March 2015, so performance is not included before this date

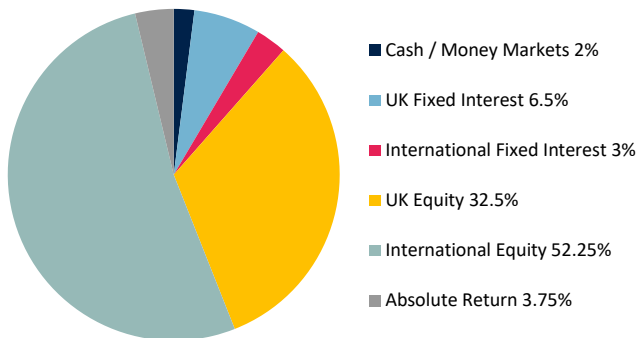
Source: Brown Shipley, Morningstar and Lipper

The past performance of an investment is not a reliable indicator of future results. The value of investments and any income from them may fluctuate and are not guaranteed. The value of your investments represents the cumulative effect of all of the underlying investments and can fall as well as rise. Performance is calculated on a daily basis and the portfolios are rebalanced on a quarterly basis, at the beginning of: March, June, September and December. This reflects the asset allocation at the beginning of the month, although it can take up to 5 business days for changes to be incorporated. Total return, gross of

# Passive Model Portfolio Service

Factsheet to 30 June 2020

## Asset Allocation\* (at 30/06/2020)



\*Totals may not sum to 100% due to rounding.

## Top Ten Holdings\*\* (at 30/06/2020)

HSBC American Index	21.25%
L&G UK 100 Index Trust I Acc	14%
Vanguard FTSE UK Equity Income Index GBP Inc	11.5%
HSBC European Index C Acc	8%
Fidelity Index Emerging Markets	5.5%
iShares Pacific ex Japan Equity Index (UK) D Acc	4.5%
BGF World Healthscience D5 GBP	4%
BlackRock Mid Cap UK Equity Tracker D Acc	4%
BlackRock European Absolute Alpha	3.75%
Fidelity Index Japan	3.5%

\*\*Holdings will differ on different platforms due to different funds being made available.

Source: Financial Express

## Our platform partners

You can access the Brown Shipley Model Portfolio Service on Novia, Transact, Standard Life, Ascentric and Aviva.



## Defaqto

The Brown Shipley Platform Model Portfolio Service has a Defaqto 5 Star Rating.



Defaqto is an independent researcher of financial products, focused on providing intelligence to support better decision making. Learn more about Defaqto Star Ratings by visiting [www.defaqto.com/star-ratings](http://www.defaqto.com/star-ratings)

## Contact us

For further information on our Model Portfolio Service visit our dedicated area of the Brown Shipley website [brownshipley.com/for-intermediaries](http://brownshipley.com/for-intermediaries) or contact:

### Rhona McColl

Business Development Director  
T 0131 524 1275  
E [rhona.mccoll@brownshipley.co.uk](mailto:rhona.mccoll@brownshipley.co.uk)

### Gavin Wiggins

Business Development Director  
T 0161 214 6527  
E [gavin.wiggins@brownshipley.co.uk](mailto:gavin.wiggins@brownshipley.co.uk)

**Investment Risks** - This model portfolio predominately gains exposure to higher risk UK and international growth based assets through investment in other investment funds whose individual risk profile may not match that of the model portfolio. Exposure to UK and international markets is through collective funds. Global currency fluctuations contribute to changes in the value of the investment. Sovereign bonds do not represent significant holdings but carry specific investment risks, as the value of bonds are affected by relative movements in interest rates

## Distribution and Portfolio Information

The information contained in this factsheet is provided by Brown Shipley to professional advisors for information purposes only and must not be communicated to any other person. It does not constitute investment advice and must not be treated as a recommendation or an offer or solicitation for investment. Except insofar as liability under any statute cannot be excluded, neither Brown Shipley nor any employee or associate of them accepts any liability (whether arising in contract, tort, negligence or otherwise) for any error or omission in this document or for any resulting loss or damage whether direct, indirect, consequential or otherwise suffered by the recipient of this document. More information on the Internal and external risk ratings can be explained upon request.

Brown Shipley is a trading name of Brown Shipley & Co Limited, is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority Registered in England and Wales No. 398426. Registered office: Founders Court, Lothbury, London EC2R 7HE. Brown Shipley's parent company is KBL European Private Bankers which, from Luxembourg, heads a major European network of private bankers. Telephone calls may be monitored or recorded for security purposes.