



**Portfolio Objective**

The objective of this portfolio is to achieve capital growth by utilising a range of assets such as fixed income securities, commercial property and Absolute Return funds but, for the majority of the time, the portfolio will have at least half of its assets in equities. Although some of the funds will be invested in the UK equity market, the managers will also seek to derive value from most global markets, including the USA, Far East, Japan and the rest of Europe. Income will be generated from the investments, but obtaining a high overall yield will not be a prime consideration. This portfolio uses an **external risk profile**, Dynamic Planner, which advises a high medium (i.e. 6 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 June 2010	<b>Net yield***:</b>	1.95%
<b>Dealing Frequency:</b>	Daily	<b>No. of holdings:</b>	26
<b>Ongoing Portfolio Charge*:</b>	0.62%	<b>Minimum Investment:</b>	£1,200
<b>Brown Shipley AMC**:</b>	0.36%	<b>Fund Manager:</b>	Brown Shipley Fund Management Team
<b>Performance Comparator:</b>	IA Mixed Investment 40-85% Shares #		

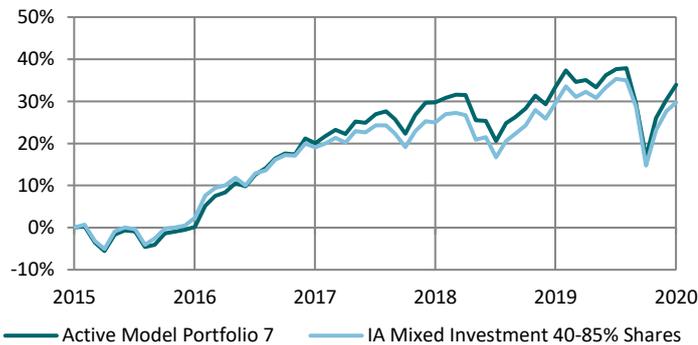
\*The ongoing charge of the model portfolio does not include Brown Shipley, platform provider or IFA fees.

\*\* AMC - Annual Management Charge does include VAT (0.06%).

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

# As at 31 December 2017 the IA sectors changed for Model Portfolio 7 from IA Flexible Investment to IA Mixed Investment 40-85% Shares sector.

**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>Active Model Portfolio 7</b>		0.3%	2.9%	8.1%	19.9%	0.1%
<b>IA Mixed Investment 40-85% Shares</b>		0.1%	3.7%	5.0%	16.3%	2.4%

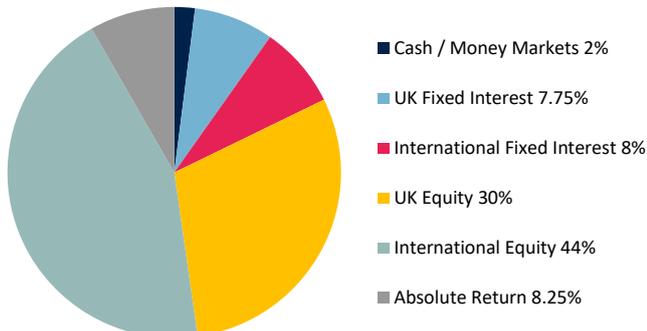
Source: Brown Shipley, Morningstar and Lipper

**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 platform and Brown Shipley Fees but net of individual fund management fees. # As at 31 December 2017 the IA sectors changed for Model Portfolio 7 from IA Flexible Investment sector to the IA Mixed Investment 40-85% Shares sector.

# Active 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)

iShares North American Eq Idx (UK) D Acc	9.5%
LF Lindsell Train UK Equity Inc	7.5%
L&G UK 100 Index Trust I Acc	6%
JPM UK Equity Core	6%
Baillie Gifford American	6%
Royal London Sustainable Leaders	4.5%
BlackRock European Dynamic	4.5%
Fidelity Asia Focus	4.25%
BGF World Healthscience D5 GBP	4%
Janus Henderson Strategic Bond	3.75%

\*\*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.



[www.novia-financial.co.uk](http://www.novia-financial.co.uk)



[www.transact-online.co.uk](http://www.transact-online.co.uk)



[www.standardlifewrap.com](http://www.standardlifewrap.com)



[www.ascentric.co.uk](http://www.ascentric.co.uk)



[www.aviva-wrap.co.uk](http://www.aviva-wrap.co.uk)

## 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:

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**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 fund. Exposure to UK and international markets is through collective funds. Global currency fluctuations contribute to fluctuations in the value of the investment. Sovereign Bonds do not represent significant holdings but where used carry specific investment risks; the value of bonds are affected by relative movements in interest rates.

## Distribution and Portfolio Information

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**Distribution Technology** ("DT") is a leading provider of financial planning & front office wealth management technology. DT has reviewed and profiled a range of investment portfolios offered by Brown Shipley within the risk profiles used on the DT Dynamic Planner® platform. The main objective of the DT risk profiles and fund risk profiling service is to provide financial advisers and their clients with a meaningful measure of the long-term investment risk of fund strategies and a mechanism for selecting funds appropriate for investor risk appetites and capacity for risk.