

## 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

Q4 saw a sharp up-tick from the beginning of November. During October markets struggled with deteriorating data on the virus as we entered a second wave, although there was an element of looking through the recession towards recovery and the prospect that Tech' and Growth would no longer lead the market. The game changing news came right at the beginning of November when Pfizer announced the efficacy of its vaccine. Suddenly the potential for all sectors of the economy to return to some normality became a real prospect and with it a broad based economic recovery.

Over this quarter though the UK All-Share is up 12.4%\*, with the US market up only 6.1%, partly because sterling has appreciated versus the dollar by 6% during this period. Europe and Japanese equity markets were up by 9% and Emerging Markets by 13.3%. UK Gilts meanwhile were flat and investment grade corporate bonds up by nearly 4%, so risk on moves essentially.

So the UK equity market has suddenly sprung into life, structurally it is a more mature market and has higher cyclical elements to it. Sectors like; Auto parts, Oil equipment & services, Industrial metals & mining and Banks, have all bounced over 30%\*\*\*, while Pharma and Tech' sectors are down 10% and 8% respectively.

A strong finish then to an extraordinary year for markets, which have performed very well against a challenging environment. Looking forwards, we believe we are back to an early stage recovery part of the cycle, with a broad based economic recovery in prospect – post vaccine – as the world returns to some sense of a new normal.

Data source: Lipper, Thomson Reuters\* and Bloomberg\*\*

## Portfolio Information

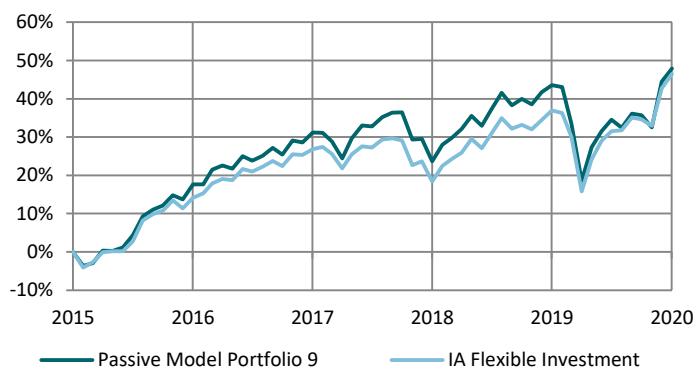
<b>Launch Date:</b>	01 March 2015	<b>Net yield***:</b>	1.97%
<b>Dealing Frequency:</b>	Daily	<b>No. of holdings:</b>	19
<b>Ongoing Portfolio Charge*:</b>	0.29%	<b>Minimum Investment:</b>	£1,200
<b>Brown Shipley AMC**:</b>	0.30%	<b>Fund Manager:</b>	Brown Shipley Fund Management Team
<b>Performance Comparator:</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 31 December 2020



## Rolling 12 Month Performance Record

	From	01/01/2020	01/01/2019	01/01/2018	01/01/2017	01/01/2016
	To	31/12/2020	31/12/2019	31/12/2018	31/12/2017	31/12/2016
<b>Passive Model Portfolio 9</b>		3.0%	16.1%	-5.8%	11.6%	17.6%
<b>IA Flexible Investment</b>		7.0%	15.6%	-6.6%	11.1%	14.2%

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

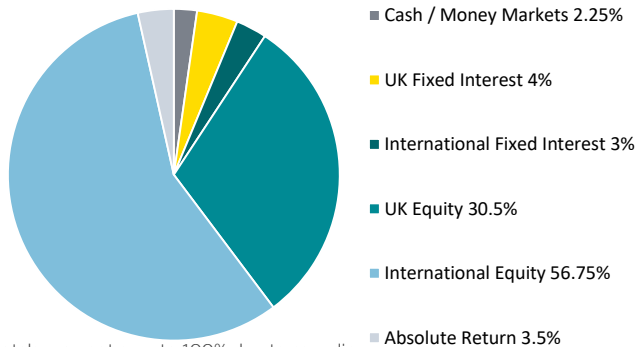
Source: Brown Shipley, Morningstar and Lipper

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 31 December 2020

### Asset Allocation\* (at 31/12/2020)



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

### Top Ten Holdings\*\* (at 31/12/2020)

HSBC American Index	21%
Vanguard FTSE UK Equity Income Index GBP Inc	11.5%
L&G UK 100 Index Trust I Acc	9%
HSBC European Index C Acc	8%
Fidelity Index Japan	6%
Fidelity Index Emerging Markets	5.25%
iShares Pacific ex Japan Equity Index (UK) D Acc	4.5%
BlackRock Mid Cap UK Equity Tracker D Acc	4%
Royal London Sustainable Leaders	3.5%
BlackRock European Absolute Alpha	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.



[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)

### 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. 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

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