

Active Model Portfolio Service

Portfolio Objective

The objective of this portfolio is to achieve a steady rate of capital growth, combined with volatility and risk which are both below average. The portfolio will invest in bonds issued by governments as well as companies, and will also utilise index linked securities. Income will be generated from these investments, but obtaining a high overall yield will not be a prime consideration. There will be exposure to alternatives such as UK commercial property and Absolute Return Funds, as well as fairly low levels of investment into equity based funds. This portfolio follows an **internal risk profile** with a very low (i.e. 2 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

| | | | |
|-----------------------------------|----------------------------------|----------------------------|------------------------------------|
| Launch Date: | 01 June 2010 | Net yield***: | 1.73% |
| Dealing Frequency: | Daily | No. of holdings: | 20 |
| Ongoing Portfolio Charge*: | 0.57% | Minimum Investment: | £1,200 |
| Brown Shipley AMC**: | 0.36% | Fund Manager: | Brown Shipley Fund Management Team |
| Performance Comparator: | IA Mixed Investment 0-35% 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.

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 |
| Active Model Portfolio 2 | | 3.8% | 7.8% | -4.0% | 3.6% | 9.1% |
| IA Mixed Investment 0-35% Shares | | 4.0% | 8.8% | -3.4% | 5.0% | 9.1% |

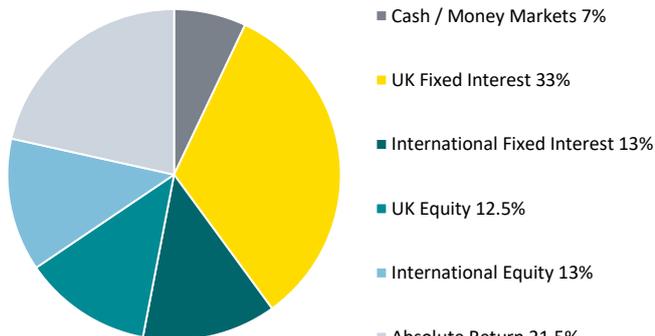
Source: Brown Shipley, Morningstar and Lipper

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.

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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)

| | |
|---|------|
| L & G All Stocks Gilt Index | 8% |
| Trojan Fund X Accumulation | 8% |
| BlackRock European Absolute Alpha | 8% |
| Janus Henderson Strategic Bond | 8% |
| Royal London Corporate Bond | 8% |
| iShares Overseas Government Bond Index (UK) | 5% |
| Schroder Strategic Credit | 5% |
| JPM UK Equity Core | 4.5% |
| L & G All Stocks IL Gilt Index | 4% |
| Threadneedle High Yield Bond | 4% |

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

Source: Financial Express

Our platform partners

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



www.novia-financial.co.uk



www.transact-online.co.uk



www.standardlifewrap.com



www.ascentric.co.uk



www.aviva-wrap.co.uk

Contact us

For further information on our Model Portfolio Service visit our dedicated area of the Brown Shiple website brownshiple.com/for-intermediaries or contact:

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Investment Risks - The model portfolio balances equity investment risk with exposure to Sovereign and Corporate bonds. Exposure is gained through investment in other funds whose individual risk profile may not match that of the model portfolio. Exposure to UK and international markets is through collective funds. Bonds are affected by the relative movements in interest rates, and the risk of default by the sovereign or corporate issuer. Global currency fluctuations contribute to fluctuations in the value of the investment.

Distribution and Portfolio Information

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