

## INVESTMENT OBJECTIVE

The objective of this portfolio is to grow capital over the medium to longer term. Investors should expect reasonable correlation to stock market behaviour and rewards, including quite sharp fluctuations in values, whilst also some protection in times of market weakness.

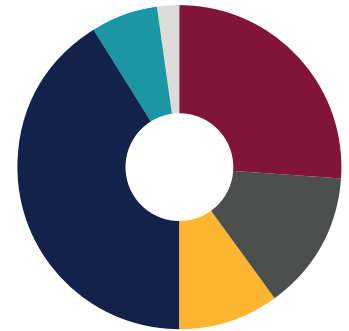
## KEY INFORMATION



Launch Date	<b>January 2019</b>
Historic Yield	<b>1.88%</b>
Investment Management Charge	<b>0.25% (+VAT)</b>
Ongoing Charges Figure	<b>0.64%</b>

## ASSET ALLOCATION

<span style="color: #800040;">■</span> Equities - International	26.3%	<span style="color: #444444;">■</span> Equities - UK	13.8%
Equities - Global	5.0%	<span style="color: #FFA500;">■</span> Equities - Thematic	10.0%
Equities - Asia (including Japan)	5.9%	<span style="color: #000080;">■</span> Bonds	41.2%
Equities - Emerging Markets	2.3%	<span style="color: #008080;">■</span> Alternatives	6.8%
Equities - Europe (excluding UK)	1.8%	<span style="color: #AAAAAA;">■</span> Cash	2.0%
Equities - US	11.3%		

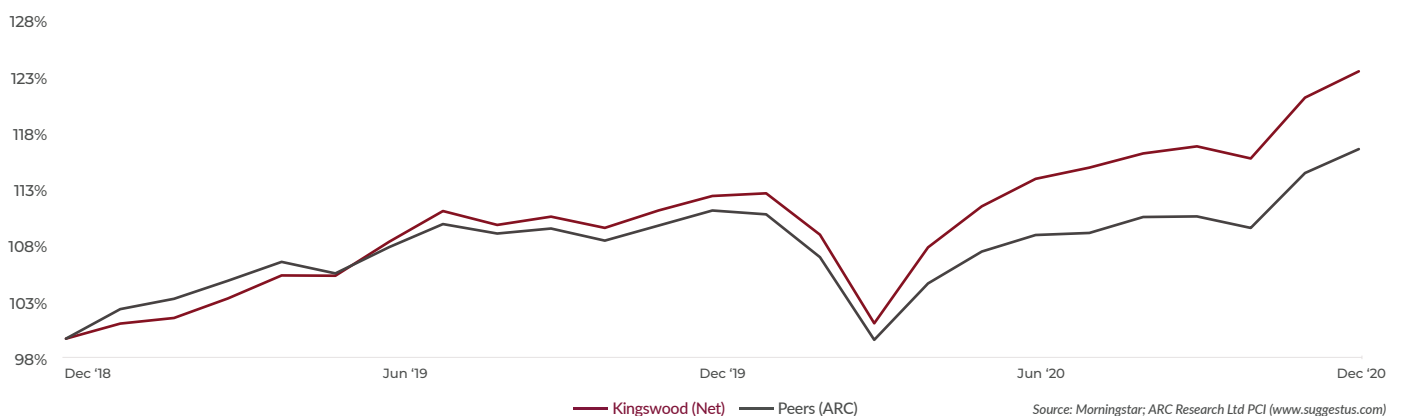


## PERFORMANCE (%)

	Cumulative (%)			Calendar year performance (%)	
	3 m	1 yr	Since Launch	2020	2019
Portfolio:	5.5%	9.7%	23.4%	9.7%	12.5%
ARC:	5.9%	4.8%	16.6%	4.8%	11.7%

### ESG BALANCED MPS (SINCE INCEPTION)

Past performance is not a guide to future returns.



- Global equities gained as much as 12.9% in the fourth quarter, although returns were reduced to 8.5% in sterling terms by a recovery in the pound.
- The very positive news on vaccines in early November more than offset worries about the second wave of covid infections and new lockdown restrictions.
- Biden's victory in the US also helped buoy sentiment as it promised more fiscal stimulus and a more stable government.
- Brexit, meanwhile, was a source of some volatility for UK markets but the last minute deal provided a modest boost to both UK equities and sterling.
- UK equities outperformed over the quarter, benefiting from a rotation away from the winners earlier in the year, and reversed part of their recent underperformance
- Corporate bonds also had a relatively strong quarter, benefiting from the risk-on sentiment. Government bonds, by contrast, recorded a loss in the US and a modest gain in the UK.

# INVESTMENT OUTLOOK

The global recovery is under pressure near term from the surge in Covid infections and new lockdown and social distancing restrictions, particularly in the UK and Europe. However, fiscal stimulus, particularly now the Democrats have gained control of Congress in the US, should limit the damage. If the rapid vaccine roll-out goes to plan, a strong rebound in global growth looks likely from the second quarter.

Equity valuations are high following the sizeable gains seen of late but should be sustainable if as expected interest rates remain super low for a considerable time to come. The forthcoming rebound in growth means equities still have further upside and prospective returns look rather higher than for bonds.

Return prospects for fixed income are modest because bond yields are so low to start with and because yields are likely to trend slowly higher, imposing capital losses.

## TOP 10 HOLDINGS

Pictet GEO	14.0%	L&G Ethical UK Trust	5.0%
JPM US Income	13.6%	Ninety One UK Sustainable	5.0%
First State Asia Pacific Sustainable	13.6%	Liontrust Sustainable Future UK	5.0%
Foresight UK Infrastructure	11.3%	Threadneedle Invs UK Social Bond	4.8%
Vanguard Europe SRI	5.9%	Hermes Unconstrained Credit	4.7%

## INVESTMENT STRATEGY

Our investment strategy has three key components:

**ASSET ALLOCATION** > Focused on analysing the economic and financial environment, assessing the prospective returns and risks of each of the major asset classes, both over the short and long term.

**FUND SELECTION** > Our rigorous fund selection process involves assessing which funds best allow us to gain exposure to the most attractive asset classes, regions and themes.

**PORTFOLIO CONSTRUCTION** > These two building blocks are then combined to create portfolios which are designed to meet their specific objectives and are actively managed with regular rebalancing.

The process is run by our research and strategy team and overseen by our investment committee to ensure that the portfolios are managed in line with their objectives and risks are kept to appropriate levels.

**FundsNetwork**

**nucleus**

**Standard Life**

**OLDMUTUAL  
WEALTH**

**novia**

**AJBell**

**AEGON**

This factsheet is for Professional Intermediaries only. Kingswood, Kingswood Group and Kingswood Institutional are trading names of KW Wealth Planning Limited (Companies House Number: 01265376) regulated by the Financial Conduct Authority (Firm Reference Number: 114694) and KW Investment Management Limited (Companies House Number: 06931664) regulated by the Financial Conduct Authority (Firm Reference Number: 506600) with a registered office at 13 Austin Friars London EC2N 2HE. KW Investment Management Limited is also regulated in South Africa by the Financial Sector Conduct Authority (Firm Reference Number: 46775). Both companies are wholly owned subsidiaries of Kingswood Holdings Limited which is incorporated in Guernsey (registered number: 42316) and has its registered office at Oak House, Hirzel Street, St Peter Port, Guernsey GY1 3RH. The value of an investment and any income from it may fall as well as rise, may be affected by exchange rate fluctuations and you may not get back the amount you originally invested. Securities may not be suitable for all investors. Past performance data is not representative of past performance on different platforms. This is because MPS on platforms will vary in portfolio composition due to the differing availability of investments. Portfolios are re-balanced at least quarterly and rounding when buying securities may affect the cash held. The information in this factsheet does not constitute an offer of, or an invitation to buy or sell any security.