

## 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.

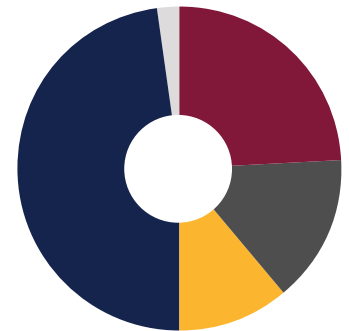
## KEY INFORMATION



Launch Date	<b>July 2019</b>
Historic Yield	<b>1.69%</b>
Investment Management Charge	<b>0.20%</b>
Ongoing Charges Figure	<b>0.14%</b>

## ASSET ALLOCATION

<b>Equities - International</b>	<b>24.3%</b>	<b>Equities - UK</b>	<b>14.7%</b>
Equities - Global	1.6%	<b>Equities - Thematic</b>	<b>11.0%</b>
Equities - Asia (excluding Japan)	3.7%	<b>Bonds</b>	<b>48.0%</b>
Equities - Emerging Markets	2.5%	<b>Cash</b>	<b>2.0%</b>
Equities - Europe (excluding UK)	1.9%		
Equities - Japan	2.7%		
Equities - US	12.1%		

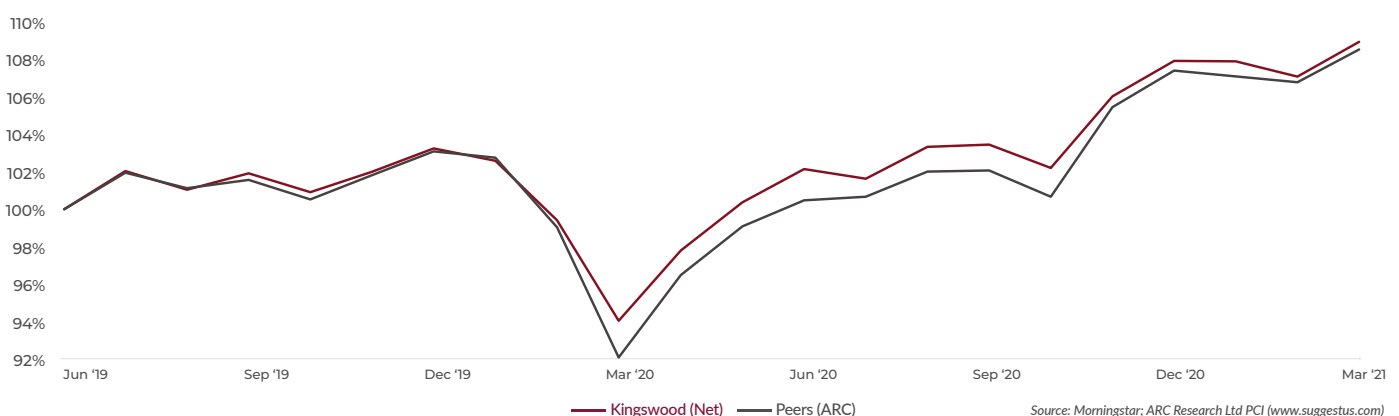


## PERFORMANCE (%)

	Cumulative (%)			Calendar year performance (%)
	3 m	1 yr	Since Launch	2020
Portfolio:	1.0%	16.4%	9.3%	4.7%
ARC:	1.1%	18.5%	8.8%	4.3%

### PASSIVE BALANCED MPS (SINCE INCEPTION)

Past performance is not a guide to future returns.



- Global equities continued their recovery in the first quarter, gaining 6.2% in local currency terms although returns were reduced to 3.9% in sterling terms by a further strengthening in the pound.
- President Biden's enactment of a very substantial fiscal stimulus in the US was the major driver of these gains.
- Hopes of a strong economic rebound were also bolstered by the vaccine roll-out, which is now proceeding rapidly in the US unlike in Continental Europe.
- UK equities outperformed in the first quarter with a 5.2% return. They benefited from the rapid vaccine roll-out and the rotation away from last year's winners to cheaper areas such as the UK.
- Bonds saw yields rebound significantly as inflation worries grew. In the UK, government and corporate bonds lost as much as 7.2% and 4.4% respectively over the quarter.

## INVESTMENT OUTLOOK

- A strong rebound in the global economy is on the cards from the second quarter on the back of the vaccine roll-out and the large US fiscal stimulus.
- Underlying inflation pressure should pick up only slowly and no rise in interest rates is likely in the US, Eurozone or UK for the next couple of years.
- The forthcoming economic rebound will boost corporate earnings and means the outlook for equities remains favourable. Valuations are high but should be sustainable while rates stay low.
- Prospective returns for fixed income remain considerably smaller than for equities. Government bond yields are likely to continue to trend higher and corporate bond spreads are narrow.

## TOP 10 HOLDINGS

Vanguard UK Short Term IG Bond Index	18.3%	L&G Global index Linked	4.1%
Vanguard Global Short-Term Bond Index Hgd	15.3%	iShares Pacific ex Japan Equity Index	3.6%
Vanguard FTSE 100	12.7%	iShares Japan Equity Index	2.7%
Legal & General US Index	12.1%	L+G Global Health & Pharma Index	2.5%
L&G All Stocks Gilt Index Trust	10.3%	iShares Emerging Markets Eq Index	2.5%

## 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 committees to ensure that the portfolios are managed in line with their objectives and risks are kept to appropriate levels.

**FundsNetwork**<sup>™</sup>

 **nucleus**

**Standard Life**

 **OLDMUTUAL**  
WEALTH

 **AVIVA**<sup>™</sup>

**novia** /

 **AJBell**

 **JAMES HAY**  
PARTNERSHIP

 **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.