



**tavistock**  
WEALTH

# TW PROFILE 4

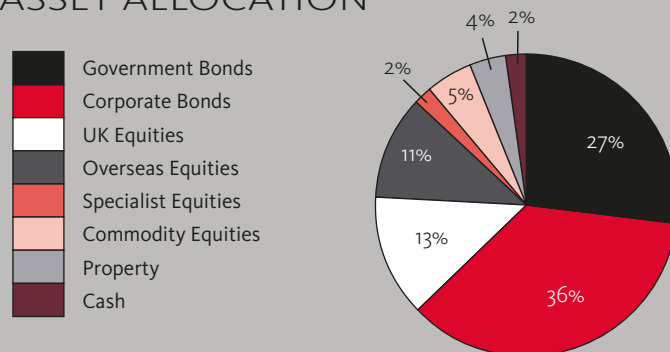
## MANAGER COMMENTARY

**TW PROFILE 4 returned 0.19% in January and the IA Mixed Investment 20-60% Shares sector rose 0.30%. The profile has a rolling 1-year return of 14.13%.**

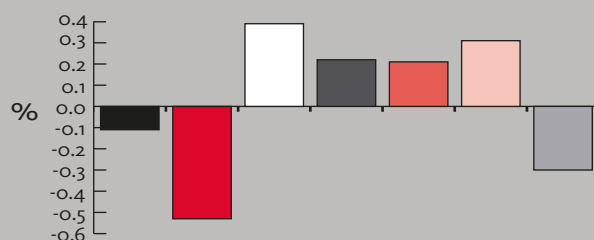
Equity markets have enjoyed a steady start to 2017 and the MSCI World rallied 2.35% in January. The political climate remains unsettled with US President Donald Trump taking office and the lack of clarity surrounding the Brexit timeline. The Trump rally has lost some of its momentum, but the Dow Jones Industrial Average still managed to break the 20,000 points level and the S&P 500 gained 1.79%. The new "Leader of the Free World" has come under heavy criticism for his protectionist policies. Nevertheless, he appears resolute in the timely implementation of his campaign promises that ultimately swept him to victory. Prime Minister Theresa May has been scrutinised for her bridge-building visit to the White House and her hardline approach to Brexit. She confirmed that the UK will leave the European Union after triggering Article 50 of the Lisbon Treaty and give up its unrestricted access to the single market. The UK economy continues to defy the Bank of England's pessimistic forecasts. Fourth quarter GDP increased 0.6% and the IMF reported that the UK was the fastest growing G7 economy in 2016. The UK equity markets traded in narrow ranges as the large-cap FTSE 100 fell -0.61% and the mid-cap FTSE 250 gained 0.39%. Ten-year UK gilts sold-off 18 bps to 1.42%, following the publication of the December CPI figures that rose to 1.6%. Given the return of inflation, the next move in the Bank Rate is likely to be an increase, which will extend the bear market in bonds. Higher interest rates are supportive for sterling and it rallied 1.95% against the US dollar to close at 1.26. US politics and the Brexit negotiations will dominate the press headlines in the coming months. Investors need to look beyond the "White Noise" and remain focused on the positive fundamentals that are driving global equity valuations higher.

## REVOLUTIONARY THINKING

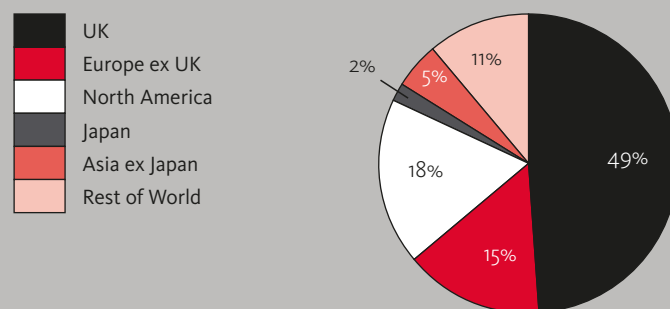
### ASSET ALLOCATION



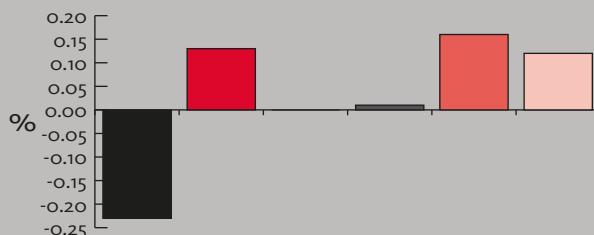
### MONTHLY ATTRIBUTION



### REGION ALLOCATION



### MONTHLY ATTRIBUTION



### TOP 5 ACTIVE FUND HOLDINGS

- Baillie Gifford High Yield Bond
- M&G Corporate Bond
- M&G Emerging Markets Bond
- M&G Optimal Income
- Marlborough Global Bond

The top 5 holdings comprise 28% of PROFILE 4

## INVESTMENT POLICY

The investment policy of TW PROFILE 4 is to gain exposure through investment in a diversified portfolio comprised of both active and passive regulated collective investment schemes, transferable securities and cash. The minimum bond and/or cash exposure is 30% and equity exposure ranges between 20-60%.

January 2017 Return

**0.19%**

The value of an investment in the TW PROFILES or in the ACUMEN Portfolios may fall as well as rise. Past performance should not be seen as an indication of future performance. Source of data: Tavistock Wealth Limited, Thomson Reuters and Lipper for Investment Management unless otherwise stated. Inception date: 1st October 2014

Year to Date : **0.19%**

Rolling 1-Year Return : **14.13%**

## TW PROFILE 4

A “model portfolio” is a well-balanced combination of investments covering a range of asset classes and global markets that is structured to target a specific level of risk.

## PROFILE FEATURES

- IA Sector - Mixed Investment 20-60% Shares
- eValue Risk Level 4 - Cautious to Moderate Risk
- Target volatility - 4.6% to 6.0%
- Daily dealing
- Minimum investment of £1,000
- Multi-Asset: Equities Bonds  
Commodities Property

## ABOUT TAVISTOCK WEALTH

Tavistock Wealth is authorised and regulated by the Financial Conduct Authority in the United Kingdom. The company manages the investment solutions provided to clients of the Tavistock Partnership. Our centralised investment approach provides individual investors with the benefit of collective buying power to ensure that the charges they incur for model portfolio management, platform fees and dealing are amongst the lowest in the industry. Tavistock Wealth manages a range of “model portfolios” designed to meet the long term needs of investors – TW PROFILES.

## TW PROFILES

The TW PROFILES are a series of risk progressive “model portfolios” designed to cater for the varying risk appetite of different investors. Each TW PROFILE provides investors with multi-asset global coverage with wide diversification across equity, bond, commodity and property markets. The portfolios are comprised of a blend of actively managed strategies and passive index trackers. The management charge for each TW PROFILE is 0.175% per annum plus VAT.

## INVESTMENT PHILOSOPHY

Asset allocation, rather than stock selection, is the key driver of risk and returns and the TW PROFILES are structured accordingly, in line with the Investment Association’s Sector guidelines. Each TW PROFILE combines a 50% allocation to “best of breed” active managers with a 50% allocation to the Tavistock ACUMEN Portfolios. Each ACUMEN Portfolio invests in a highly diversified basket of ETFs providing cost effective and tax efficient exposure to global markets.

## INVESTMENT OBJECTIVE

The investment objective of TW PROFILE 4 is to seek to deliver long term capital growth by investing in a range of global financial markets. The portfolio is actively managed and comprised of multi-asset investments. The portfolio is typically comprised of lower and medium risk investments such as cash, bonds and property as well as a few higher risk investments such as equities and commodities.

## BENCHMARKS

The benchmarks for TW PROFILE 4 are 1.25 times three month Sterling Libor and the Investment Association’s Mixed Investment 20-60% Shares sector over a rolling 12 month investment cycle.

## THIRD-PARTY RISK RATING

TW PROFILE 4 has been independently reviewed by the Synaptic Risk Rating Service. Projections are based on the asset allocation of the underlying investments. The Synaptic Risk Rating Service has issued the following rating for TW PROFILE 4:



## DFM FEE - PER ANNUM

# 0.175% PLUS VAT

## PORTFOLIO MANAGER

Christopher Peel is the Chief Investment Officer of Tavistock Wealth and carries direct responsibility for all investments in the Centralised Investment Proposition at the firm. Together with the research and investment team, he manages the ACUMEN Portfolios and more than fifty model portfolios including the TW PROFILES and the Tavistock PROFILES. Christopher has more than 30 years’ experience in financial markets, working with both traditional and alternative asset managers, having held senior management positions at both Citibank and Salomon Brothers. Christopher holds a B.A. degree in Economics from Colorado College.

## CONTACT INFORMATION

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LOWERING YOUR COSTS. INCREASING YOUR VALUE.

ACUMEN Portfolios are constructed and optimised by Tavistock using

**iShares®**  
by BLACKROCK®

The TW PROFILES are available on the following platforms:

**AEGON • ASCENTRIC  
AVIVA • NOVIA  
NUCLEUS • STANDARD LIFE  
& TRANSACT**

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## REVOLUTIONARY THINKING

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