



**tavistock**  
WEALTH

# TAVISTOCK PB PROFILE 3

## MANAGER COMMENTARY

Tavistock PB PROFILE 3 returned 0.22% in October. The Market Composite Benchmark and the IA Mixed Investment 0-35% Shares sector returned 0.95% and 0.88% respectively. The profile has a rolling 1-year return of 2.24%.

As anticipated, ECB President Mario Draghi announced plans to reduce the size of its monthly bond purchases from 60bn to 30bn Euros, and extended the life of the programme to at least September 2018. The long-awaited announcement comes on the back of stronger economic data throughout the region. However, the lack of a clear end date to the 2.3 trillion Euro programme was arguably more dovish than many had anticipated. Draghi categorised the changes as a 'downsizing' rather than a 'tapering' of QE. As a result, European interest rates will likely remain at all-time lows until at least 2019. The news sent the Euro and regional bond yields lower, with the German 10-year yield down -10bps to 0.36%. The weaker Euro boosted Eurozone equities, including Spain where the IBEX 35 index finished up 1.37%, despite the ongoing turmoil in Catalonia. In October, US equities continued to rally with the S&P 500, Nasdaq and Dow Jones Industrial Average indices reaching all-time highs. The risk-on mood was supported by underlying economic data, including a rise in 3rd quarter GDP to 3% and excellent earnings results from some of the large technology companies. Gains were further bolstered by progress on President Trump's proposed corporate tax cut from 35% to 20%, which was passed in the Senate by a vote of 51 to 49. US inflation figures rose in September, sending the yearly rate up to 2.2% from 1.9% previously. The Dollar Index climbed 1.59% and Treasury bond yields rose across the curve, led by the short end with 2-year rates rising 12bps to 1.60%. In Japan, equities surged higher with the Nikkei 225 climbing 8.13% to a 21 year high. Shinzo Abe's landslide electoral victory was a clear mandate for "Abenomics" and the continuation of ultra-loose monetary policy. We believe the portfolios are well placed to benefit from the ongoing shift towards the new reflationary environment. We remain cautiously optimistic on equities, with a preference for Europe and Japan, whilst in bonds we are underweight duration risk, favouring short-dated credit and emerging market local currency debt.

### TOP 5 ETF HOLDINGS

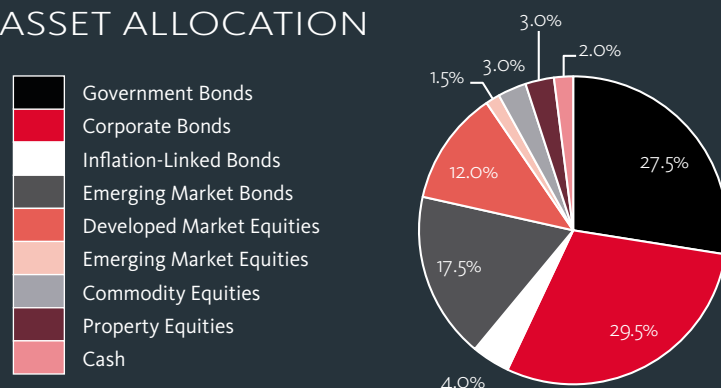
- iShares \$ Corp Bond Interest Rate Hedged UCITS ETF
  - iShares EM Local Govt Bond UCITS ETF (Dist)
  - iShares Fallen Angels High Yield Corp Bond UCITS ETF
  - iShares J.P. Morgan \$ Emer Mkts Bd UCITS ETF (Dist)
  - iShares US Mortgage Backed Securities UCITS ETF (Dist)
- The top 5 ETF holdings comprise 39.5% of PROFILE 3

## INVESTMENT OBJECTIVE

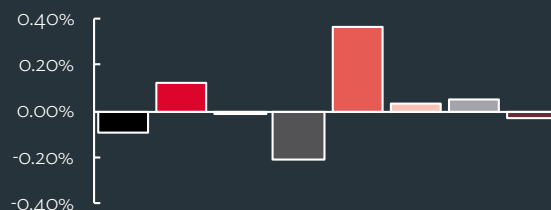
The investment objective of Tavistock PB PROFILE 3 is to deliver long term capital growth by investing in a range of global financial markets. The profile is typically comprised of lower and medium risk investments such as cash, bonds and property as well as a few higher risk investments such as equities and commodities.

## REVOLUTIONARY THINKING

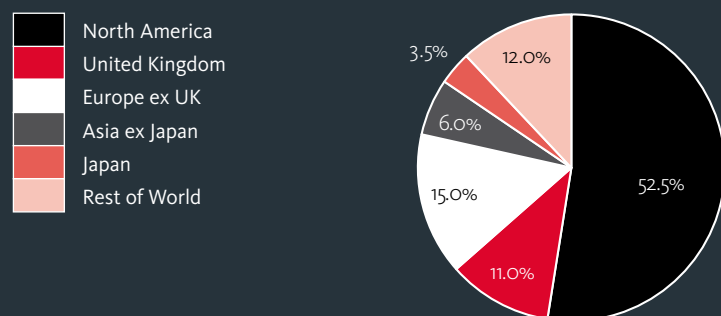
### ASSET ALLOCATION



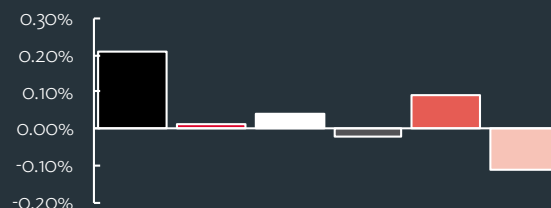
### MONTHLY ATTRIBUTION



### REGION ALLOCATION



### MONTHLY ATTRIBUTION



defaqto

2017



DFM MPS Direct

## PROFILE RETURNS

	October 17	YTD	1 yr	3 yr	5 yr
Return	0.22%	2.61%	2.24%	13.19%	23.65%

# PROFILE FEATURES

- IA Sector - Mixed Investment 0-35% Shares
- A2R Risk Level 3 - Low end of Cautious to Moderate Risk
- Target volatility - 3.1% to 4.5%
- Daily dealing
- Minimum investment of £1,000
- Multi-Asset:
  - Equities
  - Bonds
  - Commodities
  - Property

# PROFILE FACTSHEET

## TAVISTOCK PB PROFILE <sup>3</sup>

DFM Fee: **0.00%**

### ABOUT TAVISTOCK WEALTH

Tavistock Wealth manages over £900m of assets on behalf of retail clients. Our services are based on a combination of traditional values and revolutionary thinking, producing ethical and consistent net returns. We aim to provide retail clients with access to institutional quality portfolio management at a retail price. We do this by partnering up with the most successful risk managers in our industry. Tavistock Wealth is a subsidiary of Tavistock Investments Plc, the UK wide financial services group. Currently Tavistock has over 175 financial advisers helping private clients look after £3bn of investments.

### TAVISTOCK PB PROFILES

The Tavistock PB PROFILES are risk progressive and designed to cater for the varying risk appetite of different investors. Each PROFILE is comprised of holdings in the risk progressive ACUMEN Portfolios, which invest in highly diversified baskets of ETFs. The ACUMEN Portfolios are constructed and optimised by Tavistock using



### INVESTMENT PHILOSOPHY

The fund management industry has experienced significant change in the last quarter of a century. Product innovation has enabled investors to benefit from wider exposure to global financial markets with far greater efficiency and at a lower cost. Index-tracking investments such as Exchange Traded Funds have grown increasingly important and form the building blocks for all of the portfolios managed by Tavistock Wealth. We believe an actively managed, globally allocated, multi-asset portfolio, comprised of low-cost ETFs with diversified holdings in equity, bond, commodity and property markets is statistically more likely to outperform a traditional active manager almost all of the time.

### BENCHMARKS

The market composite benchmark (GBP Hedged) is the Bloomberg Barclays Global Aggregate Bond Index (70%) and the MSCI World Equity Index (30%). The peer group benchmark is the Investment Association's Mixed Investment 0-35% Shares sector. Benchmark performance is evaluated over a rolling twelve-month investment cycle.

### THIRD-PARTY RISK RATING

Tavistock PB PROFILE 3 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:



### PORTFOLIO MANAGER

Christopher Peel is the Chief Investment Officer of Tavistock Wealth and carries direct responsibility for all discretionary investments at the firm. Together with the investment team, he manages the ACUMEN Portfolios and more than fifty model portfolios, including the Tavistock PB PROFILES. Christopher is an economics graduate with more than 30 years' experience in financial markets, managing both multi-asset traditional and alternative funds, having held senior management positions at both Citibank and Salomon Brothers.

### CONTACT INFORMATION

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The Tavistock PB PROFILES are available on the following platforms:

AEGON • ASCENTRIC • AVIVA  
FIDELITY FUNDSNETWORK  
NOVIA • NUCLEUS • PRAEMIUM  
STANDARD LIFE • TRANSACT

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### REVOLUTIONARY THINKING

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The value of investments held in the Tavistock PB PROFILES may fall as well as rise. Past performance should not be seen as an indication of future performance. The Tavistock PB PROFILES are a white-labelled offering based on the DFM Portfolio Management Service provided by PB Financial Planning Limited; a wholly owned subsidiary of Tavistock Investments Plc. PB Financial Planning Limited is authorised and regulated by the Financial Conduct Authority. The PROFILE inception date is 18/02/08. All Tavistock PB PROFILE performance data up until 31/12/16 has been provided by PB Financial Planning Limited. As of 01/01/17, all Tavistock PB PROFILES invest in a blend of the ACUMEN Portfolio range. All performance data thereafter is provided by Tavistock Wealth Limited. Source of data: PB Financial Planning Limited, Tavistock Wealth Limited, Thomson Reuters and Lipper for Investment Management unless otherwise stated. Date of data: 31st October 2017 unless otherwise stated.