



tavistock
WEALTH

TAVISTOCK PB PROFILE 5

MANAGER COMMENTARY

Tavistock PB PROFILE 5 returned -1.61% in February. The Market Composite Benchmark and the IA Mixed Investment 20-60% Shares sector returned -2.09% and -1.38% respectively. The profile has a rolling 1-year return of 2.29%.

The long overdue correction in global risk assets finally materialised in February, as markets woke up to the threat of higher inflation. In the US, Treasury bond yields rose to a 4-year high and equity prices fell from near record levels. The S&P 500 declined -8.5% in 5 trading days, whilst the VIX, Wall Street's so-called "fear index", rose to a 2.5 year high. Global equities were quick to recover, but remained in negative territory overall with the S&P 500 closing -4% lower. The publication of January's Fed policy meeting minutes, and new chairman Jay Powell's, bullish assessment of the US economy, underlined the strong economic fundamentals underpinning the 9-year bull market. We see no signs of this abating and maintain our cautious preference for equities. Mounting speculation that rates could rise further and faster than anticipated saw Fed fund futures price in an additional rate hike this year, bringing the total number to 4. Accordingly, the 10-year US treasury yield ended the month 15bp higher at 2.87%, down from an intra-month peak of 2.96%. Higher rate expectations lifted the US dollar from its 3-year low set in mid-February from which the US dollar currency index rose 2.34%. The improved growth prospects outside of the US, notably in Europe, have been undermining the "Greenback" over the last year. However, disappointing Eurozone PMI's and recent commentary from the ECB contributed to euro weakness, which fell -1.83% versus the US dollar. Sterling, which rallied at the start of the year on Brexit optimism and an increasingly hawkish stance from the BOE, closed lower following negative comments from EU chief negotiator Michel Barnier, at \$1.38 and €1.13. We de-risked the portfolios in mid-October, in anticipation of a market correction. This proved timely and the portfolios have performed well as a result. Following the recent sell-off, we took the opportunity to make additional changes, specifically increasing our exposure to Smart Beta trading strategies and reducing our exposure to global high yield bonds and emerging market hard currency debt.

TOP 5 ETF HOLDINGS

- iShares \$ Corporate Bond Interest Rate Hdgd UCITS ETF
- iShares \$ Floating Rate Bond
- iShares EM Local Govt Bond UCITS ETF
- iShares Global Inflation Linked Govt Bond UCITS ETF
- iShares MSCI USA Dividend UCITS ETF

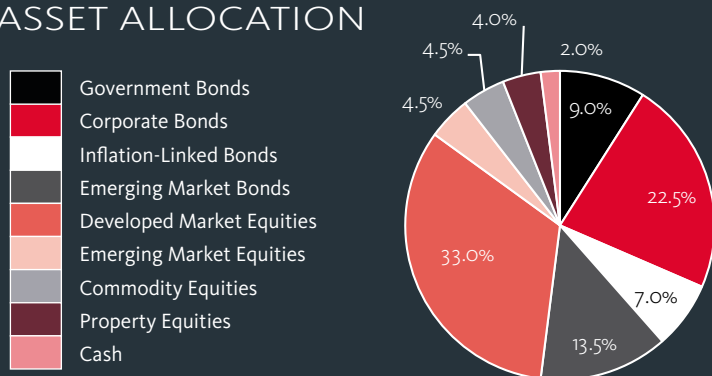
The top 5 ETF holdings comprise 28.5% of PROFILE 5

INVESTMENT OBJECTIVE

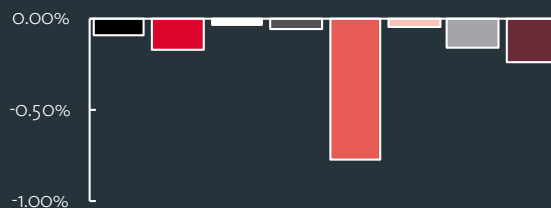
The investment objective of Tavistock PB PROFILE 5 is to deliver long term capital growth by investing in a range of global financial markets. The profile is typically comprised of lower and medium risk investments such as cash, bonds and property as well as higher risk investments such as equities and commodities.

REVOLUTIONARY THINKING

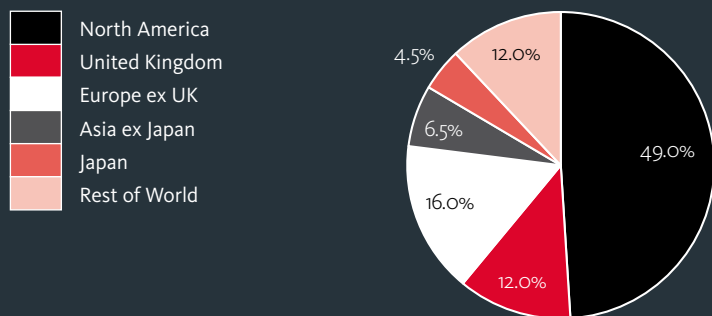
ASSET ALLOCATION



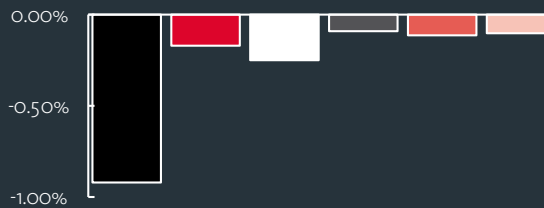
MONTHLY ATTRIBUTION



REGION ALLOCATION



MONTHLY ATTRIBUTION



defaqto

2018



DFM MPS Direct

PROFILE RETURNS

February 18	YTD	1 yr	3 yr	5 yr
-1.61%	-1.25%	2.29%	14.65%	27.28%

PROFILE FEATURES

- IA Sector - Mixed Investment 20-60% Shares
- A2R Risk Level 5 - Low end of Moderate Risk
- Target volatility - 6.1% to 7.5%
- Daily dealing
- Minimum investment of £1,000
- Multi-Asset: Equities Bonds
Commodities Property

ABOUT TAVISTOCK WEALTH

Tavistock Wealth manages over £1bn of assets on behalf of all clients. We aim to provide private clients with access to institutional quality portfolio management at a retail price. Our model portfolios provide 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 is a subsidiary of Tavistock Investments Plc, the UK wide financial services group. Currently, Tavistock has over 200 financial advisers helping 50,000+ private clients look after more than £3.5bn 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 (50%) and the iShares MSCI World ETF (50%). The peer group benchmark is the Investment Association's Mixed Investment 20-60% Shares sector. Benchmark performance is evaluated over a rolling twelve-month investment cycle.

THIRD-PARTY RISK RATING

Tavistock PB PROFILE 5 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:



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; a trading style of Tavistock Private Client Limited, which is a wholly owned subsidiary of Tavistock Investments Plc. Tavistock Private Client 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. 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, Tavistock Wealth Limited, Thomson Reuters and Lipper for Investment Management unless otherwise stated. Date of data: 28th February 2018 unless otherwise stated.

PROFILE FACTSHEET

TAVISTOCK PB PROFILE 5

DFM Fee: 0.00%

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 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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LOWERING YOUR COSTS. INCREASING YOUR VALUE.

The Tavistock PB PROFILES are available on the following platforms:

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

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