



# ACUMEN BOND

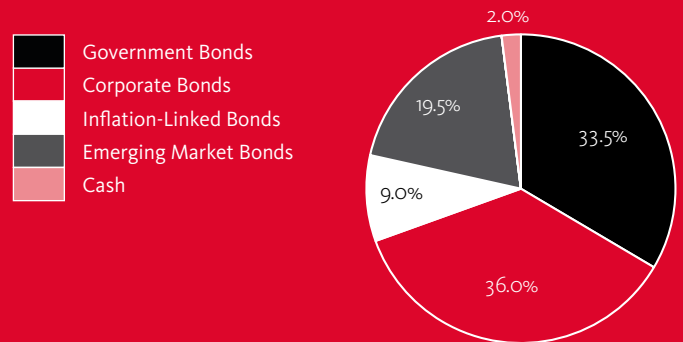
REVOLUTIONARY THINKING

## MANAGER COMMENTARY

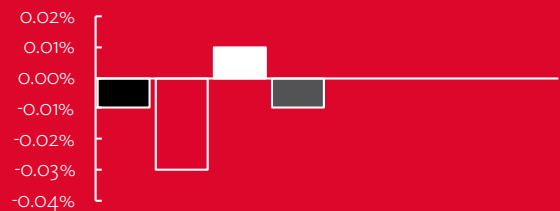
The ACUMEN Bond Portfolio (GBP) returned **-0.04%** in March. The Market Composite Benchmark and the IA Global Bond sector returned **0.66%** and **-0.70%** respectively.

The S&P 500 suffered its first quarterly loss since 2015, as global trade concerns and the potential for heightened regulation of technology companies weighed on investor confidence. The technology sector has been the key driving force in this 9-year equity bull market. However, recent controversy surrounding Facebook's ability to protect customer data triggered a sell-off in the 'FAANG' stocks – an acronym for Facebook, Amazon, Apple, Netflix and Google. Since then, we've seen a mid-month rotation towards more defensive sectors such as utilities. In the UK, the FTSE 100 fell -2.42% taking first quarter losses to -8.21%, making it the worst performing major stock market. Our decision to reduce UK equities and underweight US tech stocks contributed positively to performance this month. In fixed income, the 10-year US Treasury yield fell -12bps to 2.74%. The sharp reversal in direction for bond yields countered earlier expectations for the 10-year note to break above 3% and came despite a 25bps rate rise from the US Federal Reserve. There is now just 47bps separating the 2 and 10-year US Treasury yields - its narrowest level since October 2007. The yield curve also flattened in the UK. The 2-year yield rose 4bps to 0.82% and the 10-year yield fell -15bps to 1.35%. Our curve-flattener trade continues to perform well since initiation in June last year. Notably, global corporate credit spreads widened this month - something we have been watching closely. We pre-emptively reduced our exposure to investment grade and high yield debt in early February. News that David Davis and Michel Barnier had agreed to a Brexit transition deal helped boost Sterling, as did the growing expectation for a Bank of England rate rise in May. The currency rose 1.85% against the US Dollar and is now up 3.72% since the beginning of the year. The US Dollar index fell -0.71%, down over -2% for the quarter, its fifth straight quarterly decline. In the commodity markets, Gold rose 0.48% to \$1,324 per oz and WTI Oil rose 5.35% to \$64.94 per barrel. The portfolios performed well this month versus their respective IA Sector and market composite benchmarks. Going in to the second quarter, we maintain our cautious preference for global equities, yet geopolitical risks remain high and increased volatility is likely to be the new normal.

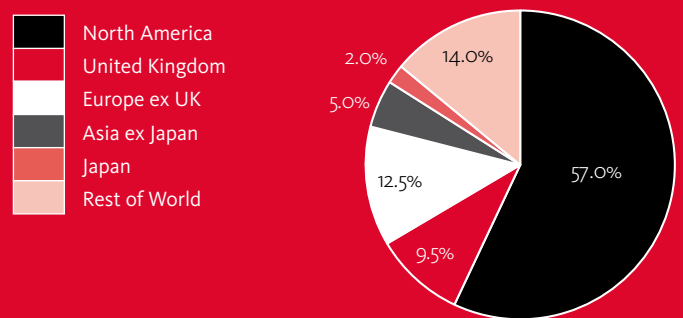
## ASSET ALLOCATION



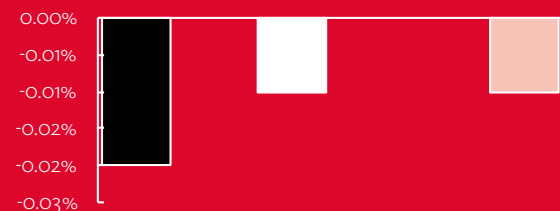
## MONTHLY ATTRIBUTION



## REGION ALLOCATION



## MONTHLY ATTRIBUTION



## TOP 5 ETF HOLDINGS

- iShares \$ Floating Rate Bond UCITS ETF
- iShares EM Local Govt Bond UCITS ETF
- iShares Global Inflation Linked Govt Bond UCITS ETF
- iShares US Aggregate Bond UCITS ETF
- iShares US Mortgage Backed Securities UCITS ETF

The top 5 ETF holdings comprise 64.5% of the portfolio

## INVESTMENT POLICY

The investment policy of the ACUMEN Bond Portfolio is to gain exposure through investment in a diversified portfolio comprised of index tracking regulated collective investment schemes (ETFs) and cash. The portfolio aims to have a minimum fixed income exposure of 80%.

**March 2018 Return**

	GBP	EUR	USD
Monthly	-0.04%	-0.15%	0.10%
Year to Date	-1.35%	-1.56%	-1.06%
Rolling 1-Year Return	N/A	N/A	N/A

## ACUMEN FEATURES

- IA Sector - Global Bonds
- Target volatility - 1.5% to 3.5%
- Daily liquidity
- Daily pricing
- Settlement T+4
- Minimum investment of £1,000
- NISA Compliant
- No initial fees
- No exit fees
- No performance fees
- No bid/offer spread
- No CGT tax event on trades
- No Stamp Duty on holdings within portfolio

## 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.

## ACUMEN PORTFOLIOS

The ACUMEN Portfolios are low cost sub-funds of the ACUMEN OEIC and are comprised of index tracking ETFs. The portfolios provide multi-asset, global coverage with wide diversification across equity, bond, commodity and property markets. The portfolios are regulated to the "gold" standard of European regulation - UCITS compliant. 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.

## INVESTMENT OBJECTIVE

The investment objective of the ACUMEN Bond Portfolio is to deliver long term capital growth by investing in a range of global financial markets. The portfolio is typically comprised of lower risk investments such as bonds.

## THIRD-PARTY RISK RATING

The ACUMEN Bond Portfolio has been independently risk profiled by Dynamic Planner:



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## PORTFOLIO FACTSHEET

# ACUMEN BOND

LOWERING YOUR COSTS. INCREASING YOUR VALUE.

## BENCHMARKS

The Market Composite Benchmark (GBP Hedged) is the Bloomberg Barclays Global Aggregate Bond Index. The peer group benchmark is the Investment Association's Global Bonds sector. Benchmark performance is evaluated over a rolling twelve-month investment cycle.

## SHARE CLASS

Class X Shares

Annual Management Charge - 0.75%

Ongoing Charges Figure - 1.10%

Sedol Code - GBP: (BZ3T3D2) EUR: (BZ3T3F4) USD: (BZ3T3G5)

ISIN Code - GBP: (GBooBZ3T3D26) EUR: (GBooBZ3T3F40) USD: (GBooBZ3T3G56)

## INVESTMENT TEAM

Christopher Peel is the Chief Investment Officer of Tavistock Wealth and carries direct responsibility for all discretionary investments at the firm. Together with John Leiper, Head of Portfolio Management, and the portfolio management team, they co-manage the risk progressive range of ACUMEN Portfolios (UCITS funds) and the Tavistock PROFILES (model portfolios).

## KEY RESPONSIBILITIES

Competent Authority - Financial Conduct Authority

Investment Manager - Tavistock Wealth Limited

Authorised Corporate Director - Investment Fund Services Limited

Depository - National Westminster Bank plc

Administrator - Investment Fund Services Limited

Custodian - BNP Paribas Securities Services

Registrar - Investment Fund Services Limited

Auditor - Ernst & Young LLP

## CONTACT INFORMATION

Tavistock Wealth Limited, 1 Bracknell Beeches, Old Bracknell Lane, Bracknell, RG12 7BW United Kingdom T: +44 (0)1753 867000  
[www.tavistockwealth.com](http://www.tavistockwealth.com) e-mail: [investments@tavistockwealth.com](mailto:investments@tavistockwealth.com)

Investment Fund Services Limited, Marlborough House, 59 Chorley New Road, Bolton, BL1 4QP United Kingdom T: +44 (0) 808 178 9321 [www.ifslfunds.com](http://www.ifslfunds.com)

The Portfolio is available on the following platforms:

AEGON • AJ BELL • ASCENTRIC • AVIVA • AXA WEALTH  
CANADA LIFE • COFUNDS • FIDELITY FUNDSNETWORK  
HARGREAVES LANSDOWN • JAMES HAY • LV • NOVIA  
NOVIA GLOBAL • NUCLEUS • OLD MUTUAL WEALTH  
PRAEMIUM • PRAEMIUM INTERNATIONAL • PRUDENTIAL  
SCOTTISH WIDOWS • SEI • STANDARD LIFE • TRANSACT  
ZURICH

## REVOLUTIONARY THINKING