



# TAVISTOCK PROFILE 5



## MANAGER COMMENTARY

Tavistock PROFILE 5 returned 1.37% in April. The Market Composite Benchmark and the IA Mixed Investment 20-60% Shares sector returned 0.59% and 2.23% respectively. The profile has a rolling 1-year return of 2.34%.

Data released in April showed that the US economy grew at an annualised rate of 2.3% in the first quarter, slightly ahead of the consensus forecasts. Private sector wages rose 2.9% over the same period – the fastest pace in more than 3 years. Rising price inflation means the Fed will likely hike rates more aggressively. Government bonds sold off as a result with the 10-year US treasury yield climbing above the psychological level of 3% for the first time since 2013. Rising borrowing costs will likely detract from company earnings in the future, so despite the best corporate earnings season in more than 7 years, the US equity markets closed the month virtually unchanged. In the UK, the news was mixed with inflation falling from 2.7% to 2.5% and the release of weaker than expected GDP in the first quarter of only 0.01% - the slowest increase since Q4 2012. As a result, the implied probability of a 25bps interest rate rise, as inferred from interest rate futures, has declined from 90% to just 20%. The gilt market was little changed on the month, but sterling gave back much of the quarter's gains, falling from 1.43 to 1.38 versus the US dollar. Geopolitical risks remain elevated, with the US imposing additional sanctions on Russia and the ongoing threat of a trade war with China. However, Kim Jong-Un's volte-face saw an historic break-through on the Korean peninsula, which could lead to an even further economic tilt towards the East. The potential threat of supply disruption has been bullish for commodities. US sanctions on commodity producers such as the Russian company Rusal, pushed aluminium prices significantly higher. Brent crude, the international benchmark for oil, rose 7% on ongoing tension in the Middle East and the threat of supply cuts from OPEC. Overall, the S&P Goldman Sachs Commodity Index rose approximately 5%. The portfolios performed well during the month. Bond and equity market volatility is returning to historical levels. We remain focused on the economic fundamentals, which remain strong for this part of the business cycle.

### TOP 5 ETF HOLDINGS

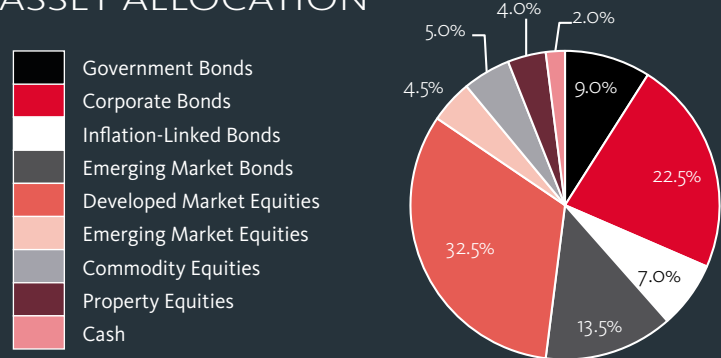
- iShares \$ Corp Bond Interest Rate Hedged
  - iShares \$ Floating Rate Bond
  - iShares EM Local Govt Bond
  - iShares Global Inflation Linked Govt Bond
  - iShares MSCI USA Dividend IQ
- The top 5 ETF holdings comprise 29.5% of PROFILE 5

## INVESTMENT OBJECTIVE

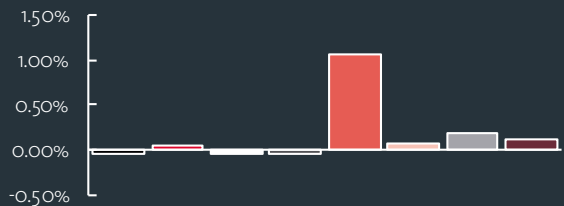
The investment objective of Tavistock PROFILE 5 is to deliver long term capital growth by investing in a range of global financial markets. The profile is typically comprised of lower and medium risk investments such as cash, bonds and property as well as higher risk investments such as equities and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

## REVOLUTIONARY THINKING

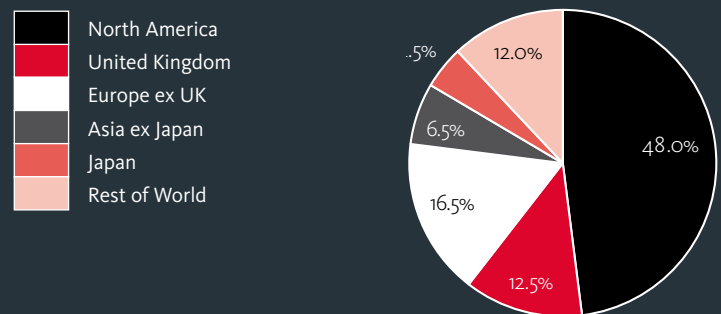
### ASSET ALLOCATION



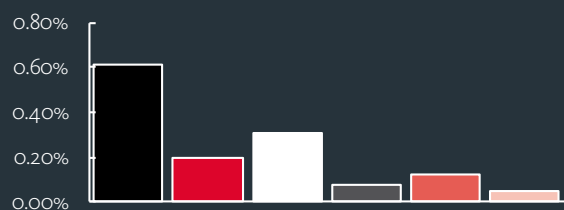
### MONTHLY ATTRIBUTION



### REGION ALLOCATION



### MONTHLY ATTRIBUTION



defaqto

2018



DFM MPS Direct

## PROFILE RETURNS

April 18	YTD	1 yr	3 yr	5 yr
1.37%	-1.15%	2.34%	13.39%	25.74%

# PROFILE FEATURES

- IA Sector - Mixed Investment 20-60% Shares
- Target volatility - 6.1% to 7.5%
- Daily dealing
- OCF - 1.13%
- Transaction Costs - 0.09%
- All-In Investment Cost - 1.22%
- 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 PROFILES

The Tavistock 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 primarily 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 PROFILE 5 has been independently risk profiled by Dynamic Planner:



The value of investments held in the Tavistock PROFILES may fall as well as rise. Past performance should not be seen as an indication of future performance. The Tavistock 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 PROFILE performance data up until 31/12/16 has been provided by PB Financial Planning. As of 01/01/17, all Tavistock 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: 30th April 2018 unless otherwise stated.

# PROFILE FACTSHEET

# TAVISTOCK PROFILE 5

DFM Fee: **0.00%**

## 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).

## 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)

LOWERING YOUR COSTS. INCREASING YOUR VALUE.

The Tavistock PROFILES are available on the following platforms:

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

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## REVOLUTIONARY THINKING

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