

Income Target	Income Paid
3.50% - 4.00%	3.18%



**tavistock**  
WEALTH

# TAVISTOCK INCOME

## MANAGER COMMENTARY

Tavistock Income returned -0.50% in August. The Market Composite Benchmark and the IA Mixed Investment 20-60% Shares sector returned 0.68% and -0.07% respectively. The profile has a rolling 1-year return of 0.43%.

The S&P 500 and NASDAQ equity indices hit record highs in August, as Fed Chair Jay Powell delivered an upbeat keynote speech at the Jackson Hole Economic Policy Symposium. Second quarter US GDP was revised up to 4.2% and a trade deal between the US and Mexico fuelled optimism in the domestic equity markets. However, the trade conflict with China and Europe looks set to escalate further and emerging market weakness maintained a degree of risk aversion, supporting US treasury prices and the US dollar. The Dollar Index rose 0.68% and the 10-year treasury yield fell -11bp to 2.85%. The treasury curve continues to flatten with the gap between 2 and 10-year yields falling below 20bp for the first time in a decade. In Europe, Italian government bonds sold-off aggressively and are now trading at the widest level versus German bunds since 2013. Investors are concerned about a potential clash with the European Union on fiscal discipline. However, we do not expect broader Eurozone contagion given relatively strong growth and subdued inflation in the region. Emerging market currencies suffered this month, led by the Turkish lira and Argentinian peso, despite Argentinian policy makers increasing interest rates to 60%. The problems facing these currencies are country specific and the contagion that has seeped into other EM currencies represents a potential buying opportunity. In developed markets, sterling remains shrouded in Brexit mist and undervalued on a long-term basis. The pound fell -1.24% against the US dollar as the UK government released contingency plans for a no deal Brexit. In commodities, Brent oil rose 4.27% to \$77.42 per barrel and gold dropped below \$1,200 an ounce, its lowest level in 19 months. In the near-term, we expect the protectionist rhetoric and heightened level of geopolitical uncertainty to lead to a period of increased volatility. However, we believe the broader macroeconomic impact will be small and the fundamentals remain positive for risk assets. This month we made changes to our fixed income allocation. We reduced exposure to corporate bond spreads on the view that they will widen further. We initiated a new position in very short-dated fixed and floating rate bonds, which offer attractive yields and an improved risk return profile. We did not make any changes to our investments in equities, commodities or property.

### TOP 5 ETF HOLDINGS

- iShares EM Local Govt Bond
- iShares Euro Dividend
- iShares MSCI USA Dividend IQ
- iShares \$ Short Duration High Yield Corp Bond
- Vanguard FTSE All-World High Dividend Yield

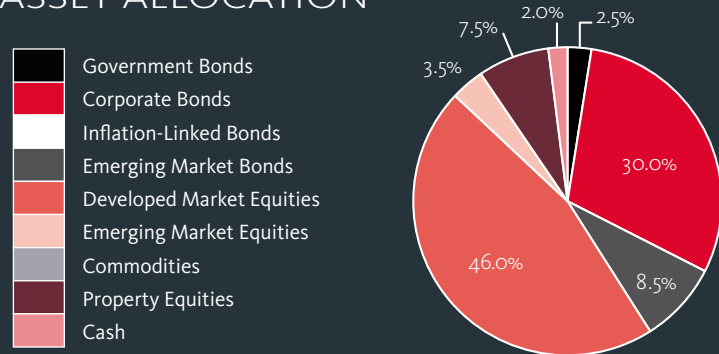
The top 5 ETF holdings comprise 48.5% of the PROFILE

## INVESTMENT OBJECTIVE

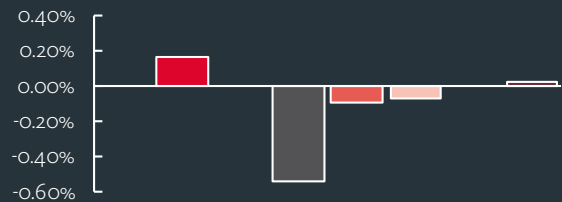
The investment objective of Tavistock Income is to deliver income with the potential for capital growth by investing in a range of global financial markets. The profile is typically comprised of lower and medium risk investments such as cash, bonds and property as well as a few higher risk investments such as equities and commodities.

## REVOLUTIONARY THINKING

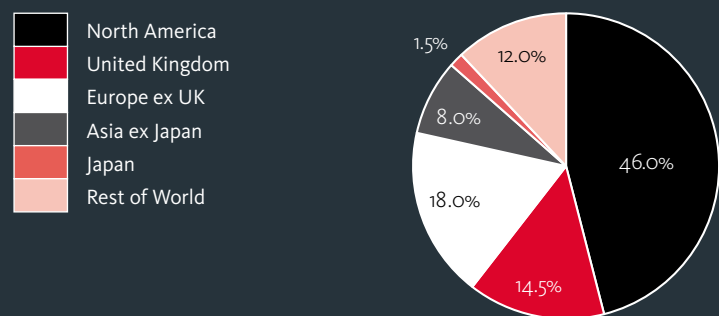
### ASSET ALLOCATION



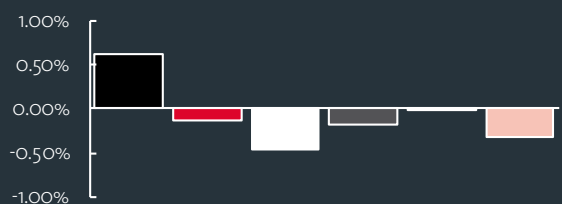
### MONTHLY ATTRIBUTION



### REGION ALLOCATION



### MONTHLY ATTRIBUTION



defaqto

2018



DFM MPS on Platform

## PROFILE RETURNS

AUGUST 18	YTD	1 yr	3 yr	5 yr
-0.50%	-0.63%	0.42%	22.66%	33.77%

# PROFILE FEATURES

- IA Sector - Mixed Investment 20-60% Shares
- Target volatility - 7.1% to 9.0%
- Daily dealing
- OCF - 1.16%
- Transaction Costs - 0.06%
- On-Going Charges - 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 (45%) and the iShares MSCI World ETF (55%). 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 Income 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. Rolling 1 year dividend yield as of 30/06/18 (applicable to income share class only). 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 02/03/09. 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. The on-going charges and past performance stated may differ slightly depending on the platform being used. Date of data: 31st August 2018 unless otherwise stated.

# PROFILE FACTSHEET

# TAVISTOCK INCOME

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

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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

## REVOLUTIONARY THINKING

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