

Alphabeta AB4 Portfolio Factsheet

Quarter 3

October 2018



Investment Objectives

Our objective is to outperform UK RPI over the medium to long term, keeping within the prescribed volatility limits whilst investing in low cost ETFs or Index funds, physically invested and with a low tracking error.

To achieve the Investment Objectives we deploy quantitative and qualitative techniques and extensive research that shape our macro economic views.

Risk

Time Period: 01/10/2017 to 30/09/2018 Calculation Benchmark: IA OE Mixed Investment 40-85% Shares

	Value at Risk	Std Dev
Alphabeta AB 4	3.31	6.22
IA OE Mixed Investment 40-85% Shares	3.36	5.76
RPI UK +3%	0.53	1.57

Overall Asset Allocation

Portfolio Date: 30/09/2018



	%
US Large-Cap Blend Equity	45.6
Japan Large-Cap Equity	12.8
Sector Equity Infrastructure and Property	7.8
UK Large-Cap Blend Equity	6.3
Global Emerging Markets Equity	6.1
Pacific ex-Japan Equity	5.9
GBP Government Bond	4.6
GBP High Yield Bond	4.1
Europe ex-UK Large-Cap Equity	3.6
Cash	2.0
GBP Corporate Bond	1.0
Total	100.0

Fixed Income Only Exposure

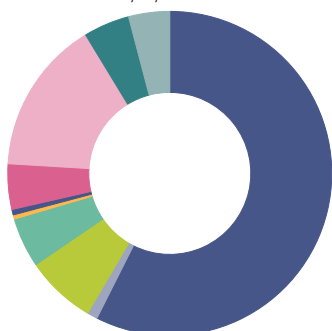
Portfolio Date: 30/09/2018



	%
Government	47.1
Corporate	43.8
Securitized	1.9
Cash & Equivalents	5.4
Derivative	1.9
Total	100.0

Equity Only Exposure

Portfolio Date: 30/09/2018

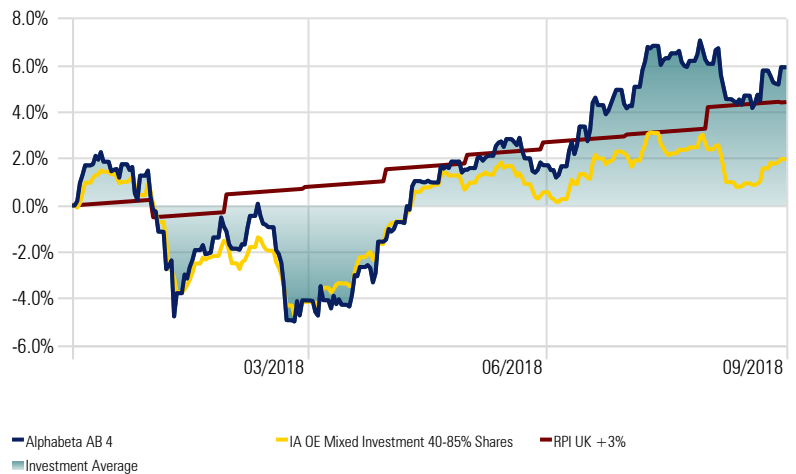


	%
North America	57.4
Latin America	1.0
United Kingdom	7.0
Europe dev	5.0
Europe emrg	0.4
Africa/Middle East	0.5
Australasia	4.5
Japan	15.4
Asia dev	4.6
Asia emrg	4.1
Total	100.0

Source: Morningstar Direct

Investment Growth

Time Period: 01/01/2018 to 30/09/2018



Calendar Year Returns

Data Point: Return Calculation Benchmark: IA OE Mixed Investment 40-85% Shares

	YTD	Q3	12-mth	2017	2016	2015	2014	2013
Alphabeta AB 4	5.93	4.13	7.73	—	—	—	—	—
IA OE Mixed Investment 40-85% Shares	2.00	1.42	4.86	10.05	13.28	2.83	4.99	14.77
RPI UK +3%	4.44	1.68	6.56	7.24	5.58	4.24	4.66	5.75

Snapshot

Base Currency	Pound Sterling
Turnover Ratio %	—
12 Mo Yield	1.99%
KIID Ongoing Charge	0.20%
Management Fee	0.20%
Total Product Cost	0.40%

Top 10 Holdings

Portfolio Date: 30/09/2018

	Portfolio Weighting %	KIID Ongoing Charge
iShares North American Eq Idx (UK) D Acc	25.00	0.08
Vanguard US Equity Index Acc	20.63	0.10
Vanguard Japan Stock Index GBP Acc	12.84	0.23
First State GIBL Lstd Infrs B Acc GBP	7.78	0.80
Vanguard FTSE U.K. All Shr Idx UT Acc	6.35	0.08
Vanguard Emerg Mkts Stk Idx GBP Acc	6.13	0.27
Vanguard Pac ex-Jpn Stk Idx GBP Acc	5.88	0.23
Baillie Gifford High Yield Bond B Acc	4.15	0.38
Vanguard FTSE Dev Eurp ex UK Eq Idx Acc	3.60	0.12
Vanguard UK Lg Dur Gilt Idx A Grs Acc	2.64	0.15
Total	95.00	

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Manager's Commentary

Our analysis of Macro, Technical, Fundamental and Geopolitical indicators shows that some stresses are building in the market, although there are few signs, as yet, of real weakness in the economic data.

Geo-political risks has weighed on the markets since the start of this year with the US-China trade war, in particular, seeing no resolution as of yet. The US has now imposed tariffs on \$250bn worth of goods with another \$200bn in the pipeline while China has responded to by easing monetary policy and devaluing the currency to offset the effect of the tariffs.

A tightening of US monetary conditions and a stronger dollar have provided emerging markets with heavy headwinds this year and after a period of relative weakness we now see longer-term value in selective markets.

Despite the length of the current cycle, US earnings and macro data points still point to further upside in US and global equities. That said, relatively lofty valuations have generated some nervousness which is likely to lead to higher volatility in the markets over the coming month. For now, we remain overweight equities relative to bonds, closely monitoring our triggers for any clear signals of a move towards a more risk-off strategy.

Manager Biography



Shahid Chaudhri
CIO

Shahid had over 30+ years experience in Goldman Sachs, Salomon Brothers, Natwest as Head of Quants, Head of Client Solutions, Head of Investments for a Central Bank and as a CIO for Capita Plc.



Asim Javed, CFA
Quant Investment Manager

Asim has over 10+ years experience in the financial services sector with roles in fund accounting, consulting, and quantitative investment risk. Holds a CFA Charter and is also a qualified accountant. Previously he worked as a Senior Manager Risk, specialising in Investment and quantitative investment risk.

Platform Partners



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