

# Alpha Beta AB3 Portfolio Factsheet

Quarter 4

December 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: 01/01/2018 to 31/12/2018 Calculation Benchmark: IA OE Mixed Investment 20-60% Shares

	Value at Risk	Std Dev
Alpha Beta AB 3	5.36	7.81
IA OE Mixed Investment 20-60% Shares	3.91	5.27
RPI UK +2%	0.59	1.46

## Overall Asset Allocation

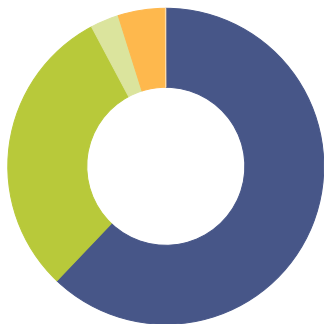
Portfolio Date: 31/12/2018



	%
US Large-Cap Blend Equity	34.3
GBP Government Bond	14.5
UK Large-Cap Equity	11.1
Japan Large-Cap Equity	8.0
Cash	8.0
Sector Equity Infrastructure and Property	5.9
GBP High Yield Bond	5.3
Global Emerging Markets Equity	3.7
Pacific ex-Japan Equity	3.4
GBP Corporate Bond	3.4
Europe ex-UK Large-Cap Equity	2.6
<b>Total</b>	<b>100.0</b>

## Fixed Income Only Exposure

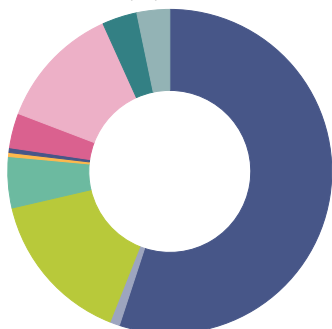
Portfolio Date: 31/12/2018



	%
Government	62.1
Corporate	30.1
Securitized	2.9
Cash & Equivalents	4.8
Derivative	0.0
<b>Total</b>	<b>100.0</b>

## Equity Only Exposure

Portfolio Date: 31/12/2018

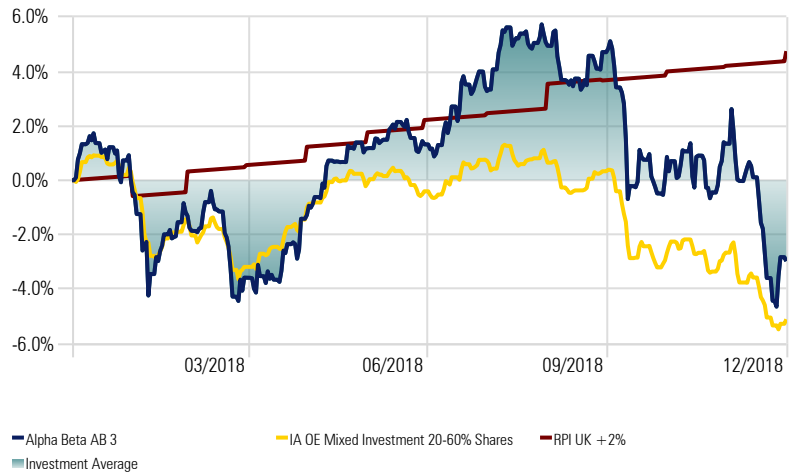


	%
North America	55.0
Latin America	1.0
United Kingdom	15.3
Europe dev	5.1
Europe emrg	0.4
Africa/Middle East	0.5
Australasia	3.5
Japan	12.4
Asia dev	3.5
Asia emrg	3.3
<b>Total</b>	<b>100.0</b>

Source: Morningstar Direct

## Investment Growth

Time Period: 01/01/2018 to 31/12/2018



## Calendar Year Returns

Data Point: Return Calculation Benchmark: IA OE Mixed Investment 20-60% Shares

	Q4	2018	2017	2016	2015	2014
Alpha Beta AB 3	-7.34	-2.98	—	—	—	—
IA OE Mixed Investment 20-60% Shares	-5.43	-5.11	7.20	10.57	1.51	5.04
RPI UK +2%	1.03	4.75	6.20	4.55	3.23	3.65

## Snapshot

Base Currency	Pound Sterling
Turnover Ratio %	-22.90%
12 Mo Yield	2.18%
Ongoing Charge	0.19%
Management Fee (excl. VAT)	0.20%
Total Product Cost	0.39%

## Top 10 Holdings

Portfolio Date: 31/12/2018

	Portfolio Weighting %	KIID Ongoing Charge
iShares North American Eq Idx (UK) D Acc	20.00	0.08
Vanguard US Equity Index Acc	14.25	0.10
Vanguard FTSE U.K. All Shr Idx UT Acc	11.07	0.08
CASH	8.00	—
Vanguard Japan Stock Index GBP Acc	8.00	0.23
Vanguard UK Lg Dur Gilt Idx A Grs Acc	6.08	0.15
First State Gbl Lstd Infrs B Acc GBP	5.86	0.78
Royal London Short Duration Gilts M Inc	5.60	0.28
Baillie Gifford High Yield Bond B Acc	5.30	0.38
Vanguard Emerg Mkts Stk Idx GBP Acc	3.65	0.27
<b>Total</b>	<b>87.81</b>	

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# Alpha Beta PARTNERS

### Manager's Commentary

Geo-political developments remained a major theme in Q4 2018 along with the increase in US interest rates and increasing concerns about the health of the global economy. Major stock indices ended the year in red. UK equities were not immune to the impact of global issues.

Thin trading volumes and Fed induced nervousness led to an increase in volatility over the festive period with investors reducing risk to some extent and taking cover in Treasuries and cash.

US fundamental data for Q4 pointed to a healthy economy, however, forward guidance by major US companies and labour cuts point to headwinds ahead. China's fundamental data for Q4 pointed to a slowing economy and with the US-China Trade war now impacting on both countries, we expect a deal to emerge shortly.

We believe the UK equity market is now relatively undervalued and offering good long-term value and expect UK equities to outperform once Brexit uncertainly is removed.

We have, therefore, increased our UK equity exposure this month as well as marginally raising our weightings in cash and medium-to-long term bonds.

### Manager Biography



**Shahid Chaudhri**  
Chief Investment Officer

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



### Please contact :

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**Alpha Beta Partners**

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