

# QED Financial Associates Managed Portfolio

## QED Avant 9 MPS Strategy



APRIL 2022

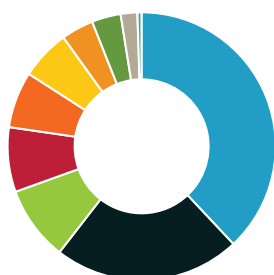
**QED FINANCIAL ASSOCIATES**  
INDEPENDENT FINANCIAL ADVISERS

### STRATEGY OBJECTIVE

The QED Avant 9 MPS Strategy is matched to a risk profile (level 9) which targets a specific range of volatility. QED use a 1 to 10 rating system with 1 being low risk and 10 high risk.

The QED Avant 9 MPS Strategy will typically invest around 70% to 90% in domestic and / or international equity funds, while also providing a low exposure to fixed interest funds, cash and / or money market funds. Equity exposure will provide the opportunity for capital and dividend income to grow over time. Fixed interest investments will help to provide some stability of capital and a regular level of income. There may also be exposure to exchange-traded products (ETPs) and funds investing into "alternatives" such as commercial property, private equity, commodities and absolute return strategies. A minimum of 20% of the Strategy will typically be allocated to index-tracking investments.

### ASSET CLASS / REGIONAL EQUITY ALLOCATION AS AT 31/03/2022

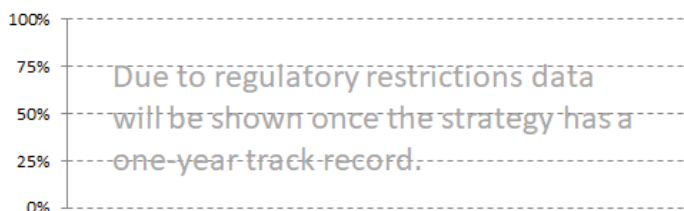


Key	Name	Weight
●	North America	38.0%
●	UK	22.5%
●	Cont'l Europe	9.0%
●	Fixed Interest	7.8%
●	Emerging	6.8%
●	Hedge Funds	6.0%
●	Japan	3.9%
●	Far East	3.5%
●	Property	2.0%
●	UK Small Cap	0.5%

### TOP PORTFOLIO HOLDINGS

HSBC American Index	11.40%
iShares North American Equity Index	11.40%
Schroder ISF US Large Cap	11.40%
Artemis Income	5.75%
Blackrock UK Equity	5.75%
L&G European Index	4.50%
Vanguard FTSE UK All Share Index	4.10%
Vulcan Value Equity	3.80%
BlackRock ICS Sterling Liquidity	3.50%
Liontrust UK Growth	3.45%
Schroder Recovery	3.45%
JPM Emerging Markets	3.40%
Vontobel mtX Sustainable Emerging Markets Leaders	3.40%
Baillie Gifford Japanese Income Growth	2.70%
ES Alliance Bernstein Europe Ex UK Equity	2.25%
Henderson European Selected Opps	2.25%
BMO Property Growth and Income	2.00%
BNY Mellon Real Return	2.00%
Janus Henderson Absolute Return	2.00%
Montlake Mygale Event Driven	2.00%

### STRATEGY PERFORMANCE



Powered by data from FE

Source: Quilter Cheviot, FE fundinfo. Model Performance is shown in GBP, gross of management fees but net of underlying fund costs, with all income reinvested, actual returns may vary.

**Past performance is not a reliable indicator of future performance. The value of investments and the income from them can go down as well as up. You may not recover what you invest.**

### CHARGES INFORMATION

Annual Management Charge:	0.18%
Weighted Cost of Underlying Collective Funds*	0.61%

Costs and charges data for the underlying funds held within the MPS Strategies is sourced from Morningstar. Where costs and charges data for a fund is not available from Morningstar, Quilter Cheviot will use alternate data sources or reasonable endeavours to estimate this figure.

\*This represents the estimated cost of additional charges paid to external third party collective fund managers. This will include the OCF and Transactional Charges.

### KEY FACTS

Historic Yield	1.38%
Launch Date	1 July 2021

Source: Quilter Cheviot, FE fundinfo 05 April. All figures to 31 March 2022.

### STRATEGY VOLATILITY TARGET

QED Avant 9	16.49% - 18.43%
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Source: Quilter Cheviot, FE fundinfo 05 April. All figures to 31 March 2022.

	YTD	1 YEAR	3 YEARS	5 YEARS	SINCE LAUNCH	1 YEAR TO 31/03/2018	1 YEAR TO 31/03/2019	1 YEAR TO 31/03/2020	1 YEAR TO 31/03/2021	1 YEAR TO 31/03/2022
QED Avant 9		Due to regulatory restrictions data will be shown once the strategy has a one-year track record.								

Model Performance is shown in GBP, gross of management fees but net of underlying collective fund costs, with all income reinvested, actual returns may vary.

Source: Quilter Cheviot, FE fundinfo 05 April. All figures to 31 March 2022.

### IMPORTANT INFORMATION

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Data provided by FE fundinfo, Quilter Cheviot (31 March 2022).

For information on Yield, Volatility, Asset Allocations, and any benchmark changes since the strategy launch, please refer to the 'Important Information Explained' section which can be found on page 3.

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APRIL 2022



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INDEPENDENT FINANCIAL ADVISERS

### MARKET COMMENTARY

The Russian invasion of Ukraine continued to be front and centre of investors' minds last month, although the initial knee-jerk reaction to the conflict by financial markets faded in many cases. Global equities were a case in point, rebounding nearly 5% after a soft start to March, led by the resurgence of US equities.

After soaring at the beginning of the month the oil price pared its gains, ending up closer to its starting point than its peak. Meanwhile, central banks stepped up their actions to combat persistently high levels of inflation, with the Federal Reserve hiking rates for the first time since 2018 and the Bank of England (BoE) delivering its third increase in the base rate in four months.

US stocks finished the month on the front foot, up by more than 5% in GBP terms, displaying resilience and recouping some of the losses from what still proved to be a negative first quarter. UK large-cap equities were up modestly in March and over the first three months of the year, exhibiting less volatility than both their US and European equivalents, as significant exposure to oil and gas stocks cushioned broader market declines amid widespread risk-off sentiment.

Bond markets sold off strongly and yields jumped higher. The US 10-year rose to its highest level in almost 3 years at 2.35%. It was a similar story in the UK, with the 10-year Gilt yield rising to above 1.6%, nearing levels not seen since the start of 2018. The moves at the short end of the curve were even larger as markets began to price in a hiking cycle that will be aggressive for the next couple of years before levelling off.

Inflation data releases continued to attract plenty of interest as the US consumer price index hit a new 40-year high of 7.9% and the eurozone equivalent came in at 7.5%, its highest level on record. Though the UK print of 6.2% is a little lower it came in significantly higher than forecasts, is a 30-year high and well above the BoE's 2% target. The labour market remains tight, with the unemployment rate below 4% in the US and the UK, the lowest levels since the onset of the pandemic. Near-term gauges of economic activity, such as purchasing managers index readings, also remain solid and clearly in expansionary territory, even if they did take a hit from further Chinese lockdowns arising from its continued zero-Covid policy.

The prospect of slowing growth, rising input costs and higher interest rates meant the outlook for corporate profits in 2022 was always likely to be more modest compared with last year. Initial estimates of 10% growth in earnings per share (EPS) were predicated on global GDP growth of around 4% but with recent downgrades on the back of China, Europe, oil and more front-loaded monetary policy tightening, an outcome nearer 3% is now more likely. With geopolitics cited as the number one risk for investors, EPS share will likely be guided lower as Q1 results are announced over the next few weeks, although visibility of earnings remains particularly difficult for some companies.

We still believe the investment cycle has further to run and, in the absence of an escalation in the tragic situation in Ukraine, we expect modest single digit corporate profit growth. Forward valuations have eased since the start of the year, and outside the US they are below their 10-year averages. With bond yields still normalising, we remain modestly optimistic about the prospects for equities.

### ABOUT QUILTER CHEVIOT

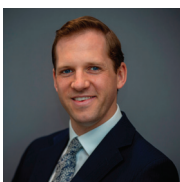
Quilter Cheviot has a heritage that can be traced back to 1771. We are one of the UK's largest discretionary investment management firms, focusing on providing and managing bespoke investment portfolios for private clients, trusts, charities and pension funds. The Quilter Cheviot Managed Portfolio Service (MPS) was launched in 2001, and is a model-based discretionary management service investing exclusively in collective investments ("funds").

### QED FINANCIAL ASSOCIATES HAS APPOINTED QUILTER CHEVIOT AS THE DISCRETIONARY MANAGER FOR THE QED FINANCIAL ASSOCIATES MANAGED PORTFOLIO SERVICE



**QUILTER CHEVIOT**  
INVESTMENT MANAGEMENT

### INVESTMENT MANAGERS



#### Simon Doherty

Simon joined Quilter Cheviot in 2007 and is lead portfolio manager of the Quilter Cheviot Managed Portfolio Service (MPS) and chair of the firm's Investment Funds Committee. A graduate of Trinity College Dublin with a first class honours degree, Simon has completed the Investment Management Certificate (IMC), the CISI Masters in Wealth Management and has passed Level I of the CFA Program.



#### Antony Webb

Antony is an Investment Manager on the Quilter Cheviot Managed Portfolio Service (MPS) team, and sits on the firm's Investment Funds Committee. He joined Quilter Cheviot in 2010 after graduating from University College London with a BSc (Hons) degree in Economics. Antony has completed the Investment Management Certificate (IMC), and the CISI Masters in Wealth Management.

### QED FINANCIAL ASSOCIATES

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### IMPORTANT INFORMATION EXPLAINED

#### STRATEGY PERFORMANCE

Market and economic conditions will change over time and these and other future developments will impact the future risks and returns of asset classes.

#### HISTORIC YIELD

The level of yield actually achieved on your portfolio will be dependent on the tax treatment of the product you have invested in and your personal tax circumstances. The historic yield data is calculated using the previous year's dividend information and the bid or mid price from the last dividend. Estimated gross yield is not a reliable indicator of future returns.

#### ANNUALISED VOLATILITY AND DRAWDOWN

Volatility is a measure of risk and measures the variability of price fluctuations of an investment, or a portfolio of investments. Realised (i.e. experienced) model volatility is expressed as the annualised standard deviation of returns over the stated time period(s), calculated using monthly data. The realised drawdown is the peak to trough decline experienced by the model over the stated time period(s), calculated using monthly data. Estimated annualised volatility and drawdown figures have been calculated based upon an historic analysis of the model's current strategic asset allocation, calculated using monthly data.

#### EXCHANGE RATE RISK

Changes in exchange rates may have an adverse effect on the value, price or income of foreign currency denominated securities.

#### ASSET ALLOCATION

Clients investing in the strategy for the first time, either via new business or a switch, will have their portfolio determined by the fund and asset allocations set at the last rebalance date (as detailed on Page 1 of this document for the Asset Allocation). The asset allocation is shown at a point in time reflecting the last rebalance date. Due to market movements there will be a difference in the asset allocation of *existing* clients' portfolios as at the date of the factsheet.