

# QED Financial Associates Managed Portfolio

## QED Avant 10 MPS Strategy



MAY 2022

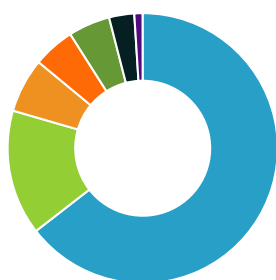
**QED FINANCIAL ASSOCIATES**  
INDEPENDENT FINANCIAL ADVISERS

### STRATEGY OBJECTIVE

The QED Avant 10 MPS Strategy is matched to a risk profile (level 10) 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 10 MPS Strategy will typically invest around 85% to 100% 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 30/04/2022

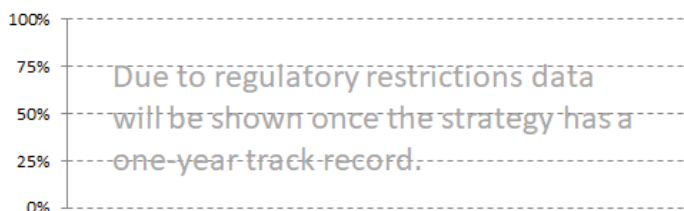


Key	Name	Weight
●	North America	64.5%
●	Cont'l Europe	15.0%
●	Japan	6.5%
●	Emerging	5.0%
●	Far East	5.0%
●	UK	3.0%
●	Cash Products	1.0%

### TOP PORTFOLIO HOLDINGS

HSBC American Index	19.65%
iShares North American Equity Index	19.65%
Schroder ISF US Large Cap	18.75%
L&G European Index	7.50%
Vulcan Value Equity	6.45%
Baillie Gifford Japanese Income Growth	4.55%
ES AllianceBernstein Europe Ex UK Equity	3.75%
Henderson European Selected Opps	3.75%
Fidelity Asia Pacific Opps	2.50%
JPM Emerging Markets	2.50%
Veritas Asian	2.50%
Vontobel mtX Sustainable Emerging Markets Leaders	2.50%
Sparx Japan Sustainable Equity	1.95%
BlackRock ICS Sterling Liquidity	1.00%
Vanguard FTSE UK All Share Index	1.00%
Artemis Income	0.75%
Blackrock UK Equity	0.75%
Liontrust UK Growth	0.50%

### 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*	0.46%

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	1.18%
Launch Date	1 July 2021

Source: Quilter Cheviot, FE fundinfo 13 May 2022. All figures to 30 April 2022.

### STRATEGY VOLATILITY TARGET

QED Avant 10	18.43% - 21.34%
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Source: Quilter Cheviot, FE fundinfo 3 May 2022. All figures to 30 April 2022.

	YTD	1 YEAR	3 YEARS	5 YEARS	SINCE LAUNCH	1 YEAR TO 30/04/2018	1 YEAR TO 30/04/2019	1 YEAR TO 30/04/2020	1 YEAR TO 30/04/2021	1 YEAR TO 30/04/2022
QED Avant 10		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 13 May 2022. All figures to 30 April 2022.

### IMPORTANT INFORMATION

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Data provided by FE fundinfo, Quilter Cheviot (30 April 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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MAY 2022



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### MARKET COMMENTARY

Global stock markets came back under pressure in April as concerns surrounding monetary policy tightening soured investor sentiment. Inflation data hit new cycle highs in the US, UK and Europe, pushing interest rates up further on expectations central banks will remain vigilant in their quest to curb rising prices.

Overall, it was another challenging month for markets with the World MSCI Index falling 8%, in US dollar terms. Rising yields weighed on growth stocks in particular, with the Nasdaq falling around 13% for its worst monthly decline since the 2008 financial crisis. These declines were cushioned to some extent for sterling-based investors due to a sizable drop in the GBP/USD rate, which fell to its lowest level since the summer of 2020 to trade in the mid-1.20s. In sterling terms, the drop in global equities was roughly 4%.

Despite the Bank of England beginning to hike rates before their US counterparts, it is now viewed as adopting a relatively less hawkish path going forward. As well as contributing to sterling's depreciation, the effects of this policy divergence can also be felt in the stock market. UK large cap stocks fared relatively well, ending the month with a small gain, thanks in part to a significant weighting towards energy stocks. However, mid- and small-cap shares fell in the UK.

Rising rates can be seen across the fixed income universe as bond prices fell on the expectation of imminent aggressive central bank tightening. Both the short- and long-end of the curve rallied with the US 10-year moving above the 3% handle to hit its highest level in more than three years. This has led to rising mortgage rates, with a US 30-year mortgage now around 5%. UK Gilts fared slightly better than sterling corporates, though both experienced notable declines. Inflation-linked bonds fell further still, along with emerging market bond indices.

Persistently elevated inflation readings are the root cause of the aggressively hawkish Fed and the situation has been exacerbated by further supply chain disruptions. China's zero-Covid policy has seen dozens of cities, including Shanghai, placed back into strict lockdown, creating substantial problems for the production of a wide range of products and goods, limiting supply and applying upward pressure on prices.

Gauges of economic activity held up fairly well during April, though some bouts of weakness could be seen. The US economy surprisingly contracted in the first quarter, for the first time since mid-2020, while the latest consumer spending data from the UK also pointed to a slowdown.

Corporate earnings season has been pretty good on the whole. In the US there has been a 14% rise in sales and earnings per share has increased by 8%, both small beats on the consensus forecasts. European updates were also largely positive and better than expected. For large-cap tech it was something of a mixed bag with Apple, Microsoft and Facebook parent company Meta all providing positive updates. The same can't be said though for Amazon, Google and Netflix as there was a clear divergence of winners and losers.

Markets have looked through the broadly positive results to focus more on valuations. As rates rise and other assets, such as bonds, start to offer some return, high-valued growth shares become notionally less attractive. This has led to a derating, as share prices fall despite profits remaining good and earnings multiples compress.

### ABOUT QUILTER CHEVIOT

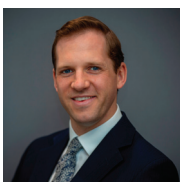
Quilter Cheviot has a heritage that can be traced back to 1771. We are one of the UK's largest discretionary investment management firms, focusing on providing and managing bespoke investment portfolios for private clients, trusts, charities and pension funds. The Quilter Cheviot Managed Portfolio Service (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.