

**SHINING A LIGHT ON THE.....  
Rathbone Enhanced Growth Portfolio Fund**

**AT A GLANCE**

<b>Investment Objective</b>	
The fund seeks to achieve a long-term total return in excess of the Consumer Price Index (CPI) +5% over a minimum five to ten-year period, and a risk budget of 100% of the volatility of global equities as measured by the MSCI World Equity index. The income yield will at best be minimal. There is no guarantee that the fund will achieve a positive return over this, or any other period, and investors may not get back the original amount they invested.	

<b>Inception Date</b>	1 <sup>st</sup> August 2011
<b>Fund Factsheet Link</b>	<a href="http://www.morningstar.co.uk/uk/funds/snaps/hot/snapshot.aspx?id=F00000MPO5">http://www.morningstar.co.uk/uk/funds/snaps/hot/snapshot.aspx?id=F00000MPO5</a>

<b>Management</b>	
<b>Manager Name</b>	<b>Start Date</b>
David Coombs	1 <sup>st</sup> August 2011

<b>Investment Style Details</b>	
<b>Equity Style</b>	
<b>Market Capitalisation</b>	<b>% of Equity</b>
Giant	39.25%
Large	31.35%
Medium	23.43%
Small	5.22%
Micro	0.75%

<b>Top 10 Holdings</b>		
<b>Total number of holdings</b>	73	
<b>Assets in Top 10 Holdings</b>	25.48%	
<b>Name</b>	<b>Sector</b>	<b>% of Assets</b>
iShares MSCI AC Far East exJpn ETF \$ Dis	-	4.84%
iShares FTSE 250 ETF GBP Dist	-	4.02%
JPM Japan Equity C (inc) JPY	-	2.57%
J.P. Morgan Structured Products B.V. 0%	-	2.37%
HgCapital Trust Ord	-	2.24%
ChinaAMC China Opportunities I USD	-	2.22%
iShares Physical Gold ETC	-	2.18%
SPDR® S&P 500 ETF	-	1.83%
J.P. Morgan Structured Products B.V. 0%	-	1.77%
Biotech Growth Ord	-	1.43%

<b>Volatility Measurements</b>	
<b>3-Yr Std Dev (volatility)</b>	8.93%
<b>3-Yr Mean Return (average)</b>	3.60%

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## FUND PERFORMANCE

Performance from 1<sup>st</sup> January 2014 to 29<sup>th</sup> February 2020:

	2014	2015	2016	2017	2018	2019	2020
<b>Rathbone Multi Asset Enhanced Growth Fund</b>	9.23%	3.31%	16.06%	15.15%	-6.44%	18.83%	-7.87%
<b>Vanguard Global Bond Index Fund</b>	7.97%	1.25%	3.51%	2.00%	-0.11%	6.63%	3.09%

Performance over 12 months, 3 years, 5 years and since launch:

	1 year	3 years (pa)	5 years (pa)	Since launch (pa)
<b>Rathbone Multi Asset Enhanced Growth Fund</b>	1.79%	3.60%	5.62%	6.07%
<b>Vanguard Global Bond Index Fund</b>	8.84%	3.71%	2.96%	3.79%

*You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.*

## UPDATE....

In a crowded market this fund targets a positive return of inflation plus 5%. This is before fund charges. There are two key differences; firstly the time horizon for returns is 5 to 10 years plus, and secondly although they have control risks, they are not restricted on volatility measures.

They do not believe you can target volatility and returns. There are times when you need to cut risk but there will be times when you need to take on more risk. To have a restriction on volatility means you do not get that level of flexibility. But at the same time there must be a discipline on risk and return.

The meeting was timely given the negative sentiment in markets. At times like this they believe it actually offers opportunities. At the start of the year consumer confidence in the US was good, trade concerns with China had temporarily eased with part one of the trade deal being signed, the outlook in the UK was fairly positive, China was okay and central banks appeared to be prepared to be fairly supportive.

They have been increasing equity exposure to about 90% with the rest in cash, gold and put options. If the S&P dropped by 20% to 25%, which it has then the put options would come into play. The fund will go down if the markets drop by 30% then this fund will be hit by say 20%. It will protect some of the downside but it cannot fully protect.

The next concern is the risk around whether Trump is re-elected. He is already out campaigning in the key states and will use phrases like bringing jobs back to the US and the success against China. Coronavirus has the potential to swing the election away from Trump and they will build protection for this within the fund.

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They like the US and therefore the fund has a higher exposure to this region. They have increased exposure to the UK but have less exposure to Europe where they see economies struggling.

We discussed concerns within the market. If something happens then they would expect central banks to do what they can to shore up the markets. In terms of the fund they see this as very transparent and they know what is in it. They want to keep it simple and if something does not work, they can see what this is and act.

In summary, the fund is aiming to deliver a positive return over a 5 to 10-year time horizon from different asset classes. Currently it is weighted towards equities with some downside protection built in. This is slightly different to other similar strategies in its simplicity and its longer timeframe for returns, and although risk measures are in place it does not limit volatility to provide flexibility in difficult markets.

*The source of information in this note has been provided by Rathbone and is correct as at February 2020. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.*