

**SHINING A LIGHT ON THE.....**  
**Atlantic House Fund Management Defined Returns Fund**

**AT A GLANCE**

Investment Objective
The investment objective of the Fund is to generate capital growth over the medium to longer term.

Inception Date	4 <sup>th</sup> November 2013
Fund Factsheet Link	<a href="https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000T120">https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000T120</a>

Management	
Manager Name	Start Date
Tom May and Dr Russ Bubley	4 <sup>th</sup> November 2013

**FUND PERFORMANCE**

Performance from 1<sup>st</sup> January 2016 to 30 November 2020:

	2016	2017	2018	2019	2020
<b>Atlantic House Defined Returns Fund</b>	11.80%	10.25%	-1.99%	16.98%	-1.18%
<b>MSCI World</b>	6.77%	16.27%	-9.13%	24.86%	8.00%

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

	1 year	3 years	5 years	Since launch
<b>Atlantic House Defined Returns Fund</b>	0.05%	14.51%	37.97%	51.80%
<b>MSCI World</b>	10.34%	23.77%	48.68%	70.67%

*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.*

Tracking Error	Active Share	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
-	-	-	-	-	-	-	-

Volatility Measurements	
<b>3-Yr Std Dev (volatility)</b>	12.56%
<b>3-Yr Mean Return (average)</b>	4.62%

## LWM Consultants Ltd

Top 5 Holdings		
United Kingdom of Great Britain and Northern Ireland 7.48%	-	25.15%
United Kingdom of Great Britain and Northern Ireland 0.14%	-	25.03%
United Kingdom of Great Britain and Northern Ireland 1.89%	-	14.22%
United Kingdom of Great Britain and Northern Ireland 0.15%	-	13.85%
United Kingdom of Great Britain and Northern Ireland 2.67%	-	3.62%

### UPDATE....

**These updates have been written at the time of the Coronavirus Pandemic of 2020, which has impacted the global financial markets in a way that has never been seen before.**

It is worth remembering what the fund aims to do and how it is structured, and it is this that enables the managers to model potential outcomes:

*“The fund aims to achieve an annualised return of between 7-8%, over the medium to long term, in anything but the bleakest of markets. We indicated in the last review that the concept of the fund is simple. It is a series of structured products which “kick out” (pay out) and this over time delivers the positive return. The managers explained that they do the messy stuff and investors get the return.*

*Breaking it down further (and this is where we would recommend anyone considering this seeks financial advice), the managers use a series of autocalls (structured products). They structure their own product by using options directly and holding gilts as collateral. This means they cut the banks out of the loop and achieve the potentially higher return they are targeting.*

*It is important to stress that the return is not guaranteed..... “*

When we spoke to the managers at the start of the market dislocation, this had impacted the fund and it was down over 30% at one point. At the time they were able to map out the potential returns. In this update we can see that this has mainly come to pass, with the fund only slightly down on the year. Coming into the year they were tracking their target return; the market correction changed that. If the market remained at the same level they would expect to get back to the 7/8% return in 3 to 4 years. If we think the FTSE will recover from this point then the return to these levels should be quicker.

In summary, the strategy is fairly simple, using a series of structured products to deliver the target return. They are also able to map out what makes the strategy work and does not. When the strategy will effectively fail is in a Japan in the ninety's scenario. This year saw significant falls and then a recovery. In terms of money in the fund, they have not seen large outflows and therefore it is a strategy that investors seem happy to invest in and leave.

*The source of information in this note has been provided by Atlantic House and is correct as at December 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.*

