

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

AT A GLANCE

Investment Objective
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.

Inception Date	1 st August 2011
Fund Factsheet Link	http://www.morningstar.co.uk/uk/funds/snaps hot/snapshot.aspx?id=F00000MPO5

Management	
Manager Name	Start Date
David Coombs	1 st August 2011

FUND PERFORMANCE

Performance from 1st January 2016 to 30th September 2021:

	2016	2017	2018	2019	2020	2021
Rathbone Multi Asset Enhanced Growth Fund	14.95%	14.01%	-7.08%	18.83%	9.59%	9.74%
Morningstar UK Adv Tgt Alloc NR GBP	22.93%	12.43%	-5.13%	18.68%	5.99%	11.16%
CPI + 5%	7.49%	9.12%	7.70%	7.21%	6.20%	9.06%

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

	1 year	3 years (pa)	5 years (pa)	Since launch (pa)
Rathbone Multi Asset Enhanced Growth Fund	20.66%	9.20%	9.11%	7.89%
Morningstar UK Adv Tgt Alloc NR GBP	21.31%	8.22%	9.33%	9.52%

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	Information Ratio	Active Share	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
3.56	0.28	-	97.66	90.14	50.00	0.93	1.45	Growth/Large

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Volatility Measurements

3-Yr Std Dev (volatility)	12.79%
3-Yr Mean Return (average)	9.21%

Investment Style Details

Giant	30.76%
Large	33.04%
Medium	16.34%
Small	1.73%
Micro	1.19%

Top 5 Holdings

Ashmore SICAV Em Mk Sht Dur Z2 G...	-	4.22%
iShares MSCI AC Far East exJpn E...	-	2.92%
SPDR® Russell 2000 US Small Cap ETF	-	2.49%
HgCapital Trust Ord	-	1.79%
ChinaAMC China Opportunities I USD	-	1.73%

Top 5 Sectors

Technology	16.49%
Financial Services	15.52%
Healthcare	14.13%
Industrials	13.43%
Consumer Cyclical	10.56%

Top 5 Regions

United States	54.35%
United Kingdom	18.24%
Switzerland	4.70%
France	3.73%
China	3.14%

UPDATE.....

The Rathbone team run a range of risk-targeted funds. The Enhanced Growth Portfolio is the highest risk strategy carrying equity type risk. It targets a return of Inflation plus 5% over a 5-year time frame. The strategies use the same investment approach:

- Flexibility – a global unconstrained investment approach
- Daily managed and directly invested
- Robust risk management tools
- Straight forward fund construction

The strategy follows a LED approach:

- Liquidity (assets that be sold easily, which may have low credit risk but may carry interest rate and currency risk). Asset types include cash, US dollars, euros and yen, government bonds and high-quality investment grade

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- Equity type risk (equities and all assets expected to be highly correlated with equities during periods of market stress). Asset types include corporate bonds (investment graded and high yield), emerging market debt, global equities and private equities, REITS and commodities
- Diversifiers (low correlation to equities). Asset types include commodities, infrastructure, non G10 government bonds and put options

In terms of current positioning, the strategy has increased exposure to inflation proofing assets and sold out of gold. They have reduced exposure to sterling and added to currencies including the Aussie and Canadian Dollar.

They are also overweight energy stocks which they believe are vital to the energy transition and this has helped the strategy in recent weeks. They had started to reduce their tech exposure but with the recent pull-back they have started to add to these positions again.

They continue to hold positions in China and haven't reduced or increased.

Other work they are looking at is Amazon as a holding, and how this is being challenged by companies like Shopify and ETSY as well as Squarespace. They are not selling this, but they feel companies are fighting back and therefore they are seeing how this might change Amazon going into the future.

In summary, this is a multi-asset strategy that has delivered well since launch. The team are very open in what they are doing and are not trying to use clever strategies to deliver those returns. We see this as an alternative strategy which can be blended into portfolios. It is not immune to downturns in markets, but the active management and focus should deliver investors strong returns over a 5 year plus time horizon. This would be added to our watchlist.

The source of information in this note has been provided by Rathbone and is correct as of October 2021. 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.