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

Management	
Manager Name	**Start Date**
David Coombs	1st August 2011

Investment Style Details	
Equity Style	
Market Capitalisation	**% of Equity**
Giant	39.20%
Large	33.87%
Medium	24.43%
Small	2.03%
Micro	0.47%

Top 10 Holdings		
Total number of holdings	63	
Assets in Top 10 Holdings	22.80%	
Name	**Sector**	**% of Assets**
Ashmore SICAV Emg Mkts Sht Dura Z2 GBP	-	3.43%
iShares MSCI AC Far East exJpn ETF $ Dis	-	3.11%
JPM Japan C Net Acc	-	2.71%
J.P. Morgan Structured Products B.V. 0%	-	2.48%
CC Japan Alpha I GBP (unhedged)	-	2.40%
iShares Physical Gold ETC	-	1.86%
HgCapital Trust Ord	-	1.86%
UBS AG, London Branch 0%	-	1.76%
Veritas Asian A USD	-	1.71%
Barings EM Debt Blnd Ttl Ret A GBP Dis	-	1.48%

Volatility Measurements	
3-Yr Std Dev (volatility)	8.17%
3-Yr Mean Return (average)	11.18%

FUND PERFORMANCE

Performance from 1st January 2014 to 28th February 2019:

	2014	2015	2016	2017	2018	2019
Rathbone Multi Asset Enhanced Growth Fund	9.23%	3.31%	16.06%	15.15%	-6.44%	7.73%
Vanguard Global Bond Index Fund	7.97%	1.25%	3.51%	2.00%	-0.11%	1.00%

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	1.59%	11.81%	8.67%	7.51%
Vanguard Global Bond Index Fund	1.94%	1.31%	2.68%	3.15%

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. The fund has achieved this target. There are two key differences, firstly the time horizon for returns is 10 years plus, and secondly although they control risk, they are not restricted on volatility measures.

They don't 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 don't get that level of flexibility. But at the same time there must be a discipline on risk and return.

The strategy they see as straightforward with the aim to generate equity type growth but at the same time manage the downside risk. Effectively they have in place insurance premiums to manage the equity risk. The philosophy is to identify risk first and then appropriate the return. Secondly, they look at how the different assets will behave and then they constantly challenge the strategy and adapt quickly if necessary.

They don't tend to be attached to stocks which means it is easier to have a strict sell discipline. If you are not attached to a stock it is easier to sell it! In terms of investing they mix between liquidity (assets that can be sold quickly, for example cash, government bonds etc), equity risk (for example corporate bonds, equities etc) and diversifiers (for example commodities, property, infrastructure etc).

The way they wrap up their strategy is as follows:

1. Truly diversifying sources of return and risk
2. Acting opportunistically to take advantage of opportunities across various asset classes and specialist markets
3. Take advantage of secular trends and themes driving long-term returns
4. Long-term time horizon enabling patience and ability to be contrarian (going against the flow) at times
5. Taking a truly global approach to investing and selecting the best opportunities with no inherent home bias

In summary, this fund has achieved it's stated aim in terms of its target return. They believe they have a unique approach to managing risk and diversification. It is not a complicated strategy but should be compared to others in the market. As we say with all these strategies is that whatever the management team state these strategies work until they don't. However, we would add that with a ten-year time horizon this should have a better chance of achieving that target.

The source of information in this note has been provided by Rathbone and is correct as at March 2019. 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.