

Monitoring performance

Cantab Portfolio Performance

Returns for recent years are shown below for the “Moderate” Risk Level 5 and “Balanced” Risk Level 6 Cantab model portfolios:

	2012	2013	2014	2015	2016	2017	2018	Total	Volatility
Cantab Risk 5	14.9%	16.1%	8.2%	7.4%	13.1%	10.8%	-3.3%	87.9%	7.3%
Cantab Risk 6	14.9%	15.8%	7.8%	7.0%	15.4%	12.5%	-4.2%	90.9%	8.4%
MSCI WMA Balanced	9.6%	14.2%	6.9%	2.0%	17.4%	9.9%	-4.8%	67.6%	8.4%
ARC Steady Growth	8.9%	12.5%	4.7%	2.3%	11.6%	9.4%	-5.6%	51.2%	6.3%
iShares FTSE 100 ETF	9.6%	18.2%	0.3%	-1.5%	19.0%	12.0%	-8.8%	55.6%	12.8%
Cash	0.5%	0.5%	0.5%	0.5%	0.4%	0.3%	0.6%	3.3%	0.0%

Over this period, the Cantab Risk 5 and 6 model portfolios have outperformed the benchmark MSCI WMA (previously known as APCIMS) Balanced Index, ARC Steady Growth Index and the iShares FTSE 100 ETF tracker. In addition, the volatility of the models has been significantly lower than the tracker because of their asset mix including fixed interest and property funds.

The Cantab Investment Committee is chaired by the Chief Executive and meets quarterly to discuss the strategic asset allocation of portfolios with the Chief Investment Officer, the Investment Manager and the Client Directors. Each month, an Investment Review meeting is held to discuss tactical recommendations on fund and stock selection as well as any interim asset allocation issues. Investment research is carried out both internally by our own analysts and externally through consultants and research firms who provide material to our investment team.

The mission of the firm is to assist private clients, trusts and charities to create, preserve and protect capital to meet their needs and objectives. The investment philosophy of the firm is:

- To achieve diversification through a range of asset classes.
- To manage the investment risk by proportionate use of the asset classes.
- To meet objectives through the selection of appropriate fund managers.
- To review investments regularly for acquisition and for sale.

As a firm, we seek to employ the best people, to use the best systems and to maintain the highest professional standards.

NB

- (i) Model performance is based on re-balancing portfolios at the start of each quarter.
- (ii) Performance is calculated on a total return basis.
- (iii) All results are shown prior to adviser fees, apart from ARC Steady Growth which is net of adviser fees.

Risk Warnings

This document has been prepared based on our understanding of current UK law and HM Revenue and Customs practice as at 1 February 2019, both of which may be the subject of change in the future. The opinions expressed herein are those of Cantab Asset Management Ltd and should not be construed as investment advice. Cantab Asset Management Ltd is authorised and regulated by the Financial Conduct Authority.

As with all equity-based and bond-based investments, the value and the income therefrom can fall as well as rise and you may not get back all the money that you invested. The value of overseas securities will be influenced by the exchange rate used to convert these to sterling. Investments in stocks and shares should therefore be viewed as a medium to long-term investment. Past performance is not a guide to the future.

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