

Cantab portfolios - Performance, Risk & Resilience

Data to 31 December 2020

Risk and Return

The table below summarises the total return, maximum drawdown and volatility of the Cantab portfolios alongside their respective benchmarks:

Time Period	1 Year			5 Years			10 Years		
	Total Return	Max. Drawdown	Volatility ^Δ	Total Return p.a.	Max. Drawdown	Volatility ^Δ	Total Return p.a.	Max. Drawdown	Volatility ^Δ
Cantab Moderate	11.9%	-19.0%	15.4%	10.1%	-19.0%	9.7%	9.3%	-19.0%	8.8%
MSCI PIMFA Income	1.9%	-19.2%	16.9%	7.1%	-19.2%	9.8%	6.6%	-19.2%	8.6%
Cantab Balanced	12.1%	-19.9%	16.5%	11.0%	-19.9%	10.9%	9.5%	-19.9%	9.9%
MSCI PIMFA Balanced	1.9%	-20.8%	18.5%	7.8%	-20.8%	10.9%	7.1%	-20.8%	10.2%
IA Mixed Investment (40%-85%) Equity	5.3%	-19.9%	16.8%	7.3%	-19.9%	9.9%	6.2%	-19.9%	9.1%

Source: FE Analytics; weekly data to 31 December 2020; ^Δ denotes annualised.

Over the last ten years, the Cantab portfolios achieved material outperformance over their respective benchmarks and achieved these returns with relatively lower maximum drawdowns. Annualised volatility of the portfolios over the last decade are in-line with their respective benchmarks over most horizons.

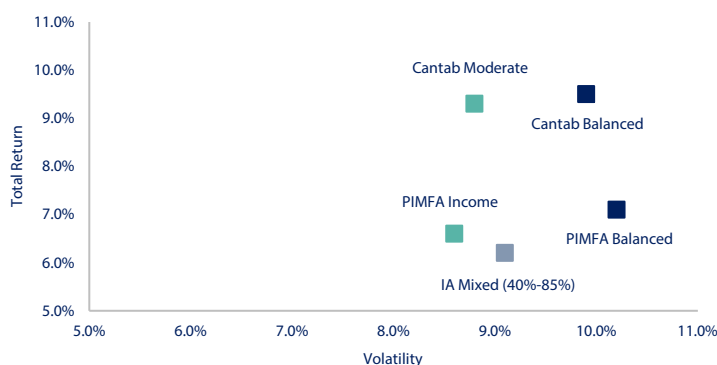
Stress Period Dates	05.2015 - 02.2016	01.2018 - 12.2018	02.2020 - 03.2020
Significant Market Event	Chinese market turmoil - Yuan devaluation & GDP slowdown; Greek Debt Default	US & China trade war; Federal Reserve monetary policy adjustments (rate hikes)	Covid-19
Cantab Moderate	-5.3%	-4.7%	-20.4%
MSCI PIMFA Income	-7.6%	-6.3%	-19.8%
Cantab Balanced	-6.6%	-6.5%	-22.0%
MSCI PIMFA Balanced	-10.4%	-7.1%	-21.6%
IA Mixed Investment (40%-85%) Equity	-10.6%	-7.4%	-21.0%

Source: FE Analytics daily data; stress periods selected as peak-to-trough movements of the Refinitiv Global Index.

With the exception of the Covid-19 market shock in early 2020, in which performance was relatively in line, Cantab portfolios have been particularly resilient during the market correction of 2018 and the Chinese market induced volatility of 2015. The IA Mixed Investment sector and the PIMFA benchmarks produced inferior risk-adjusted returns when compared to the Cantab portfolios over the last ten years. This is illustrated below:

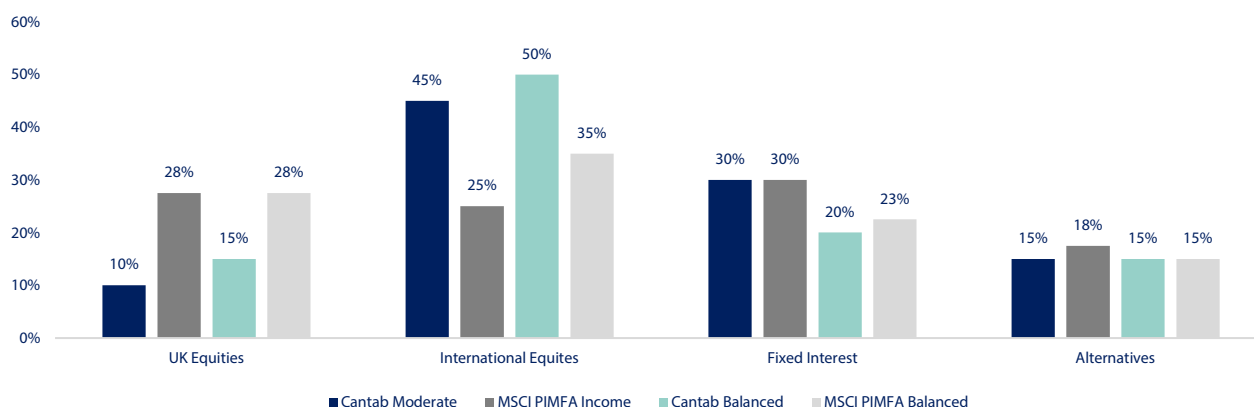
Annualised	Volatility	Total Return p.a.	Sharpe
Cantab Moderate	8.8%	9.3%	0.65
MSCI PIMFA Income	8.6%	6.6%	0.36
Cantab Balanced	9.9%	9.5%	0.59
MSCI PIMFA Balanced	10.2%	7.1%	0.35
IA Mixed Investment (40%-85%) Equity	9.1%	6.2%	0.28

Source: FE Analytics; weekly data to 31 December 2020.



Asset Allocation

The current asset allocation of Cantab portfolios is broadly in line with their benchmarks for asset classes - fixed interest, equity and alternatives - albeit with a higher weighting to international and lower to the UK for equities.



Source: Cantab Asset Management; PIMFA; data to 31 December 2021.

Taking a Long-Term View

Using three and five-year rolling performance periods over the last decade, the Cantab portfolios achieved sizeable outperformance over their respective benchmarks. We, therefore, continue to advise our clients to take a long-term view on investment decisions, looking beyond short-term volatility.

Rolling 3 Year Returns	2011 -2013	2012-2014	2013-2015	2014-2016	2015-2017	2016-2018	2017-2019	2018-2020
Cantab Moderate	30.0%	44.4%	34.9%	31.4%	34.5%	21.2%	27.8%	29.1%
MSCI PIMFA Income	23.3%	28.3%	20.2%	26.0%	27.9%	20.1%	19.9%	11.9%
Cantab Balanced	28.0%	43.4%	33.5%	32.9%	38.8%	24.2%	30.0%	29.7%
MSCI PIMFA Balanced	25.5%	33.9%	24.6%	28.0%	31.6%	22.9%	21.7%	12.8%
IA Mixed Inv. (40%-85%) Equity	18.9%	32.0%	23.2%	21.5%	27.5%	16.5%	19.6%	14.5%
Rolling 5 Year Returns			2011-2015	2012-2016	2013-2017	2014-2018	2015-2019	2016-2020
Cantab Moderate			51.0%	75.4%	69.1%	40.8%	55.2%	61.8%
MSCI PIMFA Income			34.7%	50.2%	51.4%	31.3%	40.4%	41.0%
Cantab Balanced			47.5%	76.9%	73.2%	43.2%	60.4%	68.2%
MSCI PIMFA Balanced			36.9%	60.3%	60.8%	34.0%	45.7%	45.6%
IA Mixed Inv. (40%-85%) Equity			28.1%	53.0%	53.0%	25.5%	38.5%	42.1%

Source: FE Analytics; data to 31 December 2020

Risk Warnings This document has been prepared based on our understanding of current UK law and HM Revenue and Customs practice as at 1 March 2021, 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. It is important to note that in selecting ESG investments, a screening out process has taken place which eliminates many investments potentially providing good financial returns. By reducing the universe of possible investments, the investment performance of ESG portfolios might be less than that potentially produced by selecting from the larger unscreened universe.

March 2020

cantabam.com

Cantab Asset Management Ltd
50 Station Road, Cambridge CB1 2JH
01223 52 2000
advice@cantabam.com

5th Floor, 8 Angel Court, London EC2R 7HP
020 3651 0570
advice@cantabam.com