

Cantab portfolios - Performance, Risk & Resilience

Data to 31 March 2022

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	1.8%	-11.1%	8.5%	6.4%	-18.9%	9.8%	8.6%	-18.9%	8.6%
MSCI PIMFA Income	6.1%	-6.0%	5.9%	5.0%	-19.2%	9.5%	6.7%	-19.2%	8.3%
Cantab Balanced	1.3%	-12.5%	9.7%	6.5%	-20.0%	10.9%	8.8%	-20.0%	9.7%
MSCI PIMFA Balanced	7.8%	-6.4%	6.8%	5.7%	-20.8%	10.5%	7.6%	-20.8%	9.7%
IA Mixed Investment (40-85%) Equity	5.2%	-8.2%	7.3%	5.3%	-19.9%	9.6%	6.9%	-19.9%	8.7%

Source: FE Analytics; weekly data to 31 March 2022; ^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.

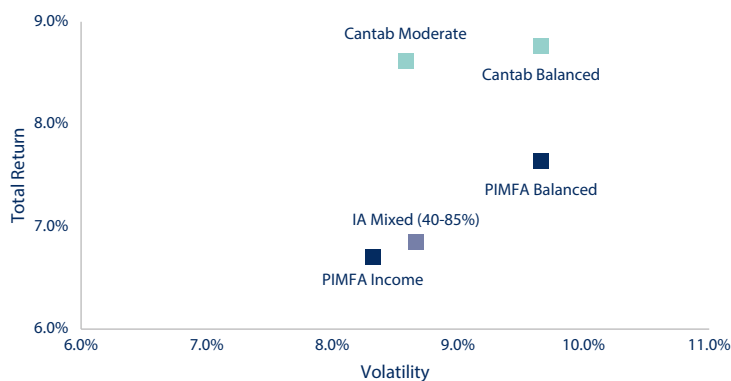
Stress Period Dates	05.2015 - 02.2016	01.2018 - 12.2018	02.2020 - 03.2020
Significant Market Event	Chinese market turmoil - Yuan devaluation & GDP slowdown; Greek Debt Default	US & China trade war; Federal Reserve monetary policy adjustments (rate hikes)	Covid-19
Cantab Moderate	-5.3%	-4.7%	-20.4%
MSCI 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.

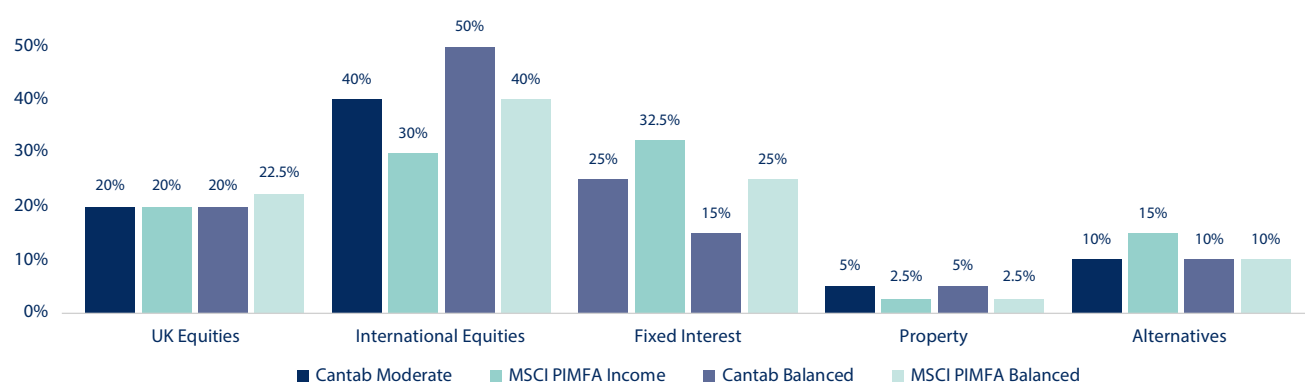
With the exception of the Covid-19 market shock in early 2020, in which performance was relatively in line, Cantab portfolios have been particularly resilient during the market correction of 2018 and the Chinese market induced volatility of 2015. The IA Mixed Investment sector and the PIMFA benchmarks 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	8.6%	8.6%	0.58
MSCI PIMFA Income	8.3%	6.7%	0.38
Cantab Balanced	9.7%	8.8%	0.53
MSCI PIMFA Balanced	9.7%	7.6%	0.43
IA Mixed Investment	8.7%	6.9%	0.38

Source: FE Analytics; weekly data to 31 March 2022.



Portfolio Positioning



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	2012-2015	2013-2016	2014-2017	2015-2018	2016-2019	2017-2020	2018-2021	2019-2022
Cantab Moderate	41.1%	25.2%	32.5%	21.7%	27.5%	5.5%	30.6%	23.2%
MSCI PIMFA Income	29.3%	15.0%	29.1%	18.3%	26.2%	0.6%	18.0%	18.0%
Cantab Balanced	39.7%	22.5%	35.2%	25.0%	30.8%	5.1%	31.0%	23.7%
MSCI PIMFA Balanced	34.0%	16.4%	32.0%	20.6%	30.2%	0.2%	19.9%	21.1%
IA Mixed Inv. (40%-85%) Equity	31.7%	13.4%	25.8%	15.4%	24.0%	-2.6%	21.3%	22.4%

Rolling 5 Year Returns	2012-2017	2013-2018	2014-2019	2015-2020	2016-2021	2017-2022
Cantab Moderate	67.9%	48.0%	46.3%	25.5%	54.4%	36.1%
MSCI PIMFA Income	49.8%	36.8%	39.7%	16.6%	40.4%	27.7%
Cantab Balanced	68.7%	49.5%	50.0%	26.9%	59.9%	37.3%
MSCI PIMFA Balanced	58.4%	42.0%	43.7%	18.5%	46.3%	31.8%
IA Mixed Inv. (40%-85%) Equity	49.7%	34.9%	33.2%	10.8%	44.3%	29.7%

Source: FE Analytics; data to 31 March 2022

Risk Warnings This document has been prepared based on our understanding of current UK law and HM Revenue and Customs practice as at 1 April 2022, 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.

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