



# The Global Balanced Portfolio Ordinary GBP

February 2021

## Investment Objective

The objective of the Global Balanced Fund is to achieve long term Capital Growth using a balanced investment strategy within defined portfolio covariance volatility bands.

## Investment Process Overview

The portfolio is invested in a mixture of 8AM Global's range of actively managed Multi-Asset Funds\* and Vanguard Asset Management's passive Lifestrategy funds.\*\* The active element utilises a strategic blend of the 8AM fund range, while the passive element adds exposure to a large and diverse portion of the market in a cost effective way. By creating a blend of these two complimentary investment styles, the model portfolio is able to offer the cost-effective benefits of passive investment with the added value of active fund management. The best of both worlds.

\*For information on 8AM's range of funds, please visit the website [www.8amglobal.com](http://www.8amglobal.com) \*\*For information on Vanguard's range of funds, please visit the website [www.vanguard.co.uk](http://www.vanguard.co.uk)

### Active Funds from 8AM Global

Focused – Delivering returns from tomorrow's economy today

Tactical Growth – Targeting Lower volatility returns from major markets

Multi-Strategy II, III & IV – Risk managed returns across asset classes

### Passive Exposure

Vanguard Lifestrategy 20, 40, 60, 80, 100 – Risk weighted returns based on market growth

Tactical opportunities for passive, market-linked returns

## Current Balanced Fund Holdings

Fund Name	%
EF 8AM Focused	24.48
Vanguard Lifestrategy 60%	23.31
EF 8AM Multi-Strategy III	19.70
EF Tactical Growth	11.26
Natixis Multi-Asset 60-60 Memory Income Autocall	8.69
EF 8AM Multi Strategy Portfolio IV	7.41
Vanguard Lifestrategy 80%	5.15

## Cumulative Performance\*



Risk Profile  
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\*Previous Performance from 01/01/2014 to 28/11/2017 has been generated from back-testing of fund holdings using our historic portfolio modelling.

Performance from 29.11.2017	1 m	3m	6m	1 yr	YTD	Since Launch
IDAD Balanced Fund (GBP)	-1.63%	1.76%	5.01%	2.34%	-0.79%	4.82%
Offshore Mixed Asset Balanced Sector	0.59%	2.66%	5.88%	8.67%	1.04%	9.53%

Source: Abacus/Offshore Mixed Asset Balanced Sector

## Investment Manager Commentary

Sometimes, good economic news can actually be taken negatively by both bond and equity markets and so it proved to be the case last month. The impressive economic recovery continued to build momentum and the narrative improved as the Democrats moved to pass a \$1.9tn fiscal package and vaccinations slowed the spread of the virus. All this good news morphed into inflation worries for many investors and bonds were sold off, pushing the yield on 10 year treasuries rapidly up above 1.5%. Inflation is the scourge for growth stocks, undermining the net present value of future earnings and the result was a sell-off in high growth sectors, many of which we have exposure to within the fund.

Portfolio activity was muted as we digest both the short-term and longer-term opportunities and it would seem that inflation, or at least expectations of it rising, are what holds the key. Whilst short term there will undoubtedly be some year on year price increases (from a very low base in March last year) and it may look ugly over the next few months, our belief is that this is still likely to be transitory in nature, as there remains plenty of spare capacity in the economy and a high jobless rate is likely to remove any upward pressure in wages. Our own conclusion is that by summer's end, despite economies opened up fully, that inflationary worries will temper and bond yields in the US (which set the tone for UK and other bond markets) will stabilise above 1.5 but below 2%.

The big picture is actually very comforting for investors. Economic recovery is building momentum, the Federal Reserve is maintaining a low interest rate policy and further central bank support globally will ensure we can emerge from the pandemic on a growth trajectory. This is good news for equities as companies are expecting a strong improvement in earnings and the consumer is in a good place to keep buying as many have been able to save through lockdown. The only caveat is that it will take a while for markets to digest this sharp move in bond yields and we are likely to anchor the fund down the risk spectrum if volatility persists.

Source: IDAD/Bloomberg

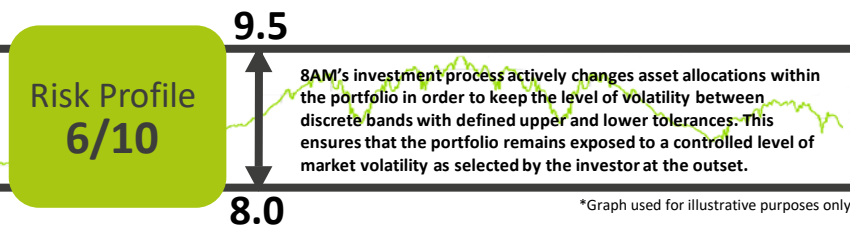


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## Risk & Reward

Traditional investment styles offer fixed asset allocation and variable volatility. 8AM Global prefers to offer investors fixed volatility (within a pre-set range) and variable asset allocation. In this way the investor remains within a risk band that has been chosen from the outset and the manager will adjust the asset allocation to ensure that this remains the case.

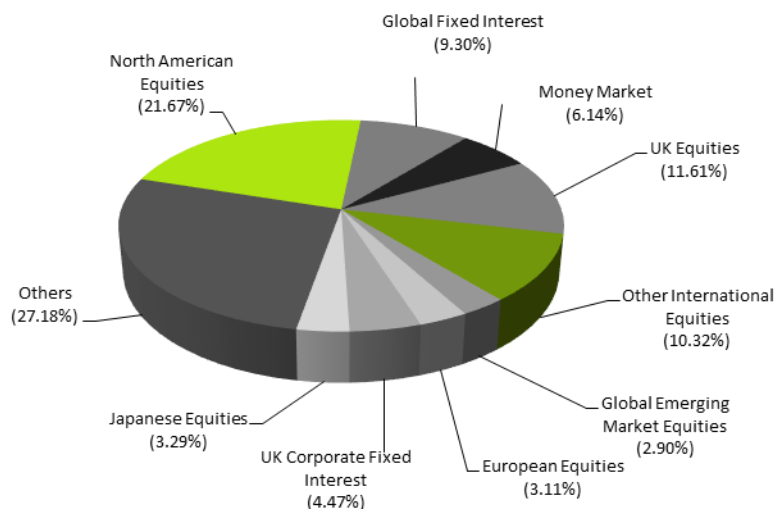
The portfolio is suitable for an investor with a time horizon in excess of five years and who understands the risks and rewards of equity and bond investment.



## KEY FACTS

Investment Manager:	8AM Global LLP
Price (GBP):	1.0482
Portfolio Launch:	April 2017
Fund Launch:	29 November 2017
Fund Domicile:	Isle Of Man Regulated Fund
Allocation:	100%
Early Exit Charge:	5% over 5 years reducing on a sliding scale
Performance Fee:	10% on profits over 10% p.a. (on a High Watermark basis)
AMC:	1.5% per annum
Investment Management:	0.2% per annum (Investment Management fee included in AMC)
Liquidity & Dealing:	Weekly
NAV Date:	COB Wednesday
Dealing Day:	Thursday (Deadline for subscriptions & redemptions COB Tuesday)
Minimum Investment:	£1,000
<b>ISIN:</b>	<b>IM00BYX8TN47 (GBP)</b>

## Asset Allocation



Source: Abacus/8AM GLOBAL

## Contact Information

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