

# PROTECTED INVESTING

LOCK-IN UPSIDE. LIMIT DOWNSIDE.



## TAVISTOCK WEALTH COMMENTARY:

US manufacturing contracted for the first time in 3 years in August fuelling concerns further weakness may lie ahead. However, the market mood improved noticeably following upbeat employment data, which grew at the fastest rate in 4 months, and 'non-manufacturing' data increased well ahead of market expectations. In Asia, Carrie Lam, Hong Kong's chief executive, withdrew the controversial extradition bill which had sparked pro-democracy protests across the city-state. The significant de-escalation in political risk sparked a rally in the Hang Seng equity index, setting the tone for the month. The bullish mood spread to developed markets where the MSCI World equity index rose 2.18%. In Europe, the region wide Stoxx 600 index rose 3.60%, led by Italy, following an agreement between the anti-establishment Five Star Movement and the centre left Democratic party. Reduced political risk was also good for the country's bonds. The Italian Treasury took full advantage

of the reduced funding costs, selling €7.5 billion of new debt at record levels. It was a different story in the US and Germany, where 10-year government bond yields rose 16bp and 14bp respectively. In the UK, the Battle for Brexit escalated further as the Supreme Court ruled Prime Minister Boris Johnson had misled the Queen by advising her to prorogue parliament. Boris Johnson accepted the ruling but argued it was the wrong outcome for the country. As such it proved a volatile month, for politics and markets, as evidenced by sterling which fluctuated between 1.20 and 1.26 versus the US dollar. In commodity markets, the S&P Goldman Sachs Commodity index rose 1.75%, led higher by the agricultural sub-sector which rose 5.25%. Brent crude rose 0.58% to \$60.78 a barrel and gold fell -3.15% to \$1,472 per ounce.

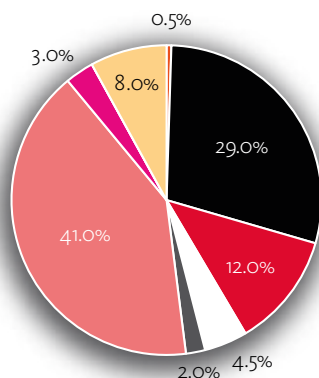
30/09/2019 NAV **97.63** Highest Ever NAV **100.17** Protected NAV **90.15**

The pie charts below show the asset allocation of the ACUMEN Capital Protection Portfolio (ACPP). The portfolio has a long-term volatility target of 5% to 7%. In order to meet the volatility target, if markets become unsettled, the portfolio may reduce exposure to higher risk investments and increase exposure

to lower risk investments such as cash and bonds. In addition, a proportion of the portfolio invests in a put option, which is used to provide the 90% protection guarantee. The percentage invested in the put option will vary depending on market performance:

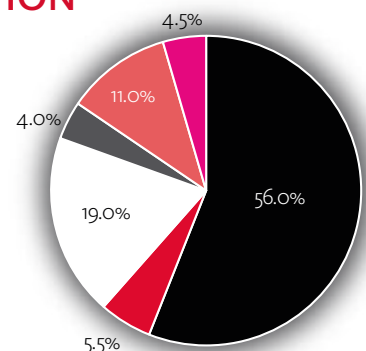
### ASSET EXPOSURE

- Government Bonds
- Corporate Bonds
- Inflation-Linked Bonds
- Emerging Market Bonds
- Developed Market Equities
- Emerging Market Equities
- Put Option
- Cash



### REGION ALLOCATION

- North America
- United Kingdom
- Europe ex UK
- Asia ex Japan
- Japan
- Rest of World



Date of data: 30/09/2019



## OBJECTIVES AND INVESTMENT POLICY

The portfolio aims to deliver long term capital growth and achieve a common protection level. The common protection level is 90% of the highest Net Asset Value (NAV) ever achieved. The NAV is the value per share and is calculated daily. The portfolio will take exposure to fixed income instruments, equities, foreign exchange and alternative assets including ETFs and UCITS eligible indices and cash. The allocation to cash is variable and aims to control risk (measured by volatility) by increasing the allocation when necessary, with the aim of maintaining the annualised volatility at or below 7%. The portfolio will also achieve protection using derivatives, which will be provided by Morgan Stanley & Co. International Plc (Morgan Stanley). In addition, Morgan Stanley has issued a guarantee to the portfolio to ensure investors achieve the common protection level upon redemption. Costs incurred in implementing the investment policy will have a negative effect on performance. Any income will be re-invested and the portfolio will not pay any dividends. The value of the portfolio is calculated and published daily and investors can buy and/or sell back their shares daily. The investment manager is FundLogic SAS, a management company authorised by the Autorité des Marchés Financiers, and the sub-investment manager is Tavistock Wealth Limited, who are authorised and regulated by the Financial Conduct Authority. The Fund Company is regulated by the Central Bank of Ireland.

## THIRD-PARTY RISK RATING

The portfolio has been independently risk profiled by Dynamic Planner and Defaqto:



Investment strategy managed by:



Constructed by Tavistock primarily investing in:



With protection provided by:



## INVESTMENT MANAGEMENT

The Investment Manager is FundLogic SAS, a member of the Morgan Stanley group. The Sub-Investment Manager is Tavistock Wealth Limited. Christopher Peel is the Chief Investment Officer of Tavistock Wealth and carries direct responsibility for all discretionary investments at the firm. Together with John Leiper, CFA, Head of Portfolio Management, and the portfolio management team, they co-manage the investment exposure of the ACUMEN Capital Protection Portfolio.

## SHARE CLASS

Class A Shares  
 Annual Management Charge - 1.00%  
 Ongoing Charges Figure - 1.25% (Inclusive of the AMC)  
 Transaction Costs - 0.125%  
 Sedol Code - GBP: (BD71CN3)  
 ISIN Code - GBP: (IE00BD71CN33)

## KEY RESPONSIBILITIES

Investment Manager - FundLogic SAS  
 Sub-Investment Manager - Tavistock Wealth Limited  
 Guarantor - Morgan Stanley & Co. International Plc  
 Fund Company - FundLogic Alternatives plc  
 Depositary - Northern Trust Fiduciary Services (Ireland) Limited  
 Administrator - Northern Trust  
 Custodian - Morgan Stanley & Co. International Plc  
 Registrar - Northern Trust  
 Auditor - Ernst & Young LLP

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REVOLUTIONARY THINKING

The value of investments held in the ACUMEN Capital Protection Portfolio may fall as well as rise. Past performance should not be seen as an indication of future performance. There is no assurance that the portfolio will achieve its investment objectives. The risk factors set out in the Key Investor Information Document (KIID), the Prospectus and the marketing brochure apply. The KIID and Prospectus can be found at [www.tavistockwealth.com/corporate-literature](http://www.tavistockwealth.com/corporate-literature). The marketing brochure can be found at [www.tavistockwealth.com/acumen-capital-protection-portfolio](http://www.tavistockwealth.com/acumen-capital-protection-portfolio). At times the portfolio may not be fully invested in the underlying risk assets. The phrase "lock-in upside" relates to a protection level which is 90% of the highest value ever achieved by the portfolio. If the portfolio value increases above the previous portfolio high then 90% of any such upside is protected. The phrase "limit downside" relates to at least 90% of an initial investment being protected by Morgan Stanley. Throughout this factsheet, when we refer to the term portfolio we mean the ACUMEN Capital Protection Fund.

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It has been prepared solely for informational purposes and does not seek to make any recommendation to buy or sell any particular security (including shares in the Fund) or to adopt any specific investment strategy. Any use of this document by a financial intermediary is restricted to clients for whom the information in this document and an investment in shares of the Fund has been considered to be suitable by that financial intermediary in view of that client's situation and purpose, subject always to the applicable regulatory standard. If such a client considers an investment in shares of the Fund, he/she should always ensure that he/she has satisfied himself/herself that he/she has been properly advised by that financial intermediary about the suitability of an investment. All of the information contained in this document has been prepared and is communicated by Tavistock Wealth. 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