

EPIM Cabot Passive Models

Latest commentary

The second quarter of the year was a more positive environment for bonds and equity investors. In the early part of 2021, the dominant story was the ‘reflation trade’. This involved a sharp sell off in bonds and outperformance of cyclically exposed equities that had been laggards in 2020. In the most recent quarter, rebounding economic data and a general acceptance that higher inflation would be ‘transitory’ has led to far calmer bond markets and a pause in this trade. Interest rate sensitive sectors such as technology posted strong returns, benefiting indices such as the Nasdaq in the US.

Japan and China were by contrast, weaker than other areas. Japan was weaker recently due to COVID-19 related restrictions and political uncertainties – all in the wake of deciding whether to go ahead with the Olympic Games which were increasingly contentious in the eyes of the public. In China, sentiment was affected by a combination of tighter monetary policy and active steps to limit the influence of some of China’s biggest internet companies. Notwithstanding these clear headwinds to performance, we feel that these areas are attractive from a long-term perspective. In the emerging market landscape, a catalyst for outperformance is likely to be the favourable narrowing of growth differentials with Western economies over the balance of this year.

In terms of the equity market overall, there are several uncertainties that investors will work through in the second half of the year. If it becomes clear that this year’s surge in inflation is transitory, reflecting supply-side bottlenecks, then any moderation in economic growth momentum should see quality growth stocks perform relatively strongly as they did until the summer of last year. Our current view is that we have yet to see the peak in economic activity and corporate earnings momentum and thus we feel it is a little too early to become more defensively positioned.

Risk Metrics - Annualised

	Max Drawdown			Sharpe			Volatility		
	1 year	3 year	5 year	1 year	3 year	5 year	1 year	3 year	5 year
EPIM Cabot Cautious	-2.44	-6.51	-6.51	0.74	0.56	0.49	3.03	4.01	3.70
EPIM Cabot Moderately Cautious	-2.44	-10.63	-10.63	1.55	0.55	0.55	4.69	6.12	5.45
EPIM Cabot Balanced	-3.21	-14.83	-14.83	1.64	0.58	0.64	7.03	8.90	7.90
EPIM Cabot Growth	-3.82	-17.80	-17.80	1.74	0.63	0.71	9.04	11.11	9.84
EPIM Cabot Global Equity	-4.51	-20.83	-20.83	1.77	0.62	0.72	10.69	13.23	11.76

Quarterly Contributors to Performance

EPIM Cabot Cautious

Top Contributors	Avg Wgt	Return	Contrib
Vanguard Developed World ex UK Equity Inc Index Fund	15.33	7.48	1.12
Vanguard US Govt Bond Index Inc £ Hedged	12.13	1.66	0.20
iShares 100 UK Equity Index Fund (UK)	3.34	4.98	0.16
Legal & General International Index C Acc	2.10	7.23	0.15
L&G Sterling Corp Bond Index C Inc	11.90	1.24	0.15
Total	44.79	1.78	1.78

Bottom Contributors	Avg Wgt	Return	Contrib
Cash Account [GBP]	4.53	-0.02	0.00
Vanguard GI ShortTerm Bd Idx Inst Plus GBP Hgd Inc	7.93	0.15	0.01
L&G All Stocks Gilt Index C Acc	2.94	1.44	0.04
Vanguard UK Short Term Investment Grade Bond Acc Index Fund	15.92	0.43	0.07
L&G Short Dated £ Corp Bond Index I Acc	14.02	0.73	0.10
Total	45.33	0.23	0.23

EPIM Cabot Moderately Cautious

Top Contributors	Avg Wgt	Return	Contrib
Fidelity Index US P Acc GBP Hedged	7.18	8.67	0.60
Legal & General Global Technology Index Trust C Acc	4.33	11.70	0.49
Legal & General US Index C Inc	3.97	7.45	0.29
Fidelity Index Emerging Markets P Acc GBP Fund	5.24	4.40	0.23
L&G Global Inflation Linked Bond £ Hedged C Inc	13.68	1.45	0.20
Total	34.40	1.81	1.81

Bottom Contributors	Avg Wgt	Return	Contrib
Fidelity Index Japan P Acc GBP Fund	1.71	-0.53	-0.01
Cash Account [GBP]	1.50	-0.02	0.00
L&G Global Robotics & Automation Idx C Inc	1.19	2.30	0.03
Legal & General Global Infrastructure Index C Inc	1.63	3.21	0.05
Vanguard UK Short Term Investment Grade Bond Acc Index Fund	16.06	0.43	0.07
Total	22.09	0.14	0.14

EPIM Cabot Balanced

Top Contributors	Avg Wgt	Return	Contrib
Fidelity Index US P Acc GBP Hedged	7.76	8.67	0.65
Legal & General US Index C Inc	7.62	7.45	0.56
Legal & General Global Technology Index Trust C Acc	4.55	11.70	0.52
Amundi Index MSCI North America - RHG (D)	4.93	8.62	0.41
Fidelity Index Emerging Markets P Acc GBP Fund	8.76	4.40	0.39
Total	33.63	2.53	2.53

Bottom Contributors	Avg Wgt	Return	Contrib
Fidelity Index Japan P Acc GBP Fund	3.21	-0.53	-0.02
Cash Account [GBP]	1.78	-0.02	0.00
Vanguard UK Short Term Investment Grade Bond Acc Index Fund	7.78	0.43	0.03
L&G Global Robotics & Automation Idx C Inc	1.74	2.30	0.04
iShares Mid Cap UK Equity Index Fund (UK)	1.37	4.54	0.06
Total	15.87	0.12	0.12

EPIM Cabot Growth

Top Contributors	Avg Wgt	Return	Contrib
Fidelity Index US P Acc GBP Hedged	10.82	8.67	0.91
Legal & General US Index C Inc	9.41	7.45	0.69
Amundi Index MSCI North America - RHG (D)	6.99	8.62	0.59
Legal & General Global Technology Index Trust C Acc	4.88	11.70	0.56
Fidelity Index Emerging Markets P Acc GBP Fund	9.99	4.40	0.44
Total	42.09	3.20	3.20

Bottom Contributors	Avg Wgt	Return	Contrib
Fidelity Index Japan P Acc GBP Fund	4.37	-0.53	-0.02
Cash Account [GBP]	1.78	-0.02	0.00
Vanguard UK Short Term Investment Grade Bond Acc Index Fund	3.21	0.43	0.01
L&G Global Robotics & Automation Idx C Inc	2.25	2.30	0.05
Fidelity Index UK P Acc GBP Fund	1.10	5.04	0.05
Total	12.70	0.10	0.10

EPIM Cabot Global Equity

Top Contributors	Avg Wgt	Return	Contrib
Legal & General US Index C Inc	13.19	7.45	0.97
Fidelity Index US P Acc GBP Hedged	11.33	8.67	0.96
Amundi Index MSCI North America - RHG (D)	7.33	8.62	0.62
Legal & General Global Technology Index Trust C Acc	4.70	11.70	0.54
iShares Continental European Equity Index Fund (UK)	6.34	7.49	0.47
Total	42.89	3.56	3.56

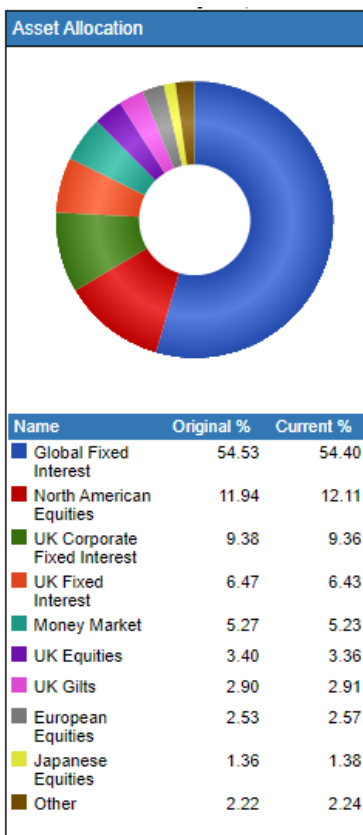
Bottom Contributors	Avg Wgt	Return	Contrib
Fidelity Index Japan P Acc GBP Fund	6.13	-0.53	-0.03
Cash Account [GBP]	1.74	-0.02	0.00
Fidelity Index UK P Acc GBP Fund	0.94	5.04	0.05
iShares Mid Cap UK Equity Index Fund (UK)	1.18	4.54	0.05
L&G Global Robotics & Automation Idx C Inc	2.75	2.30	0.07
Total	12.75	0.13	0.13

Source: APX All data as at 30 June 2021

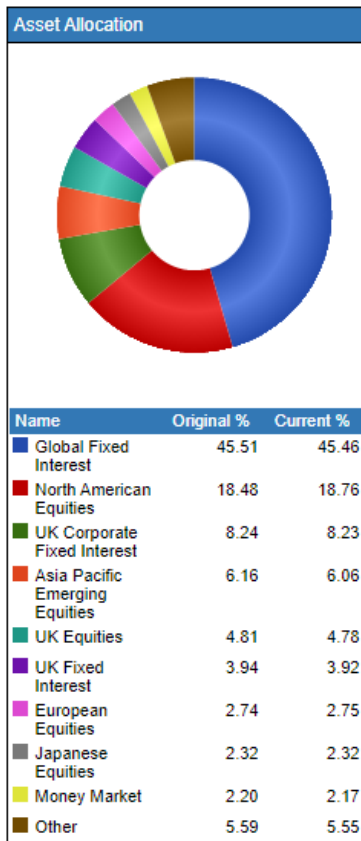
Past performance is not a reliable guide to future performance. The performance is net of Eden Park Investment Management fees, with income reinvested.

Asset Allocation

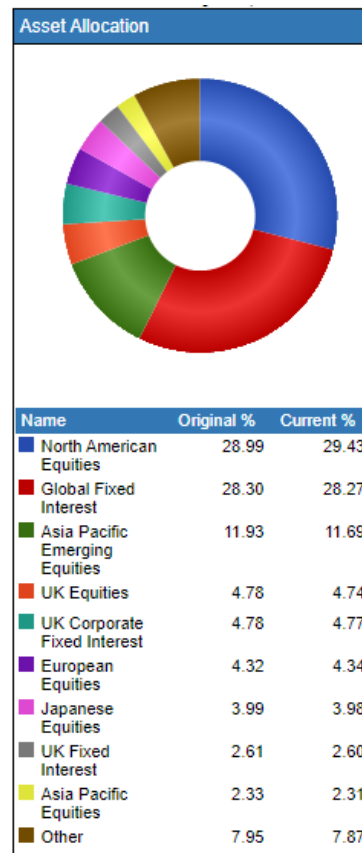
EPIM Cabot Cautious



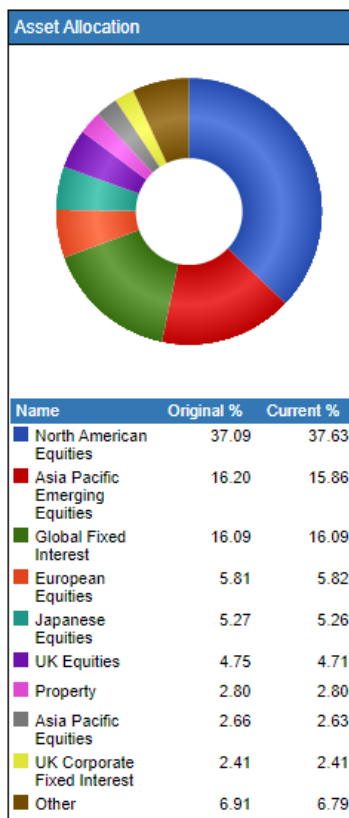
EPIM Cabot Moderately Cautious



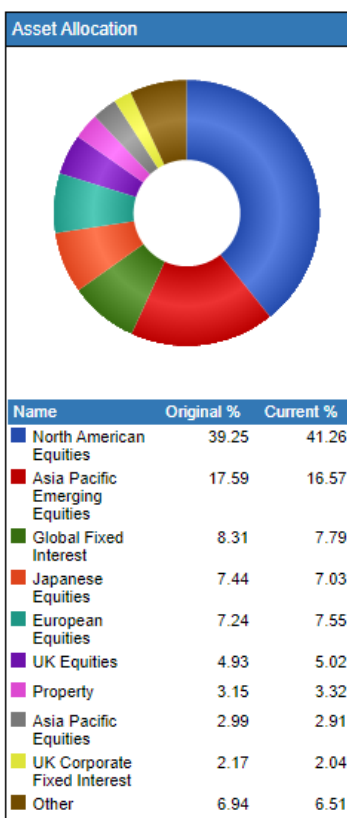
EPIM Cabot Balanced



EPIM Cabot Growth



EPIM Cabot Global Equity



The value of investments, and any income derived from them, can fall as well as rise and may be affected by exchange rate variations. Investors may get back less than invested.

Performance is calculated on a Total Return basis using a notional portfolio in Advent Portfolio Exchange (APX). Performance is net of Eden Park Investment Management fees but not adviser fees nor platform costs. Any charges and fees applied by platforms and/or authorised intermediaries will be charged in addition to the charges shown. Portfolios linked to this Model Portfolio may not exactly replicate the model due to the difference in timing of initial investment or rebalancing differences resulting from minimum transaction size limits on platforms. The management and rebalancing of this Model Portfolio does not take Capital Gains Tax into consideration.

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