

# EPIM Cabot Balanced

## Investment objective and policy

These discretionary managed model portfolios offer risk-profiled investment solutions, all of which have a dynamic top-down asset allocation strategy implemented using low cost index tracking funds.

The investment objective for the EPIM Cabot Balanced Model Portfolio is to provide a long-term total return which is superior to inflation plus 2% returns. The performance of the model portfolio is not intended to track the rise (or fall) of any specific index.

Whilst first-quarter global growth will be at best sluggish, reflecting the recent wave of the virus in the US and Europe, market participants are looking ahead to a reopening of the global economy from the second quarter and beyond. This should see growth peak at its strongest level for twenty years, accompanied by the strongest growth in corporate profits since 2009. There is significant pent-up demand in the global economy once restrictions to free movement are progressively eased – and fiscal and monetary stimuli continue to work their way through the economy. Reflecting this supportive background, equities began 2021 on a strong footing, building upon the gains of November and December.

During the month, gains were led by the equities in Asia (including Japan) and the Emerging Market area more broadly. These regions have, in general, benefitted from a relatively better growth dynamic reflecting a more successful approach to managing the pandemic, the trend of Dollar weakness, supportive global liquidity, and more favourable valuations. The yield on 10-year gilts ended the month 14 bps higher at the 0.33% level, with total returns for the ICE Gilts index coming in at -1.77% as a result. The longer duration ICE Index Linked Gilt index produced a total return of -3.07%, this despite an increase in expectations for inflation.

Arguably the biggest threat to equities would be a spike higher in interest rates on fears that resurgent demand boosted by policy stimulus could see a substantial increase in inflation. Whilst we expect a modest pickup in inflation this year, reflecting base effects and stronger growth, we expect central banks will look through this dynamic, and will be keen to avoid removing policy accommodation before the economy is well on the way to a more self-sustaining recovery. Withdrawing their expensive support mechanisms without upsetting markets will be a major challenge. This means that decision making by central bankers in 2021 is arguably more significant than during 2020 – because things are so finely balanced. There is plenty of scope for missteps.

This easy money, strong growth and rising inflation dynamic tends to be a tailwind for equities, so we remain constructive on risk assets for the time being, with regional equity preferences in Asia and the Emerging World.

No changes were made to the model in January.

## Performance %

Discrete Performance	Jan-20 - Jan-21	Jan-19 - Jan-20	Jan-18 - Jan-19	Jan-17 - Jan-18	Jan-16 - Jan-17	3 yr Volatility
<b>EPIM Cabot Balanced</b>	5.2	10.2	0.7	7.4	20.2	8.7
<b>UK CPI + 2%*</b>	2.7	3.3	4.1	5.0	3.6	1.2

Cumulative Performance	1m	3m	6m	1yr	3yr	5yr
<b>EPIM Cabot Balanced</b>	0.3	7.3	7.5	5.2	16.7	50.6
<b>UK CPI + 2%*</b>	0.4	0.6	1.6	2.7	10.5	20.2

Source: APX All data as at 31 January 2021

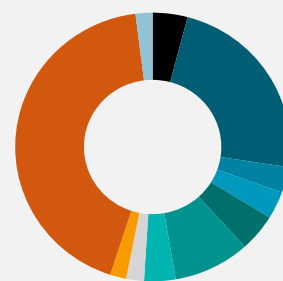
Past performance is not a reliable guide to future performance. The performance is net of Eden Park Investment Management fees, with income reinvested.

\*UK Consumer Price Inflation figures quoted with a 1 month lag.

## Key facts

<b>Inception Date</b>	30/09/2012
<b>Typical Growth / Defensive Split</b>	50:50
Annual Management Charge (including VAT)	0.25%
Total Ongoing Charges (of underlying funds)	0.17%
<b>Portfolio Total Ongoing Charge</b>	<b>0.42%</b>

## Asset Allocation



UK Equities	4.1%
US Equities	23.3%
European Equities	3.1%
Japanese Equities	3.3%
Asian Equities	4.5%
Emerging Market Equities	9.0%
Global Equities	3.7%
Global Property	2.1%
Global Infrastructure	1.9%
Bonds	43.0%
Cash	2.0%

## Top ten holdings

	%
L&G Sterling Corp Bond Index C Inc	14
Vanguard US Govt Bond Index Inc £ Hedged	13
Fidelity Index Emerging Markets P Acc GBP Fund	9
L&G Global Inflation Linked Bond £ Hedged C Inc	8
Vanguard UK Short Term Investment Grade Bond Acc Index Fund	8
Legal & General US Index C Inc	7
Fidelity Index US P Acc GBP Hedged	7
Amundi Index MSCI North America - RHG (D)	5
Legal & General Pacific Index C Acc	5
Legal & General Global Technology Index Trust C Acc	4

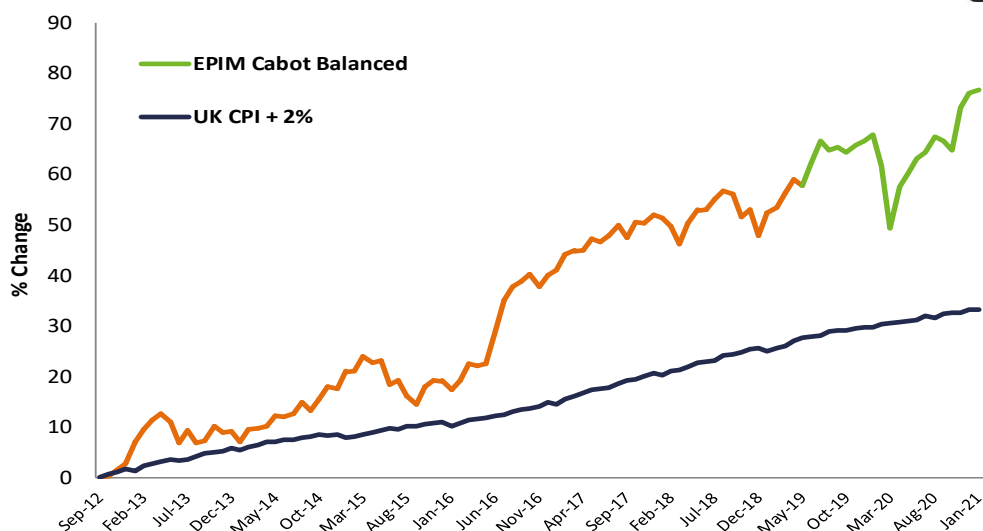
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## Investment Team

The model portfolios are managed by Eden Park Investment Management, with investment advisory and management services provided by Charles Stanley. The team of portfolio managers and analysts have extensive experience, drawing upon the expertise of investment specialists, strategists and economists both internally and externally. The research team looks for the best Index tracking funds from the available passive universe.

## Performance since Inception



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

## Sub Manager MPS Proposition Ratings

**MSCI**  
ESG RATINGS



CCC B BB BBB A AA AAA

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### FIND OUT MORE

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### ACCOUNTS

- General Investment Account
- ISA
- SIPP
- Offshore Bond

Minimum suggested Investment = £1,000  
(subject to platform minimum requirements)

### PLATFORMS

- Viewpoint Portfolio
- Hubwise

## Important Information

**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. The Total Ongoing Charges Figure (TOC) is calculated on a periodic basis using a weighted average of the most recent publicly available Total Ongoing Charges for the underlying investments as at the date of the factsheet. This includes the underlying funds' Ongoing Charges Figure plus Transaction costs plus Incidental costs. Please note that whilst we endeavour to show all charges associated with specific funds, sometimes this is not possible due to the information not being made available by the fund provider. In such cases transaction or incidental cost information may be missing. The Indicative Yield is provided for guidance purposes only and is calculated on a periodic basis using a weighted average of the most recent publicly available income yields for the underlying investments. Yields for the underlying funds, and thus for the strategy, are likely to differ in the future. The Indicative Yield does not represent guaranteed income. 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. This factsheet has been prepared for information purposes only and does not constitute advice or a personal recommendation, nor does it constitute an invitation to purchase units or shares. The information on which the document is based is deemed to be reliable. Eden Park Investment Management has not independently verified such information and its accuracy or completeness is not guaranteed. Although Charles Stanley's information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

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