EPIM Cabot Global Equity

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 Global Equity Model Portfolio is to provide a long-term total return which is superior to inflation plus 4% returns. The performance of the model portfolio is not intended to track the rise (or fall) of any specific index.

Key facts

Inception Date	30/09/2012
Typical Growth / Defensive Split	80:20
Annual Management Charge	0.20%
Total Ongoing Charges (of underlying funds)	0.18%
Portfolio Total Ongoing Charge	**0.38%**

October was another positive month for equity markets, with global equities trading close to all-time highs. A leap in the price of energy, caused by gas and renewable power shortages worldwide, boosted the price of oil & gas companies – just as the great and good meet at the United Nations' COP26 climate-change conference in Glasgow in a meeting designed to create an action plan to slash global emissions. No changes were made to the models during the month.

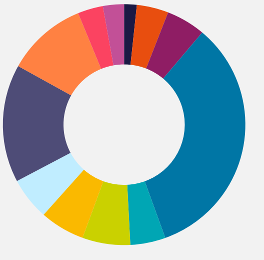
The third-quarter earnings season helped propel US indices to new records, as most companies listed in the S&P 500 beat Wall Street earnings expectations. This has provided significant support to risk assets. Global supply-chain issues remain a problem, with many companies citing rising costs in their statements. It also appears that we are entering a new cycle of capital expenditure, with signs of corporate spending picking up - particularly in the earnings releases of industrials and materials companies as they continue to move production to the US from Asia because of supply disruptions. A significant amount of capex is expected to be designated to automation in a bid to improve productivity and offset these rising costs. Inflation has jumped to a higher level than central bankers expected earlier this year because of these supply-side constraints, but policymakers continue to view current price rises as transitory. Nevertheless, some remain concerned that it could prove more persistent and translate into core inflation.

It is likely that some of the special measures introduced to deal with the fallout from the spread of Covid-19 will start to be reversed in the coming months, a process that needs to be managed with care. The Bank of England is likely to raise interest rates from historic lows of 0.1% before Christmas and the Federal Reserve has indicated its start to taper its $120bn-a-month quantitative-easing programme. Both central banks have telegraphed their intentions to markets well – with this needing to continue to ensure market participants are not spooked by any surprise moves. There will be a gradual removal of accommodative monetary policy over 18 months rather than a hard stop.

Asian markets, particularly China, have underperformed western counterparts as Beijing tries to tackle excesses within the system as the government ratchets up its Communist credentials. China's central bank has also been injecting short-term cash into its financial system after concerns over a debt crisis at Evergrande causes significant worries about Chinese property sector defaults in global markets.

Global growth – and investments returns – are likely to slow in the fourth quarter, with this trend likely to continue next year as more normal conditions approach. The longer inflation stays elevated, the greater the pressure markets are likely to exert on central banks to give clear guidance on the withdrawal of policy stimulus. There is also the ever-present risk of new variants of the Covid-19 virus emerging, resulting in the reintroduction of restrictive social-distancing measures. Although infection rates around the world remain high, the vaccine appears to have reduced the number of hospitalisations and deaths substantially. The current macroeconomic and central-bank policy mix, coupled with the upbeat third-quarter earnings season, supports a cautiously positive view on risk assets, but returns from now on are unlikely to be spectacular.

Asset Allocation



- Cash & Equivalent 1.7%
- Government Bond 4.2%
- Investment Grade Bond 5.2%
- North American Equities 33.3%
- UK Equities 4.7%
- European Equities 6.4%
- Japanese Equities 6.0%
- Asia Pacific ex-Japan Equities 5.7%
- Global Emerging Market Equities 15.8%
- Global/Thematic Equities 10.7%
- Property 3.4%
- Infrastructure 2.8%

Top ten holdings

Top ten holdings	%
Legal & General US Index C Inc	14.0
Fidelity Index US P Acc Hdg	11.7
Fidelity Index Emerging Markets P Acc	9.1
Amundi Index MSCI North America - RHG	7.6
iShares Emerging Markets Equity Index (UK) D Acc	6.8
iShares Continental European Equity Index(UK)D Acc	6.4
Fidelity Index Japan P Acc	6.0
Legal & General Pacific Index C Acc	5.7
Legal & General Sterling Corporate Bond Index C Inc	5.2
Legal & General Global Technology Index C Acc	5.2

Performance %

Discrete Performance	Oct 20 - Oct 21	Oct 19 - Oct 20	Oct 18 - Oct 19	Oct 17 - Oct 18	Oct 16 - Oct 17	3 yr Volatility
EPIM Cabot Global Equity	22.5	0.0	11.3	1.2	11.7	12.2
UK CPI + 4%*	7.1	4.6	5.9	6.5	7.1	-

Cumulative Performance	1m	3m	6m	1yr	3yr	5yr
EPIM Cabot Global Equity	1.6	2.9	4.9	22.5	36.4	54.1
UK CPI + 4%*	0.6	2.0	4.8	7.1	18.6	35.3

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All data as at 31 October 2021

Source: APX and FE Analytics

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.

FOR AUTHORISED INTERMEDIARIES ONLY

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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.

Sub Manager MPS Proposition Ratings

MSCI ESG RATINGS A

CCC	B	BB	BBB	A	AA	AAA

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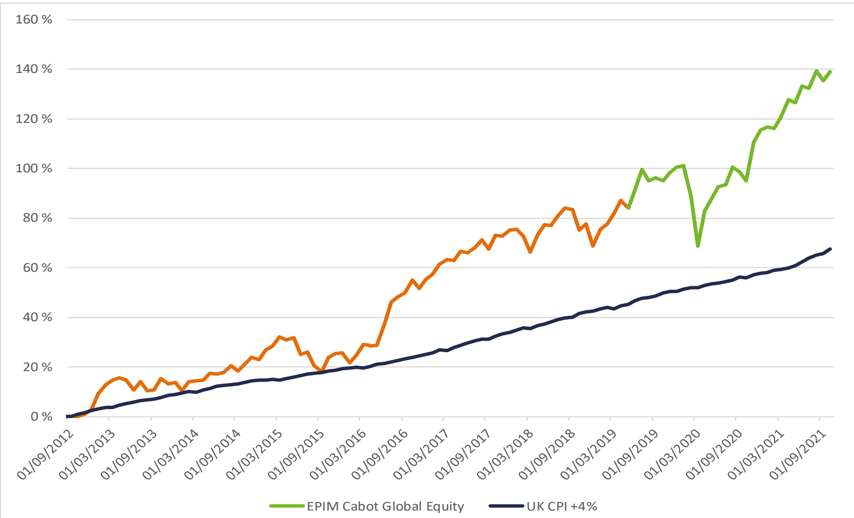
defaqto EXPERT RATED DFM MPS (Platform) Family 2021

defaqto EXPERT RATED DFM MPS on Platform 2021

Performance since Inception



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

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

- Morgan Lloyd Invest
- Hubwise

Important Information