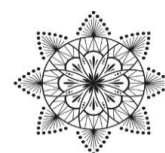


# Core Sterling Moderate Growth Portfolio

MONTHLY REPORT AS AT 30 SEPTEMBER 2018

**DISCLAIMER** - This document is intended for information purposes only. All portfolios are designed following a thorough financial planning exercise to establish the financial objectives and risk attitude. Past performance should not be taken as an indication of future performances. Portfolio values can go up as well as down.



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## Portfolio objective and investment policy

The main objective of the Core Sterling Moderate Growth Portfolio service is capital preservation with the potential of capital growth. The target annualised rate of return, which rate is not guaranteed, (based on a timeframe of at least 5 years) is in the range of +4% to +7% with volatility levels within the historic standard deviation levels and a target maximum peak to valley losses not exceeding 12%.

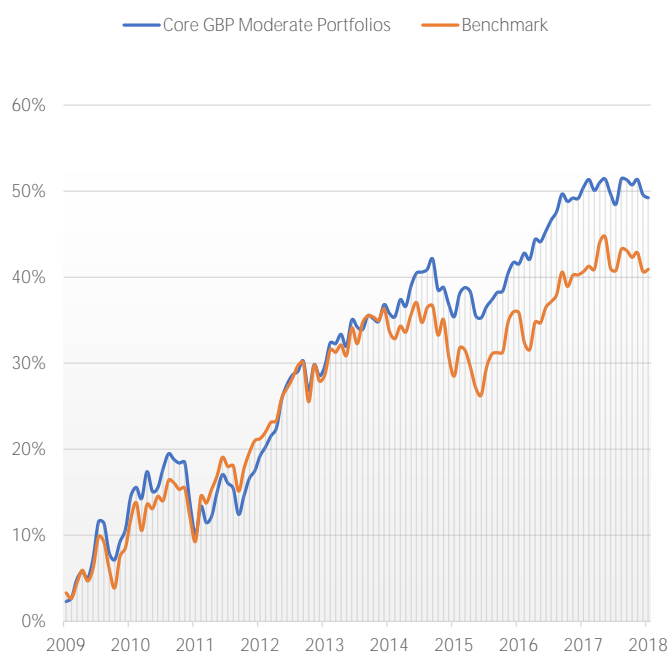
To achieve this objective the Core Sterling Moderate Growth Portfolio will be invested in a diversified range of assets with the primary placements within UCITS Collective Investment Schemes managed by the most reputable global asset managers. The expertise provided by these managers added to the asset allocation and risk management knowledge provided by Integra Private Wealth ensure dual control in terms of structural and market risk. This portfolio will invest primarily in Sterling denominated or Sterling hedged assets although investments in other currencies can be placed as a hedge or as a speculative currency position.

## Portfolio performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2009									2.30%	0.43%	2.16%	0.88%	5.88%
2010	-0.75%	2.29%	4.26%	-0.15%	-3.49%	-0.77%	2.11%	1.42%	3.86%	1.03%	-1.30%	3.12%	11.94%
2011	-2.29%	0.41%	2.25%	1.71%	-0.67%	-0.42%	0.09%	-4.88%	-3.54%	3.33%	-1.91%	0.76%	-5.34%
2012	2.75%	2.06%	-1.00%	-0.60%	-3.03%	2.18%	2.01%	0.89%	1.75%	1.03%	1.27%	0.89%	10.53%
2013	3.37%	1.75%	1.08%	0.44%	1.18%	-3.46%	3.04%	-1.31%	1.16%	2.68%	-0.09%	1.09%	11.26%
2014	-1.39%	3.05%	-0.81%	-0.30%	1.61%	-0.37%	-0.29%	1.94%	-1.05%	-0.35%	1.97%	-0.78%	3.18%
2015	2.39%	1.47%	0.12%	0.32%	1.20%	-3.60%	0.31%	-2.00%	-1.42%	2.66%	0.73%	-0.52%	1.49%
2016	-2.77%	-0.23%	1.30%	0.80%	0.86%	0.16%	2.07%	1.25%	-0.17%	1.25%	-0.72%	2.30%	6.16%
2017	-0.26%	1.23%	1.30%	0.97%	2.04%	-0.85%	0.39%	-0.04%	1.31%	0.88%	-1.26%	0.92%	6.78%
2018	0.39%	-1.71%	-1.21%	2.92%	-0.08%	-0.59%	0.62%	-1.74%	-0.38%				-1.85%

Monthly portfolio performances reflect the average return across all Sterling denominated portfolios with a moderate risk rating, net of underlying fund management fees.

## Cumulative performance



The benchmark figures for the Core Sterling Moderate Growth Portfolios reflect a combination of the following: i) LIBOR 1 month interest rate (10%), ii) the Morningstar UK Eurobond Corporate index (40%) and iii) the FTSE 100 index (50%).

## Current asset allocation

Equity	45.00%
Cash	25.00%
Bonds	25.00%
Sector	5.00%

## Portfolio statistical returns

Mean monthly return	0.45%	
Annualised return	5.42%	
Rolling 12 months return	-1.33%	
Monthly standard deviation	1.75%	
Negative months	43	
Positive months	66	
Excess Return (ann. return less risk-free return)*	3.85%	
Standard deviation @ 68% probability	2.20%	-0.62%
Standard deviation @ 95% probability	3.94%	-3.04%
Sortino ratio (0%)	0.40	
Sharpe ratio	0.64	

\* Based on the USD 10 Year UK Gilt

## Worst drawdowns

Period from	to	Drawdown	Recovery in months
May-11	Sep-11	-9.16%	18
Jun-15	Feb-16	-6.77%	16
Apr-10	Jun-10	-4.38%	5
Jun-13	Jun-13	-3.46%	4

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## Manager's commentary

September global economic data continued to project a picture of global growth with inflation also picking up. The increase in inflation triggered warning signs at monetary policy levels as central banks have indicated they will act strongly and aggressively to contain a spike in price increases in line with their mandates. This was especially true for the Federal Reserve which had already indicated a steady path of rate increases and which now seems to be all but confirmed. A rise in rates together with a mix of geopolitical risks, from trade wars to Brexit caused equity markets to drop heavily at the start of the month only to recover as the month progressed. Equity markets continue to demonstrate a mixed bag of performances with the US showing strong gains whilst Europe and the UK lagging significantly. On the UK front a Brexit deal seems to be more likely by year end whilst some emerging market central banks raised rates to calm markets down in view of the significant currency devaluation of recent months.

The Sterling Core Moderate Portfolios registered a loss of 0.38% for the month. Gains in fixed income exposure for the month were countered with losses in equities and gold. The overweight in European and UK equities as well as gold equities have weighed negatively on the portfolio since August. It is clear some of these positions are oversold and are due for a rebound. Until this happens the portfolio will most likely continue to register losses for the year although its outperforming both the benchmark by 131bps and the index by 42bps.

## Year-to-date cumulative performance



Monthly fund performance figures reflect average returns in the base currency across all managed portfolios net of underlying fund management fees.

## Monthly underlying fund performance

Templeton Global Total Return Fund	0.45%
SISF UK Equity Fund	0.28%
Kames High Yield Global Bond Fund	0.24%
Treasury Platform - GBP	0.10%
Aberdeen Global Select Euro HY Bond Fund	0.04%
Invesco Sterling Bond Fund	-0.19%
BGF Euro-Markets Fund	-0.22%
Invesco UK Equity Income Fund	-1.42%
Schroder ISF Global Gold Fund	-2.11%
Invesco UK Equity Fund	-2.64%

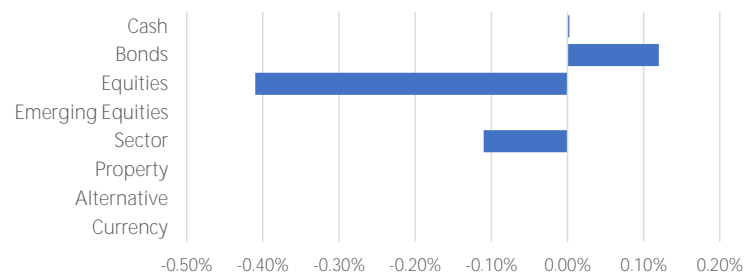
## Positive contributors in absolute terms

Kames High Yield Global Bond Fund	+0.07%
Templeton Global Total Return Fund	+0.06%
SISF UK Equity Fund	+0.03%

## Negative contributors in absolute terms

Invesco UK Equity Fund	-0.26%
Invesco UK Equity Income Fund	-0.14%
Schroder ISF Global Gold Fund	-0.11%

## Contribution to performance by asset class



### TECHNICAL TERMS

The 1 month British Pound Sterling GBP LIBOR interest rate is the average interbank interest rate at which a selection of banks in London are prepared to lend to one another in British pounds with a maturity of 1 month.

Drawdown is a risk measure used to evaluate how long it typically takes an investment to recover from a temporary decline its net asset value.

The Sortino ratio measures the risk-adjusted return of the investment portfolio. It is a modification of the Sharpe ratio but penalizes only those returns falling below a user-specified target or required rate of return, while the Sharpe ratio penalizes both upside and downside volatility equally.



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