

# Core Sterling Cautious Growth Portfolio

MONTHLY REPORT AS AT 30 NOVEMBER 2021



INTEGRA PRIVATE WEALTH  
INVESTMENT SOLUTIONS

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## Portfolio objective and investment policy

The main objective of the **Core Sterling Cautious 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 +3% to +5% with volatility levels within the historic standard deviation levels and a target maximum peak to valley losses not exceeding 8%.

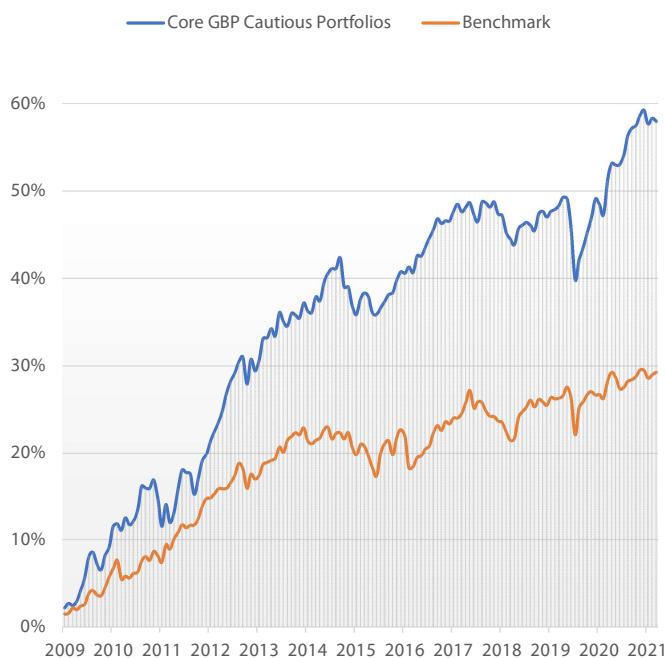
To achieve this objective the Core Sterling Cautious Growth Portfolio will be invested in a diversified range of assets with the primary placements within UCITS Collective Investment Schemes managed by the most reputable global asset managers. The expertise provided by these managers added to the asset 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
<b>2009</b>									2.20%	0.52%	-0.27%	0.54%	<b>3.00%</b>
<b>2010</b>	1.25%	1.51%	2.38%	0.46%	-1.41%	-0.61%	1.65%	0.96%	2.34%	0.32%	-0.75%	1.44%	<b>9.88%</b>
<b>2011</b>	-0.82%	0.47%	1.15%	2.81%	-0.22%	-0.02%	0.97%	-2.17%	-3.17%	2.53%	-2.07%	1.14%	<b>0.41%</b>
<b>2012</b>	2.75%	2.11%	-0.29%	-0.12%	-2.36%	1.86%	2.04%	0.71%	1.59%	1.16%	1.03%	1.40%	<b>12.43%</b>
<b>2013</b>	2.03%	1.27%	0.93%	1.23%	0.57%	-3.08%	2.82%	-1.34%	1.26%	2.47%	0.06%	1.06%	<b>9.53%</b>
<b>2014</b>	-0.86%	2.69%	-1.05%	-0.50%	1.46%	-0.19%	-0.32%	1.71%	-0.93%	-0.20%	1.83%	-0.50%	<b>3.11%</b>
<b>2015</b>	2.07%	1.10%	0.52%	0.01%	1.21%	-3.33%	0.05%	-2.18%	-1.01%	1.78%	0.69%	-0.44%	<b>0.34%</b>
<b>2016</b>	-1.90%	-0.10%	0.75%	0.74%	0.79%	0.21%	1.49%	0.88%	-0.17%	0.72%	-0.63%	1.92%	<b>4.74%</b>
<b>2017</b>	-0.07%	1.01%	1.08%	0.91%	1.30%	-0.55%	0.33%	-0.02%	1.12%	0.78%	-0.88%	0.50%	<b>5.62%</b>
<b>2018</b>	0.56%	-1.39%	-0.79%	2.25%	-0.12%	-0.48%	0.62%	-1.43%	-0.13%	-1.98%	-0.73%	-0.64%	<b>-4.24%</b>
<b>2019</b>	1.84%	0.39%	0.33%	-0.35%	-0.60%	1.92%	0.31%	-0.66%	0.63%	0.22%	0.46%	0.95%	<b>5.54%</b>
<b>2020</b>	-0.18%	-3.34%	-5.91%	2.27%	1.42%	1.72%	1.58%	2.23%	-0.63%	-1.18%	3.94%	1.93%	<b>3.48%</b>
<b>2021</b>	-0.19%	0.07%	1.07%	2.22%	0.86%	0.32%	1.14%	0.60%	-1.57%	0.67%	-0.36%		<b>4.89%</b>

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

## Cumulative performance



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

## Current asset allocation

Cash	30.0%
Bonds	30.0%
Equity	30.0%
Sector	10.0%

## Portfolio statistical returns

Mean monthly return	0.39%	
Annualised return	4.73%	
Rolling 12 months return	6.91%	
Monthly standard deviation	1.44%	
Negative months	55	
Positive months	92	
Excess Return (ann. return less risk-free return)*	3.92%	
Standard deviation @ 68% probability	1.84%	-0.47%
Standard deviation @ 95% probability	3.28%	-2.49%
Sortino ratio (0%)	0.41	
Sharpe ratio	0.79	

\* Based on the USD 10 Year UK Gilt

## Worst drawdowns

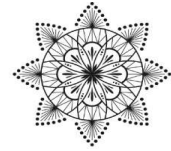
Period	Drawdown	Recovery in months*
from Dec-19 to Mar-20	-9.22%	7
from May-15 to Feb-16	-6.35%	10
from Jul-11 to Sep-11	-5.27%	4
from Jul-18 to Dec-18	-4.82%	11

\* Represents the amount of time (in months) from the portfolio's valley to a new high

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## Manager's commentary

Global equities fell in November, with fears over the new "Omicron" variant of Covid-19 weighing on sentiment. Investors grappled with both a hawkish tilt to commentary from the Federal Reserve (Fed) and the emergence of a new coronavirus variant. Unemployment rates in the US fell to 4.6% in the latest (October) release from 4.8% in September. Eurozone shares also fell in November as rising Covid-19 cases saw some countries re-introduce some restrictions on activity. The flash November estimate put eurozone annual inflation at 4.9%, up from 4.1% in October and well above the European Central Bank's 2% target. It is the highest inflation level in the single currency era. However, the European Central Bank (ECB) remained reluctant to tighten monetary policy. Christine Lagarde, president of the ECB, said that the current price pressures would fade by the time tightening measures took effect. UK equities followed US and EU equities down in November. At the beginning of November the Bank of England (BoE) refrained from increasing base lending costs, confounding expectations it would become the first major developed market central bank to do so. The emergence of the Omicron Covid-19 variant also punctured risk sentiment in November in the fixed income markets. Government yields fell and the US dollar rallied, while stocks and high yield credit sold off. The oil price fell sharply due to concern over global demand.

## 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

Invesco Sterling Bond Fund	0.13%
Treasury Platform - GBP	0.04%
Janus Henderson Horizon Strategic Bond Fund	-0.37%
Threadneedle (Lux) UK Equity Income Fund	-0.63%
Morgan Stanley Global Brands Fund	-0.87%
Janus Henderson UK Absolute Return	-1.00%
Schroder ISF Global Gold Fund	-1.82%
LM ClearBridge Infrastructure Value Fund	-2.80%

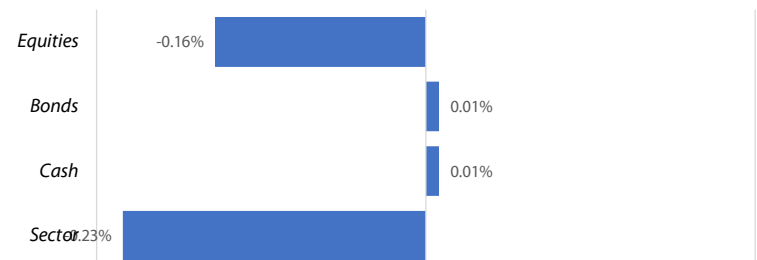
## Positive contributors in absolute terms

BGF US Basic Value Fund Unhedged	+0.09%
Invesco Sterling Bond Fund	+0.03%
Treasury Platform - GBP	+0.01%

## Negative contributors in absolute terms

LM ClearBridge Infrastructure Value Fund	-0.14%
Janus Henderson UK Absolute Return	-0.10%
Schroder ISF Global Gold Fund	-0.09%

## 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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