

# TACIT REAL RETURN STRATEGY

AS AT 30 NOVEMBER 2018



## INVESTMENT OBJECTIVE

The investment objective is to maintain the capital value of the portfolio in real terms over an investment cycle. The Tacit Real Return Strategy is designed for an investor with a time horizon of more than 5 years, and a tolerance for risk that can accept variations or disruptions to capital value or current income in order to achieve their longer-term objective.

Within the Tacit Real Return Strategy, we would expect to maintain approximately one-half of your funds in growth or real assets such as equities, property and commodities, which may exhibit higher short term volatility, when compared with lower risk asset classes.

This weighting to growth assets can be tactically adjusted to take account of prevailing market conditions but we would not expect this to exceed 65% for a prolonged period at any time.

## SUITABILITY

This portfolio may be suitable for investors looking to avoid inflation eroding their capital, but who also seek to mitigate short-term risks or fluctuations in capital values that could lead to capital losses over the longer term. The aim is to achieve an inflation-beating total return in their portfolio over five years or longer.

## KEY RISKS

- + Interest rates rise
- + Inflation outstrips the return achieved
- + Capital losses can be experienced

## PORTFOLIO HOLDINGS

	% OF TOTAL ASSETS
1 BANK DEPOSIT	10.0%
2 ISHARES TIPS 0-5 ETF (GBP HEDGED)	10.0%
3 AXA US SHORT DURATION HIGH YIELD BOND FUND	10.0%
4 ISHARES UK GILTS 0-5 ETF	10.0%
5 L & G ALL STOCKS INDEX LINKED GILT INDEX TRUST	10.0%
6 MAN GLG JAPAN CORE ALPHA FUND	5.0%
8 ETFS METAL SECURITY PHYSICAL GOLD (GBP)	7.5%
9 JOHCM UK EQUITY INCOME FUND	7.5%
10 JOHCM UK OPPORTUNITIES FUND	10.0%
11 JUPITER FINANCIAL OPPORTUNITIES FUND	10.0%
12 M & G RECOVERY FUND	10.0%

**Ongoing Charges Figure (OCF):** A measure of the total costs associated with managing and operating a fund. The OCF consists primarily of the management fee plus other expenses such as trustee, custody, or operating expenses. It is expressed as a percentage of the fund's total net asset value.

**Distribution Yield:** The distribution yield represents the ratio of distributed income over the last 12 months.

## RISK & REWARD PROFILE



## KEY FACTS

Service	Segregated Discretionary Managed
Investment Style	Diversified Multi Asset
Suggested Time Horizon	5 Years +
Launch Date	1st October 2010
Currency	Sterling
Estimated Distribution Yield	1.63%
Estimated OCF	0.48%
Strategy Benchmarks	ARC Balanced Asset PCI TR GBP IA OE Mixed Investment 20-60% Shares UK RPI

## STABILISER GROWTH RATIO

AS AT 30 NOVEMBER 2018



- STABILISER (47.50%)
- GROWTH (52.50%)

## GROWTH ASSET THEMES

AS AT 30 NOVEMBER 2018



- GLOBAL INEFFICIENCIES (35.00%)
- VALUE ALPHA (45.00%)
- MACRO RECOVERY (20.00%)

## ASSET ALLOCATION

AS AT 30 NOVEMBER 2018



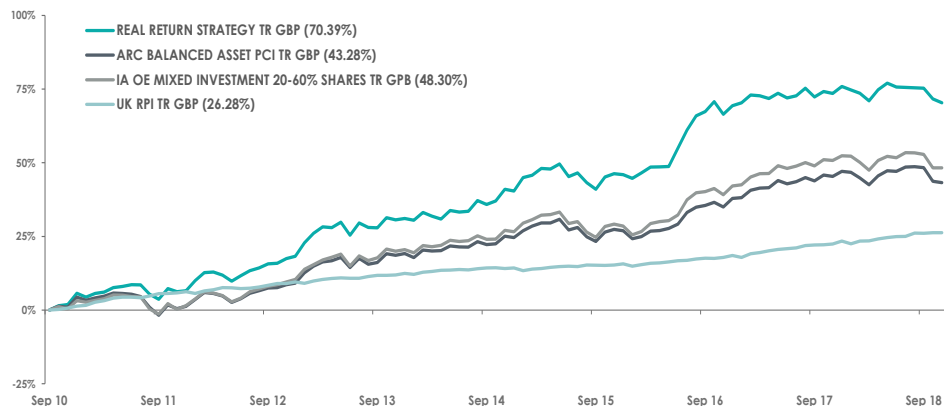
- CASH (10.00%)
- FIXED INTEREST (40.00%)
- REAL ASSET (7.50%)
- EQUITY (42.50%)

# TACIT REAL RETURN STRATEGY

AS AT 30 NOVEMBER 2018

## PERFORMANCE SINCE LAUNCH

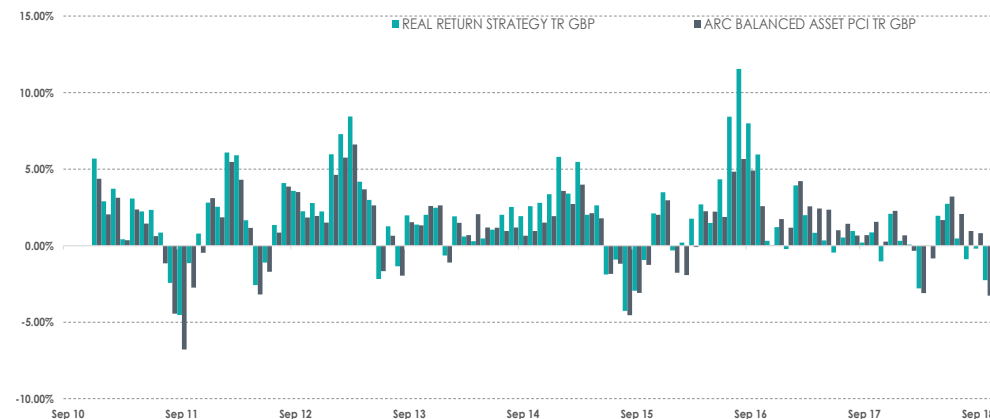
(30 SEPTEMBER 2010 TO 30 NOVEMBER 2018)



Source: Tacit Investment Management; Morningstar Adviser Workstation. Strategy performance is shown in GBP, net of a 1.07% Annual Management Fee and calculated on a total return basis, with net income reinvested. Benchmark performance is shown in GBP, gross of management fees with all income reinvested.

## 3 MONTH ROLLING PERFORMANCE SINCE LAUNCH

(30 SEPTEMBER 2010 TO 30 NOVEMBER 2018)



## PERFORMANCE SUMMARY

(TO 30 NOVEMBER 2018)

	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION (30-SEP-10)
REAL RETURN STRATEGY TR GBP	-0.73%	-2.89%	-3.75%	-1.79%	16.48%	30.42%	70.39%
ARC BALANCED ASSET PCI TR GBP INDEX	-0.30%	-3.65%	-2.72%	-1.42%	12.49%	20.82%	43.28%
IA OE MIXED INVESTMENT 20-60% SHARES INDEX	0.01%	-3.29%	-2.55%	-1.64%	14.81%	23.61%	48.30%
UK RPI INDEX	0.00%	0.11%	1.35%	3.15%	9.51%	12.85%	26.28%

Source: Tacit Investment Management; Morningstar Adviser Workstation. Strategy performance is shown in GBP, net of a 1.07% Annual Management Fee and calculated on a total return basis, with net income reinvested. Benchmark performance is shown in GBP, gross of management fees with all income reinvested.

**IMPORTANT INFORMATION:** Past performance cannot be relied upon as a guide to future performance. The actual values of your investment and the income returns generated from your investments may vary, and your initial investment amount cannot be guaranteed. Exchange rates may cause the value of overseas investments to rise or fall. Individual investors may realise returns that are different to the strategy performance.

This communication has been prepared for general information only. It does not purport to be all-inclusive or contain all of the information which a proposed investor may require in order to make a decision as to whether to invest in the presented strategy or Tacit Investment Management Discretionary Service. Nothing in this document constitutes a recommendation suitable or appropriate to a recipient's individual circumstances or otherwise constitutes a personal recommendation. Tacit has not considered the suitability of this investment strategy against your individual needs and risk tolerance. The data displayed provides summary information. We recommend you seek independent professional advice prior to investing. Care is taken in ensuring that the information presented is accurate as at the stated date. However, this is not guaranteed, and the strategy position may change at any time.

## DISCRETE QUARTER END ANNUAL PERFORMANCE SINCE LAUNCH

(TO 30 SEPTEMBER 2018)

	TO 30 SEP 18	TO 30 SEP 17	TO 30 SEP 16	TO 30 SEP 15	TO 30 SEP 14	TO 30 SEP 13
REAL RETURN STRATEGY TR GBP	1.75%	2.97%	18.67%	3.81%	6.20%	10.60%
ARC BALANCED ASSET PCI TR GBP INDEX	3.10%	6.13%	9.96%	0.84%	5.23%	8.05%
IA OE MIXED INVESTMENT 20-60% SHARES INDEX	2.64%	6.19%	12.48%	0.52%	5.35%	8.93%
UK RPI INDEX	3.27%	3.85%	2.04%	0.78%	2.26%	3.15%

## CONTACT DETAILS

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