

Portfolio Wealth Capital Preservation

Portfolio Objectives

The portfolio aims to combine capital preservation and to generate 2.5% annual returns over rolling three year periods. There is no guarantee that these aims will be met. The portfolio will have a low sensitivity to financial markets and it will be invested in liquid instruments. Capital volatility is expected to be modest, in practical terms the volatility will be greater than cash and hoped to be below that of bonds.

Performance & Volatility to 31st March 2021							
Performance	3 Months	Since Launch	2020	2019	2018	2017	2016
Portfolio	-0.7%	2.8%	1.9%	-	-	-	-
*Volatility		3.1%	3.9%	-	-	-	-

*3 months volatility is not displayed as we regard this as too short-term. Past performance is not a reliable indicator of future results. Returns are net of income reinvested and investment management fees in GBP. Performance numbers are shown in discrete periods and volatility numbers are annualised. Ex ante transaction costs shown below are the expected transaction costs which include trading costs, broker commissions and spreads.

Source: Portfolio Wealth Management, FE Analytics

Portfolio Summary	
Benchmark	2.5% pa (after fees) over rolling 3 year periods
Launch Date	05/06/2019
Yield	1.2%
**Est. Underlying Holdings Charge	0.64%
**Est. Underlying Transaction Cost (ex Ante)	0.45%
Platform Availability	7IM, Aegon Arc, Old Mutual, Standard Life

Risk Rating

Square Mile will invest the portfolio into funds that are focused on capital preservation (either implicit or explicitly) over the short to medium term. These funds typically aim to generate positive returns over 12 to 36 months and market exposure to fixed income duration or equity markets is typically low. The funds invested into should have strong underlying liquidity and should be expected to maintain a daily redemptions facility.

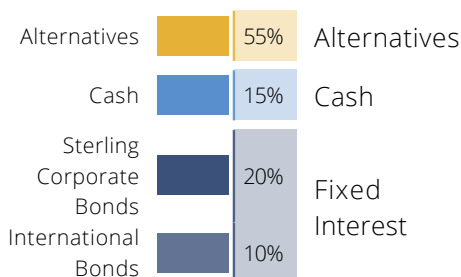
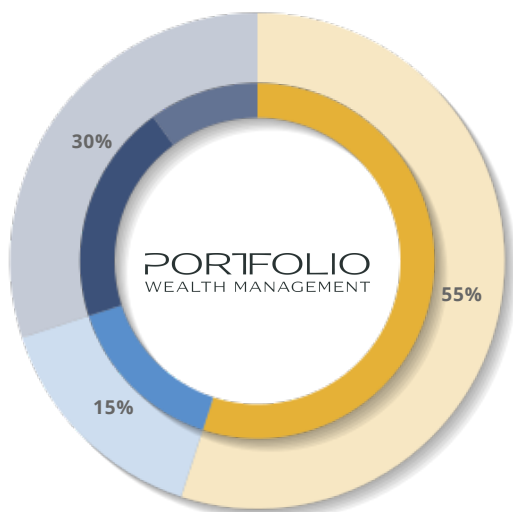
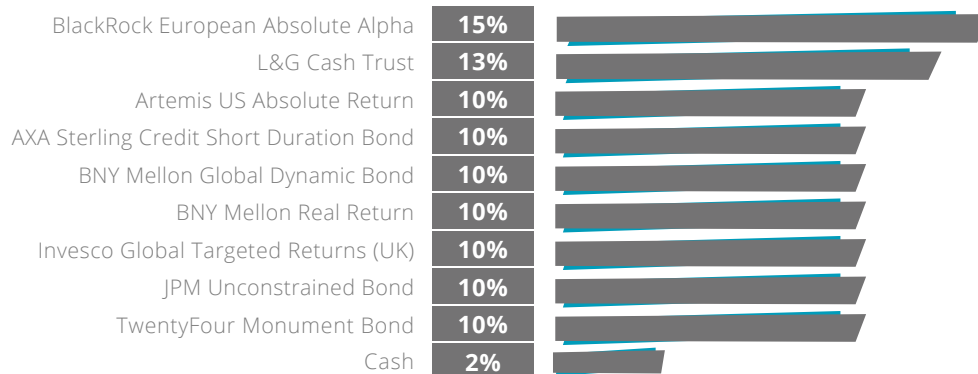
Commentary

A vicious sell-off in bond markets and a violent reversal in the types of companies favoured by investors in stock markets caused the portfolio to post a modest loss in the first quarter of 2021. The challenging backdrop is perhaps best illustrated by the Blackrock European Absolute Alpha fund. In 2020, this fund was the most profitable investment in the portfolio with a gain of just under 10%. Most importantly from a capital preservation perspective, it was also profitable in the first three months of 2020 as stock markets plunged. In the first quarter of this year, however, the fund was down by just over 3% as blanket euphoria about economic recovery temporarily trumped the merits and flaws of individual companies. We are confident that this is just a blip in a 12-year track record of outstanding stock picking. Coupled with some new investments which we have identified and intend to bring in in the next few months, we therefore retain high conviction in the outlook for the portfolio.

A challenging quarter for proven stock-pickers

**Estimated Charge: Weighted average of the OCF of all holdings. Where OCF is unavailable TER is used. The actual charge may vary depending upon Platform. Please note: Historic yield figures will only be provided for funds with at least 12 months of performance history. Where quoted, the yield is the aggregate and weighted position of each underlying fund within the portfolio and is based on the yield published by the manager of each respective fund.

Portfolio Composition %



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