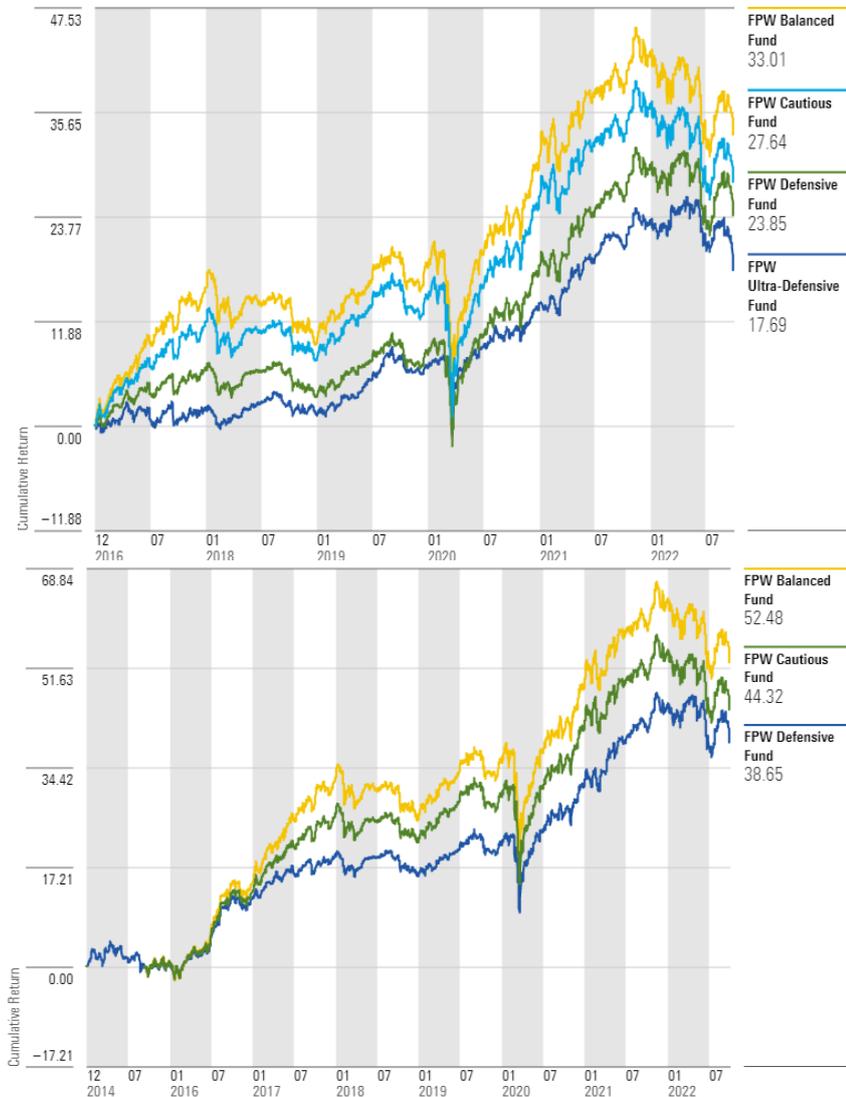


## FPW Model Portfolio Review Q3 2022

**Produced by Name:** Andrew Chorley  
**Month:** October

### FPW Model Portfolios

Long term performance is as we would expect with Balanced leading the way.



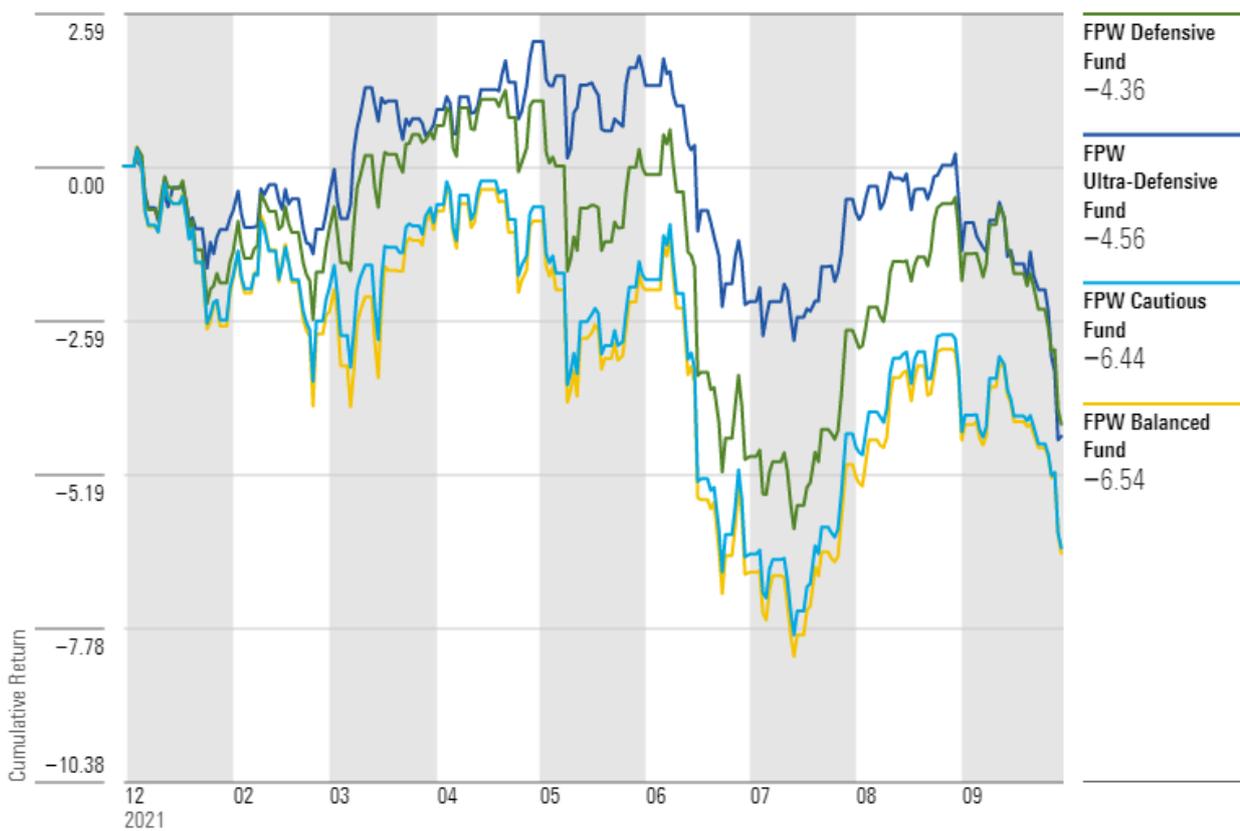
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During 2022 we have seen declines that are unwelcome but not catastrophic.



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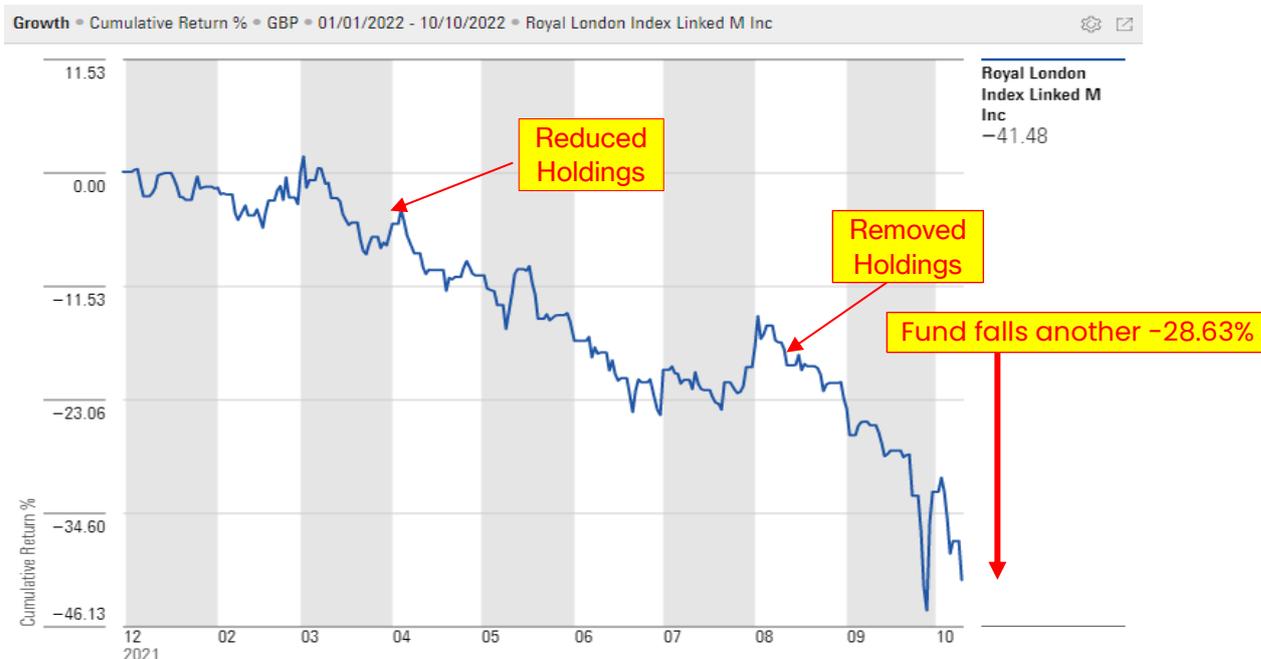
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### Calendar Year Returns

Name	YTD	2021	2020	2019	2018	2017	2016
FPW Ultra-Defensive Fund	-4.56	8.32	6.93	5.33	-0.91	-	-
FPW Defensive Fund	-4.36	9.65	9.36	4.61	-3.17	6.61	11.68
FPW Balanced Fund	-6.54	8.98	10.81	7.53	-5.22	15.63	13.82
FPW Cautious Fund	-6.44	8.30	10.21	6.31	-3.85	11.82	12.31
FTSE Act UK Cnvt Gilts All Stocks PR GBP	-26.28	-7.01	5.87	4.15	-2.21	-1.00	6.90
FTSE Act UK Index-Lnk Gilts AS PR GBP	-29.62	3.71	10.45	5.84	-0.85	1.74	23.34
FTSE AllSh PR GBP	-10.56	14.55	-12.44	14.19	-12.95	9.00	12.43
FTSE All World PR GBP	-10.87	17.75	10.56	19.23	-5.80	11.11	26.12

The negative impact of Index Linked Gilts can be seen below as it the importance of our decisions



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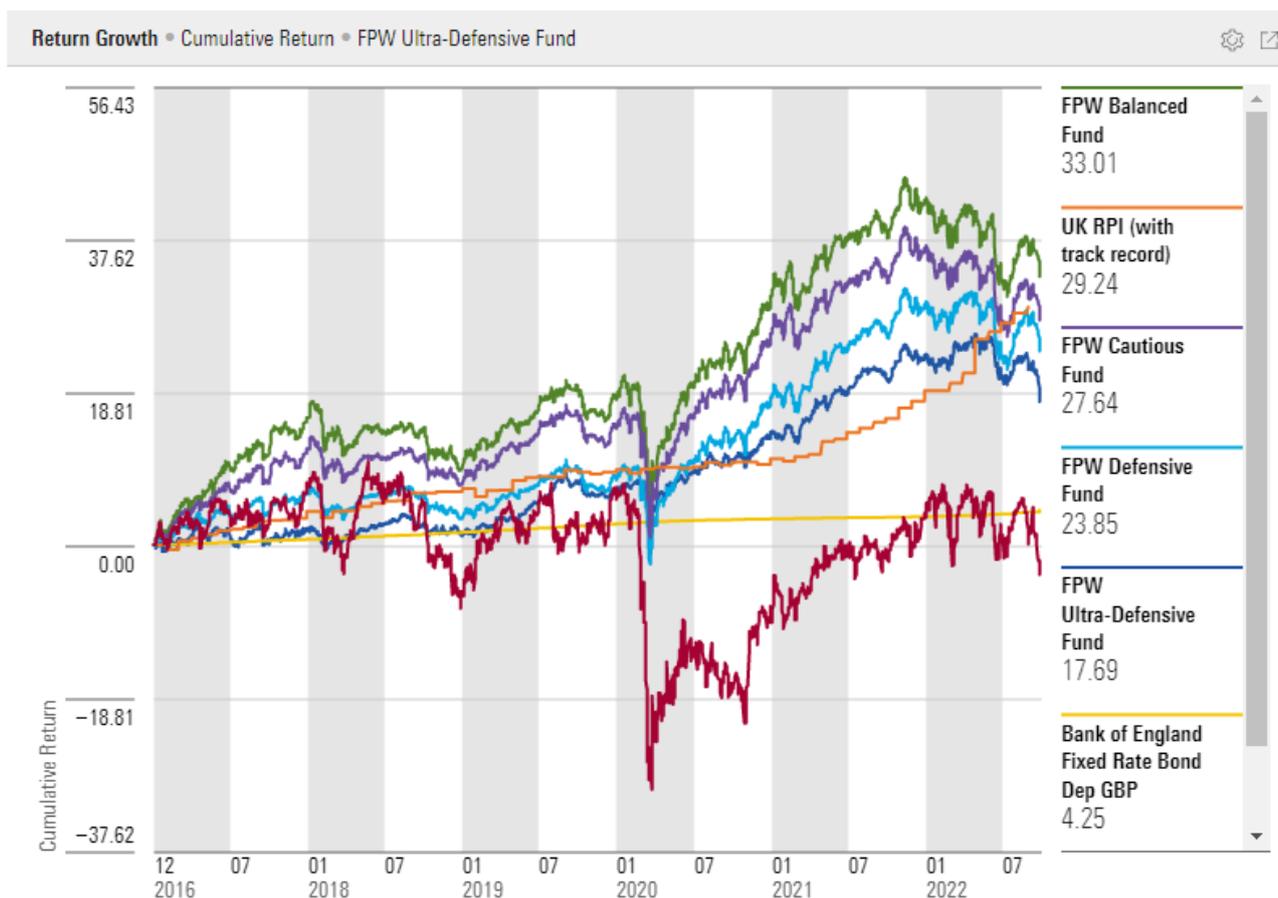
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Some key allocation decisions have also been crucial as we had good exposure to the top 25% of asset classes and very little to the bottom 25% - it is important to note that whilst the average multi-asset fund returned -12% our recommended holdings performed much better with Capital Gearing, Ruffer and Troy circa -3.5% and RIT the worst performer at -9.0%.

Name	YTD Return	Ultra Defensive	Defensive	Cautious	Balanced
UK Base Rate PR	1%	24%	21%	24%	23%
FTSE Act UK Cnvt Gilts Up to 5 Yr TR GBP	-7%				
FTSE Act UK Cnvt Gilts All Stocks TR GBP	-25%				
Bloomberg Sterling NonGilts Aaa TR GBP	-14%				
Bloomberg Sterling NonGilts Baa TR GBP	-24%				
ICE BofA 1-10Y US Trsy TR HGBP	-9%				
ICE BofA US Treasury TR USD	5%				
ICE BofA AAA US Corporate TR USD	-4%				
ICE BofA US High Yield TR USD	4%				
FTSE Act UK Index-Lnk Gilts 15y+ TR GBP	-39%				
ICE BofA US Infln-Lnkd Trsy TR USD	4%	7%	7%	7%	7%
IA Flexible Investment	-12%	45%	30%	20%	18%
FTSE All World TR GBP	-9%		4%	4%	4%
FTSE AllSh TR GBP	-8%				
S&P 500 TR USD	-8%				
MSCI Europe Ex UK PR LCL	-23%				
Nikkei 225 Average PR JPY	-13%		5%	5%	5%
MSCI Pacific Ex Japan PR LCL	-14%			3%	3%
MSCI EM PR LCL	-23%			3%	6%
Credit Suisse Hedge Fund USD	17%				
Credit Suisse Managed Futures GBP	19%	5%	5%	5%	5%
S&P Global Agribusiness Composite TR USD	23%	2%	2%	2%	2%
MSCI World/Metals&Mining PR LCL	-9%	2%	2%	2%	2%
FTSE AllSh Ind/Energy TR GBP	39%	2%	9%	9%	9%
Morningstar UK REIT PR GBP	-38%				
S&P GSCI Gold Spot	11%	5%	6%	6%	6%
S&P GSCI Silver Spot	-1%	1%	2%	2%	2%
Bloomberg Commodity TR USD	38%	7%	7%	8%	8%
		100%	100%	100%	100%

Long term outperformance compared to cash and UK equities; inflation has only recently outstripped the return from the Defensive Model.



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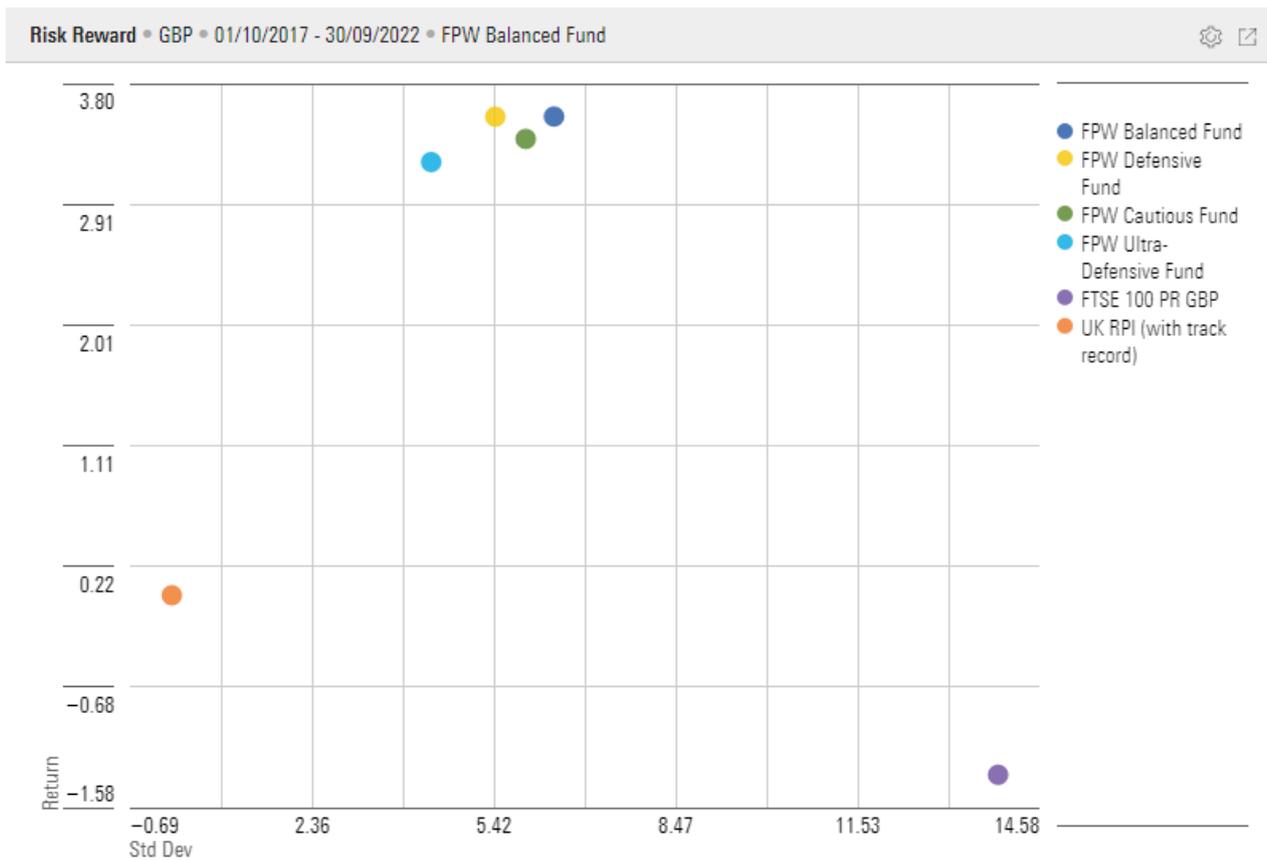
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## Risk Reward

Exactly where we want to be over 5 years!



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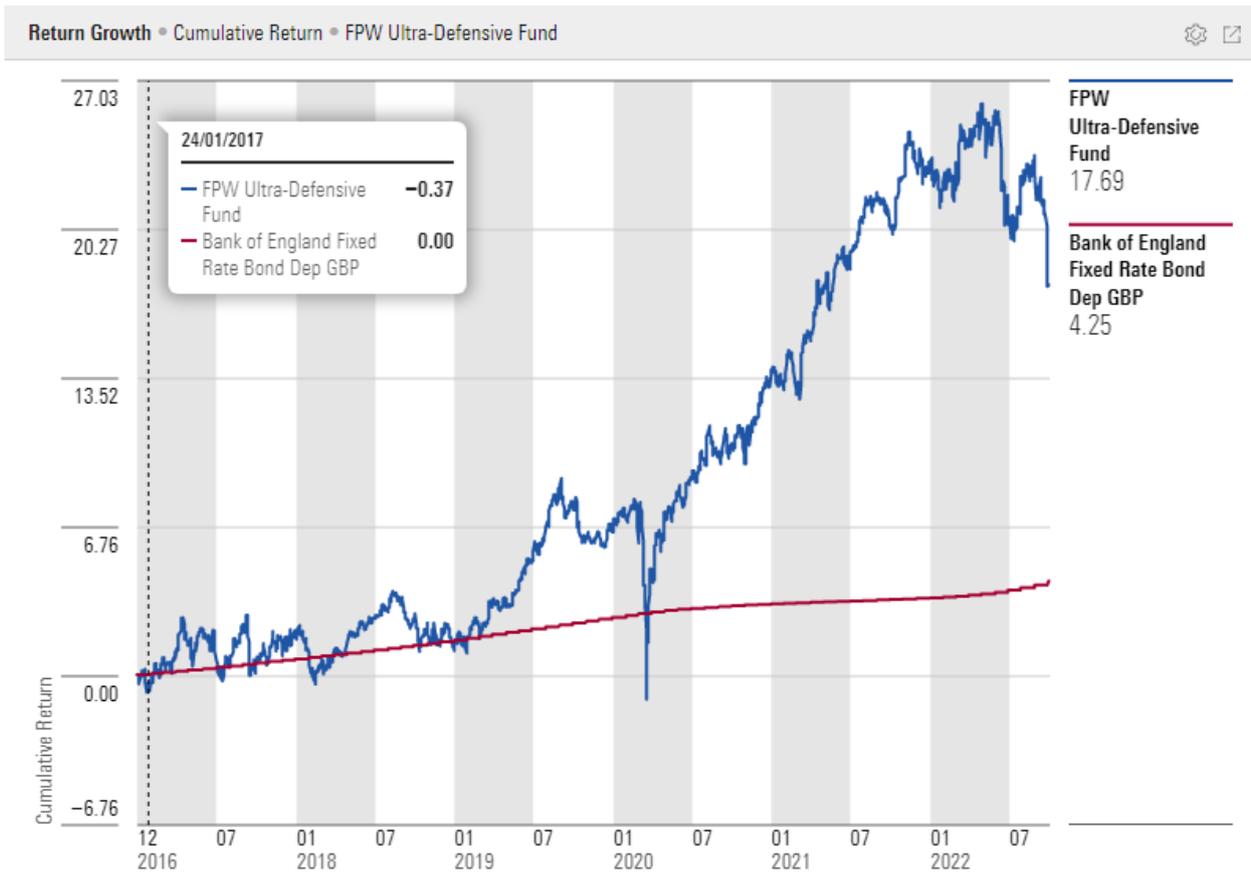
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## Ultra-Defensive

Above cash benchmark by some margin and still ahead of inflation without volatility.



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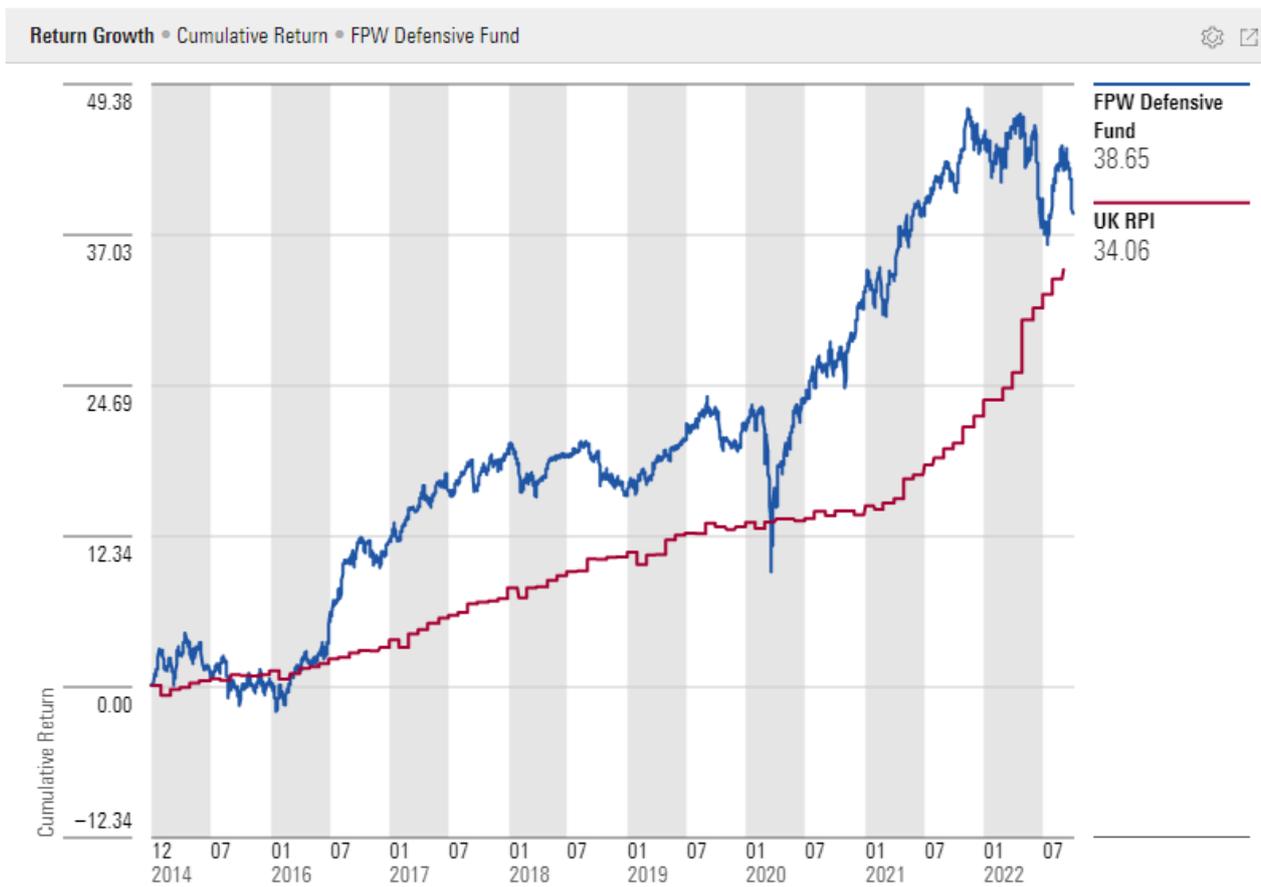
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## Defensive

Long run still ahead of inflation – despite recent rapid increases in prices.



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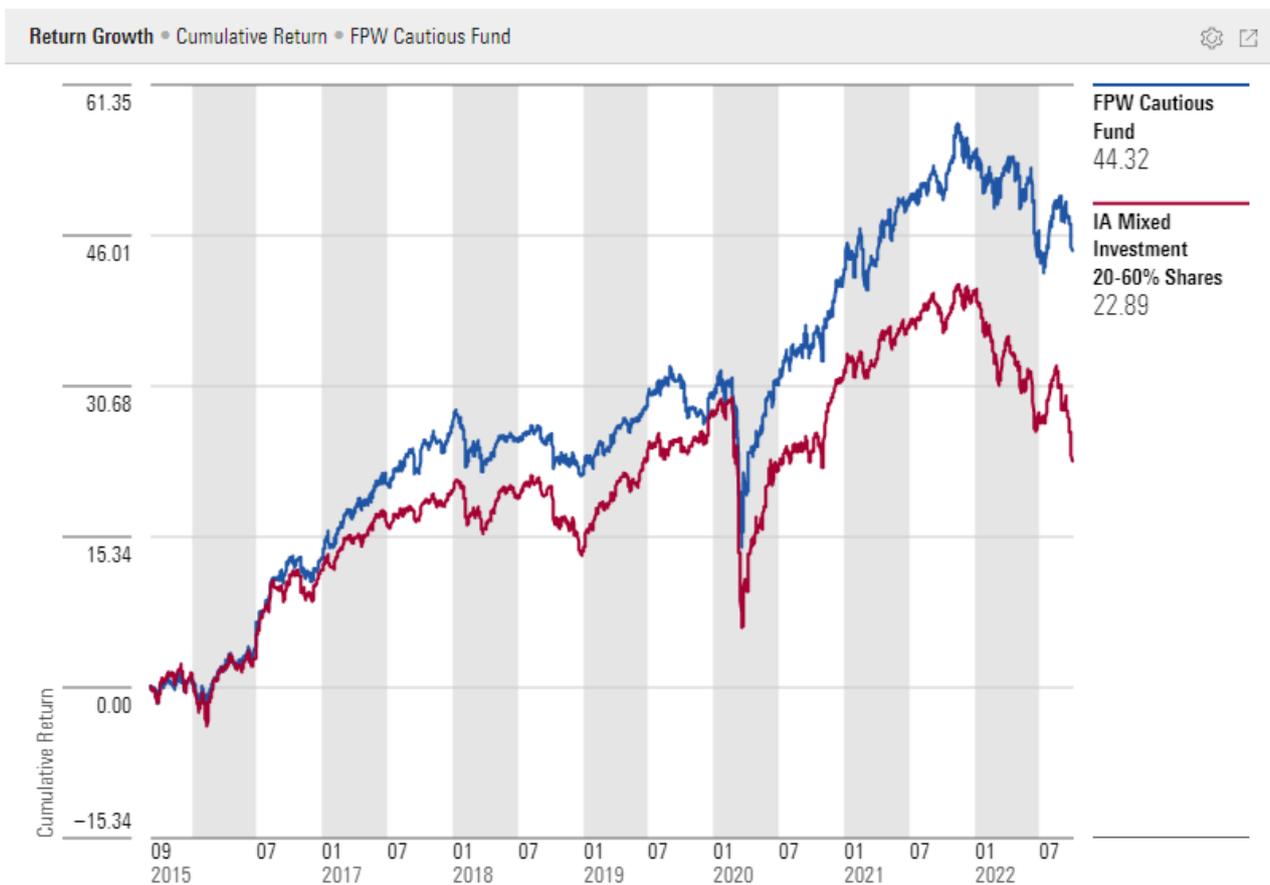
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## Cautious

Outperformance of the benchmark continues



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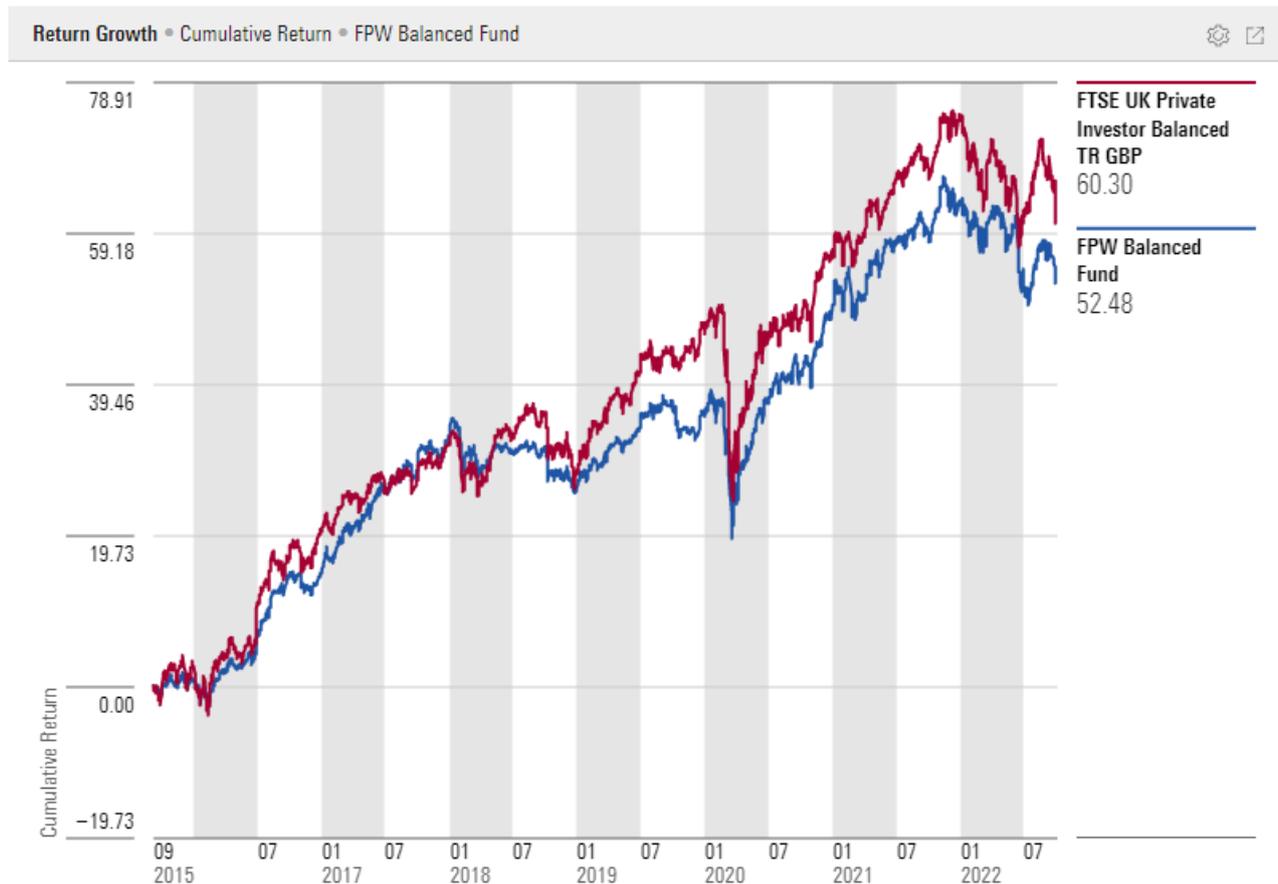
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## Balanced

Balanced performance reasonable but lagging its benchmark – perhaps reflecting our strengths as more defensive investors



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## Conclusions

Whilst all our portfolios have had their worst year since inception it is nowhere near the declines of other assets classes and if we can keep the focus on capital preservation, we are well positioned to take advantage of opportunities. The decisions to remove Index Linked Gilts and to raise cash balances have so far been crucial to limiting losses; at the same time, we have avoided some unpleasant outcomes through decisions at both asset fund levels.

This is of course some clients first experience of negative returns and whilst it will be uncomfortable it will be temporary as it always is – as GMO pointed out recently markets overall behave normally 85% of the time but now, we are in the other 15%!

*(Note performance excludes tax wrapper and FPW fees).*