

defaqto

Fund review

Architas

Active Reserve Fund

April 2020

architas 

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Defaqto fund reviews

This document is designed to provide the reader with a quantitative overview of the fund reviewed.

The review then goes on to examine information of a more qualitative nature, which has been obtained through an interview process with the fund manager/s.

The qualitative information covers specific areas including the fund manager's philosophy, their people, and the processes they employ.

Additional information is also provided on their research capability, the resources they have at their disposal and how they manage risk.

All of this information goes towards creating this comprehensive Fund Review.

Defaqto Ratings

Ratings to help advisers and their clients make better informed decisions

The Defaqto experts have created a range of ratings to help advisers find the best product or proposition for their clients.



Show at a glance how a fund or fund family performs in comparison to the rest of the market.



Demonstrate the comprehensiveness of products across a range of areas, from pensions to DFMs.



An overall assessment of service – by advisers for advisers.

Suitability ratings to support compliant advice

Defaqto have created a set of ten Risk Profiles, and four Income Risk Profiles with corresponding ratings to which funds are mapped using a robust process. This helps advisers to evidence suitability for their clients in both the accumulation and decumulation phase:



Fund review

Architas

Active Reserve Fund

Nancy Mills, Insight Analyst.

Executive summary

Architas was established in 2008 as a specialist boutique within the global AXA Group to focus solely on providing multi-asset and multi-manager portfolio solutions to institutional and retail clients. 100% AXA-owned, it operates autonomously within its chosen field, with no connection to AXA IM.

Architas' multi-asset offering comprises passive, blended and active fund of fund products. Within each style, the risk profile ranges from lowest (2) to highest (7). This risk mapping is determined by Evalue, an external tool which also provides the strategic asset allocation output on which portfolio construction is based; it does not necessarily align with other systems' rankings. Evalue determines the appropriate asset allocation and fixed volatility bands for each fund given its risk/return objectives.

The Active Reserve Fund aims for long-term returns from a combination of capital growth and income, with a low level of volatility. The fund's Evalue risk profile of 2 (Defaqto 2 risk rating) is the lowest in the Active range (hence the name 'Reserve'); it invests via managers who are looking to add investment alpha, hence 'Active'. Its asset allocation, however, differs from other funds in

About Architas

Architas was established in 2008 as a specialist boutique within the global AXA Group. It is 100% owned by AXA and its board executives report directly into the AXA Group. Hans Georgeson, who has over 20 years' financial industry experience, has been company CEO since 2010. Georgeson has very recently announced his decision to step aside as CEO and has been succeeded by Matthieu Andre with effect from 1st March 2020. Andre has significant experience of the AXA Group having previously held the posts of CEO of AXA Global Life and Savings and Deputy CEO and Chief Strategic Development Officer for European Markets. Headquartered in London, Architas employs around 280 people around the world, including the 18 investment professionals most closely associated with the fund reviewed in this report.

Architas designs multi-asset and multi-manager fund

architas

the Active, Blended and Passive ranges, in that it has much higher exposure to property, via property income and real estate financing funds.

This portfolio of funds has a lead manager in Nathan Sweeney, who has over 18 years' relevant management experience. CIO Jaime Arguello is co-manager. They, along with the team, seek to identify their highest conviction fund ideas in the discrete asset class for which they are responsible, using a process which appears to be well defined and applied in a disciplined manner.

Conviction levels in funds need to be robust as the portfolio's construction style is quite focused in terms of holding numbers; any one fund-specific issue could notably impact overall performance (on the up or downside). Risk oversight looks robust, with the risk team reporting independently to CEO Hans Georgeson (Matthieu Andre from 1st March 2020).

A 'Super clean' share class (S) have been widely available since August 2018, with an AMC of 55bp. The data in this document has been created using that share class.

solutions; within this, its ranges include risk profiled funds (passive, active and blended funds), income generating funds and specialist equity and bond funds. As at end December 2019, assets under management and advice for external clients (both retail and institutional) and also various AXA group entities, totalled £23.8bn.

In terms of operations and fund selection, it is important to note that Architas operates independently of AXA IM and that there is no crossover between Architas and the AXA IM MACS (Multi-Asset Client Solutions) division led by renowned veteran investor Serge Pizem. Additionally, Architas' fund of funds products are completely unfettered; there is no requirement to hold AXA vehicles, and AXA funds must undergo the same selection process as any other fund and compete on the same terms as any other fund provider.

Defaqto Ratings



Quantitative review

Investment objective

The fund aims for long term returns, combining capital growth and income, by investing in a diversified range of asset classes, with a low level of volatility. There is no specific stated target return. The fund can invest in cash, equities, bonds and property; it may also (theoretically) use warrants, derivatives, money market instruments,

All analysis using Morningstar data to 31 March 2020

borrowings and deposits, and engage in hedging and stock lending. In implementing the strategic asset allocation set by Evaluate (see 'asset allocation' below), the fund invests in active managers and actively manages fund selection. 'Reserve' refers to the risk level reflected in the asset allocation.

Fund information and classification

Launch Date	01 August 2012	IA Sector	Unclassified Sector
Fund Manager	Nathan Sweeney	Morningstar Category	GBP Cautious Allocation
Domicile	GBR	Defaqto Diamond Rating Type	Not Rated
Assets	Active	Diamond Rating	Not Rated
Approach	Risk Targeted	*Note: The Morningstar Category is used in all comparative analysis, over the following pages.	
Type	OEIC		

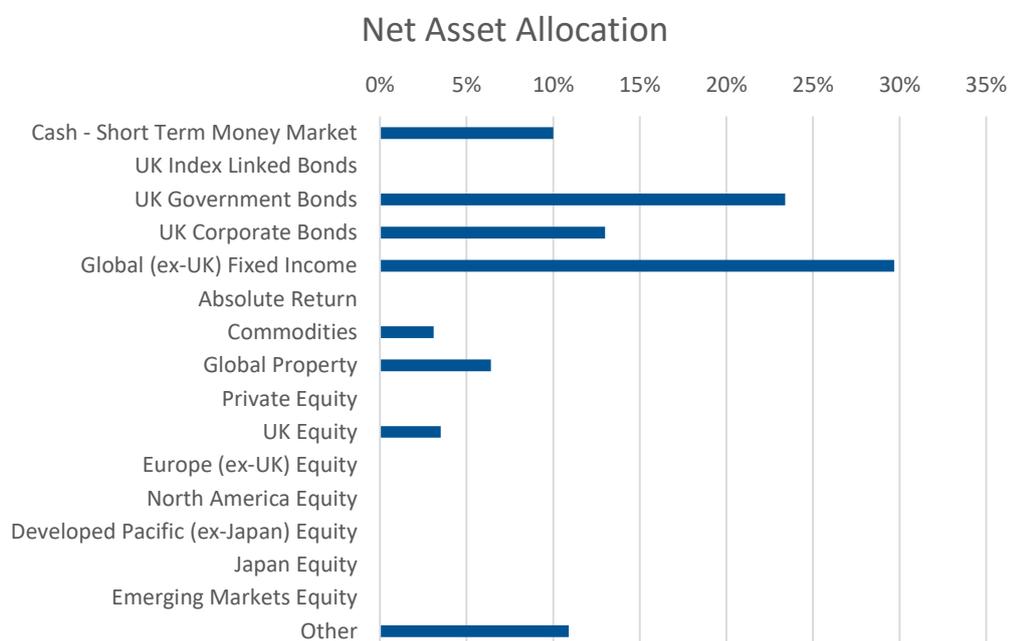
Asset allocation

The strategic asset allocation for this fund is set by Evaluate, an external tool which models asset behaviour and correlations in hypothetical scenarios over varying time periods - indicating the optimum allocation for the desired long-term risk/return profile of the fund. Essentially, it is a forward-looking model indicating potential risk and returns. However, that allocation is subject to Architas-imposed constraints to ensure both diversification and its suitability currency-wise for UK-based investors. Property exposure is capped at 5% due to its illiquid nature.

strategic allocation are not only permitted but likely (short-term might mean a matter of just weeks). The manager may tilt the portfolio 1%-10% over or underweight versus the Evaluate model. However, one standard deviation is the maximum permitted and, in acting thus, a manager may not unilaterally reverse an investment committee asset allocation decision.

Within this, short-term tactical deviations from the

In this fund there is exposure to alternatives, categorised below as 'other'. These include property income funds and social housing funds; the group notes that these vehicles differ markedly from traditional property in their profile and performance drivers.



Note

This asset allocation chart is drawn using the 16 asset classes (including 'other') that we use in our modelling.

This may differ slightly from the asset allocation described by the fund manager, due to various asset class roll-up and mapping variances.

Top 10 holdings

This is a fund of funds, which explains the near zero numbers for the equity and bond holdings. The top 10 holdings make up almost 80% of the overall fund.

The four largest holdings, making up over 52% of the portfolio combined, are all fixed income funds.

This fund is truly unfettered, which is evident in the holdings data below.

Date	31/03/2020
Total Number of Equity Holdings	2
Total Number of Bond Holdings	0
Assets in Top 10 Holdings (%)	79.29

Name	Sector	Country	% of assets
HSBC Global Liq Sterling Liquidity C		Ireland	15.80
BlackRock ICS Sterling Liq Acc		Ireland	14.60
iShares UK Gilts All Stks Idx (UK) L Acc		United Kingdom	11.30
Vanguard UK Govt Bd Idx Ins+ GBP Acc		Ireland	11.14
iShares Overseas Govt Bd Idx (UK) L Acc		United Kingdom	5.73
Vanguard UK Lg Dur Gilt Idx A Grs Inc		United Kingdom	5.29
Liontrust Sust Fut Corp Bd 6 Grs Acc		United Kingdom	4.98
Primary Health Properties PLC		United Kingdom	3.56
Civitas Social Housing Ord		United Kingdom	3.54
iShares \$ Treasury Bd 20+y ETF USD Dist		Ireland	3.35

Liquidity

The assets held within this fund are extremely liquid, with 100% being able to be liquidated within 7 days.

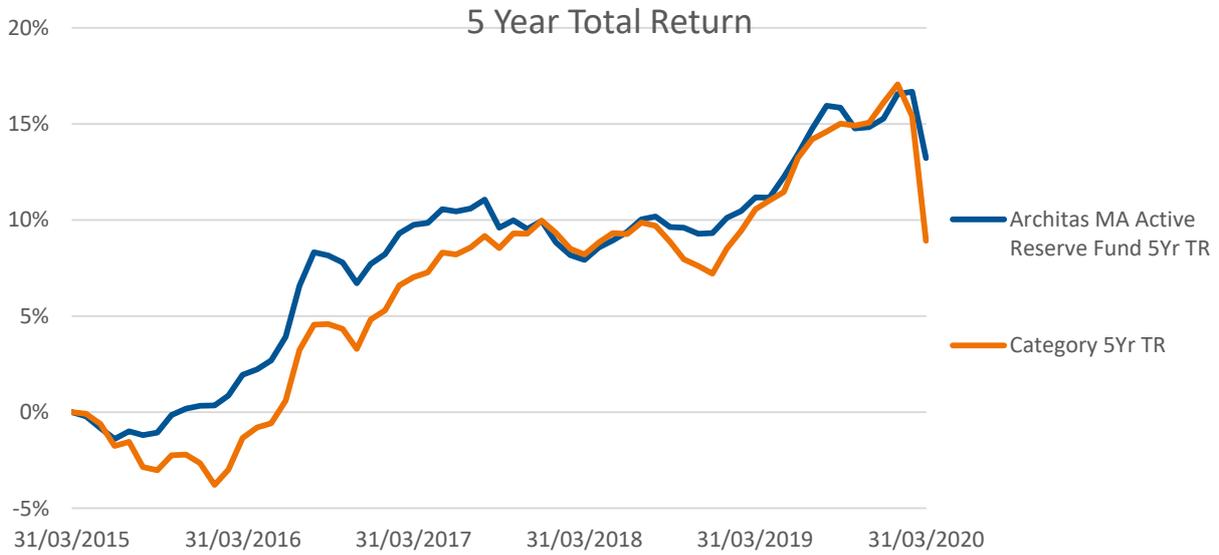
Days to liquidate holdings	% of portfolio
1 - 7 days (%)	100.00
8 - 30 days (%)	
31 - 180 days (%)	
181 - 365+ days (%)	

Source: Architas February 2020

Performance - total returns

Returns have been strong over five years and have outperformed the category average. Despite the recent volatility and associated downturn in markets, the fund

has achieved a total return of around 13%, compared with the category average of less than 10%.



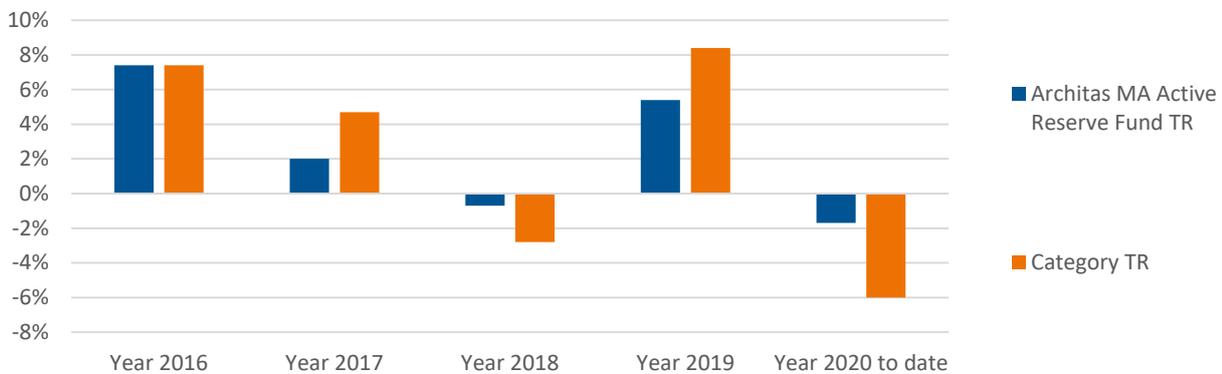
Performance - discrete returns

Peer relative performance has been mixed in the discrete years below.

However, Architas's aim to protect funds on the downside while participating in the upside is evident below, particularly during 2018 where the fund performed exceptionally well against the category average.

During the first part of 2020, when we have experienced higher levels of volatility due to the Coronavirus, the fund has, once again, performed excellently compared with the category average.

Discrete Returns



Risk

The fund has had a marginally higher volatility level than the category average on a five-year view, but with a higher annualised return. It is worth noting the size of the scale below.

In terms of risk profile, the fund sits at the low end of the active range (ranked 2 on Evaluate's forward looking model). This fund has a Defaqto 2 risk rating.

Actual levels of volatility going forward may differ from expected levels of volatility.

We are in the midst of increased levels of market volatility, largely due to the Coronavirus pandemic.



Drawdown

As might be expected of a fund with a low risk profile, drawdowns are fairly muted in nature. Within that,

positive months have outweighed negative months over the last five years.

Last 60 Months	
Max Drawdown	-9.1%
Positive Months	36
Negative Months	24
Worst Month	-2.8%

Fund size and fees

This fund has AUM of £73m and sits above the level at which Defaqto feels comfortable (£50m) for its Diamond Ratings. It is worth re-emphasising that the multi-asset and multi-manager styles are Architas's specialism, and total AUM as at end December 2019 was £23.8bn.

All share classes are available in 'clean' and 'super clean'. The 'clean' remains available to direct investors, whilst the 'super clean' has been widely available on all platforms since 1 August 2018. The AMC on the 'super clean' class is reduced by 20bp to 55bp in this fund.

AUM	£73M
OCF Estimated	0.90%
OCF Actual	0.86%
Transaction Fee Actual	-0.14%
Performance Fee (Yes/No)	No
Performance Fee Actual	n/a

Qualitative review

Defaqto analysts met members of the Architas fund team at their offices in London in December 2018 and February 2020.

Philosophy

Architas aims to provide a simple, understandable approach to investment. It offers a range of multi-asset and multi-manager portfolios tailored to investors' differing risk tolerances and preferences.

The Architas approach blends top-down and bottom-up elements. In the multi-asset fund ranges (passive, blended and active), the strategic asset allocation and volatility parameters appropriate for each fund's risk/reward profile is set using the output of a 15-year forward looking model, from external model provider Evaluate. These parameters are strictly observed in the Passive range, with the funds sitting in the mid-point of their volatility range; in the Blended and Active ranges there is leeway for shorter-term tactical allocation tilts (which may be regional or stylistic in nature), although they are still managed within their volatility parameters. The asset allocation framework is then populated bottom-up by the investment team's fund choices. The in-house fund selection process, intended to be both detailed and thorough, is viewed as a cornerstone of the process and integral to the company's investment philosophy.

Since the arrival of CIO Jamie Arguello in 2016, there has been a move to make portfolios more focused (i.e. in terms of number of holdings) and also a renewed

emphasis on downside protection. Stylistically, the Architas investment approach has become more 'evidence-based' than 'flair-based'.

With respect to this specific portfolio, the name 'Active Reserve' requires clarification. 'Reserve' refers to the style and type of asset allocation allied to this fund's specific expected risk/return profile, whilst 'Active' refers to the funds and managers used to populate that allocation (they aim to add alpha). Fund selection may see meaningful change over the year if conviction in an existing holding falls, or if a better alternative is found.

Architas prefers to look at its own funds' performance on a market-relative basis i.e. how they would expect funds to outperform at any given stage of a market cycle, or in certain style-based market phases. They also tend to monitor peers that they consider their nearest competition.

Architas are clear on their desire to participate in the upside of market performance while protecting in the downside. They do not expect their funds to be at the top of category average in rising markets but do consider their strategies are better at capital preservation during downward markets than others.

People

The 18-strong Architas team of investment professionals is headed by CIO Jaime Arguello who succeeded Caspar Rock, who left the group in 2016. Since taking over, Arguello has looked for a more focused approach in portfolio construction (in terms of numbers of holdings) and has also prioritised a more evidenced based investment approach to investment. The team averages 15 years' financial industry experience.

There has been some change over the last 12 months or so within the team, with the departure of COO Anna O'Donoghue and the hiring of two new Investment Analysts, Shayan Ratnasingam and Asim Qadri. It has been recently announced that Solomon Nevins will be leaving Architas within the next few months.

The team works in a collaborative and collegial fashion. Most of the funds are co-managed – an equitable relationship, with 'co' rather than 'individual' ownership of fund track records. Each team member has analytical as well as fund managerial responsibilities, by either asset type and/or geography, meaning that their input is

relevant and crucial to all funds, not just the ones for which they have named co-responsibility.

However, this Active range has a very clear lead manager in the experienced Nathan Sweeney. CIO Jaime Arguello is co-manager.

Jaime Arguello (Engineering, Ecole Nationale des Ponts et Chaussees) – joined Architas in 2016, after seven years as CIO of Barclays multi-manager and alternatives business. He has over 30 years' experience in markets.

Nathan Sweeney (BSc Science) – joined Architas in 2010 after 10 years at AIB Investment Managers, where he managed multi-manager funds. He has over 18 years' relevant fund management experience. He has lead managed this fund since January 2015.

The investment team

INVESTMENT MANAGEMENT TEAM

AVERAGE INVESTMENT EXPERIENCE OF 14 YEARS

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Jaime Arguello
Chief Investment Officer



Sheldon MacDonald, CFA
Deputy CIO, Global equities



Seamus Lyons, CFA*
High yield bonds



Niall McDonnell, CFA*
Global government bonds & global investment grade bonds



Nathan Sweeney
US equities



Mayank Markanday, CFA
Structured credit, UK fixed income & convertibles



Solomon Nevins, CFA
Alternatives



Pela Strataki, CFA
Absolute return & emerging market debt



Alex Burn, CFA
European equities, Japanese equities & passive equities



Tom Woodfield
Environmental, Social and Governance Analyst



Asim Qadri, CFA
Asian equities & emerging market equities



Jen Causton
UK equities & core property



Shayan Ratnasingam
Money markets, global thematic strategies & specialist property



Richard Byrne*
Quantitative funds, passive fixed income & multi-asset funds



Priyanka Kalia
Investment Performance & Reporting Analyst



Stephen Allen
Head of Dealing & Implementation



Elisa Piscopiello
Investment Dealing Assistant



Richard Chiang
Quantitative Analyst

Source: Architas, as at 01.04.2020* Architas Multi-Manager Europe Limited, Dublin.

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The fund managers



Nathan Sweeney
Senior Investment Manager

Nathan co-manages the Architas Multi-Asset Active Fund range and the Architas Multi-Manager UK Equity Fund. Nathan's analyst responsibilities consist of US economic research and US fund selection.

Nathan began his 20-year investment career at AIB Investment Managers, where he was responsible for launching and managing the AIB Multi-Manager Funds. Nathan joined Architas in 2010 and has significant experience of asset allocation, portfolio management and fund selection. Nathan has a BSc in Science, a Diploma in Financial Services and is IMC qualified.



Jaime Arguello
Chief Investment Officer

As Architas' Chief Investment Officer, Jaime is responsible for directing all aspects of the company's investment activity, including responsibility for the structure and control of the investment function. Jaime's role also includes the recommendation of appropriate investment strategies to other areas of the AXA business.

Jaime joined Architas in October 2016 from Barclays where he was Managing Director and Chief Investment Officer for their multi-manager and alternatives business, a role he held for seven years. Prior to Barclays, Jaime spent 10 years at Pictet as Director of third party manager selection and Head of Fixed Income choosing managers across a range of asset classes. Jaime has over 30 years of industry experience covering the full range of asset allocation, fund selection and portfolio management.

Jaime holds an engineering degree from Ecole Nationale des Ponts et Chaussées, Paris.

Source: Architas February 2020

Process

The strategic asset allocation for the Active funds is provided and updated quarterly by Evalue, an external asset allocation tool.

The Evalue tool does not officially exclude any asset class but Architas does impose its own in-house constraints, even for this passive range of funds. It does not like to invest in asset classes that it (and advisers) might find opaque, such as global absolute return funds (GARS); it is also wary of liquidity issues in property and notes that some areas in property are uninvestable and hence impossible to replicate and implement fully. For that reason, property exposure is capped at 5%. This has recently been reduced from 10% due to liquidity concerns at present. Architas were clear that they would favour liquidity over return when it came to choosing a property fund. Architas must also ensure sufficient diversification and also the allocation's suitability currency-wise for UK-based investors. Once these asset allocation constraints are implemented, passive funds must adhere strictly to the subsequent Evalue allocation output.

The Evalue tool incorporates a wide range of economic and asset class variables into its 15-year forward looking model, which is designed to forecast returns and the probability of returns of the various asset classes over that time period. Incorporating the Architas constraints explained above, Evalue determines the appropriate asset allocation and fixed volatility bands for each fund given its risk/return objectives.

Funds in the multi-asset active range are designed to be managed long-term within the confines of their prescribed volatility parameters. However, within this the manager may enact tactical tilts which deviate from the strategic asset allocation (1%-10% over or underweight versus the Evalue model). One standard deviation is the maximum permitted and, in acting thus, a manager may not unilaterally reverse an investment committee asset allocation decision. Tilts

may be very short-term in nature e.g. taking advantage of extreme short-term market movements or mispricings. Further adjustments to the strategic asset allocation are carried out as required when the updated quarterly data is received from Evalue, with rebalancing executed gradually to minimise costs. A shift in asset allocation may require the sale of a holding and/or the addition of a new name. Within this quarterly cycle, regular weekly meetings and the monthly Investment Committee meeting monitor asset allocation monitor any tactical asset allocation decisions, and also handle any portfolio rebalancing made necessary by market movements.

The fund selection process combines quantitative and qualitative elements. The analyst looks at the size, quality and experience of the investment team running the fund, though, rather surprisingly, there is no explicit requirement for managers to have a track record. Essentially, the analyst looks for the highest conviction ideas for the asset class for which they are responsible. Any new addition has to fit the prescribed asset allocation and ideally should provide an element of risk diversification, being lowly correlated with existing holdings.

Portfolios have deliberately become more concentrated. Funds are monitored on an ongoing basis, and at least quarterly for style drift. The lead analyst for each asset class/sector is required to review the buy list formally every six months and to have contact with the manager at least once a year, with conclusions presented at the subsequent portfolio team meeting.

A fund may be sold if there are meaningful changes to its process, philosophy or team that the manager deems significant. Divestment may also occur if performance deviates from expectations, or if the analyst identifies a better vehicle in the same asset class.

INVESTMENT PROCESS

STEPS



STRATEGIC ASSET ALLOCATION (SAA)

Evalue model input



TACTICAL ASSET ALLOCATION (TAA)

Based on short-term market views

Aims to add alpha



PORTFOLIO MANAGEMENT

Allocation within asset classes



MANAGER SELECTION

Looking for consistent alpha generation

architass

Risk management

An investment risk team of seven looks at holdings and portfolio risk on a daily basis.

Independent risk monitoring and oversight is provided by a quite separate risk team of six, led by Massimiliano Zorza, who has been Global Head of Risk since June 2009. There is no crossover in terms of personnel between the two risk teams.

Zorza has almost 20 years' experience in financial operations. He has a separate reporting line to the CEO of Architas and his team operates autonomously of the investment team, providing independent challenge on key metrics.

Risk monitoring and management follows a clearly defined schedule. The risk team monitors specific holding risk, liquidity and top down asset allocation on a daily basis, as well as underlying exposures on a look-through basis. The team also looks at statistical and qualitative outputs in order to identify potential risks, and flag these to the portfolio team.

The risk team is also tasked with ensuring that portfolio requirements and investment regulations are adhered to on a consistent basis. This is particularly important for this passive range of funds as the funds are required to be at the mid-point of their volatility bands (within

predetermined tolerance limits).

The risk team's findings are more formally reviewed weekly. Zorza attends the monthly investment committee, chaired by CIO Jaime Arguello, and can raise questions on matters such as holdings and position sizes. We are also given to understand that he has veto power over fund selection. The monitoring of tracking errors and risk/return analysis are an integral feature of these meetings. The team also provides detailed performance attribution to the CIO and portfolio management team.

A full report is made to the Architas Board on a quarterly basis.

Risk and return profile



Research process

The strategic asset allocation is provided by Evaluate and updated quarterly, with prescribed asset allocation and volatility ranges. Unlike the passive range, in this Active range, tactical allocation is undertaken.

Tactical allocations are made by the investment team within the context of the strategic asset allocation, taking into account short-term market mispricings resulting from sentiment-driven market reactions to unexpected events. It is a chance for the team to add value based on their market views and expertise. This manifests itself in a short-term underweight or overweight positions in one or several asset classes, which will typically be swiftly closed out. Attribution will be checked thereafter to ensure that there was a performance benefit post transaction costs.

As far as fund selection is concerned, each team member has research responsibility for a specific area and asset class, with the brief to seek out their highest conviction ideas therein. The fund selection process blends quantitative and qualitative analysis, is clearly defined, and would seem to be consistently applied. For the Blended range, excess returns across asset classes are compared by style (i.e. active and passive) to assess which vehicle is optimal for the specific fund in question.

The Active range is truly unfettered (with only around 5% of the range invested in AXA IM funds) allowing the managers complete freedom to pick the funds they believe are best.

Using Morningstar data, the analyst screens the asset class to identify potential opportunities. Liquidity screens also feature; typically funds below £100m in size are not considered, but this is not a hard and fast rule.

Interviewing fund managers is an integral part of the process; normally there will be more than one visit before any recommendation is made. Thanks to its size, Architas has good access to fund managers. To date, it has never invested in an underlying fund without meeting the fund manager first. The analyst forms a

Resources available

Evaluate, an external asset allocation tool, is key to the process as it is the reference point for the strategic asset allocation for the passive range of funds. It formulates volatility parameters for each fund appropriate to its risk/return characteristics.

The fund selection process utilises Morningstar data universes for its initial screening and proprietary screens and filters facilitate deeper analysis. Other systems available include Bloomberg Port (risk and scenario analysis, as well as performance attribution), Style Research and Morningstar portfolio performance attribution systems.

Architas also pay for research from Goldman Sachs and JP Morgan.

qualitative assessment of the team, process and fund performance. Team-wise, he/she looks at the size, quality and experience of the investment team running the fund, though interestingly (and rather surprisingly), there is no explicit requirement for managers to demonstrate a previous track record on the asset class. The investment process should be consistent and repeatable. The analyst will also look at the underlying assets of the fund to ensure he/she is comfortable with its composition. There is also an assessment of operational areas such as risk controls and risk management. Performance-wise, the fund being reviewed is required to provide attribution. Each area is then scored out of five and weighted to produce a composite score (also out of five); the fund must score at least three to go further in the process (but this by no means guarantees approval). The three attributes are not equally weighted; the team is considered the most important criterion.

The analyst then puts forward the investment case for the fund at the Fund Approval Forum, where it meets peer group challenge. The analyst can only submit ideas in his/her area of specialisation. Any approval decision must be unanimous; if not, CIO Jaime Arguello has the final decision-making power. Given the focused nature of portfolios, approved funds need to be high conviction ideas. Each analyst creates a list of approved funds which the portfolio manager can use in portfolio construction. The portfolio managers cannot invest in any fund that has not been approved by the forum.

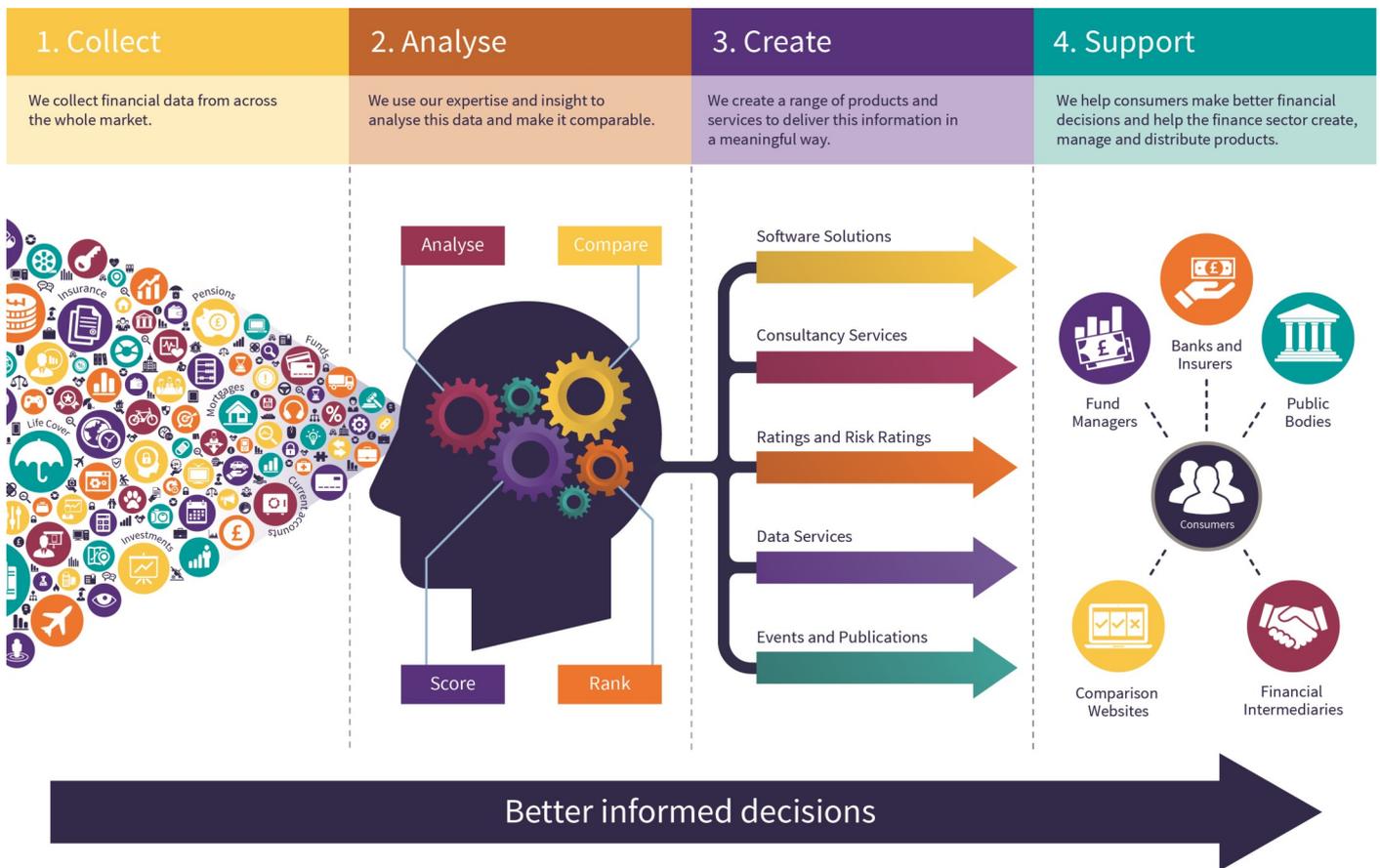
Funds are monitored on an ongoing basis, and at least quarterly for style drift. Funds are reviewed more formally at least twice a year. Throughout the process, there is ongoing dialogue between analyst and fund manager as required.

Glossary

Defaqto Diamond Rating	A quality rating based upon a range of key attributes, including performance, cost, size, and manager tenure.
Defaqto Risk Rating	A suitability rating that applies to solutions, which have been mapped and aligned to the ten Defaqto Risk Profiles.
Defaqto Income Risk Rating	A suitability rating that applies to solutions, which have been mapped and aligned to the four Defaqto Income Risk Profiles.
Launch Date	The launch date for the share class being reviewed.
Assets	Refers to the asset types that the fund managers uses, being either 'active' or 'passive'.
Approach	Refers to the management focus adopted by the manager.
Investment Association (IA) sector	The Investment Association peer group that the fund/s are classified within. See www.investmentassociation.org for details.
Morningstar Category	Funds are grouped into categories according to their actual investment style, not merely their stated investment objectives, nor their ability to generate a certain level of income. To ensure homogeneous groupings, Morningstar normally allocates funds to categories on the basis of their portfolio holdings. Several portfolios are taken into account to ensure that the fund's real investment stance is taken into account. Source: Morningstar Inc.
Defaqto Diamond Rating Type	Created by Defaqto to determine the Defaqto Diamond Ratings.
Asset allocation chart	Created using Defaqto's 16 asset classes including 'other'.
Total returns chart	Displays the percentage return, over the specified period, compared to Morningstar category, with gross income reinvested.
Discrete returns chart	Based on 5 discrete 12 month periods (if available), working backwards from the stated month-end. Displays the percentage returns, compared to the Morningstar category, with gross income reinvested.
Risk-return chart	Displays the annualised standard deviation of daily log returns and the annualised percentage return of the solution, compared to the Morningstar category.
Drawdown and positive/negative months table	Displays the maximum peak to trough loss, within the period stated, using daily pricing data, together with the number of positive and negative months of performance, and the percentage fall in value in the worst month.
Fund size and fees	Displays assets under management (AUM), for the solution, together with a range of MIFID II compliant fees. It should be noted that, for technical reasons, negative transaction fees can occur. Its also possible that negative performance fees can be displayed and these represent fee rebates.
Historic income chart	If displayed, shows the net distribution history declared by the solution, on a £ per unit basis.
Yield table	If displayed, shows the current income yield, calculated on a trailing percentage basis, together with the distribution frequency.

Data source: Morningstar Inc. Please note that some solutions may have simulated/extended track records, in accordance with Morningstar's Extended Performance Methodology paper.

About Defaqto



Defaqto is a financial information business, helping financial institutions and consumers make better informed decisions.

Our independent fund and product information helps banks, insurers and fund managers with designing and promoting their propositions. We analyse more than 41,000 financial products in the UK. These products change on a daily basis, and our customers need help with keeping track of this.

We have been doing this for over 20 years, and we have 60 analysts spending 400 hours a day monitoring the market. They ensure that the information we provide is accurate and up to date. Our experts have done all the hard work so that financial institutions and consumers can make better informed decisions

If you would like more information please contact sales@defaqto.com or call us on 0808 1000 804.

Please contact your Defaqto Account Manager or call us on 0808 1000 804

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