

DECEMBER 2019

## MULTI-ASSET (MA) BLENDED FUND RANGE: SANTA RALLY IN FULL SWING



**Sheldon MacDonald**  
Deputy Chief  
Investment Officer



**Mayank Markanday**  
Senior Investment  
Manager

The Santa Rally was in full swing last year as most major stock markets delivered positive returns in December, rounding off the strongest year for global markets since the financial crisis.

In the UK the markets reacted positively to the Conservatives' election victory. Investors were optimistic over the party's business-friendly policies and some much-needed Brexit clarity. Sterling rose against other major currencies, but gave back some returns over fears that a trade deal with the EU may not be completed by the December 2020 deadline.

in principle and should be signed in January. After months of uncertainty, the magnitude of the news was felt across the globe and most major stock markets reacted positively.

Elsewhere there were no nasty surprises from global central banks, which continue to be accommodative for stock markets as we enter the new year.

Across the pond, a US/China phase one trade deal was finally agreed



### CASH OR MONEY MARKETS

We continued to move cash into equities (stocks) in December. However, we have kept a small cash balance in all our funds.



2 3 4 6



### FIXED INCOME

There were no major changes to our fixed income investments in December. We remain neutral on fixed income, as we have been for quite some time.



No change



### EQUITY

After upgrading our outlook on equities to neutral last month, we continued to increase our equity exposure in December, primarily through the US and UK.



2 3 4 5 6



### PROPERTY

We have maintained a small holding in UK property funds, global real estate investment trusts and specialist property funds. We are comfortable with these investments despite the concerns over property funds that have been reported in the news recently.



No change



### ALTERNATIVES

There were no changes to alternatives in December. We continue to like these investments for their diversification benefits and because they can offer a regular income.



No change

#### RISK PROFILES IMPACTED

risk rating from low (2) to high (7)

2 3 4 5 6 7

#### COMPANY VIEW

We review our opinion on a range of asset classes monthly. When we are positive about an asset class we categorise them as '**overweight**' ▲ and may look to increase our allocation to this asset in our portfolios. Conversely when we are negative about an asset class we classify them as '**underweight**' ▼ and may reduce the allocation. Finally '**neutral**' ◯ means that we are not positive or negative.



# MA BLENDED FUND RANGE HIGHLIGHT

## RWC Global Emerging Markets ② ③ ④ ⑤ ⑥

The RWC Global Emerging Markets Fund is an actively managed fund that invests in emerging markets such as China and Russia, and also smaller frontier markets such as Kazakhstan and Kuwait.

The fund manager looks for growing companies that have strong, sustainable cash flows and whose share prices appear to be good value for money.

Fund manager John Malloy currently invests in 64 companies, with the top 10 making up one third of the fund's assets. The top 10 includes the likes of Chinese internet giant Tencent, Russian financial services company Sberbank, and Taiwan Semiconductor Manufacturing Co – whose computer chips can be found in iPhones and many other smartphones.

With progress being made in US/China trade talks we feel more positive about the outlook for emerging market equities, and we hope to see this fund continue its good performance in 2020.

### RISK PROFILE

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**ARCHITAS  
MULTI-ASSET (MA)  
BLENDED FUNDS**

MA Blended Reserve Fund

MA Blended Moderate Fund

MA Blended Intermediate Fund

MA Blended Progressive Fund

MA Blended Growth Fund

## Important information

The value of investments and any income from them can go down as well as up and is not guaranteed, and you could get back less than you originally invested. Past performance is not a guide to future performance. These funds may not be appropriate for investors who plan to withdraw their money within five years. The views expressed within this document are those of Architas, who may or may not have acted upon them.

The value of funds can fall as well as rise purely as a result of exchange rate fluctuations. The funds can invest entirely in units of collective investment schemes. You can invest in the funds mentioned within this document through a number of financial products.

If you need more information on any of our funds, you can ask us for a free copy of the Key Investor Information document (KIID) and the prospectus. You can also view or download all of our funds' KIIDs from our website at **architas.com**, by following the Key Investor Information documents link from the home page and in the information centre.

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## CONTACT

The Architas customer support team is on hand to answer your questions.

**0800 953 0197**  
**architas.com**

*Monday to Friday 9.00am-5.30pm;  
calls may be recorded. Calls are free from  
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