

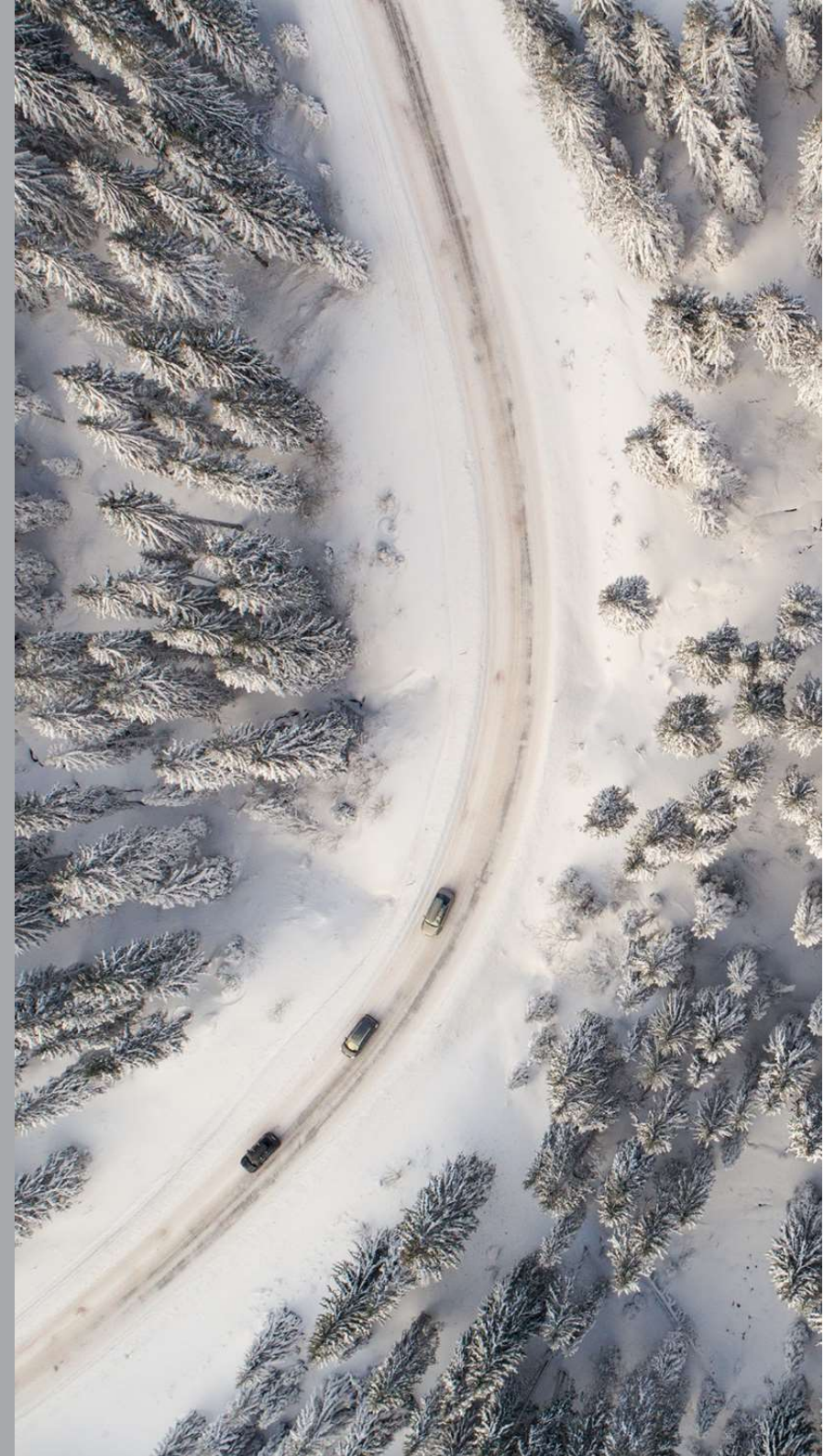


# Action Required

Portfolio Alteration Request

Thematic Moderate (Aviva) to **Growth**  
Moderate

December 2021



# Introduction

**As we continue to navigate out of the global economic ‘stop’ and subsequent re-opening of global markets, travel and trade we are proposing changes to your portfolio. The changes reflect how we wish to position ourselves in this period of continuing uncertainty, on the back of a fast and meteoric rise in markets to pre-covid levels.**

With global growth forecast to slow, inflation looking likely to stay around longer than originally anticipated alongside ongoing supply issues and the necessary political and policy decisions from both Governments and Central Banks to stabilise recovery into 2022, now is the time to position our portfolios to reflect potentially slower growth.

Even as we go to press we see a resurgence in a new variant of Covid-19, Omicron. Both the existing and proposed portfolios have been backtested to look at how they perform in times of ‘covid stress’ and we will continue with the proposed switch.

As mentioned in my email, the *Thematic* portfolio range will now be called the *Growth* portfolio range reflecting less theme based investment strategies as many of these previously backed have matured and offer less growth potential going forward.

In house we have also made some adjustments to our risk bands and increased the number of portfolios available for investment from four to five.

The purpose of this document is to provide information pertaining to your existing portfolio and the proposed new portfolio for you to keep for your records.

**The information includes:**

- fund comparison analysis
- portfolio risk scores
- allocations:
  - asset
  - geography

It should be noted that your own portfolio will differ from this generic comparison and does not reflect the movement in prices or values from the date of any previous switches.

## Why is this document important?

**We are unable to make the changes to your portfolio(s) without your say so.**

## What do I need to do?

**In order to make the changes to your portfolio(s) please confirm by email at your earliest convenience.**

A summary of the previous risk bands and scores is detailed on page 6 to clarify our in house changes.

Please note that the new portfolio remains within your chosen risk band and therefore there is no change to your current portfolio risk band, in line with your attitude to investment risk.

**However if you are concerned about the level of risk you are currently taking or feel you wish to increase or decrease your risk exposure then we need to talk about this and therefore please let me know and I will arrange for a call with your wealth manager.**

I look forward to hearing from you at your earliest opportunity, we are keen to make these changes therefore your prompt reply would be appreciated.

## Portfolio comparison

Existing Portfolio	Holdings %
Blackrock European Absolute Alpha	6.0%
JH Absolute Return Fixed Income	4.0%
JPM Global Macro	6.0%
Octopus UK Micro Cap Growth	8.0%
Premier Miton UK Multi Cap Income	8.0%
Troy Trojan Income Fund	10.0%
RL Sustainable Managed	8.0%
JH Sustainable Global Sustainable Equity	8.0%
Blackrock Next Gen Technology	7.0%
Polar Global Technology	5.0%
Pictet Clean Energy	6.0%
Pictet Water	6.0%
Schroder Global Healthcare	6.0%
Pictet SmartCity	6.0%
Baillie Gifford Pacific	6.0%
<b>Total</b>	<b>100%</b>

Proposed Portfolio	Holdings %
Invesco Tactical Bond	4.0%
RL Global Bond Opportunities	4.0%
ASI Strategic Bond	4.0%
Royal London Diversified Asset-Backed Securities	4.0%
JH European Absolute Return	8.0%
JPM Global Macro	5.0%
Aegon Global Equity Mkt Neutral	8.0%
JPM Global Macro Opportunities	5.0%
Invesco Income and Growth	4.0%
Gresham UK Multi Cap Income	4.0%
RL UK Equity Income	4.0%
Aegon Global Sustainable Equity	4.0%
Baillie Gifford Positive Change	4.0%
L&G Global Technology Index Trust	5.0%
iShares Global Water	4.0%
Fidelity Global Health Care	5.0%
ClearBridge Global Infrastructure Income	4.0%
M&G Global Listed Infrastructure	4.0%
BNY Mellon US Equity Income	4.0%
Blackrock Continental Europe	4.0%
Fidelity Japan	4.0%
Baillie Gifford Pacific	4.0%
<b>Total</b>	<b>100%</b>

# Risk Scores Explained

The FTSE 100 can be a useful benchmark for risk measuring risk as it is 'set' at 100. Funds and other investment vehicles can range from 1 with no upper limits.

The risk score is a measure of volatility relative to the FTSE 100, a fund that is more volatile than the FTSE 100 scores over 100 and less will score under. It enables us to understand the relative risk of the funds we are considering holding within our portfolio against the UK's main equity index.

Our actual portfolios in house sit within a 'numeric risk banding system' so by using the risk ratings of the funds alongside our chosen funds and fund managers we can blend a portfolio to a level of risk that we are comfortable with.

## Portfolio risk scores

**The new portfolio remains with your chosen risk band and therefore there is no change to your current attitude to investment.**

<b>Existing Thematic Moderate Portfolio</b>	Risk Score 66
<b>Proposed Growth Moderate Portfolio</b>	Risk Score 52

# Model portfolio risk bands

## Existing

## New

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<b>Super Defensive</b>	Risk Band 20 - 40	→	Cautious	Risk Band 25-35
<b>Conservative</b>	Risk Band 20 - 40	→	Cautious to Moderate	Risk Band 35-45
<b>Moderate</b>	Risk Band 40 - 70	→	Moderate	Risk Band 45-55
<b>Growth</b>	Risk Band 70 - 100	→	Moderate to Adventurous Adventurous	Risk Band 55-70 Risk Band >70

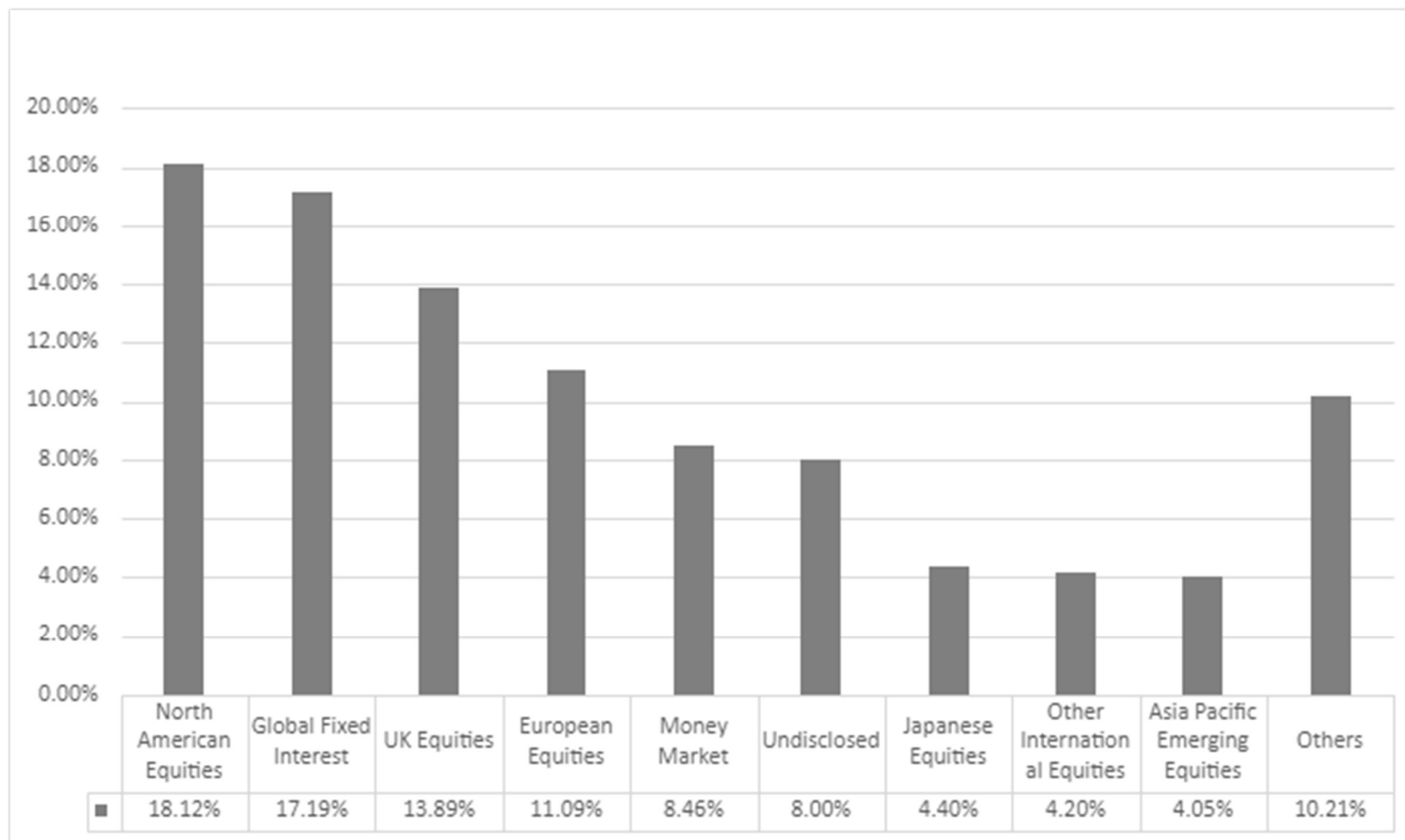
## Asset & geographical allocations

These are produced by our global analytical system using the data and information supplied to them by the fund managers and investment houses hence there are 'undisclosed' or 'other' categories showing based on the sometimes limited information supplied to them. When carrying out our in-house analysis we do contact these investment houses directly to drill down and ascertain this information but for the purpose of this report we do, unfortunately, have to use the data supplied.

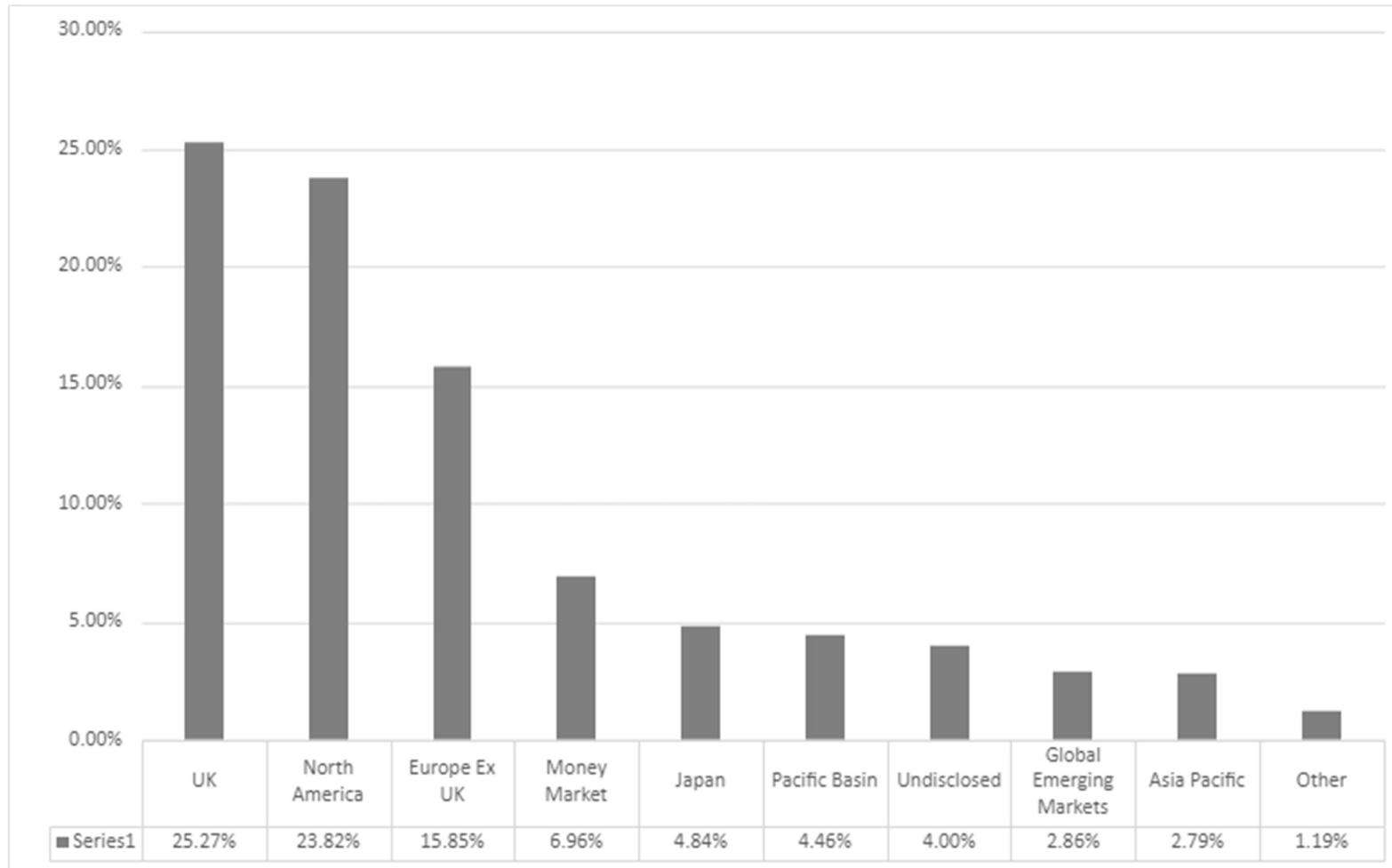


# New portfolio information

## Asset type



## Geography



## Summary

Our portfolios are less theme based and offer more diversification going forward. We have introduced exposure to Europe and Japan, alongside our existing Pacific region allocation.

Inflation has been this years hot topic, initially penned as ‘transitory’ it looks like it is more likely to be here to stay. Although at the discretion of the fund management teams we have introduced more exposure to financials, healthcare, utilities and telecoms, media and technology (TMT) within our funds, and looked for shorted dated debt holdings where possible to try and give some inflation proofing to our portfolios.

We still represent themes such as sustainability, water, healthcare, technology and infrastructure but changes have been made to the funds held. With global growth forecast to slow we have either added or continue to hold macro or absolute strategies depending on the level of risk of your portfolio(s).

We will be heading into 2022 with diversification and a more expansive range of defensive assets.

**We would like to make these changes quickly and your response is required to start the process.**

I look forward to hearing from you soon.

Sarah Lockington



Thank you. Please confirm your acceptance by emailing  
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