

# Core EURO Cautious Growth Portfolio

MONTHLY REPORT AS AT 31 DECEMBER 2021



INTEGRA PRIVATE WEALTH  
INVESTMENT SOLUTIONS

DISCLAIMER - This document is intended for information purposes only. All portfolios are designed following a thorough financial planning exercise to establish the financial objectives and risk attitude. Past performance should not be taken as an indication of future performances. Portfolio values can go up as well as down.

## Portfolio objective and investment policy

The main objective of the Core Euro Cautious Growth Portfolio service is capital preservation with the potential of capital growth. The target annualised rate of return, which rate is not guaranteed, (based on a timeframe of at least 5 years) is in the range of +3% to +5% with volatility levels within the historic standard deviation levels and a target maximum peak to valley losses not exceeding 8%.

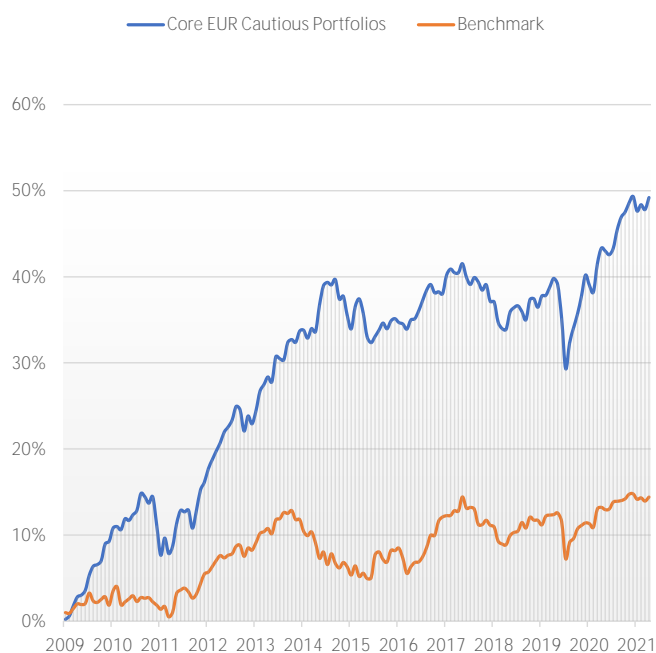
To achieve this objective the Core Euro Cautious Growth Portfolio will be invested in a diversified range of assets with the primary placements within UCITS Collective Investment Schemes managed by the most reputable global asset managers. The expertise provided by these managers added to the asset allocation and risk management knowledge provided by Integra Private Wealth ensure dual control in terms of structural and market risk. This portfolio will invest primarily in Euro denominated or Euro hedged assets although investments in other currencies can be placed as a hedge or as a speculative currency position.

## Portfolio performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2009									0.20%	0.40%	1.19%	1.01%	2.82%
2010	0.22%	0.55%	1.75%	1.05%	0.19%	0.44%	1.96%	0.30%	1.54%	0.18%	-0.36%	1.26%	9.44%
2011	-0.19%	0.66%	0.51%	1.95%	-0.36%	-0.75%	0.73%	-3.32%	-3.46%	2.00%	-1.81%	0.84%	-3.33%
2012	2.62%	1.53%	-0.17%	0.21%	-2.10%	2.07%	2.34%	0.92%	1.57%	1.06%	1.01%	0.95%	12.59%
2013	1.23%	0.60%	0.81%	1.58%	-0.40%	-2.47%	1.75%	-0.91%	1.53%	2.25%	0.78%	0.89%	7.82%
2014	-0.57%	2.92%	-0.24%	-0.14%	2.01%	0.35%	-0.31%	1.29%	0.11%	-0.92%	1.13%	-0.38%	5.30%
2015	3.09%	2.26%	0.39%	-0.30%	0.62%	-2.27%	0.34%	-2.26%	-1.54%	2.59%	0.90%	-1.62%	2.03%
2016	-2.80%	-0.67%	0.72%	0.75%	0.81%	-0.67%	0.91%	0.27%	-0.45%	-0.17%	-0.60%	1.06%	-0.90%
2017	0.15%	0.93%	1.22%	1.18%	0.65%	-0.96%	0.12%	-0.24%	2.14%	0.73%	-0.42%	0.00%	5.60%
2018	1.05%	-1.56%	-0.86%	0.81%	-0.52%	-0.95%	0.63%	-1.93%	-0.07%	-2.34%	-0.75%	-0.10%	-6.45%
2019	2.00%	0.53%	0.21%	-0.68%	-0.95%	2.34%	0.11%	-0.99%	1.31%	0.07%	0.96%	1.02%	6.03%
2020	-0.72%	-3.91%	-5.85%	2.97%	1.76%	1.62%	2.08%	2.43%	-1.19%	-0.77%	3.27%	1.81%	3.09%
2021	-0.33%	-0.42%	0.74%	2.16%	1.45%	0.61%	1.07%	0.74%	-1.70%	0.74%	-0.57%	1.40%	5.99%

Monthly portfolio performances reflect the average return across all Euro denominated portfolios with a cautious risk rating, net of underlying fund management fees.

## Cumulative performance



The benchmark figures for the Core EURO Cautious Growth Portfolios reflect a combination of the following: i) EURIBOR 1 month interest rate (50%), ii) the Morningstar Eurozone Corporate Bond index (40%) and iii) the DJ Urotoxy 50 index (10%).

## Current asset allocation

Cash	32.25%
Equity	18.75%
Bonds	26.00%
Alternative	13.00%
Sector	10.00%

## Portfolio statistical returns

Mean monthly return	0.33%
Annualised return	3.99%
Rolling 12 months return	5.99%
Monthly standard deviation	1.44%
Negative months	53
Positive months	95
Excess Return (ann. return less risk-free return)*	4.17%
Standard deviation @ 68% probability	1.78%
Standard deviation @ 95% probability	3.22%
Sortino ratio (0%)	0.33
Sharpe ratio	0.83

\* Based on the 10 Year German Bund

## Worst drawdowns

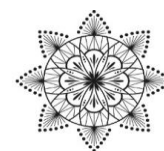
Period from	to	Drawdown	Recovery in months*
Jan-18	Mar-20	-11.84%	8
Jun-15	Feb-16	-7.21%	18
Apr-11	Sep-11	-7.02%	9
Apr-13	Jun-13	-2.86%	4

\* Represents the amount of time (in months) from the portfolio's valley to a new high

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## Manager's commentary

As the Omicron variant continues to cast gloom over festivities for a second year, financial markets seem to be looking beyond the short-term disruptions and into a brighter future. 2021 ends with strong gains on most risk-on assets posting double digit gains for most. Inflationary pressure remains a concern especially in view of the Fed's chair comments suggesting that the term "transitory" with regard to inflation should be retired, opening the way to an accelerated tapering. In fact, the annual US inflation rate accelerated to 6.8% in November. This could mean higher interest rates in a shorter time frame than originally anticipated. The median FOMC member is now ready to start a new interest rate hiking cycle in 2022. In contrast, the ECB retained its stance. With the euro zone further away from full employment, the ECB will remain accommodative, and the consensus seems to be that no interest rate hikes will occur before mid-2023. The euro zone economy grew by 2.2% QoQ during Q3 2021, matching initial estimates. Meanwhile in China, manufacturing activity continued to expand, by a slim margin. China called for tighter restrictions to control an outbreak in Xi'an, pointing to the challenges of holding the COVID-19 zero line against the spread of Omicron. Against this backdrop, active portfolio management will remain key to achieve the best risk/reward ratios and our various portfolio service reflect this. We urge investors to read through the recently published Q4 review and 2022 outcome for further information.

## Year-to-date cumulative performance



Monthly fund performance figures reflect average returns in the base currency across all managed portfolios net of underlying fund management fees.

## Monthly underlying fund performance

LM ClearBridge Infrastructure Value Fund	6.43%
Invesco UK Equity Fund	6.23%
Morgan Stanley Global Brands Fund	5.86%
BGF US Basic Value Fund Hedged	4.08%
Threadneedle (Lux) UK Equity Income Fund	3.92%
Legg Mason WA Macro Opp. Bond Fund	1.95%
Threadneedle (Lux) Global Focus AEH EUR	1.63%
Aegon High Yield Global Bond Fund	1.33%
Treasury Platform - Euro	0.85%
Janus Henderson Horizon Strategic Bond Fund	0.61%
Schroder ISF Global Gold Fund	0.47%
Invesco Euro Corporate Bond	0.32%
IPW Alternatives Fund	-0.55%

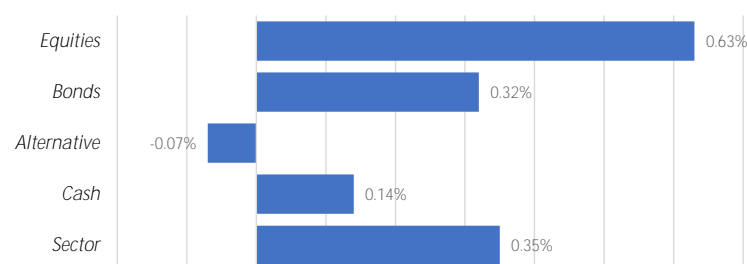
## Positive contributors in absolute terms

LM ClearBridge Infrastructure Value Fund	+0.32%
Morgan Stanley Global Brands Fund	+0.29%
BGF US Basic Value Fund Hedged	+0.20%

## Negative contributors in absolute terms

BGF Continental European Flex Fund	-0.18%
IPW Alternatives Fund	-0.07%

## Contribution to performance by asset class



### TECHNICAL TERMS

The 1 month EURIBOR interest rate is the interest rate at which a selection of European banks lend one another funds denominated in Euros whereby the loans have a maturity of 1 month.

Drawdown is a risk measure used to evaluate how long it typically takes an investment to recover from a temporary decline its net asset value.

The Sortino ratio measures the risk-adjusted return of the investment portfolio. It is a modification of the Sharpe ratio but penalizes only those returns falling below a user-specified target or required rate of return, while the Sharpe ratio penalizes both upside and downside volatility equally.



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