

# Pandemics and politics - a recipe for resilience

November 2020

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Group



Pandemics and politics -  
a recipe for resilience

## Introducing your presenter



**Graham Bentley**  
**Director, Marlborough**  
**International**

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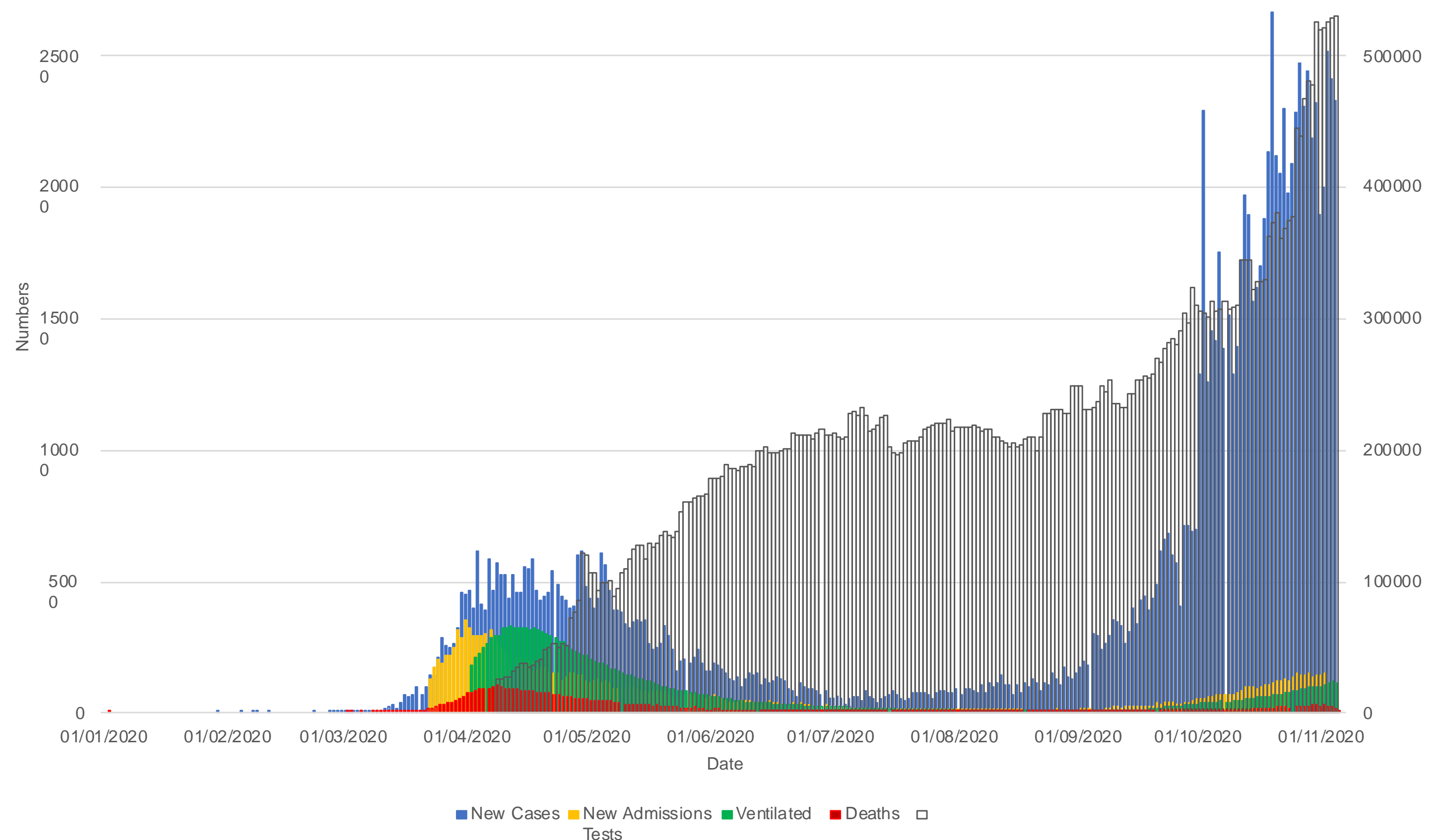
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## Look for the positive (testing)?

"To truly jumpstart the recovery, we first need to see a less pessimistic message - more in tune with the underlying data - from policymakers and from the media."

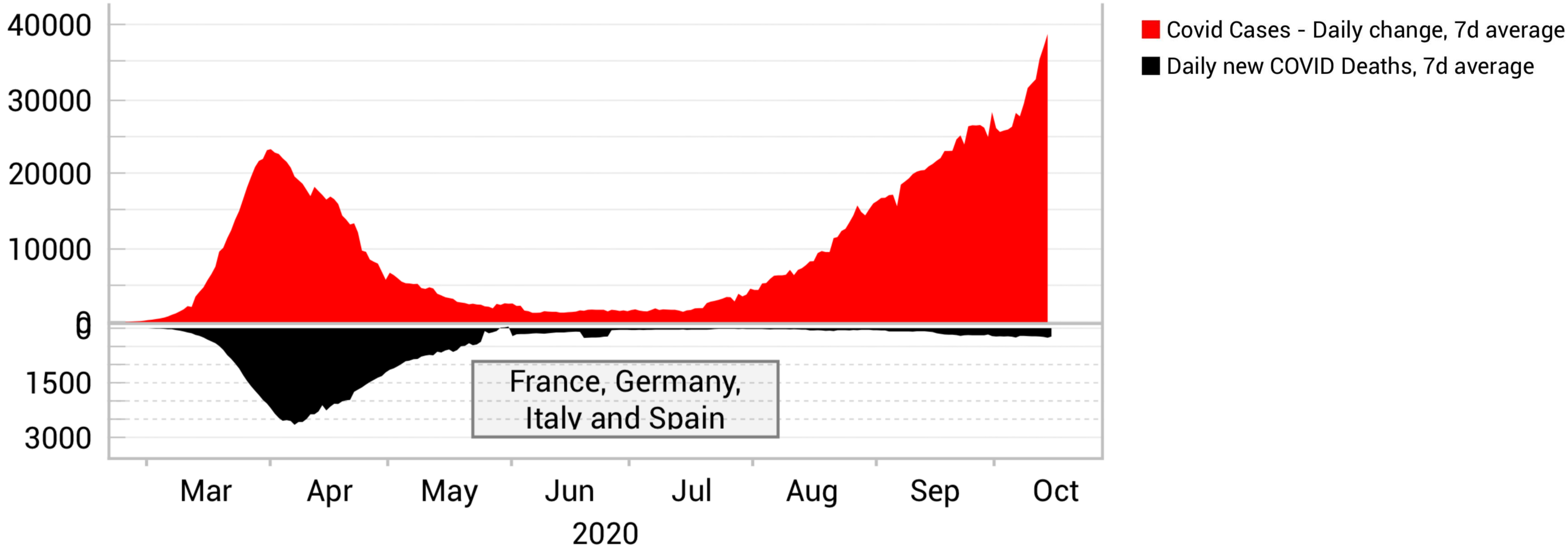
- VP Research Inc.



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## Lockdowns justified?



Source: Variant Perception Inc to 15th October

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## Not just about COVID..

"Operating without adult supervision"

- New York Times 04/10/2020



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## UK Small-Cap resilience

"Operating without adult supervision"

- New York Times 04/10/2020



Brexit  
-21%

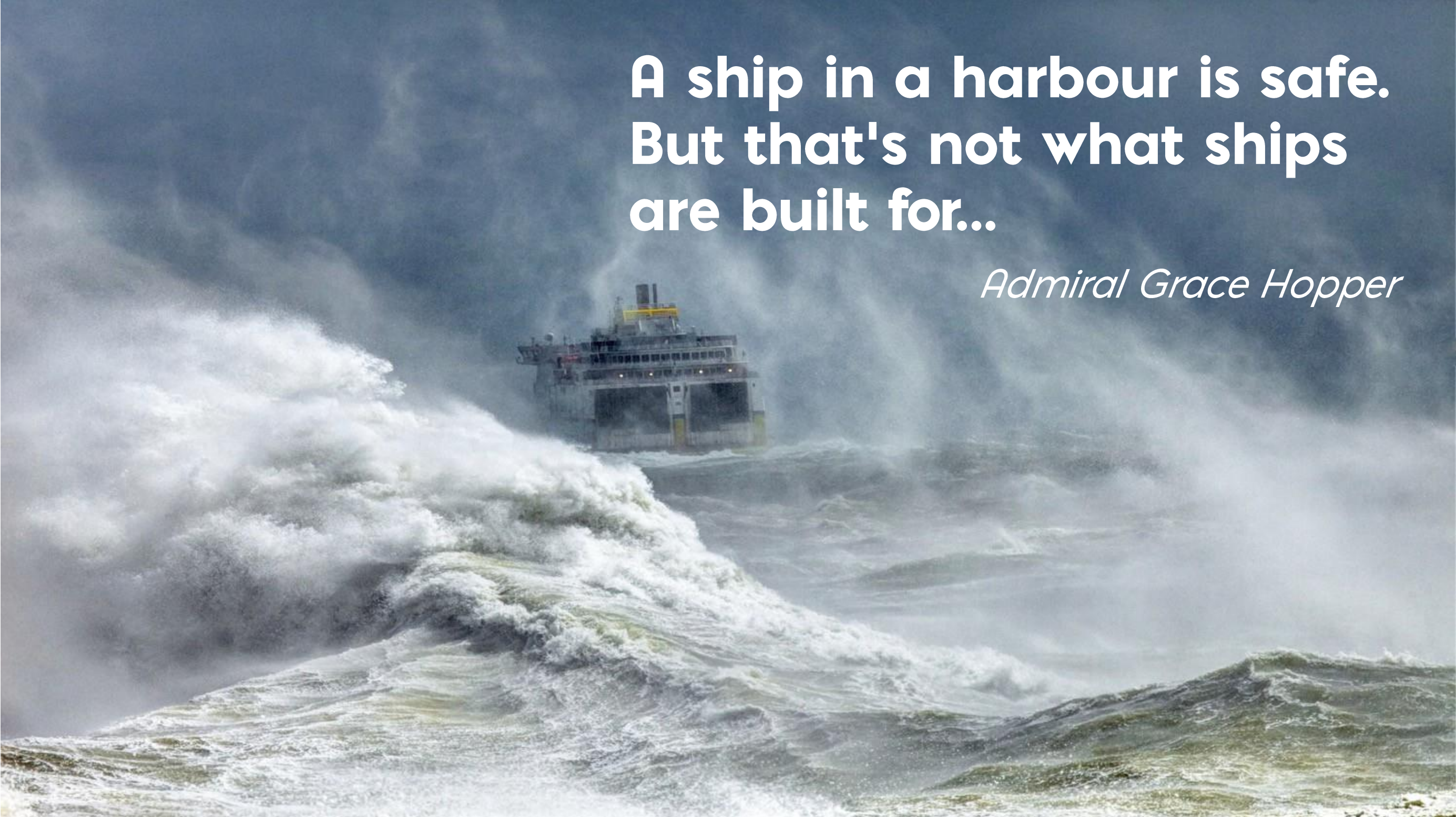
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## Safe havens?

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A ship in a harbour is safe.  
But that's not what ships  
are built for..

*Admiral Grace Hopper*

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## Market timing

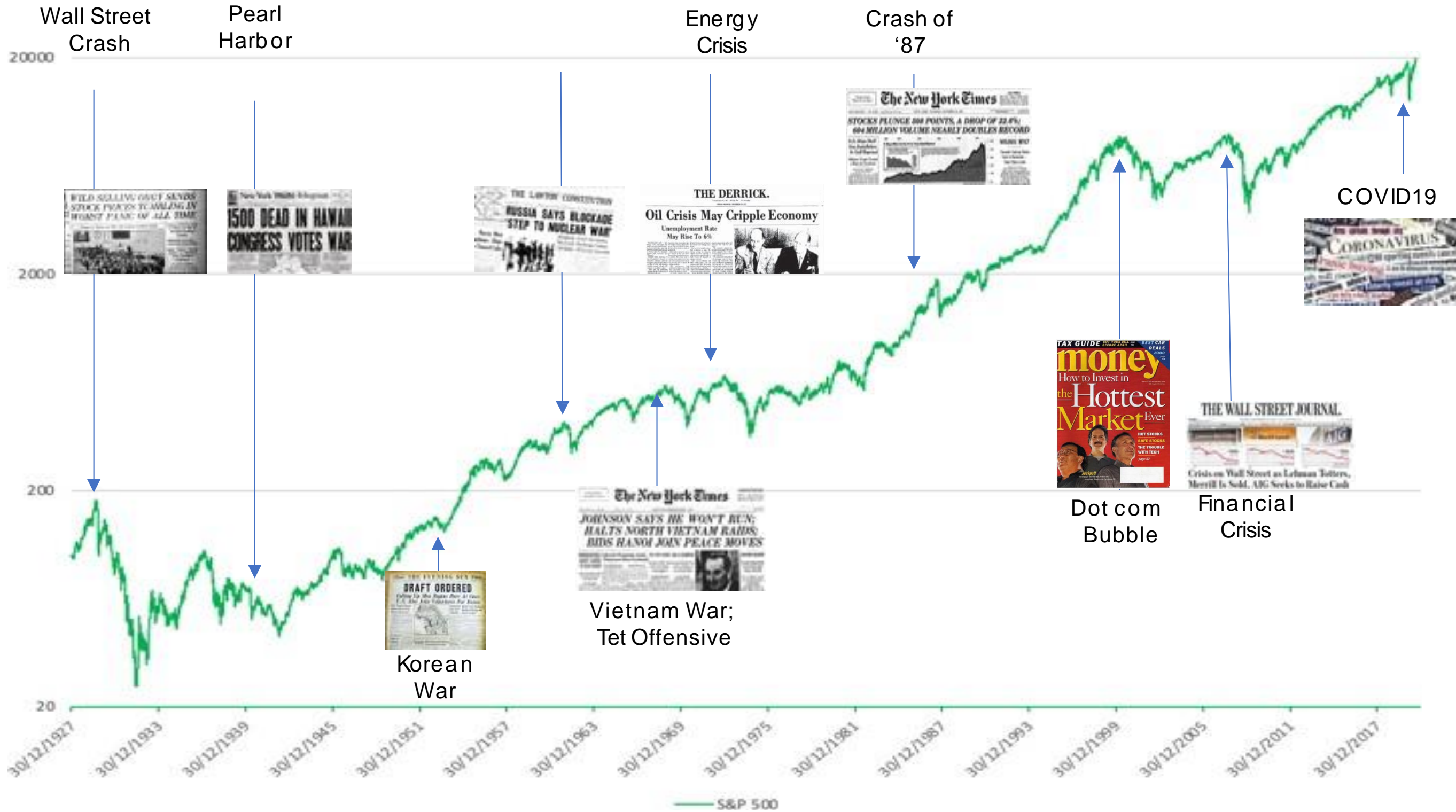


FTSE All Share Index, Total Return since 31/12/1964 to 13/11/2020. Chart assumes £100 invested 31/12/1964. Data set calculated by extracting 10 highest and 10 lowest daily returns on the index. Source:FE Analytics, gbi2 Research

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## Market timing

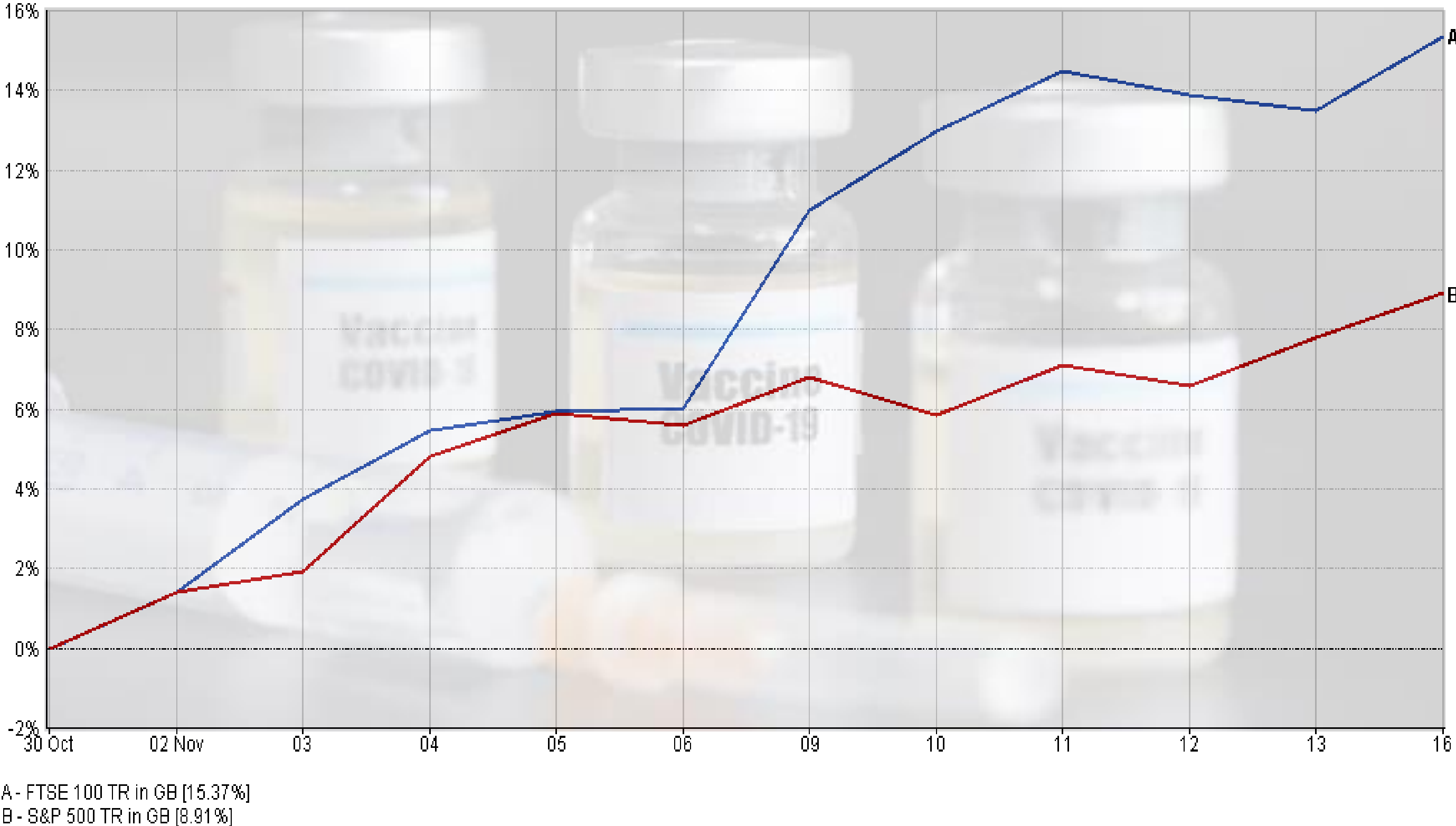


S&P Composite Index, Total Return since 31/12/1927 to 13/11/2020. Source: Macrotrends, gbi2 Research.  
Note: Poors Composite held 90 stocks until 1957, when it was renamed S&P 500 (Standard Statistics merged with Poors Publishing in 1941)

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## Turkish Delight



Source: FE fund info 2020 3010/2020-16/11/2020

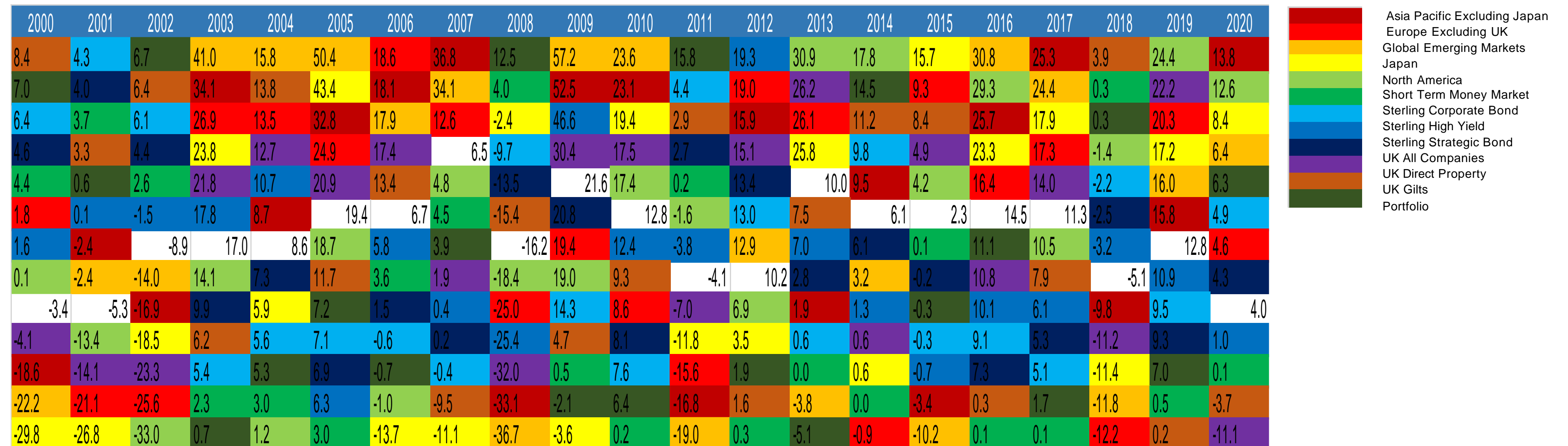
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## Diversification works...



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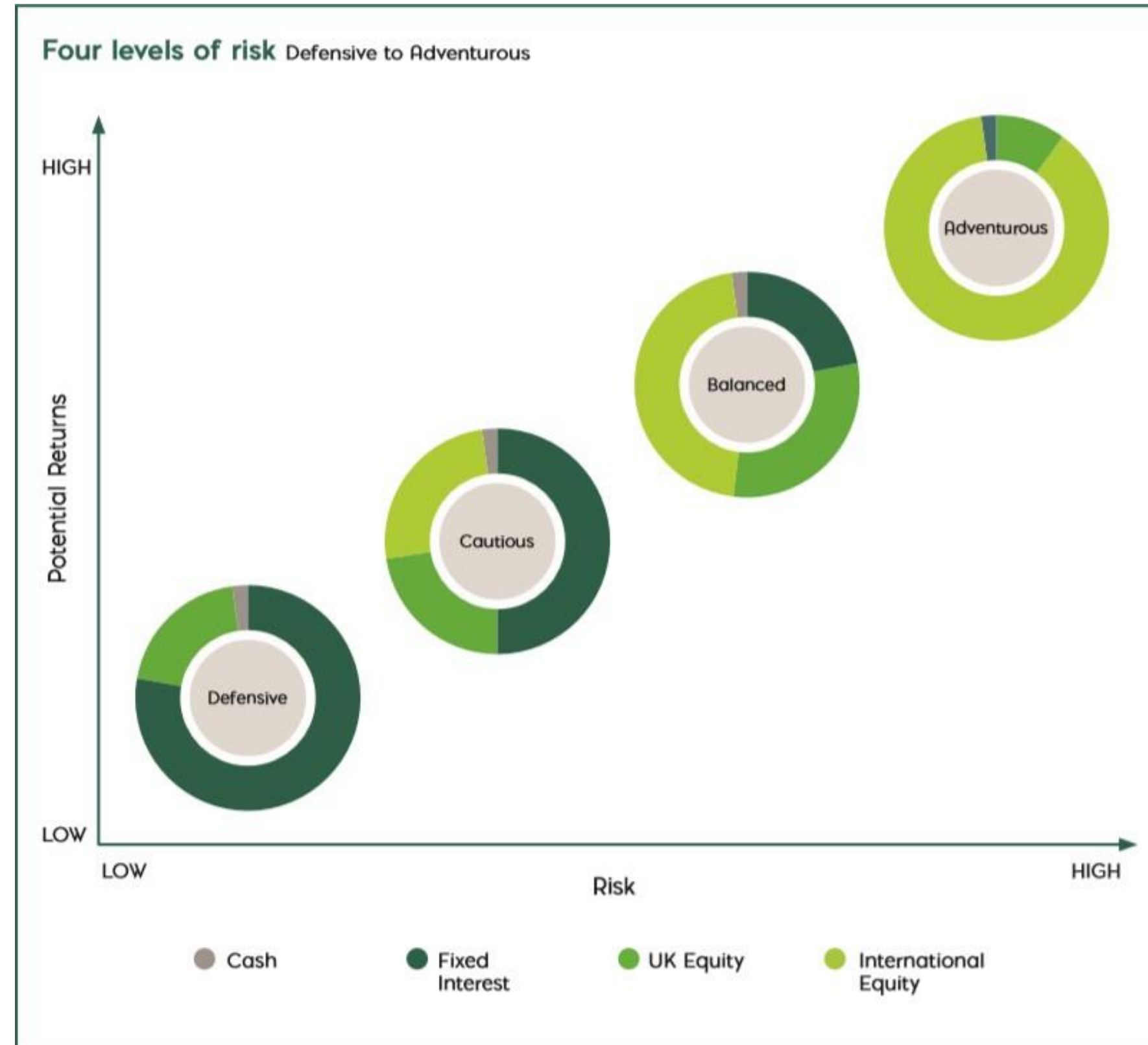
## Risk-Targeted Multi-Asset Funds

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## Risk Graded Fund of Funds

**Risk  
and  
reward**



Source: Marlborough Group. For illustrative purposes only.

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Best Global Bond fund 6<sup>th</sup> time in 7 years

BEST GLOBAL BOND FUND  
REFINITIV LIPPER  
FUND AWARDS



Marlborough: Specialist Group of the Year

## Group Award winners in full

Winner	Group Award
Royal London	Overall Large
Marlborough	Overall Small
Ashmore	Bond Large
Lord, Abbett & Co.	Bond Small
Baillie Gifford	Equity Large
Sparinvest	Equity Small
Royal London	Mixed Assets Large
Brompton Asset Management	Mixed Assets Small



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## Post-COVID - tailored to a client's attitude to risk...

Fund/Sector	Return (%)	Sharpe Ratio*
Adventurous	35.67	3.34
Adventurous - UCITs	31.19	3.62
Aggressive Sector Average	23.16	2.91
Balanced	32.03	3.28
Balanced - UCITs	23.46	3.73
Balanced Sector Average	15.54	2.84
Cautious	21.28	2.97
Cautious - UCITs	16.38	3.76
Defensive	15.35	3.24
Defensive - UCITs	10.52	3.71
Cautious Sector Average	7.37	2.13

Marlborough PCC funds, launched July 2016. Marlborough UCITS funds launched May 2019. Sources: FE Analytics. Bid-bid, net income reinvested since COVID market 'bottom' on 23rd March 2020, to 13th November 2020. Sectors reflect FE Offshore Mutual Fund performances. Sharpe ratio illustrates units of excess return over the risk-free rate per unit of risk. Risk-free rate is 0.03% (Barclays deposit rate on a 1yr term bond). Past performance is not a guide to future performance.

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Someone's sitting in  
the shade today  
because someone  
planted a tree a long  
time ago...

*Warren Buffet*



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## Regulatory information

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## Risk warnings

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**Capital is at risk.** The value and income from investments can go down as well as up and are not guaranteed.

An investor may get back significantly less than they invest.

Past performance is not a reliable indicator of current or future performance and should not be the sole factor considered when selecting funds.

Our funds invest for the long-term and may not be appropriate for investors who plan to take money out within five years.

Tax treatment depends on individual circumstances and may change in the future