

# NorthStar Safety Portfolio

August 2020

## Key Information

A summary of key information about the NorthStar Safety Portfolio:

**Inception Date**

01.01.15

**Current Holdings**

12

**FE Risk Score**

24

**Historic Yield**

1.89%

**Targeted Average Annual Return<sup>†</sup>**

2-3%

**Passive/Active Split**

51/49

**Indicative Risk Level**

1/10

**Rebalance Frequency**

Biannual

**Benchmark<sup>†</sup>**

IA Targeted Absolute Return

## Portfolio Charges

At NorthStar, we're committed to providing clear and simple charges for our investment portfolios. We believe in total transparency so you'll always know what you will pay.

The charges for the NorthStar Safety Portfolio are:

**Annual Portfolio Charge (OCF)**

0.39%

## Investment Objective

The NorthStar Safety Portfolio is suitable for investors who require extremely high capital security and wish to protect their investment from short-term market fluctuation. The portfolio is constructed using a broad range of low-risk assets which may include equities, fixed income, property, infrastructure, alternative investments and cash. The diversification and low-risk construction of this portfolio will insulate investors from the majority of short-term market volatility and provide significant capital protection. Long-term returns may be lower than other portfolios in the NorthStar range to achieve the required level of capital security.

This portfolio is not risk-free and investment in this portfolio should be seen as a long-term strategy. Risk aspects include inflation risk, shortfall risk and some exchange rate risk. The portfolio aims to provide significant downside protection, targets capital growth in excess of 2-3% per annum over a rolling 5-year period and is benchmarked against the IA Targeted Absolute Return sector average. Values may fall as well as rise and investors may not get back the amount originally invested.

## Portfolio Performance

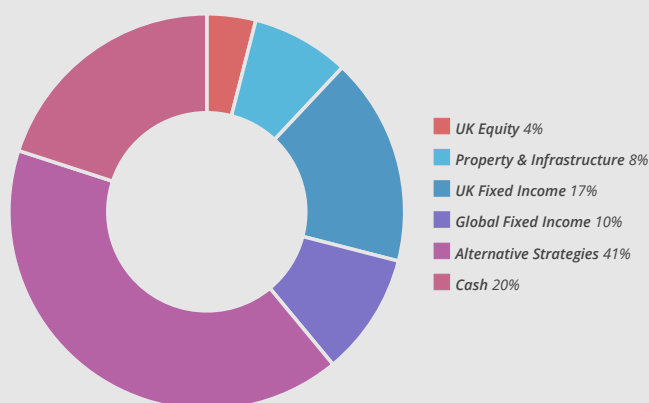
Performance of the NorthStar Safety Portfolio to August 2020:



	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
NorthStar Safety Portfolio	3.3%	-0.2%	1.4%	5.8%	12.1%	13.4%
Benchmark: IA Targeted Absolute Return	2.8%	-2.2%	-0.7%	0.1%	2.5%	5.0%
<i>Relative Performance</i>	0.5%	2.0%	2.1%	5.7%	9.6%	8.4%

## Asset Allocation

Current asset allocation of the NorthStar Safety Portfolio:



## Portfolio Commentary

The past six months have seen investment returns largely guided by the impact of COVID-19. Markets plummeted in the early spring as the extent of the virus came into focus and the economic implications of the mitigation measures became apparent. Despite a steady rebound in stock prices since the market lows in March, most markets remain well below the levels at which they started the year with the FTSE-100 index of leading UK companies down nearly 20% in the past six months. Governments and central banks took unprecedented steps to try to reduce the impact from the pandemic but the full extent of the economic and wider societal impact remains to be seen.

In addition to the challenges of COVID-19, the UK will soon have to deal with the end of the Brexit transition period. This is likely to be a significant challenge with a weakened economy. Elsewhere, the US election will be upon us soon. This could lead to a significant change in US domestic policy, trade relations with China and have other implications that will drive markets and shape investment returns in the years to come.

The NorthStar Safety Portfolio recorded a fall of 0.2% during the six months since the last investment review. This performance saw it finish the period ahead of the benchmark which was down by 2.2%. Over the past year as a whole, the portfolio is up by 1.4%. The best performing fund was Vanguard UK Inflation Linked Gilt Index, with a return of almost 9% over the past six months. At the other end of the spectrum was Vanguard UK All-Share Index, recording fall of almost 18% over this period.

As we look ahead to the remainder of 2020 and into 2021, much will depend on the severity and longevity of the damage caused by COVID-19. How the global economy bounces back and the decisions taken by policymakers will shape the economic outcome and investment landscape over the next few years. The impact from the virus is likely to last far beyond this period, with profound changes to societies and economies predicted to endure.

## Constituent Funds

<b>UK Equity</b>	<b>4%</b>
Vanguard UK All-Share Index	4%
<b>Property &amp; Infrastructure</b>	<b>8%</b>
FP Foresight UK Infrastructure Income	8%
<b>UK Fixed Income</b>	<b>17%</b>
Vanguard UK Short-Term Investment Grade Bond Index	9%
iShares Corporate Bond Index	6%
Vanguard UK Government Bond Index	1%
Vanguard UK Inflation Linked Gilt Index	1%
<b>Global Fixed Income</b>	<b>10%</b>
Vanguard Global Bond Index	8%
Vanguard Global Short-Term Bond Index	2%
<b>Alternative Strategies</b>	<b>41%</b>
Threadneedle Dynamic Real Return	18%
BNY Mellon Real Return	14%
Invesco Global Targeted Returns	9%
<b>Cash</b>	<b>20%</b>
Royal London Short Term Money Market	20%

## About NorthStar Wealth Management

At NorthStar, we bring a fresh perspective and innovative approach to wealth management. Our team of chartered financial planners combine their expertise with the latest technology to provide the highest quality independent financial planning and advice. We help our clients take control of their money, grow their wealth, protect their lifestyle and plan for a more certain future.

## Contact NorthStar Wealth Management

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\* Over a rolling 5-year period. Targeted average annual return is based on the average long-term returns of applicable asset classes and is in no way guaranteed. FE Risk Score is a measure of volatility relative to the FTSE 100 index, which always has a score of 100. Investments more volatile than the FTSE 100 have a score above 100 and vice versa giving a reliable indication of relative risk. Cash has a risk score of zero. Performance data shown are on a bid-to-bid basis, with income reinvested and do not take into account platform or advisory charges. Figures may include performance data for discounted 'super clean' funds where these are available. Such funds may not be available on all platforms. Performance data rounded to the nearest 0.1% so small rounding errors may occur. Data correct as at 01.08.20. Source: FE. The value of investments and the income from them can fluctuate and investors may not get back the full amount invested. Past performance is not necessarily a guide to future performance. The tax treatment of investments depends on individual circumstances and is subject to changes in tax legislation. Figures are provided for illustrative purposes only and their accuracy cannot be guaranteed. Information provided should not be relied upon in isolation when making investment decisions and does not constitute advice or an offer to purchase any investment or product. Please contact us for more information on our range of portfolios. © NorthStar Wealth Management Group Ltd. Registered in England and Wales: 09069129. Authorised and regulated by the Financial Conduct Authority. Registered office: Ocean Village Innovation Centre, Ocean Way, Southampton, Hampshire, SO14 3JZ.