

### Investment objective

The objective of the Fund is to provide returns through a combination of capital growth and income over a market cycle (5 years). The fund will primarily gain exposure indirectly via eligible collective investment schemes and other collective investment vehicles (for example, investment companies, exchange traded funds) and may also invest directly in eligible assets (excluding property and commodities). Derivatives will be used only for the purpose of Efficient Portfolio Management.

### Indicative risk rating



### Fund managers



#### Richard Philbin

Richard is Chief Investment Officer of Wellian Investment Solutions. He is one of the UK's best known multi-manager investors and previously AA rated by OBSR, Citywire and S&P. Prior to Wellian, he was AXA Architas Multi Manager's Chief Investment Officer and before that he was head of Multi Manager at F&C Investments.



#### James Kempster

James has over 15 years experience building and managing multi-asset investment portfolios. Beginning his career at Canada Life, he has more recently worked with financial advice firms to create managed portfolio solutions for end clients.

### Performance summary as at 31/12/2020

	3 MONTHS	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	MANAGER START DATE
Discovery Balanced Fund C Acc	7.71%	9.84%	3.91%	8.37%	30.88%	29.76%
IA Mixed Investment 40%-85% Shares	8.00%	10.04%	5.32%	14.49%	42.12%	45.52%

Source: Financial Express Analytics. All figures quoted are on a total return basis with income reinvested. The Manager Start Date was 1/12/2014. Past performance is not a reliable guide to future performance.

### Fund managers' commentary

The final quarter of the year continued in a similar vein to the three other quarters of this "unusual" year. From a political perspective, the US Presidential race saw the Democratic candidate Joe Biden win, albeit not as comfortably as many commentators were forecasting. The one-term Republican and sitting President Donald Trump hasn't gone quietly though (as is / was to be expected if the way he presided over his tenure in the White House is anything to go by). The capital markets were worried for a while if "sleepy Joe" (as Trump nicknamed him) would take a hard-left stance, but his initial appointments have calmed any nerves, and the return of Janet Yellen to the Federal Reserve was greeted with a strong bounce in the capital markets. Looking forward, political and trade relationships with China will be under scrutiny, and how Biden reacts to the UK / European decoupling from a free-trade perspective will be very interesting from both an economic and political standpoint.

The last day of the quarter saw the UK and Europe formally split, although (as was to be expected) the 11th hour negotiations saw both sides get to a situation where the bill was passed in the British Parliament (although there were quite a number of dissenters). From a referendum in 2016 which has seen two prime ministers lose their job and countless column inches written, innumerate heated conversations, fights, dedicated TV programmes and so on, the UK now ventures alone...

Perversely, Sterling strengthened against its major trading partners in the final quarter of the year – how much of this has to do with Brexit conversations isn't definable, but as previously mentioned, there will be a new tenant in the White House come the end of January, and Europe has seen a secondary severe lock-down situation due to Covid-19 outbreaks.

The final quarter of the year saw a couple of Covid vaccines rushed through clinical trials, approved and into circulation and this certainly gave the capital markets of the world the "shot in the arm" they so craved, even though the by now famous "R" number continues to rise. The UK entered into harsher territory with regards to freedom of movement. As said above, much of Europe was already there and the US is seeing rising cases as we write. On the other side of the world, China and lots of Asia are now operating as if there wasn't a pandemic in the first place. The shockwaves and the economic impacts will be felt for many a year even if the stock markets of the world have significantly recovered (or in some circumstances exceeded) their pre-Covid levels and yet the US has approved extra stimulus cheques for the population. We are not living in normal times.

Interest rates are unlikely to rise for at least the next 12 months which suggests a "risk on" environment, but many are suggesting the forthcoming year will see some form of inflation return to the markets which might slow down some of this forward momentum. We are expecting volatility this year (although we would hope much less than we saw in 2019) and potentially the investment style that takes markets higher will be a continuation of the rotation from growth to value which could see higher levels of market activity too.

### Key facts

Inception Date	21/03/2005
Manager Start Date	1/12/2014
Number of holdings	30
Ongoing charge figure (C)	0.80%
Estimated yield (C Acc)	2.12%
Fund size	£68.6m

### Current asset allocation

Alternatives	6.08%
Cash	0.82%
Fixed Interest	30.40%
UK Equities	20.40%
International Equities	37.17%
Property & Infrastructure	5.13%

### Top 10 holdings as at 31/12/2020

Fidelity Index UK	9.12%
Fidelity Index US	6.08%
Vanguard Global Bond Index	5.96%
Fidelity Emerging Markets	4.74%
JPM GBP Ultra-Short Income UCITS ETF	4.71%
Brown Advisory Global Leaders	4.70%
Artemis Corporate Bond	4.52%
Legal & General UK Mid Cap	4.46%
Legg Mason IF MC European Unconstrained	4.31%
MS INVF Asia Opportunity	3.78%

### About Wellian Investment Solutions

Wellian Investment Solutions is an award winning multi-manager investment management business. As a multi-manager business it specialises in identifying the very finest investment talent from around the world and then blending and combining these managers together to create robust, diversified portfolios. Wellian Investment Solutions have developed their own bespoke manager selection and asset allocation processes and also undertake extensive due diligence on all of the managers before including them in the Discovery Funds.

### Disclaimers

#### FOR PROFESSIONAL ADVISERS ONLY

The views and opinions expressed are those of Wellian Investment Solutions (Wellian). Wellian is authorised and regulated by the Financial Conduct Authority. Part of the Harwood Wealth Management Group Ltd. The information provided in this document has been provided from sources by us believed to be reliable and accurate and Wellian Investment Solutions does not accept any liability for the accuracy of the contents. Please note that past performance is not a reliable guide to the future and investors may not get back the amount originally invested as the value of any investment and the income from it is not guaranteed. The information in this document is not intended to provide the basis for any investment advice or recommendations. For further information on the risks and risk profiles of our funds, please refer to the relevant Key Investor Information Document and Prospectus.

Please note that performance of the fund for periods prior to 1 December 2014 is not attributable to the current investment manager.

**For further information call 01892 550 600 or email [info@discoveryfunds.co.uk](mailto:info@discoveryfunds.co.uk)**