



# ACUMEN Megatrends Protection Portfolio

May 2023

31/05/23  
NAV  
**85.52**

Highest Ever  
NAV  
**100.61**

Protected  
NAV  
**85.52**

## MARKET COMMENTARY:

Technology stocks continued to shine as the S&P 500 Technology Index surged 9.46% this month, primarily due to media attention on artificial intelligence and semiconductors. One of the key players in this sector was Nvidia, which recently hit a \$1 trillion market cap following a 36.34% increase in share price in May, taking year-to-date gains towards 160%. The S&P 500 rose marginally, rising 0.43% over the month whilst the MSCI World fell -0.93%, driven lower by the UK and Europe, down -5.04% and -2.36%, respectively. The MSCI emerging market equity index fell -1.66%.

The United States debt-ceiling negotiations added volatility to the front end of the US treasury curve. This was reflected in interest rate futures, which fluctuated significantly throughout the month, at one stage pricing in a 70% probability of a June quarter-point rate hike, before falling back to end the month at 36%, reflecting House, and ultimately Congressional approval, averting a US default. Meanwhile, the UK 10-year yield continued its charge, rising by 47bps to 4.18% (yields move inversely to prices). Developed market government bonds ended the month down -2.19%, underperforming global investment grade and high-yield corporate debt, which declined -1.86% and -1.15%, respectively.

The Bloomberg Commodity Index fell -6.08%, driven lower by the energy and industrial metals subsectors. After surpassing a key resistance level of \$2,000 in April, Gold declined -4.27%, settling at \$1,962 an ounce whilst Silver fell -9.85% from its intra-month high. In currency markets, the UK pound fell slightly versus the US dollar to 1.24, tempering a strong performance so far this year that saw the currency pair peak just above 1.26 earlier in the month.

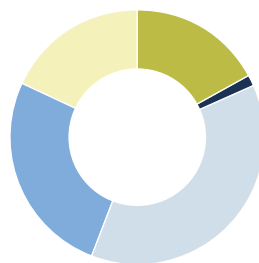
## INVESTMENT PORTFOLIO EXPOSURE

◀ CASH 0.00%

ASSET PORTFOLIO 100.00% ▶

At times the portfolio may not be fully exposed to the underlying risk assets (Investment Portfolio), and may increase its exposure to cash. In addition, a proportion of the portfolio is invested in a put option, which is used to provide the 90% protection level. Depending on market performance this put option may reduce exposure to the Investment Portfolio. The above graphic shows the current exposure.

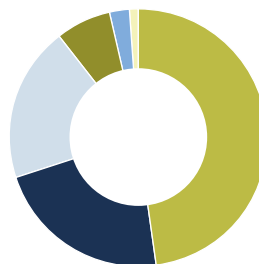
## INDEPENDENT RISK BREAKDOWN BY ASSET CLASS



Government 17.00%  
Corporate 1.50%  
Equities 37.50%

Commodities 0.00%  
Alternatives 26.00%  
Currency 18.00%

## REGIONAL ALLOCATION



North America 48.00%  
United Kingdom 22.00%  
Europe ex UK 19.50%

Asia ex Japan 7.00%  
Japan 2.50%  
Rest of World 1.00%

The pie charts above show the independent risk breakdown by asset class and the regional asset allocation within the investment portfolio. The portfolio has a long-term volatility tolerance (fluctuations in the price of the portfolio) of 5% to 7%. In order to meet the volatility target, if markets become unsettled, the portfolio may reduce exposure to higher risk investments and increase exposure to lower risk investments such as cash and bonds.

Date of data: 31/05/23

The independent risk is the historic volatility of each asset class measured by its standard deviation from 31/03/2018 to 31/05/23. The figures are calculated before taking into account the accrued income of the fund, the ongoing charges and the portfolio transaction costs. In some instances the underlying holdings may have short track records therefore the underlying index they track, or proxy indices have been used.



# ACUMEN

## Megatrends Protection Portfolio

May 2023

### OBJECTIVES AND INVESTMENT POLICY

The portfolio aims to deliver long term capital growth and achieve a common protection level. The common protection level is 90% of the highest Net Asset Value (NAV) ever achieved. The NAV is the value per share and is calculated daily. The portfolio will take exposure to fixed income instruments, equities, foreign exchange and alternative assets including ETFs and UCITS eligible indices and cash. The allocation to cash is variable and aims to control risk (measured by volatility) by increasing the allocation when necessary, with the aim of maintaining the annualized volatility at or below 6% within a target range of 5%–7%. The portfolio will also achieve protection using derivatives, which will be provided by Morgan Stanley & Co. International Plc (Morgan Stanley).

In addition, Morgan Stanley has issued a guarantee to the portfolio to ensure investors achieve the common protection level upon redemption. Costs incurred in implementing the investment policy will have a negative effect on performance. Any income will be re-invested and the portfolio will not pay any dividends. The value of the portfolio is calculated and published daily and investors can buy and/or sell back their shares daily. The investment manager is FundLogic SAS, a management company authorised by the Autorité des Marchés Financiers, and the sub-investment manager is Titan Asset Management, who are authorised and regulated by the Financial Conduct Authority. The Fund Company is regulated by the Central Bank of Ireland.

### THIRD-PARTY RISK RATING

The portfolio has been independently risk profiled by Defaqto.



### INVESTMENT MANAGEMENT

The Investment Manager is FundLogic SAS, a member of the Morgan Stanley group. The Sub-Investment Manager is Titan Asset Management. John Leiper, CFA, FDP, CFTe, is the Chief Investment Officer of Titan Asset Management and carries direct responsibility for all discretionary investments at the firm. Together with the investment management team, comprising Alex Livingstone, CFA, David Chandler, James Peel, CFA, Jonah Levy, CFA, and Sekar Indran, CFA, they manage the centralised investment proposition at the firm.

### SHARE CLASS

- Class A Shares
- Annual Management Charge - 1.00%
- Ongoing Cost Figure - 1.19% (Estimated - inclusive of the AMC)
- Transaction Costs - 0.125% (Estimated)
- Sedol Code - GBP: (BG032B5)
- ISIN Code - GBP: (IE00BG032B54)

### KEY RESPONSIBILITIES

- Investment Manager - FundLogic SAS
- Sub-Investment Manager - Titan Asset Management
- Protection Provider - Morgan Stanley & Co. International Plc
- Fund Company - FundLogic Alternatives plc
- Depositary - Northern Trust Fiduciary Services (Ireland) Limited
- Administrator - Northern Trust
- Custodian - Morgan Stanley & Co. International Plc
- Registrar - Northern Trust
- Auditor - Ernst & Young LLP

Investment strategy managed by



With protection provided by

Morgan Stanley

The value of investments held in the ACUMEN Megatrends Protection Portfolio may fall as well as rise. Past performance should not be seen as an indication of future performance. There is no assurance that the portfolio will achieve its investment objectives. The risk factors set out in the Key Investor Information Document (KIID), the Prospectus and the marketing brochure apply. The KIID and Prospectus can be found at [www.titanam.co.uk](http://www.titanam.co.uk). The marketing brochure can be found at [www.tavistockam.com](http://www.tavistockam.com). At times the portfolio may not be fully invested in the underlying risk assets. The phrase "lock-in upside" relates to a protection level which is 90% of the highest value ever achieved by the portfolio. If the portfolio value increases above the previous portfolio high then 90% of any such upside is protected. The phrase "limit downside" relates to at least 90% of an initial investment being protected by Morgan Stanley. Throughout this factsheet, when we refer to the term portfolio we mean the ACUMEN Megatrends Protection Fund.

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