



The International Managed Portfolio Service

TITAN ASSET MANAGEMENT

Providing innovative, quality and integrated asset management solutions that deliver efficiency into every part of the wealth management cycle.

We explore every opportunity to ensure that the quality and integrity of our integrated solutions provide the right support, deliver efficiency and an outstanding experience for our clients.

ABOUT TITAN WEALTH

Titan is a wealth and asset management business bringing together high-quality custody, execution, platform and investment management.

The current AUA for the group is over **£7 billion**, but we are targeting **£50 billion** in assets under administration over the next 3 to 5 years and assets under management of **£40 billion**.

Together, the group companies create one of the most comprehensive and unique support offerings for financial advisers.



A wealth solutions, clearing & custody



An award winning DFM



Integrated IFA & DFM platform provider



A stockbroker & investment management business



A fund of funds DFM



A specialist in the alternative & tax efficient investment market



A boutique IFA

Titan Wealth delivers a client to custody solution, including an award-winning investment proposition and a market-leading technology platform, Titan is positioned as a one-stop shop that delivers an attractive, highly-scalable and low-cost proposition to IFAs and their clients.

BENEFITS OF WORKING WITH US

We look after the administration, compliance and investment management of running your portfolios, giving you more time to manage your clients, reducing your risk of client complaints and increasing value.

PORTFOLIO MANAGEMENT

Managing client portfolios is all about attitude to risk (ATR). When a client agrees their ATR, they expect their investment to perform within a defined volatility range. As a business, we:



- Manage portfolios to the specific volatility targets that define a client's ATR



- Mitigate and manage risk



- Manage administration



- Manage compliance



- Provide institutional quality risk management



By managing portfolios within prescribed asset allocation ranges and being mindful of volatility versus the benchmark, we ensure strict adherence to the criteria set by the Titan Asset Management Investment Committee.

PROTECTION

Our integrated solutions provide the security that all investment management recommendations remain aligned with your client's ATR profile, providing a safety net to your business and helping reduce the risk of future client complaints.

CURRENCY HEDGING

We use FX forwards, sheltering your clients from inappropriate levels of volatility and preventing detrimental impact on their portfolio returns.

ADVANTAGE

We use sophisticated world class risk management software and technology that provides your clients with access to institutional quality risk management.

Our innovative and integrated approach helps to evaluate, build and manage portfolios.

STABILITY

Our aim is to deliver a strong investment performance that only ever subjects clients to their appropriate level of risk. This approach is designed to provide your clients with stable risk and strong returns whilst avoiding any nasty surprises.

PROFITABILITY

Our complete portfolio service removes administration, compliance and investment management burdens and designed to lower your administration burden and costs, thereby increasing your profits.

INVESTMENT PHILOSOPHY & PROCESS

- Actively & passively managed
- Multi asset strategy
- Risk progressive
- Globally Diversified
- Currency Management
- Focus on liquidity

Determine the strategy and tactical asset allocation



Investment analysis and research



Portfolio implementation and trade execution



Monitoring and ongoing due diligence



OUR INTERNATIONAL MPS RANGE

We have selected a simple approach based on risk parameters, guided by equity content as well as a dedicated ESG offering, with the ability to blend.

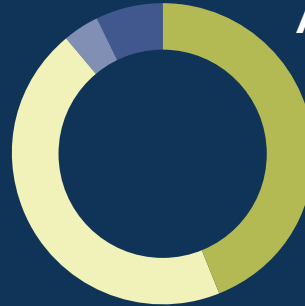
TITAN INTERNATIONAL CAUTIOUS PORTFOLIO

The aim of the model portfolio is to increase in value, over a minimum of 5 years, by investing in a combination of in-house and third party manager solutions across global markets. This will be achieved through a combination of capital growth, which is profit on investments held, and income, which is money paid out of investments such as dividends from shares and interest from bonds.

RISK LEVEL

4

ASSET ALLOCATION



Equities	44.0%
Bonds	45.0%
Other	4.0%
Cash	7.0%

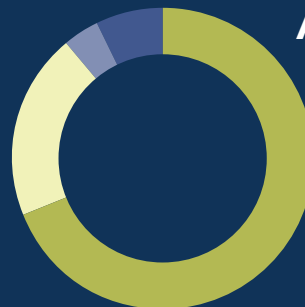
TITAN INTERNATIONAL BALANCED PORTFOLIO

The aim of the model portfolio is to increase in value, over a minimum of 5 years, by investing in a combination of in-house and third party manager solutions across global markets. This will be achieved through a combination of capital growth, which is profit on investments held, and income, which is money paid out of investments such as dividends from shares and interest from bonds.

RISK LEVEL

6

ASSET ALLOCATION



Equities	69.0%
Bonds	20.0%
Other	4.0%
Cash	7.0%

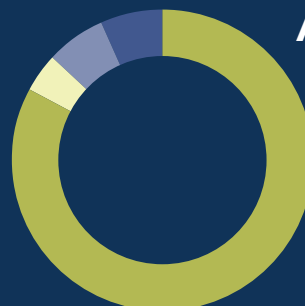
TITAN INTERNATIONAL ADVENTUROUS PORTFOLIO

The aim of the model portfolio is to increase in value, over a minimum of 5 years, by investing in a combination of in-house and third party manager solutions across global markets. This will be achieved through a combination of capital growth, which is profit on investments held, and income, which is money paid out of investments such as dividends from shares and interest from bonds.

RISK LEVEL

8

ASSET ALLOCATION



Equities	83.0%
Bonds	4.0%
Other	6.5%
Cash	6.5%

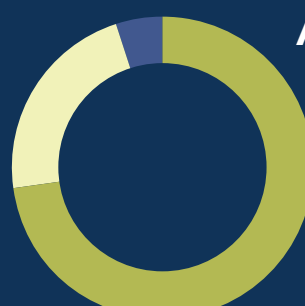
TITAN INTERNATIONAL ESG BALANCED PORTFOLIO

The aim of the model portfolio is to increase in value, over a minimum of 5 years, by investing in core investment themes that have passed our inhouse ESG policy, via third-party manager funds across global markets. This will be achieved through a combination of capital growth, which is profit on investments held, and income, which is money paid out of investments such as dividends from shares and interest from bonds.

RISK LEVEL

6

ASSET ALLOCATION



Equities	73.0%
Bonds	22.0%
Other	0.0%
Cash	5.0%

ONGOING CHARGES

The charges include an investment management fee of **0.40% pa**

International ESG	0.98%	International Balanced	1.15%
International Cautious	1.12%	International Adventurous	1.19%

BUILDING THE INVESTMENT PROPOSITION

Our full MPS range covers 24 portfolios. This can be simplified in line with your client's requirements. For example, we have built a blended proposition for a distribution partner which has three strategies: ESG, Passive Low Cost and Core Active.

The MPS follows the same investment principles as the Titan Asset Management ACUMEN funds.

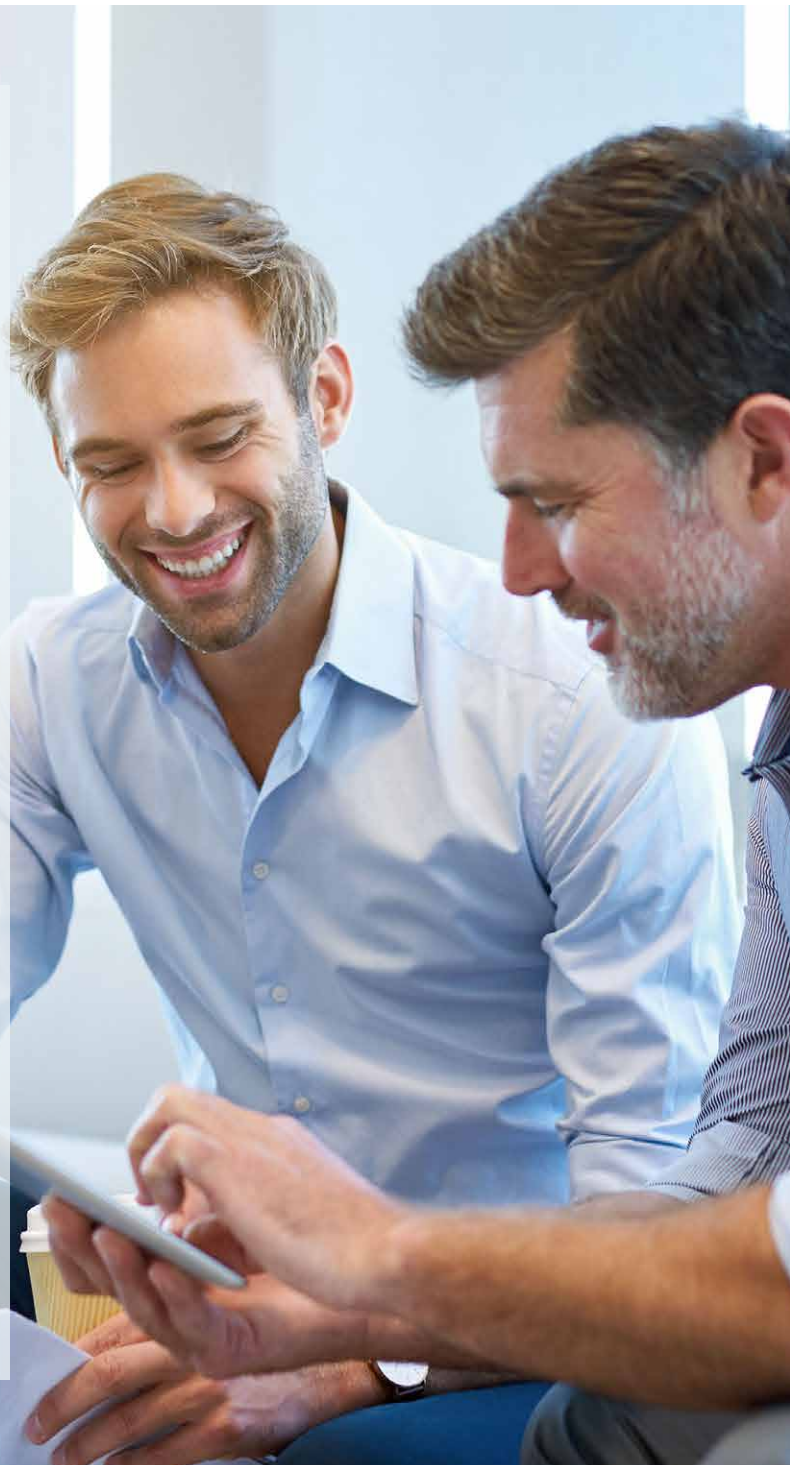
To offer total flexibility, all propositions can be white labelled or co-branded if required.

PLATFORMS

The Model Portfolio Service is available on a number of platforms.

DFM

Titan Wealth offer a fully bespoke DFM service, should that be required for a specific client.



THE TITAN TEAM

We have a highly experienced team across the Titan Group, who are available to assist you.



TOM MCPHERSON - HEAD OF PORTFOLIO MANAGEMENT

Tom has extensive experience in the Model Portfolio Management. Previously a Fund Manager and Head of Model Portfolio at LGT Vestra.



NICK HOCKNEY - SENIOR SALES CONSULTANT

Nick is an experienced sales consultant in the UK and International markets for advisers and private client specialists. He spent most of his career working for International Life Insurers and more recently for DFMs.



JOHN LEIPER, CFA, FDP, CFTE - CHIEF INVESTMENT OFFICER

John Leiper is the Chief Investment Officer of Titan Asset Management and carries direct responsibility for all investments in the Centralised Investment Proposition (CIP) at the firm. John has 15 years' experience in financial markets having previously worked in a variety of roles at RBS, Morgan Stanley, Credit Suisse and Tavistock Wealth. John Leiper is a CFA and FDP charter holder and a member of the Society of Technical Analysts. He holds a BSc degree in Economics from Warwick University and an MSc degree in Economic History from the London School of Economics.



SEKAR INDRAN, CFA - SENIOR PORTFOLIO MANAGER- EQUITIES

Sekar is responsible for managing the team's equity investments. He helped expand the investment proposition over five years at Tavistock Wealth and continues this role at Titan Asset Management. Sekar has prior financial services experience at Barclays and Allianz. He is a CFA charter holder and holds a BSc degree in Industrial Economics from the University of Nottingham.



ALEX LIVINGSTONE, CFA - HEAD OF TRADING – FX & ETFS

Alex is responsible for the ETF trading and FX strategy at Titan Asset Management and has executed over £5 billion of trades during his prior 4 years at Tavistock Wealth. Alex also assists in the wider portfolio management of the CIP specialising in technical analysis and risk management. He is a CFA charter holder and holds an BSc in Retailing, Marketing and Management from Loughborough University.



JONAH LEVY, CFA - PORTFOLIO MANAGER – PHYSICALS

When not collecting various minerals and mining memorabilia, Jonah can be found managing the physical allocations at Titan Asset Management. Prior to Titan he worked at Tavistock Wealth for 3 years, having previously gained experience in Holland at an oil brokerage, and in London at an energy trading house. Jonah is a CFA charter holder, having graduated from St. Andrews University with an MA in Management and Economics.



JAMES PEEL, CFA - PORTFOLIO MANAGER – ESG

James is a Portfolio Manager at Titan Asset Management and is responsible for Titan's approach to sustainable investing. He previously worked as a researcher at the British Chamber of Commerce in Taipei. James graduated in 2018 from the University of St Andrews, where he read economics. He is a CFA charter holder and has passed the CFA UK IMC and the CFA UK Certificate in ESG Investing. In his spare time, James likes to surf.

INVESTMENT HIGHLIGHTS

THE IMPORTANCE OF FX



Currency moves have dominated headlines recently with the crash of the UK pound to record lows against the especially strong US dollar. At this juncture we thought it would be useful to release a blog explaining the moves and how the investment team have taken steps to minimise the impact of these moves on our client's portfolio returns.

WHAT CAUSED THE CRASH?

Chancellor of the Exchequer Kwasi Kwarteng's announcement of the most aggressive tax cuts in 50 years at the emergency "mini budget" on 23 September will go down as the main culprit for the currency crisis. The tax cuts and increased borrowing for the UK government led investors to question their confidence in the government's policies and wider UK growth prospects. Arguably, the root problems here stem back to the COVID-19 supply side shock and ensuing policy response which helped push inflation to over 10% in July on a year-on-year basis.

The massive tax cuts and increased borrowing were simplistically designed to stimulate growth and bolster demand. However, that growth comes with a price tag. That price tag is most notably over £160 billion in lost tax revenue over the next five years from the tax policies alone, on top of Liz Truss's previously announced energy and stimulative measures. Ultimately, this will worsen the UK's capital account deficit (the balance between assets and liabilities), with the most recent data coming in at -4.33% of GDP in Q2, 2022.

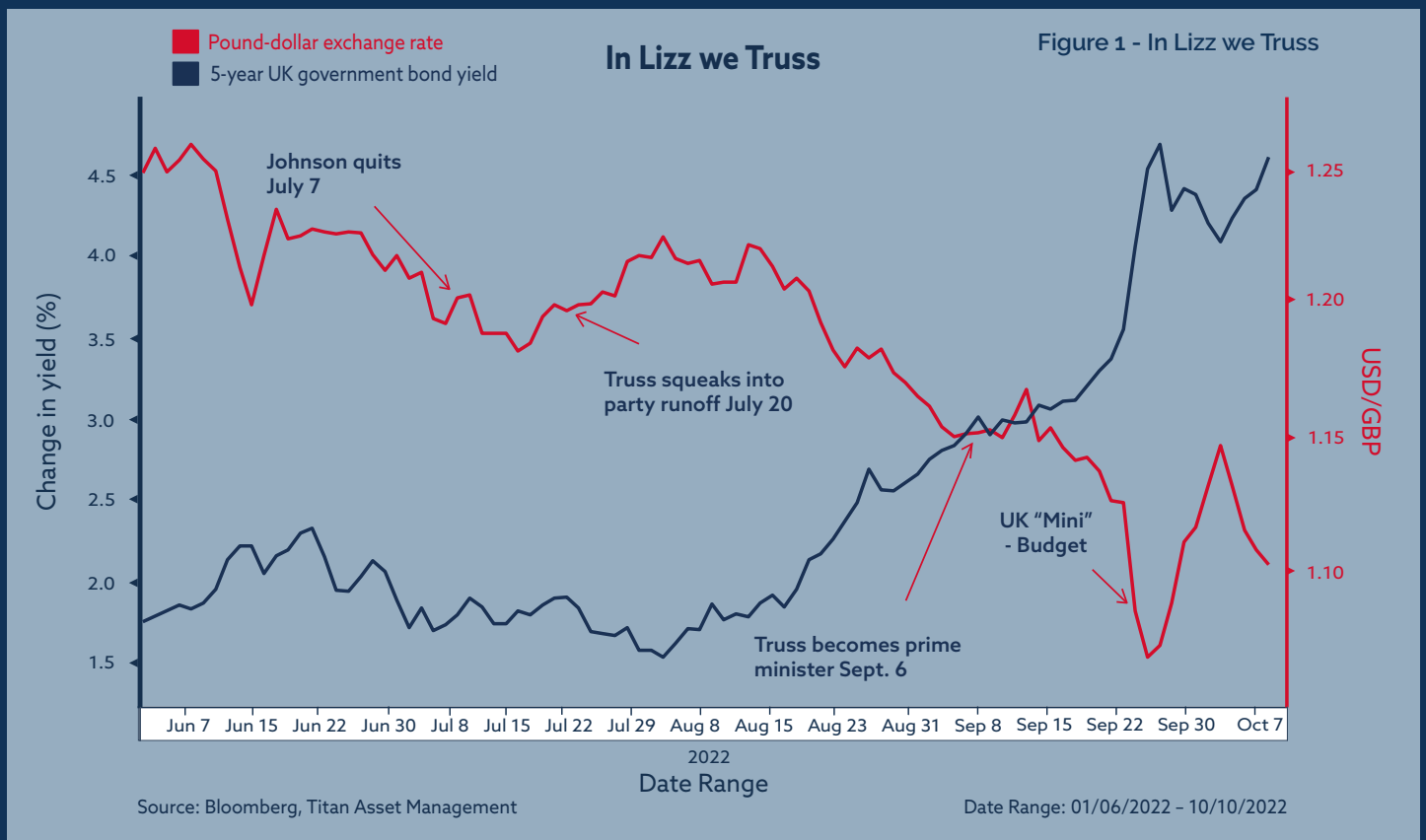


Figure 1 illustrates the dramatic rise in gilts over the Liz Truss's short tenure in office, and the detrimental impact of higher gilt yields on the pound.

WHY WAS THE SELL-OFF SO AGGRESSIVE?

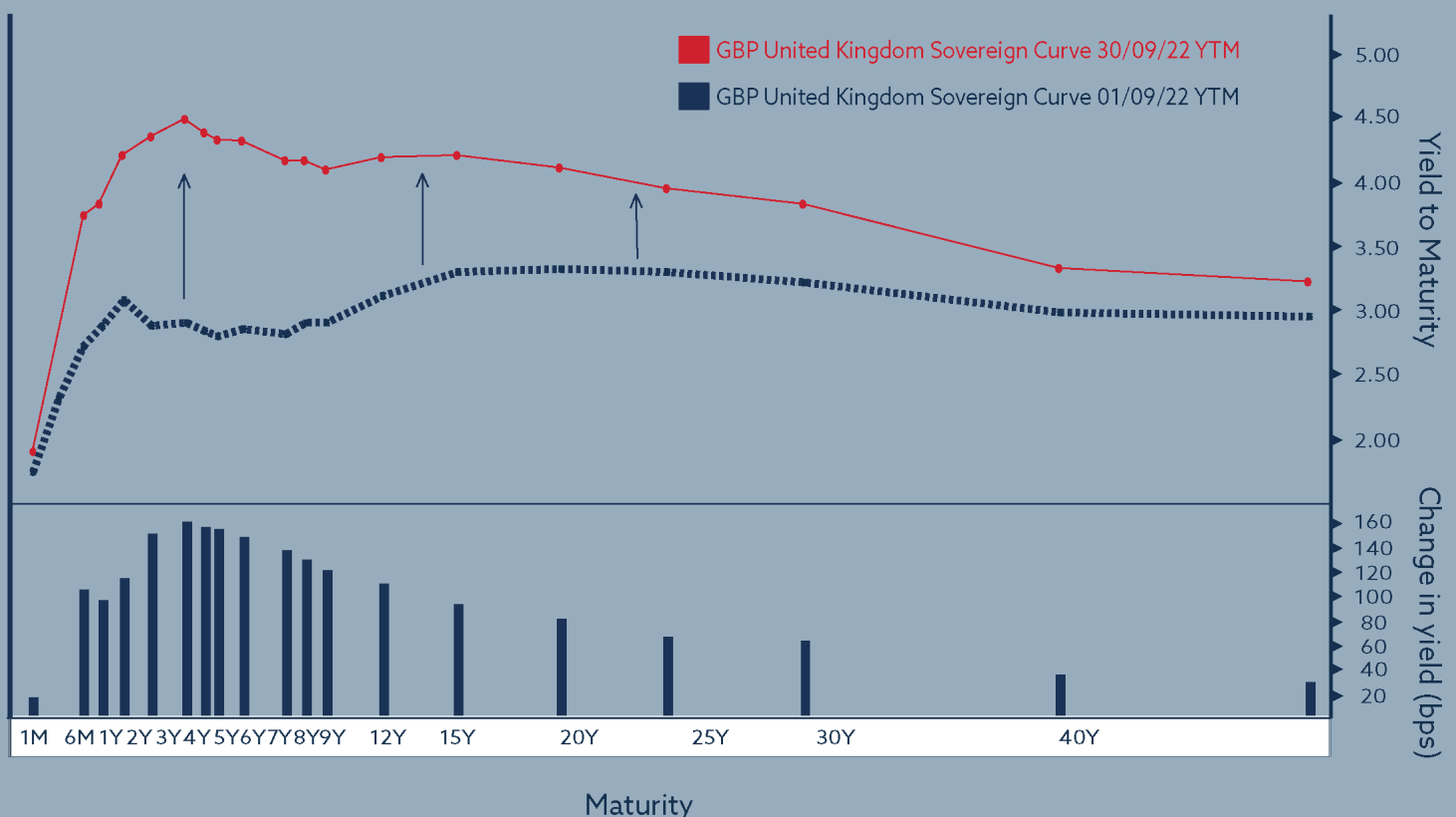


UK gilts sold-off on the announcement as investors demanded greater yield for the perceived higher level of risk the debt now amassed, and with that the demand for UK pounds also plummeted, pushing GBP/USD down to an all-time low of 1.035.

In the words of Warren Buffet “only when the tide goes out do you discover who's been swimming naked”, and the ones swimming naked in this scenario were the liability-driven pension funds. These pension funds can hold part of the blame as they held leveraged positions on the typically sleepy gilt market in order to meet usually unattainable yield returns in the previous ultra-low yield environment. This came back to sting them as the move in rates was so unprecedented in size that the pension funds were forced to raise cash (margin) to cover the bond losses, forcing them to sell more of their gilt positions, pushing the gilt market down even further. Whilst the initial “mini budget” proved the catalyst, the volatile nature of the sell-off is also attributable to pension fund positioning.

Gilt Volatility in September

Figure 2 - Gilt Volatility in September



Source: Bloomberg, Titan Asset Management

Date Range: 01/09/2022 - 30/09/2022

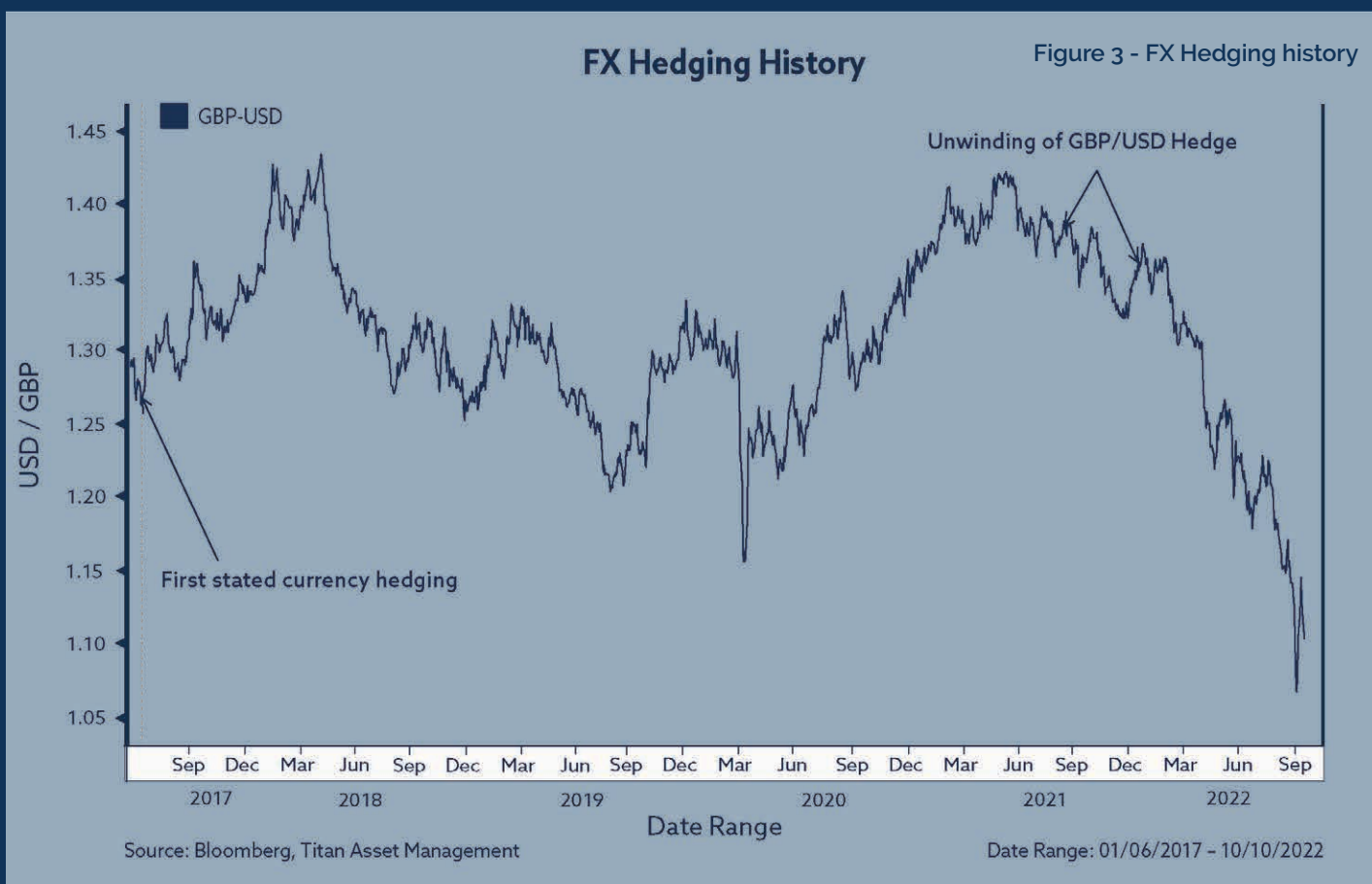
The gilt market sell-off can be visualised above, showing the dramatic re-pricing of bonds across the entire curve from the beginning to the end of September.

WHAT DO THESE MOVES MEAN FOR MY PORTFOLIO, & HOW IS CURRENCY RISK MANAGED IN THE ACUMEN PORTFOLIOS?

For globally diversified portfolios, currency management is an important aspect to consider when making investment decisions. Many of our competitors may choose to leave this currency exposure unhedged, which can impact investment returns and volatility. At Titan Asset Management, we actively manage FX risk across the proposition, on a longer-term strategic basis and via shorter-term tactical views. Across our MPS range we do so on a more strategic basis via the use of hedged and unhedged currency share classes.

Within our fund range we are able to use currency forwards which affords greater flexibility and allows us to be more specific in the exposure we take. Over the last few years this has contributed to strong relative outperformance versus our peer group. For example, within the more actively managed ACUMEN Portfolios, we previously hedged the majority of our overseas currency exposure. This contributed to relative performance during a period which saw GBP/USD rally towards 1.42 in May 2021.

Over the following months we reassessed this position and opted to un-hedge a substantial portion of our underlying US dollar denominated equity and commodity exposure, at around 1.38 GBP/USD. Since then, cable has fallen to a low of 1.035 and the currency pair currently stands at just 1.10. Zooming out slightly, and accounting for the various tactical changes we have made over this time, we estimate that active currency management has contributed to around 4% of performance, on average across the ACUMEN range.



Zooming out in figure 3, it is clear to see the timely nature of these currency calls and how they have helped add to outperformance. We expect further US dollar strength across the remainder of 2022 and have positioned the investment proposition accordingly. Looking forward, we see additional opportunities for us to differentiate our proposition against the peer group. It's never been more important to take an active stance on currency management.

ESG

In 1987, sustainable development was defined by the United Nations as,

“development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

This definition is widely recognisable because it is still taught in classrooms today, and is the theoretical foundation upon which sustainable investing builds.

We define sustainable investing as a holistic approach to investing which widens the focus of investors by integrating sustainability considerations alongside the traditional focus of investors, risk-adjusted return. It comes in many shapes and sizes but can be distilled into four primary pillars: environmental, social, governance (ESG), impact, and ethics.

OUR APPROACH

Our approach to sustainable investing is a combination of ESG and ethics. We designed an investment policy to separate ESG leaders from laggards, and to exclude certain controversial sectors from our investable universe. There are procedures in place to ensure daily compliance with the policy and protocols to follow if a breach to the policy is detected. These procedures and protocols have been put in place to mitigate the industry-wide problem of greenwashing.

The combination of non-financial data-driven risk management with a set of ethics-based negative screens is powerful in its simplicity and, importantly, will continue to evolve to match best practice in the sustainable investing ecosystem.

To add clarity to our approach to sustainable investing, we decided to label our proposition as ESG rather than simply sustainable. The label accurately reflects the purpose of our investment policy, which is designed primarily to separate ESG leaders from laggards.



SUMMARY

Titan Asset Management is a signatory to the UN Principles for Responsible Investment and also a sponsor of the London School of Economics (LSE) Green Finance Society. Within our ESG portfolio there are six risk progressive models in the Titan ESG Managed Portfolio Service (MPS), which sits alongside the ACUMEN ESG Protection Portfolio.





SIMULATED PAST PERFORMANCE

The information below contains simulated performance results which are model performance results. Back-testing is the process of testing a trading strategy on prior time periods. Simulated performance results have certain limitations. Unlike an actual performance record, simulated results do not represent actual trading. Performance represents only the results of Titan Asset Management model portfolios.

Fund	IA Sector	ARC Sector	INCEPTION TO DATE			
			Performance since the funds were launched			
			Performance	IA	ARC	IA Quartile Ranking
International Cautious	20-60%	Balanced Asset	-10.82%	-13.29%	-12.39%	2
International Balanced	40-85%	Steady Growth	-7.85%	-13.06%	-13.44%	1
International Adventurous	Flexible	Equity Risk	-6.49%	-12.03%	-15.11%	1
International ESG Balanced	40-85%	Steady Growth	-0.73%	-0.90%	-1.30%	2

Simulated performance: Information in the above table contains simulated performance results which are model performance results. Backtesting is the process of testing a trading strategy on prior time periods. **SIMULATED PERFORMANCE RESULTS HAVE CERTAIN LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, SIMULATED RESULTS DO NOT REPRESENT ACTUAL TRADING.**

Performance represents only the results of Titan Asset Management model portfolios. The model performance has inherent limitations. The returns shown are model results only and do not represent the results of actual trading of investor assets. The performance shown or discussed does not reflect the impact that material economic and market factors had or might have had on decision making if actual investor money had been managed. While model performance may have performed better than the benchmark for some or all of the periods shown, the performance during any other period, may not have, and there is no assurance that model performance will perform better than the benchmark in the future.

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Telephone: **+44 (0) 20 8152 4274**

Email: **info@titanam.co.uk**

www.titanam.co.uk

**Titan Asset Management Ltd. 101 Wigmore Street,
London, W1U 1QU United Kingdom**

Company Number: 07805960

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