

Where money meets intelligence

 **crossing point**

TACTICAL INVESTORS

**Performance update and review, 31 December 2023**  
**Guardian Portfolios**



## Guardian Portfolios

Guardian portfolios combine low-cost equity and fixed income index trackers into an actively managed portfolio service designed to grow and protect investment and pension assets by smoothing long-term returns. In addition to the protection offered from a diverse allocation, Guardian portfolios have a trend-following overlay which has been found to reduce volatility, maximum drawdowns and limit sequence of returns risk. The Guardian portfolios use of this trend-following overlay aims to capture upside growth while protecting portfolio values from downside losses.

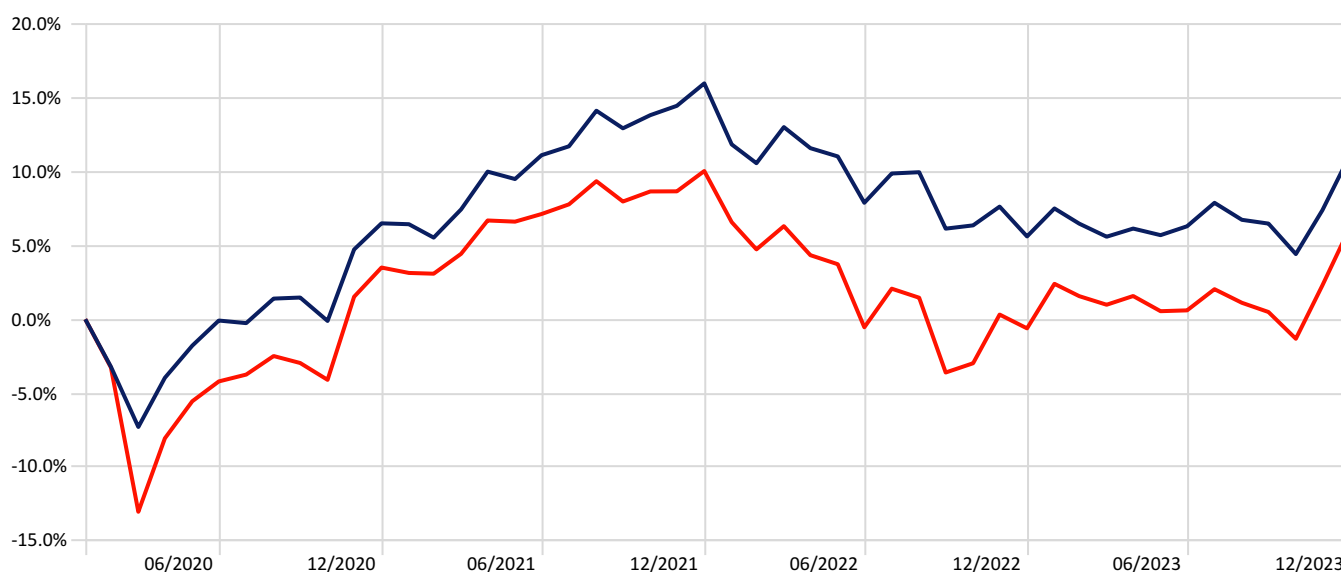
### Key Objectives:

- Focuses on growth and capital preservation
- Reduces volatility
- Smooths long-term returns supporting more accurate cash-flow modelling
- Limits the sequence of returns risk
- Invests in low cost index tracking funds
- Reduces maximum drawdown
- Protects assets in times of market stress

## Guardian Balanced Portfolio Performance Since Crossing Point Launch on 1 February 2020 to 31 December 2023 vs. the IA Mixed Investment 20-60%

### Investment Growth

Time Period: 01/02/2020 to 31/12/2023



— Crossing Point Guardian Balanced

11.1% — IA Mixed Investment 20-60% Shares

6.2%

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## Guardian Portfolio Performance Since Launch (01.02.2020) to 31 December 2023

	1 Month	3 Months	6 Months	1 Year	3 Years	Since Launch
Crossing Point Guardian Speculative	4.13	4.74	4.84	5.95	—	—
IA Flexible Investment	4.02	5.25	5.04	7.31	8.61	16.74
Crossing Point Guardian Adventurous	3.90	4.58	4.72	5.63	5.73	16.57
Crossing Point Guardian Strategic	3.60	4.42	4.55	5.33	5.37	14.04
IA Mixed Investment 40-85% Shares	4.23	5.77	5.54	8.10	8.00	14.23
Crossing Point Guardian Balanced	3.46	4.34	4.52	5.20	4.32	11.09
Crossing Point Guardian Cautious	3.15	4.08	4.44	5.06	2.88	7.51
IA Mixed Investment 20-60% Shares	3.82	5.68	5.56	6.86	2.61	6.20
Crossing Point Guardian Defensive	2.80	3.81	4.21	4.83	1.36	4.25
IA Mixed Investment 0-35% Shares	3.52	5.69	5.34	6.06	-2.33	0.88

## Guardian Portfolio Ratios to 31 December 2023

Time Period: 01/02/2020 to 31/12/2023 Calculation Benchmark: Multiple

	Std Dev	Alpha	Beta	Max Drawdown	Sharpe Ratio	Sortino Ratio
Crossing Point Guardian Adventurous	9.27	0.44	0.86	-12.40	0.07	0.10
Crossing Point Guardian Strategic	7.96	-0.19	0.81	-10.95	0.03	0.05
IA Mixed Investment 40-85% Shares	11.14	0.00	1.00	-15.01	0.05	0.06
Crossing Point Guardian Balanced	6.86	0.72	0.82	-9.95	-0.02	-0.03
Crossing Point Guardian Cautious	5.52	-0.28	0.75	-8.26	-0.10	-0.13
IA Mixed Investment 20-60% Shares	9.34	0.00	1.00	-13.02	-0.08	-0.10
Crossing Point Guardian Defensive	4.29	0.11	0.79	-6.63	-0.18	-0.24
IA Mixed Investment 0-35% Shares	7.16	0.00	1.00	-12.46	-0.19	-0.25

Guardian portfolios continue to have lower standard deviations and reduced maximum drawdowns compared to their benchmarks. The standard deviation since launch for the Guardian portfolios ranged from 9.27% for the Adventurous portfolio to 4.29% for the Defensive portfolio compared to the benchmark volatilities of 11.14% to 7.16%.

Guardian portfolios also experienced much smaller maximum drawdowns ranging from 12.40% for the Adventurous portfolio to 6.63% for the Defensive portfolio while their benchmarks had maximum drawdowns ranging from 15.01% to 12.46%. The reduction in maximum drawdowns can have long-lasting implications for investment returns and is linked to a reduction in sequence risk for income taking investors.

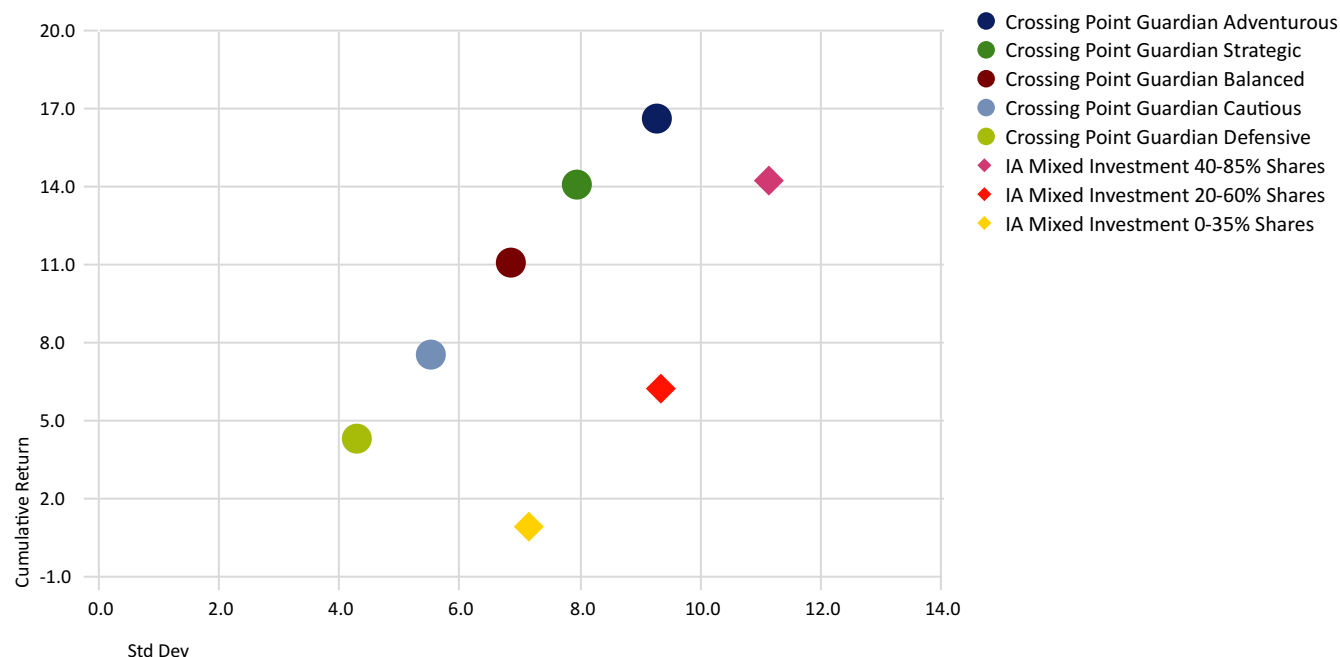
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## Managing Risk: Risk vs Return since launch

Time Period: 01/02/2020 to 31/12/2023

Calculation Benchmark: Multiple



Time Period: 01/02/2020 to 31/12/2023

	Cumulative Return	Std Dev
Crossing Point Guardian Adventurous	16.57	9.27
Crossing Point Guardian Strategic	14.04	7.96
IA Mixed Investment 40-85% Shares	14.23	11.14
Crossing Point Guardian Balanced	11.09	6.86
Crossing Point Guardian Cautious	7.51	5.52
IA Mixed Investment 20-60% Shares	6.20	9.34
Crossing Point Guardian Defensive	4.25	4.29
IA Mixed Investment 0-35% Shares	0.88	7.16

This scatter chart and the associated performance and volatility figures illustrate the risk and return of both the Guardian Portfolios and their Investment Association benchmarks. The Guardian portfolios have provided lower levels of volatility since launch than their equivalent benchmarks with the effect more profound with lower equity portfolios.

The use of trend following has been found to smooth returns and reduce volatility, maximum drawdown losses, and sequence of returns risk over whole business cycles. This impact can be seen in the Guardian portfolios' lower standard-deviations throughout the challenging global and financial events since launch with the Russian invasion of Ukraine, concerns around inflation, rising interest rates, unusually high bond market volatility, and rising tensions within the middle east and the Pacific.

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## Guardian Portfolios Asset Allocation

### 31.12.23 Current Allocations

The current asset allocations will, at times, be different from the default allocations as recommended by signals from our trend algorithms, our use of economic indicators, and as agreed by the investment committee. These allocations are highly actively managed and will at times be modified with more frequency than normal. At the end of Dec 2023, the current allocations were fully allocated and therefore the same as the default allocations.

Guardian Current Allocation: 31/12/2023

	Speculative	Adventurous	Strategic	Balanced	Cautious	Defensive
International	19.50	16.00	12.00	11.00	9.00	6.00
US	18.50	16.00	12.00	10.50	8.00	6.00
UK	11.00	9.50	8.00	6.50	5.00	4.00
Europe	9.25	8.50	7.00	6.00	4.00	3.50
Pacific	7.00	6.50	5.50	5.00	3.00	2.00
Japan	7.00	6.00	5.50	5.00	3.00	2.00
Emerging Markets	7.50	6.50	6.00	5.00	3.00	2.00
Insurance	3.50	3.50	3.50	2.50	2.50	1.50
Natural Resources	0.00	0.00	0.00	0.00	0.00	0.00
Sustainable Energy	2.50	2.50	2.00	1.50	1.00	0.00
Technology	5.50	5.00	4.50	3.50	3.00	1.50
Property	5.75	5.00	4.00	3.50	3.50	1.50
Infrastructure	0.00	0.00	0.00	0.00	0.00	0.00
Equity Total	97.00	85.00	70.00	60.00	45.00	30.00
Fixed Income	0.00	12.00	26.00	33.00	45.50	58.50
Short Term Money Market	0.00	0.00	1.00	4.00	6.50	8.50
Cash	3.00	3.00	3.00	3.00	3.00	3.00
Total	100.00	100.00	100.00	100.00	100.00	100.00

### 31.12.23 Default Allocations

Underlying the above trade decisions are our default allocations. These reflect a full 100% allocation across all investments based upon the trend and economic signals and the investment committee's recommendations.

Guardian Default Allocation: 31/12/2023

	Speculative	Adventurous	Strategic	Balanced	Cautious	Defensive
International	19.50	16.00	12.00	11.00	9.00	6.00
US	18.50	16.00	12.00	10.50	8.00	6.00
UK	11.00	9.50	8.00	6.50	5.00	4.00
Europe	9.25	8.50	7.00	6.00	4.00	3.50
Pacific	7.00	6.50	5.50	5.00	3.00	2.00
Japan	7.00	6.00	5.50	5.00	3.00	2.00
Emerging Markets	7.50	6.50	6.00	5.00	3.00	2.00
Insurance	3.50	3.50	3.50	2.50	2.50	1.50
Natural Resources	0.00	0.00	0.00	0.00	0.00	0.00
Sustainable Energy	2.50	2.50	2.00	1.50	1.00	0.00
Technology	5.50	5.00	4.50	3.50	3.00	1.50
Property	5.75	5.00	4.00	3.50	3.50	1.50
Infrastructure	0.00	0.00	0.00	0.00	0.00	0.00
Equity Total	97.00	85.00	70.00	60.00	45.00	30.00
Fixed Income	0.00	12.00	26.00	33.00	45.50	58.50
Short Term Money Market	0.00	0.00	1.00	4.00	6.50	8.50
Cash	3.00	3.00	3.00	3.00	3.00	3.00
Total	100.00	100.00	100.00	100.00	100.00	100.00

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## Guardian Portfolio Morningstar Risk Scores and FE risk scores

Due to the nature of our trend-following algorithms, Guardian/Fusion portfolios may at times reduce their allocations to equity and fixed income while increasing the allocations to safer assets such as fixed income or cash respectively. As FE and Morningstar Risk Scores are heavily linked to equity content, investors should be aware that as markets fall we could sell further out of risk assets reducing the risk within the portfolios and as markets rise the allocation to risk assets could increase to the full equity allocation, increasing the portfolios risk scores.

The Morningstar Portfolio Risk Score (MPRS) measures the overall risk of portfolios, including client portfolios, model portfolios, and fund portfolios. MPRS uses Morningstar Risk Model's holdings-based analysis to derive a risk estimate and score for each portfolio, and Morningstar's multi-asset Target Allocation Indexes to define the following risk ranges: Conservative: 0-24, Moderate: 25-49, Aggressive: 50-81, Very Aggressive: 82-100, Extreme: 100+.

FE Fundinfo Risk Scores defines risk as a measure of volatility relative to an index of the 100 largest UK companies (the FE Risk Score benchmark) which has a risk rating of 100 and is rebased to sterling. Instruments more volatile than this benchmark have a score above 100 and vice versa giving a reliable indication of risk.

Morningstar Risk Score Levels		FE Risk Score Levels		
			Short (3-7 Year)	Medium (8-15 Year)
Conservative	0 - 24	Cautious	5 - 30	40 - 55
Moderate	25 - 49	Cautious to Moderate	30 - 40	55 - 65
Aggressive	50 - 81	Moderate	40 - 55	65 - 75
Very Aggressive	82 - 100	Moderate to Adventurous	55 - 80	75 - 85
Extreme	100 +	Adventurous	80 - 120	85 - 130

Morningstar Risk Scores			
	Portfolio Risk score	Risk Level	Portfolio Risk Score Date
Guardian Adventurous	56.73	Aggressive	31/12/2023
Guardian Strategic	46.24	Moderate	31/12/2023
Guardian Balanced	39.36	Moderate	31/12/2023
Guardian Cautious	29.51	Moderate	31/12/2023
Guardian Defensive	20.16	Conservative	31/12/2023

FE Risk Scores			
	Portfolio Risk score	Short-term Level (3-7 Year)	Medium-term Level (8-15 Year)
Guardian Adventurous	69	Moderate to Adventurous	Moderate
Guardian Strategic	59	Moderate to Adventurous	Cautious to moderate
Guardian Balanced	52	Moderate	Cautious
Guardian Cautious	42	Moderate	Cautious
Guardian Defensive	33	Cautious to Moderate	< Cautious

### Defaqto Risk Ratings

	Defaqto Risk Ratings
Guardian Adventurous	7
Guardian Strategic	6
Guardian Balanced	5
Guardian Cautious	3
Guardian Defensive	2



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## Guardian Portfolio Costs, 31 December 2023

Crossing Point Guardian portfolios are managed with a trend-following overlay which at times will recommend reductions in fund allocations. These reductions will instead be invested in either a less risky asset or cash, therefore modifying the overall fund costs. The current costs listed in the chart below reflect the cost of the funds in the portfolio allocations at the end of the quarter. The default costs reflect the costs of the portfolios if the trend-following signals were to recommend that the portfolios were fully invested. As of 31 Dec 2023, the Guardian portfolios were fully invested in their default allocations and therefore both the Current and Default costs are the same.

### Guardian Current Costs

Current Costs				
	DFM Charge	Fund Cost	Transaction Costs	Total
Guardian Speculative	0.30%	0.26%	0.06%	<b>0.62%</b>
Guardian Adventurous	0.30%	0.26%	0.06%	<b>0.62%</b>
Guardian Strategic	0.30%	0.26%	0.06%	<b>0.62%</b>
Guardian Balanced	0.30%	0.25%	0.06%	<b>0.61%</b>
Guardian Cautious	0.30%	0.23%	0.06%	<b>0.59%</b>
Guardian Defensive	0.30%	0.23%	0.06%	<b>0.59%</b>

### Guardian Default Costs

Default Costs				
	DFM Charge	Fund Cost	Transaction Costs	Total
Guardian Speculative	0.30%	0.26%	0.06%	<b>0.62%</b>
Guardian Adventurous	0.30%	0.26%	0.06%	<b>0.62%</b>
Guardian Strategic	0.30%	0.26%	0.06%	<b>0.62%</b>
Guardian Balanced	0.30%	0.25%	0.06%	<b>0.61%</b>
Guardian Cautious	0.30%	0.23%	0.06%	<b>0.59%</b>
Guardian Defensive	0.30%	0.23%	0.06%	<b>0.59%</b>

Current fund costs and default fund costs at 31/12/2023 from FE Fundinfo.

Excludes platform charge and incidental charges.

The impact of different transaction, platform, and incidental costs may mean illustrations from platforms show different total costs.

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## Guardian Trade Decisions

The chart below approximately reflects trade decisions for each international equity market and sector over the past year. Each investment decision is made at the individual fund level and informed using our trend-following signals, economic data, and agreed upon by the investment committee. An equity investment of 0% is shown in red with shades of green representing varying levels of equity investment.



## Platform Availability - On request

Crossing Point Guardian Portfolios are available on the following platforms:



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## Important Information

**The Crossing Point Portfolio Management Service is only available to investors who use the ongoing services of a financial adviser. For information purposes only, please contact a personal financial adviser for further information.**

Independent financial advisers take no responsibility for the underlying investment strategy, the investment process and selected funds are the responsibility of Crossing Point Investment Managements' Discretionary Fund Managers'. By the nature of tactical trading, holdings will be regularly bought and sold, but the investment manager will not seek your permission to do this. Investment decisions will be the responsibility of the Discretionary Fund Manager.

Calculation of the fund OCFs shown is provided by FE Fundinfo. This charge may vary across the various platforms where the portfolios are available. Please refer to your investment adviser for details.

Performance Calculation: Performance is quoted on an annualised basis and calculated through Morningstar Direct. The performance calculations are provided for illustrative purposes only and should not be viewed as the performance of a specific client account. Performance is shown inclusive of ongoing fund charges but gross of transaction, platform, IFA, incidental, and Crossing Point's investment management charge. Deductions for these charges will have the result of reducing the illustrated performance.

Past performance is not a guide to future performance. The value of investments and any income from them can fall and you may get back less than you invested. If you invest in currencies other than your own, fluctuations in currency value will mean that the value of your investment will move independently of the underlying asset. The information contained in this documentation has been taken from sources stated and is believed to be reliable and accurate, but without further investigation cannot be warranted as to accuracy or completeness. Tax concessions are not guaranteed and may be charged at any time, their value will depend on individual circumstances.

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