

## Portfolio Update

In Association With

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 your personal financial adviser for further information.

## Your Investment

Client Name:

Adviser Name:

Portfolio Value:

Risk Profile:

Model Portfolio:

Platform Provider:

Wrapper:

---

### 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 your personal financial adviser for further information.**

Your independent financial adviser may have an interest in Crossing Point Investment Management Limited which they will have disclosed to you. Your independent financial adviser takes no responsibility for the underlying investment strategy, the investment process and the choice of funds will be based purely on Crossing Point Discretionary Fund Managers' experience within the market. 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.

Past performance of a portfolio is not a guide to future returns. The value of an investment and the income from it can go down as well as up and there is a risk of loss to capital. Exchange rates will also cause the value of underlying investment to fall or rise. Tax concession are not guaranteed and may be charged at any time, their value will depend on individual circumstances.

Detail of the nature of the investments, the commitment required, and the specific risk warnings are described in the Crossing Point Investment Management Terms of Business with your financial adviser. Reference to any particular fund or portfolio does not constitute a recommendation for investment purposes. Indices are used for comparative purposes only. Persons who do not have professional experience in matters relating to investments should speak with a financial adviser before making an investment decision.

Issued by Crossing Point Investment Management Ltd (registered no.08776208) is authorised and regulated by the Financial Conduct Authority (FCA no. 813549), Registered address Tara House, 7 Uplands Crescent, Swansea, SA2 0PA. For your protection, calls may be monitored and recorded for training and quality assurance purposes.

All information is provided by Financial Express FE and is used at your own risk. FE take care to ensure that the information provided is correct. Neither FE or Crossing Point Investment Management warrants or guarantee the content of the information, nor do we accept any responsibility for error, inaccuracies, omissions or any inconsistencies herein.

## Why Crossing Point?

Crossing point is a discretionary investment management company bringing together the best of academic analysis and investment expertise to create innovative and unique investment solutions.



### **Unique Investment Strategies**

Our distinctive strategies offer a diverse set of outcome focused solutions to suit your investment needs.



### **Attractive Returns**

At the heart of all our portfolios is the desire to provide you with attractive long-term capital growth. Our portfolios perform very well when compared to their relevant national benchmarks and technical ratios.



### **Risk Control**

All of our Guardian portfolios are tactically managed using technical, trend-following indicators that help smooth your returns and reduce volatility and maximum drawdowns. These portfolios offer a double layer of risk control.



### **Diversified Global Asset Allocation**

All our portfolios are well-diversified, based on accredited asset allocation models, to spread your investment across different assets.



### **Solution-Based Portfolios**

Our portfolios are designed with your objective in mind. We provide strategies to meet your investment objectives whether that is risk-controlled decumulation, capital growth, ethical ESG investing or natural dividend income.



### **Low-Cost Service**

You only pay an annual flat fee of 0.30%.



## About Us

**Crossing Point Investment Management was conceived in 2014 and formed in 2018 based on the conclusion of extensive academic research into an investment philosophy established upon trend-following and tactical trading. Our investment strategies are stringently based upon exhaustive and robust research and testing, backed up by MSc and PhD research papers.**

Our Crossing Point **Guardian** strategy changes the direction and expectations of investment management by not only offering the benefits of global stock market growth, but by managing downside risk through the use of trend-following strategies.

Our advanced Guardian algorithms monitor and signal when to buy, hold or sell capital assets allowing us to participate in up markets and reduce exposure to down markets providing consistent returns at lower risk and lower cost.

Crossing Point's **Guardian portfolios** are based on accredited asset allocation models and use tracker funds to gain full global asset class exposure. Our dynamic, technical rules-based analysis actively informs us when to hold equities and when to revert to the security of safer investments. This

process responds to evolving stock market conditions with each geographic equity sector monitored independently.

Trend-following strategies have been shown to significantly reduce volatility and maximum drawdowns, while providing consistent capital returns. Our unique algorithm represents the best in modern investment philosophy and delivers on cost, accessibility and performance.

At the heart of all our portfolios is both the desire to provide attractive performance and the pursuit of low-cost passive funds. We compare available funds to ensure that the selected funds have favourable returns and low fees. All our portfolios are created using a well-diversified, accredited, global asset allocation as the initial source of risk management.

In addition, we also offer distinctive long-only portfolios within our range. These are designed for investment into sustainable and environmentally responsible strategies through our **Green Path portfolios** and investment based on the superior return and diversity of investment trusts through our **Heritage portfolios**.

### Disrupt - V. to radically change

The greatest steps forward in business have often been initiated by thinking that has disrupted prescribed or accepted processes. The most successful corporate disruptors challenge on cost, delivery, convenience and performance. Some of the very best examples revolutionising our behaviours and perception include the likes of Amazon, Apple, Uber and Airbnb.

Tracker funds and exchange-traded funds were a market disruptor in their own right. Global tracker funds have grown at an exponential rate in recent years allowing retail investors effective and cheap access to markets that were once exclusive to institutional investors. However, their general use has been quite unsophisticated. Crossing Point has taken all the advantages of trackers and reinvented their use.

### Challenge - V. to call (something) into question

Crossing Point's Guardian portfolios are based on accredited asset allocation models and use tracker-funds to gain full global asset class exposure. Our dynamic, technical rules-based analysis actively informs us when to hold equities and when to revert to the security of safer investments.

This process has been shown to significantly reduce volatility and maximum drawdowns, while providing consistent capital returns. Crossing Point is a positive disrupter in the world of investment management. Our unique algorithm represents the best in modern investment philosophy and delivers on cost, accessibility and performance.

## Portfolio Range

We have created four distinct investment solutions each with a number of different risk-based portfolios to use either exclusively or as part of a larger asset allocation.



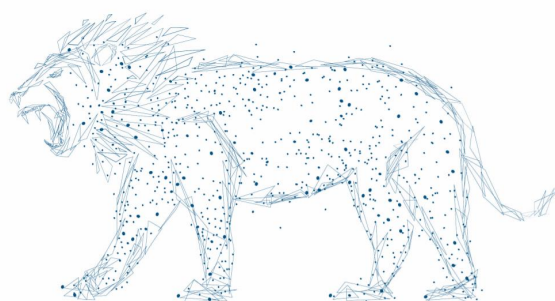
**Guardian portfolios** are designed to provide attractive and consistent returns, while aiming to minimise volatility, drawdown, sequence of returns risk and cost through the use of trend-following strategies.



**Green Path ESG portfolios** select investments that support the wellbeing of our environment and society. Green Path portfolios do not use trend-following and are long only investments.



**Heritage portfolios** use investment trusts to provide superior returns and consistent dividends over longer investment horizons. Heritage portfolios offer greater diversification and a broader range of holdings. Due to the nature of investment trusts these portfolios are managed on a long only basis and do not use trend-following.



**Heritage Dividend portfolios** use investment trusts to provide attractive returns and consistent dividends over longer investment horizons. Heritage portfolios offer greater diversification and a broader range of holdings. Due to the nature of investment trusts these portfolios are managed on a long only basis and do not use trend-following.

## The Team

In addition to our day to day team, our executive board also includes professionals from accountants, compliance, platform providers, and financial investment advisors.



Tomiko Evans  
**CHIEF INVESTMENT OFFICER**

Tomiko is a BSc graduate of the Wharton School of Business at the University of Pennsylvania. She holds an MSc in Financial Forecasting and Investment Management. Tomiko is also about to complete a PhD in Finance at Swansea University.

Tomiko has extensive experience in capital market analysis and investment management. She worked in International Prime Brokerage for Citigroup in Canary Wharf and was part of the technology team on the International Finance Desk with Salomon Smith Barney in London and Salomon Brothers in New York.

Her extensive, validated research and analysis forms the basis of Crossing Point's unique investment strategy.

Tomiko is Chief Investment Officer of Crossing Point and holds the IMC qualification for Investment Management.



Professor Mike Buckle  
**INVESTMENT MANAGER**

Mike is a Professor of Finance at Swansea University. He has been a university academic for over 30 years having previously held senior academic posts at Liverpool University and Swansea University. He has published extensively in both academic and practitioner journals on a wide range of financial and economic issues.

Mike has been an academic advisor to CFA UK for over 20 years and was involved in the development of the Investment Management Certificate (IMC). He is an author of the Official Training Manual for the IMC.

Mike chairs Crossing Point's Investment Management Committee and holds the CII Certificate in Discretionary Investment Management. He is responsible for the due diligence and fund selection within our Green Path and Heritage portfolios.



Carl Hagger  
**BUSINESS DEVELOPMENT MANAGER**

Carl graduated from Bournemouth University in 1988 where he gained HND in Business and Finance. After university, Carl started his career in financial services originally with Sun Life Assurance and then AXA where he worked alongside small, medium, and national brokerages throughout Wales and the South West of England. In this role Carl forged long lasting and mutually beneficial relationships with many IFA's. Carl enjoyed a successful 25 year career with AXA / Sun Life before joining Aegon in 2014 as a platform broker consultant, again working with IFA firms in South Wales. Carl has always prided himself in helping IFA firms build and grow their businesses through a focus on service.

Carl has gained numerous financial services qualifications including the CII AF3 Advanced Diploma in pension planning the CII Diploma and (J11) Wrap and Platform services. He is currently studying for the CFA UK Investment Management Certificate (IMC.) Carl enjoys socializing with family and friends, all sports and travel. Sadly he is an addicted Swans fan.



Catherine Roberts  
**OFFICE MANAGER**

Catherine manages the office at Crossing Point and provides administrative support to both the investment team and our Independent Financial Advisor clients.

Catherine takes responsibility for establishing and developing both client and business relationships having gained over 30 years' experience in the accountancy profession advising clients on taxation matters.



# Investment Management

Crossing Point moves away from opinion-based decision making to a proven set of investment rules and principles that are regularly updated and reviewed.



---

## Fund Selection

Each asset selected constitutes an important building block of our portfolios. We rigorously screen every asset contained within our strategies. All index tracking funds, ESG funds and investment trusts are filtered using ratings such as those by Morningstar, Rayner Spencer Mills Research and Financial Express Crown Fund Ratings. We also analyse all available assets on past performance, technical ratios and fees.

All Green Path investments are also all screened for their environmental, social and governance (ESG) principles. Green Path fund providers are all signatories of the Principle of Responsible Investing and use either positive or negative screening, or a combination of both. We also utilise Morningstar and MSCI Sustainability Ratings where available.

---

## Asset Allocation

It is commonly agreed from established academic research that asset allocation provides the majority of long-term total returns for a managed investment portfolio. Similar to other investment managers, we adopt a full risk-related asset allocation strategy using a well-diversified, accredited, global asset allocation model. Our asset selections for all our strategies are reviewed at least semi-annually to ensure optimum performance. The equity allocation for each portfolio is matched to specific investor risk profiles.

## Guardian Portfolios

Guardian portfolios are a low-cost tactically traded portfolio service designed to grow and protect your investment and pension assets by smoothing long-term returns.

We hold equity assets to capture growth but use a trend-following strategy overlay to protect your portfolio from downside losses and to minimise volatility.

### Key Objectives

- Focuses on growth and capital preservation
- Reduces volatility
- Smooths long-term returns, supporting more accurate cash flow modelling
- Limits sequence of returns risk
- Reduces maximum drawdown
- Protects assets in times of market stress



---

### Trend Following

Guardian portfolios aim to offer the benefits of global stock market growth while also managing downside risk through the use of trend-following strategies.

Based on accredited asset allocation models, Guardian portfolios use tracker funds to minimise cost and gain full global asset class exposure. The dynamic, technical rules-based analysis actively informs us when to hold equities and when to revert to the security of safer investments. This process responds to evolving stock market conditions with each geographic equity sector monitored independently.

If there is a signal to sell, we then sell out of the equity market and move to the security of safer assets to protect our gains. We repurchase equity assets when upward momentum returns.

Trend-following strategies have been shown to significantly reduce volatility and maximum drawdowns, while providing consistent capital returns.



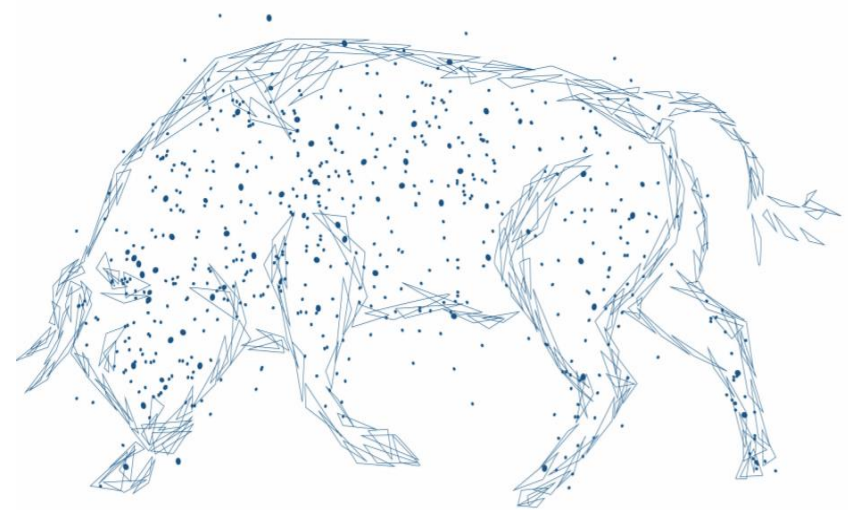
## Heritage Portfolios

Heritage portfolios are a low-cost actively managed portfolio service designed for long-term capital growth through the use of investment trusts.

Investment trusts highlight lower fees, increased diversification and typically significantly better investment returns over the longer term.

### Key Objectives

- Superior long-term performance and returns
- Greater diversification and range of holdings
- Global equity strategies
- Flexible investment management
- Lower management costs than open-ended investment companies



---

### Investment Trusts

Investment trusts are a Victorian invention and were a means to raise private capital to fund new developments, like railways across the world. They also allowed more moderate investors the same access to the stock market that had previously only been available to much larger capital investors and organisations.

The investment trust industry has continued to invest in ground-breaking opportunities including technology, biotechnology, healthcare, emerging and frontier markets, private equity and venture capital. Many of these investments would not otherwise be available to individual investors. The ability to invest in such innovative companies continue to make investment trusts both highly attractive and relevant to investors.

The long-term performance of investment trusts is significantly aided by the fact that the investment managers do not need to hold excessive cash balances or sell assets in order to accommodate redemptions as do their open-ended investment company (OEIC) counterparts.





Being 'closed-ended', managers can invest in less liquid assets such as private equity, infrastructure and specialist commercial property. A longer-term plan can be engaged. This process can bring greater diversification to the strategy resulting in better long-term returns and more varied sources of income.

## Green Path Portfolios

Green Path portfolios are a low-cost actively managed portfolio service designed for long-term investments dedicated to sustainable growth through the use of environmental, social, and governance (ESG) investment values.

The Green Path strategy allows you to take a positive approach to sustainable investment.

### Key Objectives

-  Globally diversified investment
-  Maintain the integrity of the environment and the use of natural resources
-  Recognise the civil, economic, and social rights of every human being
-  Promote sustainable development today without compromising future development



---

### Environmental, Social, Governance (ESG)

ESG investing has become one of the fastest growing areas of the investment market. Many private investors want a more active, objective-driven approach. ESG focused investments are not just philanthropic but can be a way to future proof your investments where performance need not be compromised.

Sustainability and fair opportunity have led investors to pursue the concept of a healthy balance between investment returns, the long-term preservation of our natural resources, and the respectful treatment of labour and equality.






All of these factors are in themselves forceful drivers of change. Taken as a whole, the ESG effect has become a compelling element moving to the centre of institutional financial activity.

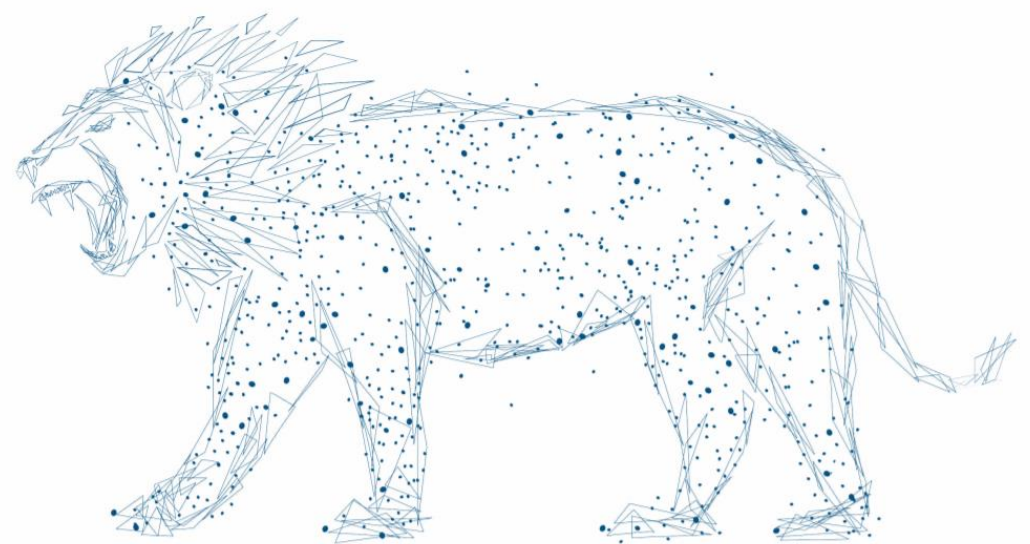
All our investments are rigorously screened using the three principles that form the core of our ESG investment philosophy. The ESG credentials of each index-tracker fund or exchange-traded fund is validated in accordance with our stated ESG principles: environmental, social compatibility and good governance. We only use funds that are clearly designated ESG investments.

## Heritage Dividend Portfolios

Heritage portfolios are an actively managed portfolio service designed for attractive income distribution as well as long-term capital growth from a portfolio of equity investment trusts and passive bond funds.

### Key Objectives

-  Superior long-term performance and returns
-  Greater diversification and range of holdings
-  Global equity strategies
-  A source of reliable income
-  Lower management costs than open-ended investment companies



---

### Investment Trust Income

All investors have differing needs and requirements from their money. You may seek capital growth in order to improve wealth and opportunities or having built wealth, now seek income. Income seeking investors often turn to dividends as an inflation beating form of regular return. It is common for major corporations to issue attractive dividends to their shareholders that rise in value each year.

However, in times of great financial difficulty, such as during the great financial crisis of 2008 and in 2020 through the Coronavirus, many listed firms were forced to significantly slash dividend payments. In the case of UK banks, the UK government insisted that dividends be withheld.

The reduction or suspension of a dividend payment will have an impact on both direct shareholders and holders of open-ended investment company (OEIC) income funds that invest in that stock. If dividends are cut or stopped, the ability of OEICs to maintain dividend payments in the future will be jeopardised as they have to distribute whatever income they receive. They have no means to store income for 'a rainy day'.

Investment trusts have the ability to smooth their dividends by saving money in reserves during periods of prosperity which are available for use to make up any shortfall in income during difficult years. This makes investment trust dividends a more reliable source of income as they have the additional benefit of dividend cover.



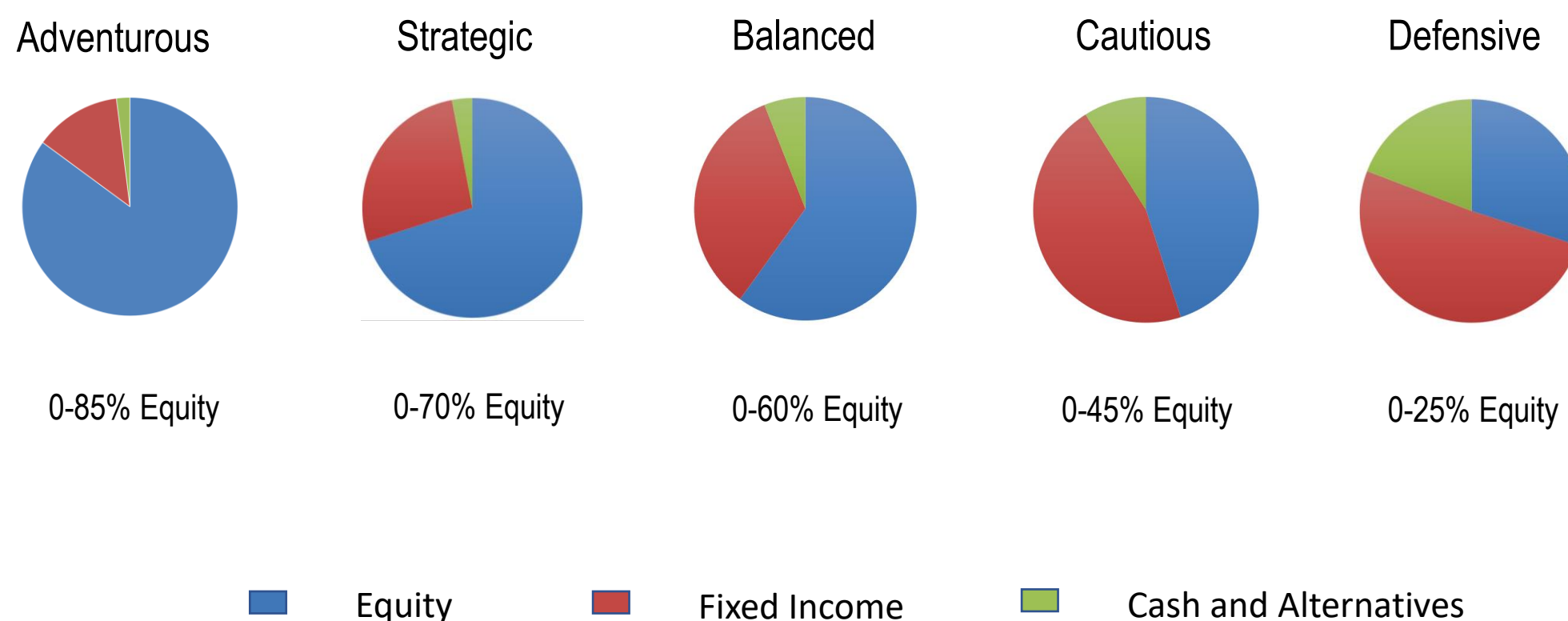
# Asset Allocation Summary

## Diversification

Diversifying holdings across different asset classes when correlations are less than perfect is known to reduce risk for a given level of return, or for a given level of risk maximise your expected return. Although returns are never guaranteed, diversification spreads risk across differing assets.

The first layer of risk management for all of our portfolios is diversification by investing into a varied set of equities, gilts, government bonds, fixed income and alternative investments. We also invest in a number of different fund managers and through a large range of geographical locations.

Our Guardian portfolios also utilise a second layer of risk management through the use of a trend-following overlay which has been found to help minimise volatility. When market momentum is downward, the trend-following strategy will signal to move out of equities. This means that you could either be invested into the complete equity allocation or if the signals show downward momentum your equity investment could be moved partially or completely to safer investments or cash. The percentage of equity across each portfolio ranges from 0 to the maximum equity content for your chosen risk level.





## Guardian Portfolios as a Decumulation Strategy

Large drawdowns during periods of market turmoil can have a lasting impact on income seeking investors.

Research into sequence of returns risk shows that an early fall in an investment can cause long-term reductions in capital values which can affect the long-term viability of income withdrawals. This impact is magnified during decumulation when the process of selling underlying assets for income as the market is falling can have a greater impact on the reduction of the underlying capital.

Crossing Point Guardian portfolios seek to minimise sequence of returns risk, volatility, and maximum drawdowns by smoothing long-term returns through trend-following, tactical trading, and a well-diversified asset allocation.

A £500,000 investment over the period 31 July 2014 to 31 December 2020  
with a 4% annual income paid monthly

Guardian Balanced Portfolio vs. IA Mixed Investment Benchmark 20-60%



This graph displays the performance of a £500,000 investment into the Guardian Balanced portfolio over the period July 2014 to 31 December 2020 taking an annual income of 4% compared with the same investment and income for a portfolio based on the Investment Association 20-60% benchmark. By using Guardian portfolios, an investor would have ended the period with £86,455.01 (16.67 %) more than an investment in the benchmark illustrating the benefits of reduced volatility upon income paying portfolios.

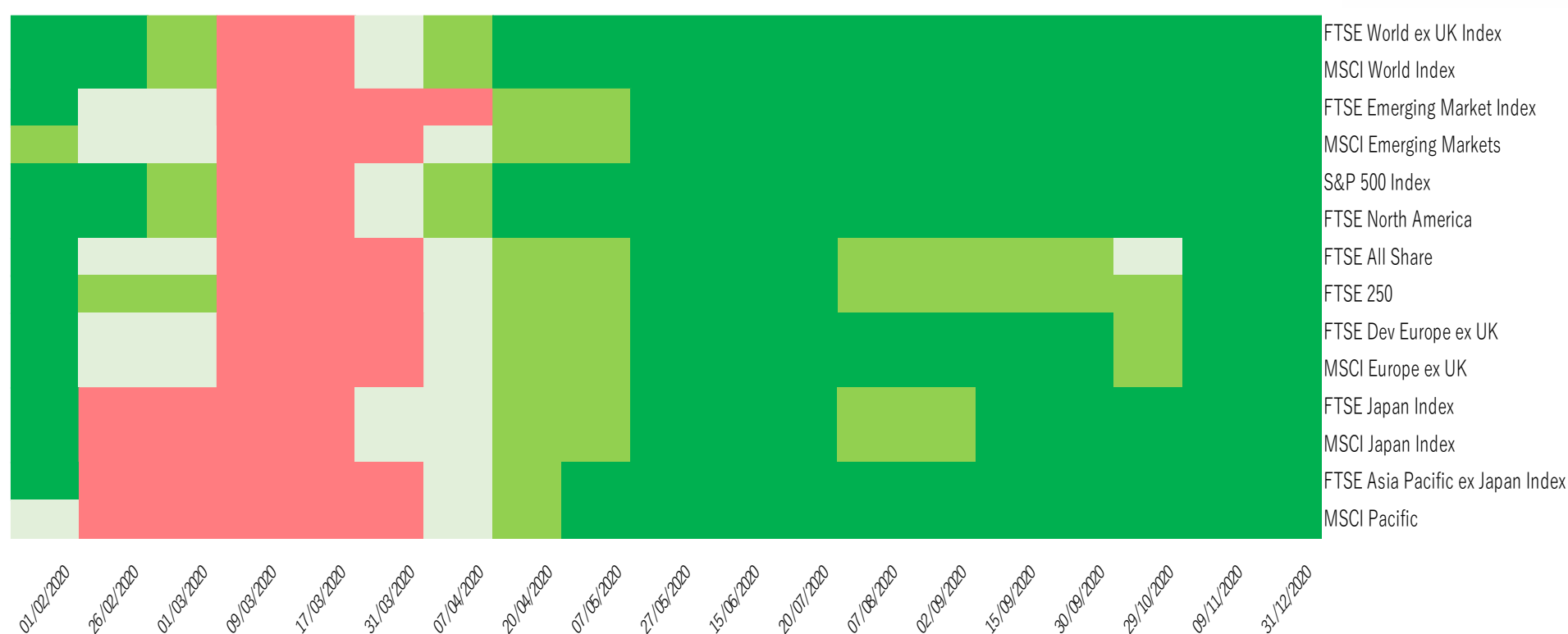
The advantages of the Guardian portfolios as demonstrated here are smoothed returns and reduced volatility, maximum drawdown losses and sequence of returns risk when compared with the benchmark especially when there are dips in the market such as in late 2018 and beginning of 2020 due to the coronavirus crisis.

Past performance is not a guarantee of future performance. The value of investments and any income from them can fall and you may get back less than you invested. The performance demonstrated takes into account fund charges within the portfolio only and excludes transactional, platform, IFA and Crossing Point fees, all of which will reduce the performance and eventual returns over the long term.



## Guardian Trend-Following during the Coronavirus Crisis

£100,000 Investment, 31 Jan 2020 – 31 Dec 2020  
Guardian Balanced vs. IA Mixed Investment 20-60%



Crossing Point's Guardian trend-following trading strategy minimises risk through international asset allocation and a mix of trend-following moving averages and crossovers for further volatility management. The above chart illustrates the Guardian portfolio trade decisions during the coronavirus crisis.

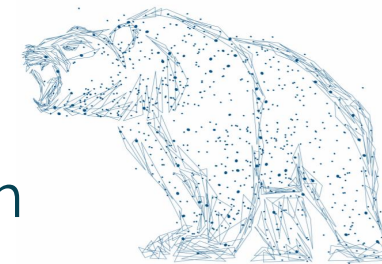
The graph illustrates the performance of £100,000 invested into the Crossing Point Guardian Balanced portfolio from January 31 to Dec 31 2020 using our trend-following strategy compared with its benchmark without any tactical trading.

An investment into Guardian Balanced would have ended the period with £2,982.62 (2.88%) more than an investment in the benchmark.

The chart reflects the trade decisions for each international equity market and coincides with the months shown in the above graph. Each equity fund investment decision was decided individually and informed using trend-following signals. An equity investment of 0% is shown in red. Shades of green represent varying levels of equity investment with dark green indicating a 100% investment.

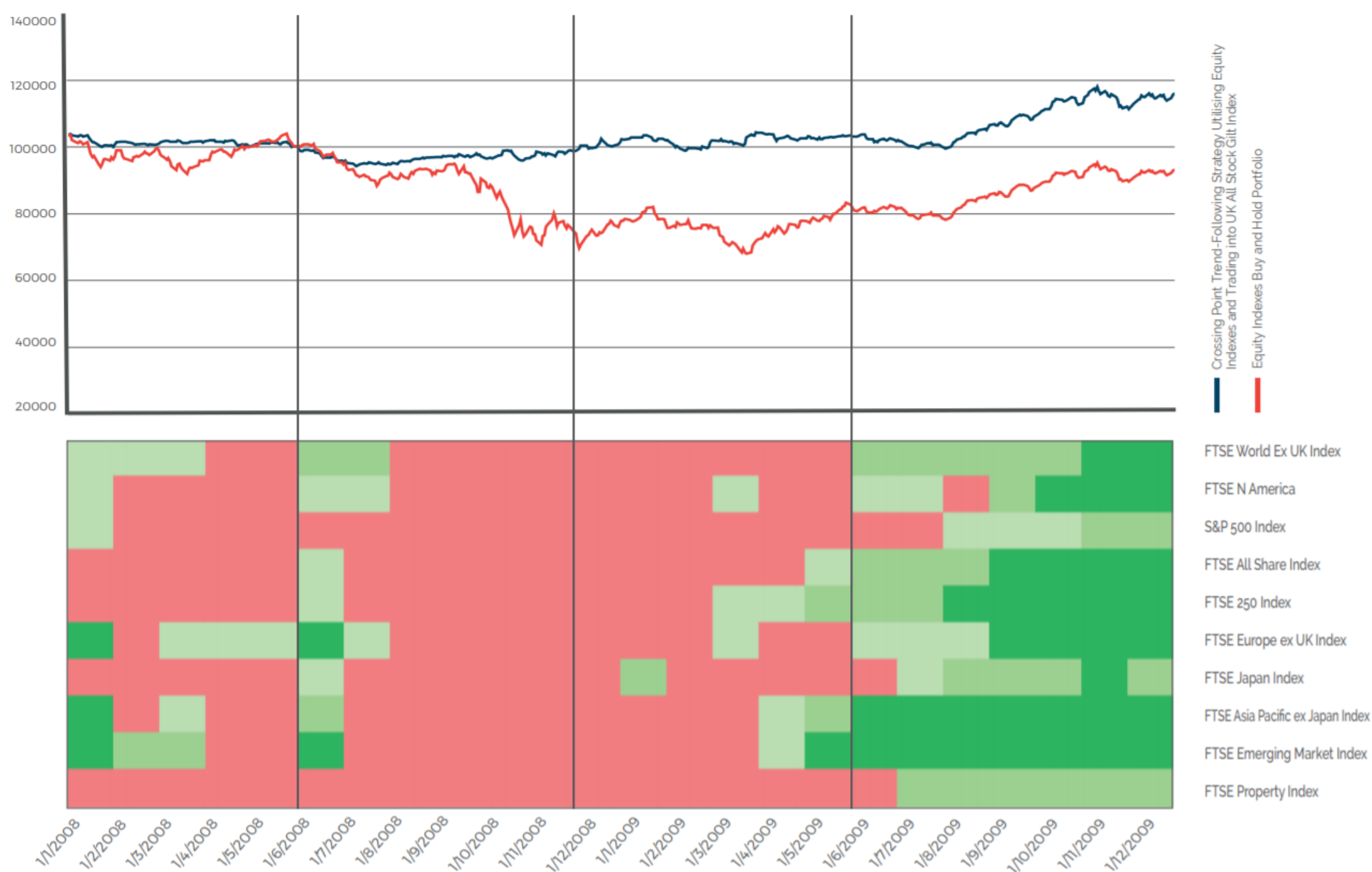
Past performance is not a guarantee of future performance. The value of investments and any income from them can fall and you may get back less than you invested. The performance demonstrated takes into account fund charges within the portfolio only and excludes transactional, platform, IFA and Crossing Point fees, all of which will reduce the performance and eventual returns over the long term.





## Guardian Trend-Following Example: 2008 Stock Market Crash

Crossing Point Guardian trend-following strategy trading into the UK All Stock Gilt Index vs. Buy and Hold Portfolio – Jan 2008-2010



The Crossing Point trend-following trading strategy contains a mix of crossovers for further diversification. This is an illustration of how the Crossing Point strategy would have performed during the 2 years around the 2008 financial crisis. These two years were chosen as an example of how trend-following works when equity markets drop.

The graph shows the simulated performance of £100,000 invested in the current equity asset allocation from the Crossing Point Adventurous portfolio using our trend-following strategy and trading into the UK All Stock Gilt Index when not invested in equities compared to an investment

into the same portfolio of equity indexes with the same asset allocation without any tactical trading.

The chart coincides with the two years shown in the above graph. Every month the equity trade decisions are decided by individual market movement. If trend-following signals showed that the market was dropping and the market investment should have been 0%, then this is shown in red. Shades of green represent the level of equity investment with dark green indicating a 100% investment.

Past performance is not a guarantee of future performance. The value of investments and any income from them can fall and you may get back less than you invested. The performance demonstrated takes into account fund charges within the portfolio only and excludes transactional, platform, IFA and Crossing Point fees, all of which will reduce the performance and eventual returns over the long term.

## 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 the choice of funds will be based purely on Crossing Point Discretionary Fund Managers' experience within the market. 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.

Guardian portfolios show actual performance data from September 2019 onwards. Before September 2019, the performance of the underlying funds is shown by applying the decisions made based on the rules-based trend-following signals that would have been applied over the period. The performance data is substantially the same as what would have been achieved if the portfolios had been 'live'.

Heritage portfolios show actual performance data from December 2019 onwards. Before December 2019, the performance of the underlying funds is shown. The performance data is substantially the same as what would have been achieved if the portfolios had been 'live'.

**Performance Calculation:** Performance is shown inclusive of ongoing fund charges but gross of transaction and incidental fund charges as well as Crossing Point's investment management charge. Deductions for these charges will have the result of reducing the illustrated performance. Platform and IFA charges are applicable. Please refer to your investment adviser for details. Performance is quoted on an annualised basis and calculated through FE Analytics direct and provided for illustrative purposes only and should not be viewed as the performance of a specific client account.

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 concession are not guaranteed and may be charged at any time, their value will depend on individual circumstances.

The information provided by Financial Express Analytics (FE) is used at your own risk. FE takes care to ensure that the information provided is correct. Neither FE or Crossing Point Investment Management warrants or guarantee the content of the information, nor do we accept any responsibility for error, inaccuracies, omissions or any inconsistencies herein.

Detail of the nature of the investments, the commitment required, and the specific risk warnings are described in the Crossing Point Investment Management Terms of Business with a financial adviser. Reference to any particular fund or portfolio does not constitute a recommendation for investment purposes. Indices are used for comparative purposes only. Persons who do not have professional experience in matters relating to investments should speak with a financial adviser before making an investment decision.

Issued by Crossing Point Investment Management Ltd (registered no.08776208) is authorised and regulated by the Financial Conduct Authority (FCA no. 813549), Registered address Tara House, 7 Uplands Crescent, Swansea, SA2 0PA. For your protection, calls may be monitored and recorded for training and quality assurance purposes.