



Where money meets intelligence



TACTICAL INVESTORS

Guardian Portfolios

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.

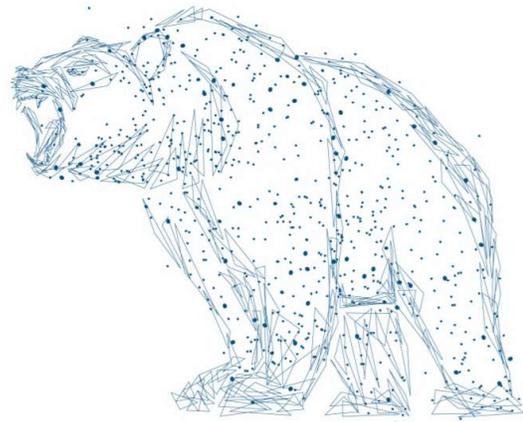
## Guardian Portfolios

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.



## Why Guardian Portfolios?



### **Objective**

Protect fund against large stock market falls while participating in stock market growth.



### **Aims to smooth returns and lower volatility and maximum drawdowns**



### **Portfolio of Passive Equity Funds**



### **Diversified Global Asset Allocation**

Worldwide exposure - 2 funds per sector e.g. Emerging Markets



### **Additional risk control through trend-following strategy unique to Crossing Point**

See 2008 financial crisis and the Covid-19 market crisis



### **Review multiple signals per market to stay invested/disinvest.**



### **Low-Cost Service**

Very competitive from 0.43%.



## Our Unique Trend-Following Strategy

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

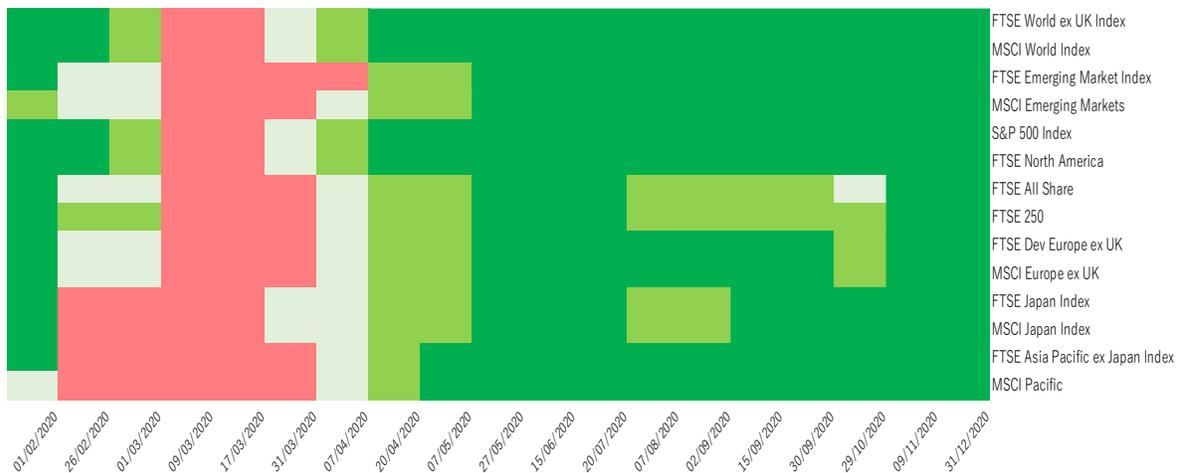
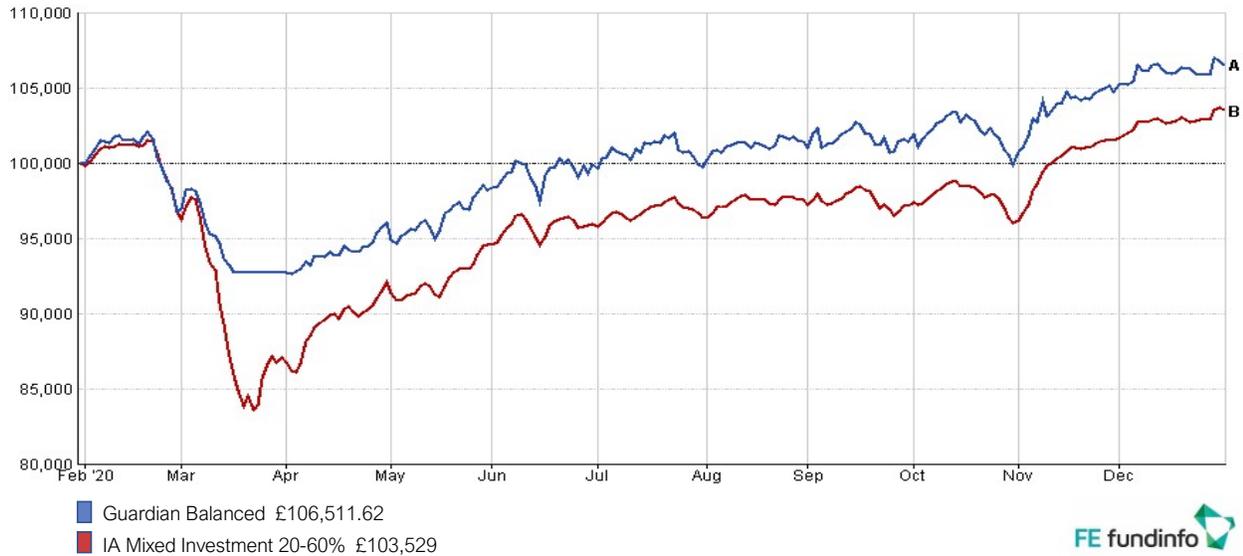
<b>Objective Portfolio Characteristics</b>	<b>Traditional Passives</b>	<b>Crossing Point Trend-following Passives</b>
<b>Asset Allocation</b>	<b>Yes</b>	<b>Yes</b>
<b>Trend-Following</b>	No	<b>Yes</b>
<b>Moving Averages</b>	No	<b>Yes</b>
<b>Performance:</b>		
Follow market up	<b>Yes</b>	<b>Yes</b>
Follow market down	<b>Yes</b>	No*
<b>Cost Competitive</b>	<b>Yes</b>	<b>Yes</b>
<b>Reduced Volatility</b>	No	<b>Yes</b>
<b>Reduced Max Drawdowns</b>	No	<b>Yes</b>
<b>Diversification</b>	<b>Yes</b>	<b>Yes</b>

\* Trend-following strategies use moving averages or crossovers to determine the appropriate time to leave or re-join a market. At Crossing Point we monitor this on a fund-by-fund level. In order for a trend to be recognised it must first become established. This can take some time to determine if the price movements are within a normal level of volatility and can delay the exit or entry to ensure momentum has been established. It is, of course, impossible to predict when markets are at a peak or have reached their lowest point, but we aim to protect investments and take part in the majority of upward markets.



## 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.

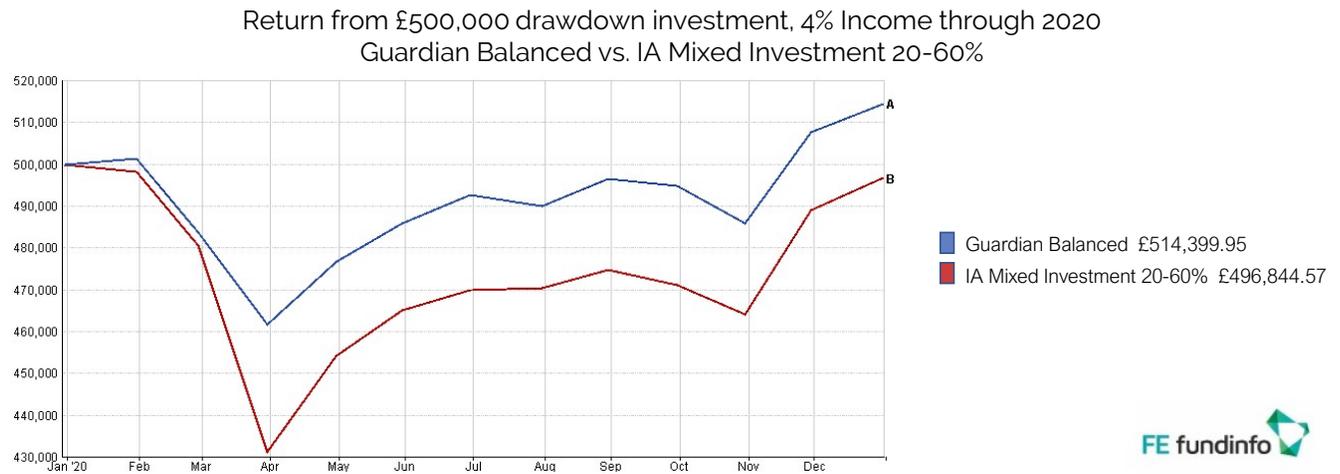
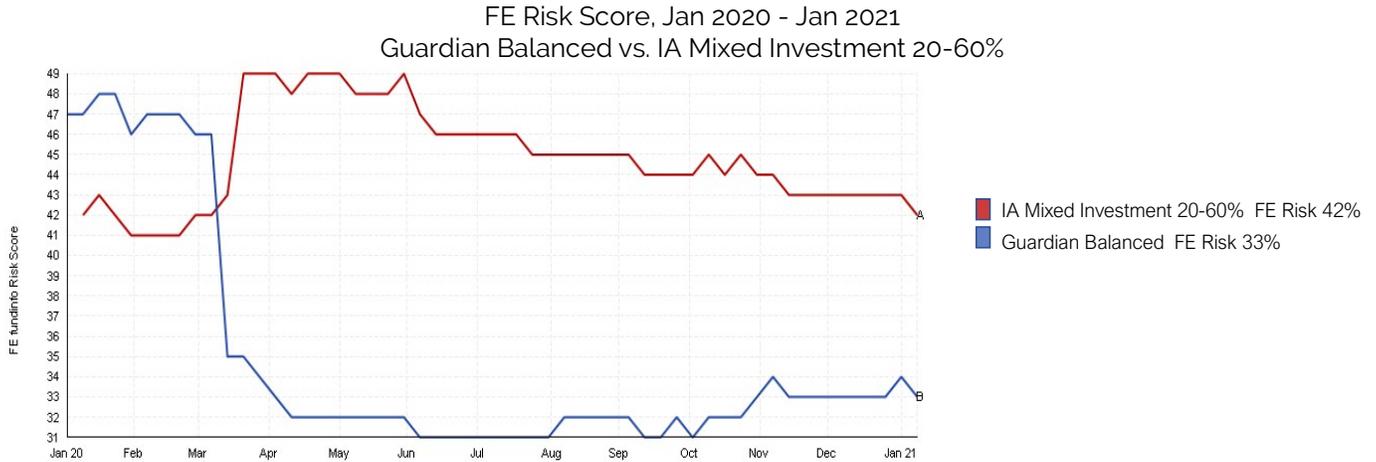
The chart reflects the trade decisions for each international equity market and coincides with the months shown in the above graph. Each equity fund investment decision was decided individually and informed using trend-following signals. An equity investment of 0% is shown in red. Shades of green represent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



## Managing Risk: Risk and Return Through 2020

These charts illustrate the advantages of the Guardian Portfolios which smooth returns by reducing 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 the beginning of 2020 due to the coronavirus crisis.



The top graph displays the FE Risk score of the Crossing Point Guardian Balanced trend-following portfolio over 1 year from 3 January 2020 and through the Coronavirus crisis. By the end of the year, the Guardian Balanced FE risk score was only 33% compared to the benchmark's 42% without any tactical trading.

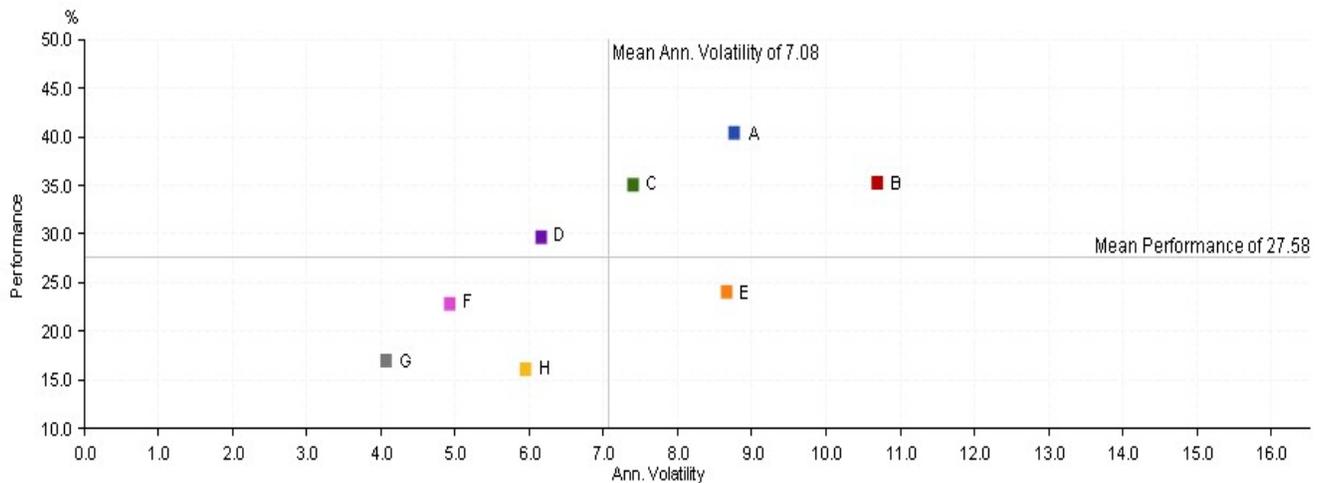
The second graph illustrates the performance of a £500,000 drawdown investment over a 1 year period to 31 December 2020 taking an annual income of 4% into the Guardian Balanced portfolio and the IA Mixed 20-60% benchmark. If investing in the Guardian Balanced portfolio, an investor would have ended the period with £17,555.38. (3.5%) more than an investment in the benchmark illustrating the benefits of reduced volatility upon income paying portfolios.

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.



## Managing Risk: 3-Year Risk vs Return

3-Year Performance vs Volatility Scatter Chart  
31 December 2018 – 31 December 2021  
Guardian vs. IA Mixed Investment



Key	Portfolio	Performance	Volatility
A	Guardian Adventurous	40.43	8.76
B	Guardian Strategic	35.08	7.40
C	Guardian Balanced	29.70	6.16
E	Guardian Cautious	22.85	4.93
G	Guardian Defensive	17.03	4.07
D	IA Mixed Investment 40-85%	35.29	10.69
F	IA Mixed Investment 20-60%	24.10	8.66
H	IA Mixed Investment 0-35%	16.14	5.95



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. Most of the Guardian portfolios have provided a higher return with lower volatilities over the past 3 years than their equivalent benchmark. Guardian portfolios use of trend-following was proven to be effective at dealing with the impact of the coronavirus crisis and its associated volatility.

Trend-following has been found to smooth returns by reducing 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 the 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 Portfolios as a Decumulation Strategy

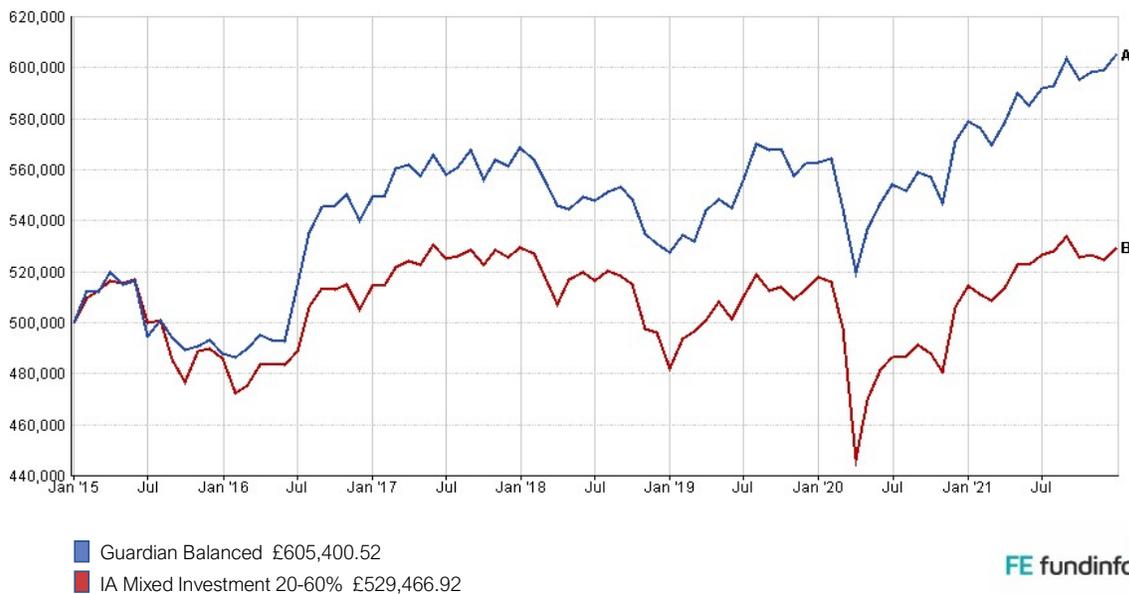
Large drawdowns during periods of market turmoil can have a lasting impact on income seeking investors.

Research into sequence of returns risk shows that an early fall in an investment can cause long-term reductions in capital values that 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 December 2014 to 31 December 2021  
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 31 December 2014 to 31 December 2021 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 £75,933.60 (14.34%) more than an investment in the benchmark illustrating the benefits of reduced volatility upon income paying portfolios.

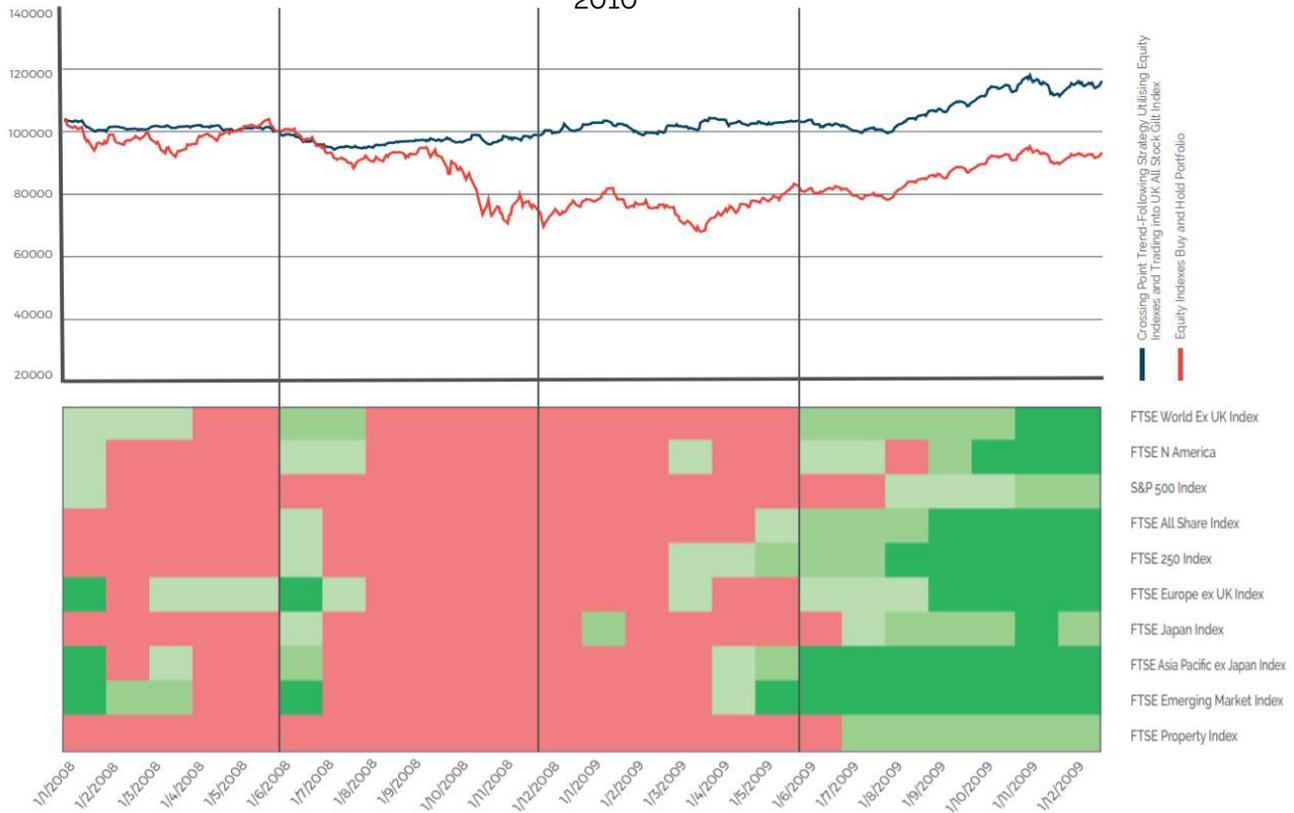
The advantages of the Guardian portfolios as demonstrated here are smoothed returns and reduced volatility, maximum drawdown losses and sequence of returns risk when compared with the benchmark especially when there are dips in the market such as in late 2018 and beginning of 2020 due to the coronavirus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