

TOTAL RETURN

BALANCED PORTFOLIO

FACTSHEET JUNE 2020

PORTFOLIO OVERVIEW

Cube Capital's Total Return Balanced Portfolio is managed in partnership with an established family office. Cube Capital began offering this portfolio in 2019 which gives investors the opportunity to invest in parallel with the founding family, thereby sharing their objective to enhance the value of their wealth.

The Portfolio has a long-term investment horizon and takes balanced exposure to diversified holdings of blue chip equities and corporate bonds. Fundamental security selection is central to the investment approach which is manifested in low portfolio turnover.

The portfolio is unlevered (we do not borrow in order to increase exposure to underlying securities) and does not employ complex derivative securities (options, futures, etc.). Investors' assets are held in their own name in managed accounts with Bank of New York Mellon.

GROSS PERFORMANCE – CUMULATIVE

	Q2 2020	6 months	last 12 months	3 years	5 years	since inception	cagr since inception
The Balanced Portfolio ⁽¹⁾	12.2%	-3.0%	-1.1%	9.2%	33.7%	112.1%	7.2%
Benchmark ⁽²⁾	9.9%	-4.2%	-1.0%	6.5%	22.3%	n.a.	n.a.

GROSS PERFORMANCE – CALENDAR YEAR

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
The Balanced Portfolio ⁽¹⁾	-3.0%	11.6%	-1.4%	6.6%	16.8%	-0.3%	4.6%	15.4%	12.7%	-4.3%	18.2%
Benchmark ⁽²⁾	-4.2%	12.9%	-4.7%	7.7%	10.4%	2.0%	5.2%	10.8%	8.1%	-3.0%	11.4%

Notes: Cube Capital began offering this portfolio in 2019 (1) Portfolio performance relates to the Total Return Balanced Portfolio; performance data as provided by Schroder & Co. Limited (Schroders) and Julius Baer and not independently verified. Performance is gross of Cube Capital's 1.25% fee but includes 0.9% management fee. Portfolio inception 30 September 2009. (2) Source: STEPS Enhance Medium Risk Benchmark which is independently compiled by Enhance Group. Prior to 2013, we have referred to the FE Trustnet IA Mixed Investment 40-85% Shares. Returns to 30 June 2020.

Past performance is not necessarily a guide to future performance. The value of investments and the income of any financial instruments mentioned in the factsheet may fall as well as rise, and investors may get back less than the amount originally invested. Fluctuations in exchange rates may have a positive or an adverse effect on the value of foreign-currency denominated securities and financial instruments. Certain investments involve an above-average degree of risk and should be seen as long-term in nature. The investment products and services described in the factsheet may have tax consequences. Any tax reliefs referred to are those currently available and their value depends on the circumstances of the individual investor. You acknowledge that levels and bases of taxation may change, and that Cube Capital Limited does not provide tax advice. You should consult your own tax advisor in order to understand the tax consequences of the products and services described in the factsheet.

MARKET VIEW

The second quarter of the year saw one of the strongest equity rallies in history but despite this, the MSCI World Index is still down around 6% on the year. The catalyst for recovery was the unprecedented action Central Banks took around the globe to sustain the global economy during the shutdown. Fund manager surveys and sentiment indicators would indicate fund managers were probably taken by surprise at the speed of the recovery and remain wary of chasing this rally in the face of such uncertainties, suggesting any pull-backs could have some support.

Aside from the virus concerns, equity markets will start to focus on the US November elections. Trump is starting to fall behind Biden in the race, that is likely to unsettle equity markets if the trend continues. With so much uncertainty - volatility is likely to remain, we continue to hold a broad selection of companies exposed to the global economy. We are in a position to react to changes and the opportunities that they will undoubtedly bring.

INVESTMENT THESIS

To provide consistent returns derived from an active approach to investing in the liquid securities of companies with a global reach, robust balance sheets and progressive dividend policies.

The portfolio's exposure is focused on equities, with the balance in UK corporate bonds and cash.

INVESTMENT TEAM

PAUL SEDGWICK FCSI

Paul spent 25 years within the trading and research divisions of some of the leading Global Investment banks and has a strong knowledge of risk management as well as all asset classes from equities, derivatives and credit. He has broad experience on both the customer and principle sides of the industry. With senior roles at S. G. Warburg, Schroder, Citibank and HSBC he has a comprehensive understanding of the workings of the financial markets and has been called upon to provide detailed analysis and commentary on market conditions by many internal divisions and external clients over the years.

Paul's investment banking career has made him famous for being a safe pair of hands. Paul has been well known for a number of landmark deals including the launch of BT's public share offering, which he priced, and he was responsible for the largest bought deal at the time by an investment bank when BAE sold five per cent of Orange in 1998. Paul's most senior role within Citibank was to create and manage the special situations investment team.

Paul presents his opinions on CNBC television and Bloomberg radio in feature interviews. He was a co-host for ShareRadio's financial breakfast show for several years. Paul is asked to cover a wide range of topics in the financial news and the family office industry. Paul has also been asked to speak at Bloomberg conferences, and investment dinners.



HOWARD WELLER



Howard Weller supports Paul Sedgwick in the management of portfolios and the research which underpins the investment strategy.

He previously worked with global teams on M&A, debt advisory and restructuring transactions at Close Brothers Corporate Finance and DC Advisory.

Howard graduated at the top of his class with a 1st class Masters in Mathematics from the University of Nottingham, and has an MBA from the Cambridge University, Judge Business School.

KEY FACTS

Portfolio Inception	1st September 2009
Benchmark ⁽²⁾	STEPS Enhance Medium Risk Benchmark
Base Currency	GBP
Exit Charge	None
Fees (includes all dealing and custody fees)	Investment management 0.9% (Performance shown above is net of this charge) Portfolio management 1.25% (Performance shown above is gross of this charge)

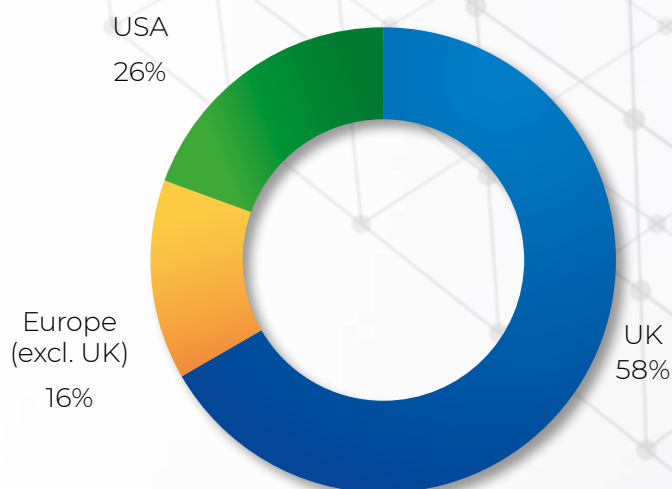
TOP 5 EQUITY HOLDINGS

PayPal	4%
Hermes	4%
Nestle	3%
Rio Tinto	3%
Microsoft	3%

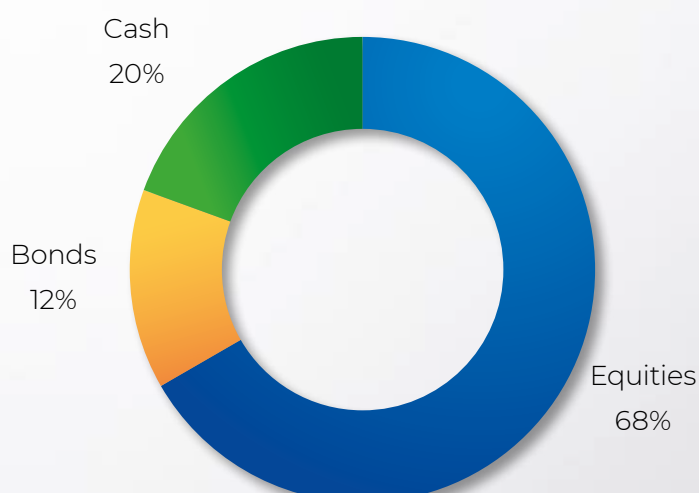
SECTOR SPREAD

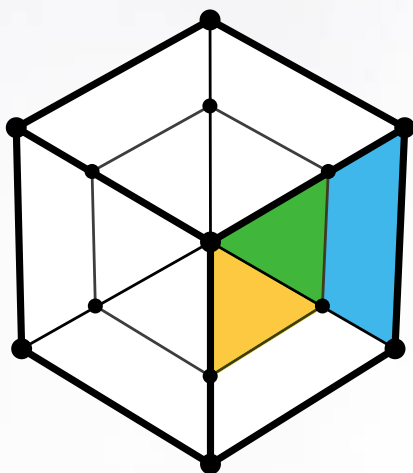
Consumer Staples	26%
Information Technology	15%
Health Care	12%
Materials	11%
Consumer Discretionary	11%
Industrials	6%
Energy	4%
Utilities	4%
Financials	4%
Telecommunications	3%
Other	3%

GEOGRAPHICAL SPREAD (INCLUDING EQUITIES, FIXED INCOME AND CASH)



ASSET ALLOCATION





CUBE

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