

"The Portfolio's focus on high-quality stocks with an industry leading position across a number of attractive industries, balances its high concentration, low turnover approach."

Portfolio facts

Portfolio type	Equities
Risk profile	High
Minimum investment	£250,000
Currency	GBP, USD, EUR

Global Leaders Equity Portfolio

Portfolio objective

The Ashburton Global Leaders Equity Portfolio aims to provide sustainably compounding performance from global equity markets over the economic cycle on a total return basis over a long-term investment horizon.

Approach

The Portfolio adopts a long-term investment approach, unconstrained by traditional benchmarks, enabling concentrated focus on a selection of up to 25 "world class" mega-caps which, over time, aim to deliver sustainable above average returns through the strength of their market position in an attractive industry.

Particular focus is given to "quality", compounding stocks which are characterised by their ability to generate sustainably growing excess cash returns over their equity's cost of capital, part of which is expected to be returned to shareholders. Other quality characteristics include management and balance sheet features, as well as a relatively predictable earnings profile.

The Portfolio's focus on high-quality stocks, across a number of attractive industries, balances its high concentration, low turnover approach. The Portfolio maintains minimum levels of diversification and liquidity risk management by adhering to the UCITS regulated fund framework.

We prefer equities offering sustainable cash returns



Why invest in quality equities in the long term?

Returns from cash at an all-time low - Monetary policy stimulus globally has kept interest rates at their lowest levels for more than two decades. As global economies start to recover, interest rates will increase, which will push bond yields higher. This means negative real returns from developed market government bonds and very low returns from corporate bonds over the medium to longer term. Historically, returns from equities have significantly outperformed bond returns over the long-term.

Equities protect against inflation - Over the long term equities have proved to be an excellent hedge against inflation and of the major asset classes equities (with dividends being reinvested) have been the best performing asset over time.

Exposure to quality mega-caps offers compounding returns over the long-term - Given a more moderate economic outlook coupled with the potential for lower returns for risky assets and higher volatility, we aim to select equities benefitting from sustainably growing dividend yield and cash return profiles over time which in turn are supported by relatively predictable earnings and solid balance sheets. We focus on a concentrated selection of quality mega-caps featuring leading industry positions that, in turn, enable the respective companies to take advantage of volatility in economic activity over time.

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