28th June 2022

The Adaptive Asset Allocation Report

Issue No. 1

A Model driven Business Cycle Trend Following approach to investing

Robin Griffiths
Editor

Robin Griffiths is Editor of The Adaptive Asset Allocation Report. Prior to this he was the Editor of the Dynamic Investment Trends Alert, a market newsletter for private investors published by Southbank Investment Research. Robin has served as Head of Multi-Asset Research & Advisory at the ECU Group. He was previously Chief Technical Strategist at HSBC Investment Bank for 20 years, before becoming Head of Global Asset Allocation at Rathbones, and then a director and technical strategist for Cazenove Capital Management. Robin was a Partner of WI Carr and Head of Technical Analysis at Grieveson Grant. Robin is a committee member and former chairman of the International Federation of Technical Analysts, and former chairman, now fellow, of the British Society of Technical Analysts. Robin has been a member of ECU's Global Macro Team for over 20 years. Robin has won several Technical Analyst awards for his research.

The Magic Bullet

Dear Readers,

Thank you for staying with us. We know the Adaptive Asset Allocation [AAA] Model (formerly the ALPH4 Model) has added value this year. It is up 20% compared to the S&P 500 index, down 18% priced in USD and 10% in GBP terms. That is excellent relative performance. We normally aim to compound at about 10-15% a year. Some years will be better, others worse, but stable growth without taking too much risk is the aim. We also do not like to make changes too frequently, so dealing monthly works well.

The model responds to changes rapidly enough to not get caught by down moves. The thing is, in down trends, the number of strong trends diminishes quickly. If inverse equities or cash rise into the top category of the ranking table then really we are being told to go away for a while. We are not there yet, but the position is close – both of these assets are in the Strong category but not the Strongest yet.

There is a useful heuristic for Bear markets: they generally correct by a quarter, a third or a half. This is not always true but gives us a rule of thumb to work with. If we are going to get rallies, they will take place from these levels from the high. We are nearly there now. Very few bears ever go lower than 50%. The few that do go straight into the annals of history as mega events. I mention this as Jeremy Grantham, Ray Dalio and many others are all indicating that one of those is underway. We would not want to get sucked in on the first rally and then get wiped out. The bottom line is to be invested but cautiously and selectively. Good luck.

Best Wishes,

R. J. Griffiths

Robin Griffiths

Rashpal Sohan
Managing Editor

Rashpal Sohan is Managing Editor of The Adaptive Asset Allocation Report. Prior to this he was the Managing Editor of the Dynamic Investment Trends Alert, a model driven investment publication for private investors published by Southbank Investment Research. Rashpal is a consultant data scientist who has developed the model for The AAA report. Rashpal holds a keen interest in data driven insights using Visualisation and Machine Learning and holds a Masters in Data Science from City, University of London, with distinction. His dissertation was on the topic of a Risk-Based Dynamic Asset Allocation Strategy using Ensemble Machine Learning and was awarded the City University Computer Science Outstanding Project Prize. The underlying trend algorithm from his dissertation forms the basis of the AAA Model. Rashpal has served as Senior Macro & Quantitative Strategist to the ECU Group, and built several fundamental and quantitative models for use in Dynamic Asset Allocation. Rashpal has over 15 years of experience in Asset Allocation, having previously served as Senior Asset Allocation Analyst for one of the UK's largest discretionary investment management firms, Rathbone Brothers. He holds a first class honors degree in Actuarial Science from the London School of Economics, is a qualified Financial Risk Management (FRM) professional and has passed all three levels of the Chartered Financial Analyst (CFA) Program. As a consultant Data Scientist, Rashpal has done projects for ByteTree, where he helped extract key insights from their Network Demand set of indicators using Machine Learning and Data Visualisation and has also done Data Science projects in Facial Recognition, Reinforcement Learning, Recommender Systems and the influence of regional personality differences on the UK's vote to leave the European Union amongst others. Rashpal has won several Technical Analyst awards for his research, together with his business partner.

Dear Readers,

Thank you very much for writing in to show your support for *Dynamic Investment Trends Alert* (DITA). We are humbled to have received over one hundred emails from all of you thanking us for our service over the years and highlighting how you have benefitted from DITA in different ways. I have included one message that I received earlier this week, to show you that if you have been following the advice and implementing it using low-cost ETFs (or other suitable funds), then it has been possible to achieve the kind of returns the ALPH4 model has delivered.

> “I am writing to let you know how disappointed I am that you and Robin Griffiths have parted with Southbank Research. I have followed your guidance since you first started Dynamic Investment Trends Alert with them and am pleased with the 63% return on my investment. It was more than that but Industrial Metals has dropped a bit in the last month. I was very pleased when you joined them back in 2018 because I had heard of you and Robin in the past…I have found your advice extremely useful, easy to understand and follow, and was very satisfied with the results. It has formed the core part of my investment strategy and was the major reason I upgraded to Southbank Research’s Platinum membership. You mentioned in your fairwell message that you hope to resurface somewhere. I would like to continue receiving your service so please let me know how”

As you were made aware by Southbank Investment Research, DITA was no longer commercially viable [for them] with such a small subscriber base. Whilst we were disappointed at their decision to terminate DITA, we fully understand their rationale. Southbank has a team of copywriters, compliance individuals, client support staff and other key workers who work very hard – behind the scenes – to keep the show on the road. Somebody has to pay all these individuals so if DITA wasn’t pulling its weight, then it had to face the chopping block. It’s as simple as that. We are, nonetheless, very grateful to Southbank – especially Nick O’Connor who took us on – for having provided us with the platform to showcase our work over the last four years and add value to all of our readers.

Adding value in this World is genuinely difficult, no matter which endeavor you pursue, but more so when operating in financial markets – where there is a myriad of factors to trip you up. The feedback we have received from all of you has confirmed to us that we are adding some value to each of you, and this has given us encouragement to carry on. Using the utility-delta test touted by Elon Musk, we believe we have a product which makes a big difference to our readers lives even if it only affects a modest number of readers. In the words of Elon, this “is [still] great” and worth doing – we agree. So, we’re going to carry on with your support.

To draw a line between DITA and our new report, we are rebranding it the AAA Report – nifty, eh? – to reflect what we do. The AAA stands for *Adaptive Asset Allocation*, which is exactly what our Model does – it tells you which assets to own by adapting with the business cycle. We are also rebranding the model to the *AAA Model* from the ALPH4 Model. The model is the same – nothing has changed on that front.

We will continue to provide the AAA Report on a monthly basis – aiming to publish on the last Wednesday of each month. You’ll receive it free for some time, whilst we work out how we can accept payment. Also, Robin and I have decided we are going to price it much cheaper compared to DITA. We are planning to charge £365 per annum (around £1 per day). We want to make the

AAA Report affordable for a wider audience. If you have friends or family who you believe can benefit from our service, please spread the word.

Welcome to the inaugural issue of the AAA Report and let us know what you think of the new look. If you have any questions or comments, please write in to theaaareport@gmail.com. In future we will be hanging out at www.theAAAreport.com.

Thank you again for your support over the years – we sincerely appreciate it. Good luck with your investments.

Best Wishes,

Rashpal Sohan

AAA Model Ranking
GBP Portfolio

Model Ranking Date: **27th June 2022**

IMPORTANT: Please Read the Addendum below before buying or selling any Assets.

ADDENDUM

The model was first run on 23rd June 2022, this month. At this time, the strongest ranked assets were Energy Commodities, Agricultural Commodities, Gold Bullion and Low Volatility Equities. The model was rerun on 27th June 2022. The strongest ranked assets remain the same. Whilst there is a risk that commodities could correct further, as global economic growth continue to slow down, at present the war is keeping energy and agriculture prices elevated so the trend has not fully gone round the bend. Stay invested and own some low volatility equities as well. Good luck.

▼ For an explanation of what this portfolio is and how to use it, please see the "Model Guide" we've compiled at the end of this issue.

Buy / Hold	• **Energy Commodities** • **Agriculture Commodities** • **Gold Bullion** • **World Low Volatility Equities**
Sell	• **Industrial Metals**

- **The Magic Investments Adaptive Asset Allocation Model has been working well even in the current difficult times. Stay with us and keep profiting.**
- **Inflation in the Global economy has increased dramatically. The authorities are not in control.**
- **Interest rates will have to rise further, and most economies will face a recession. Even after the recent stock market falls most are not good value. Downside risks remain.**
- **The strongest trends are still in commodities and now low volatility equities. The latter represent stocks of companies that provide essentials in good and bad times.**
- **In this bear market there is risk in both Government bonds and blue-chip equities simultaneously.**

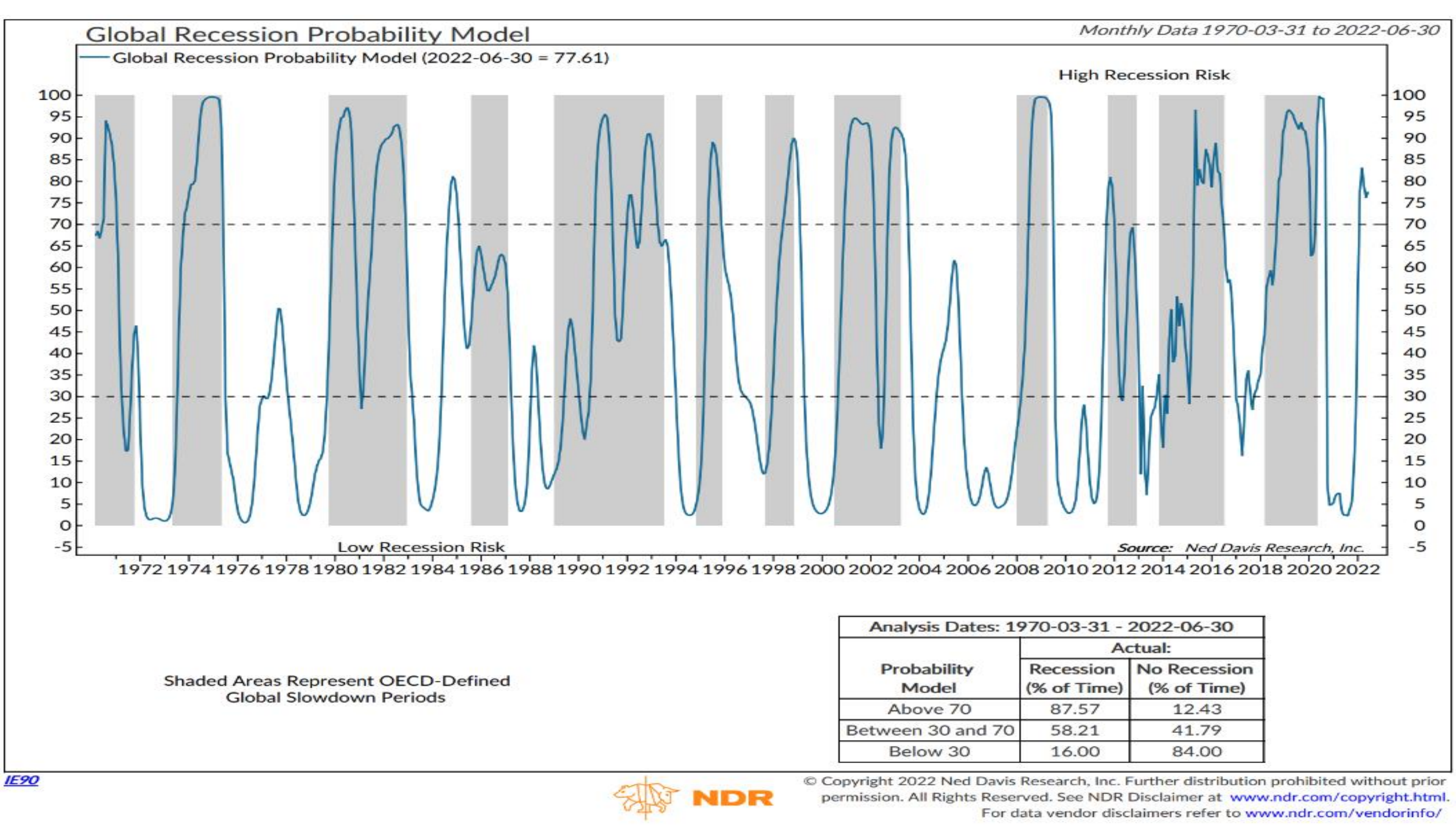
"The war in Ukraine, lockdowns in China, supply-chain disruptions, and the risk of stagflation are hammering growth. For many countries, recession will be hard to avoid" – World Bank President, June 2022

We want to thank our readers who have stayed with us as we switch over our organization. We are glad to offer you a Magic Bullet to kill the big investment risks around. Our previous ALPH4 Model, now rebranded **the Adaptive Asset Allocation Model, is working well**. It has us fully invested but not really in equities. **We mainly own commodities and** expect this to continue for a while. We are not in any country equity market, but there is scope to **own some low volatility equities.** These represent stocks in sectors which are essential for good times and bad. They are highly defensive in nature.

The Global economy has a very poor outlook, close to a worst-case scenario. In normal times, when equities fall then Government bonds rise – as the two asset classes are negatively correlated. However, as we have lived through a period of massive money printing, driving rates to super low levels and negative in many cases, this dynamic has broken down. Both asset classes are falling together. At the same time, **we have inflation running wild on a Global scale.** This was once expected to be a temporary phenomenon but is in fact raging on. **Central Banks got this wrong and have no choice but to raise rates** at a time when the global economy is rapidly cooling down. **Many economies are facing a recession now.**

Economists at Citigroup and Deutsche Bank pin the odds of a recession at 50%, but CEOs are more pessimistic. According to a C-Suite survey conducted by Conference Board, a leading global think tank and business membership association, "more than **60% of CEOs globally say they expect a recession** in their primary region of operations **before the end of 2023 or earlier**". **This fear is corroborated by the Ned Davis Global Recession probability indicator** which takes into account both the trend and level of leading indicators from 35 different countries. According to the well-known research firm, **there is a 78% probability that we are in a global recession (Figure 1).** When the reading has historically been above 70%, it has correctly predicted a recession 88% off the time. This is almost a slam-dunk bet that a recession is on the horizon.

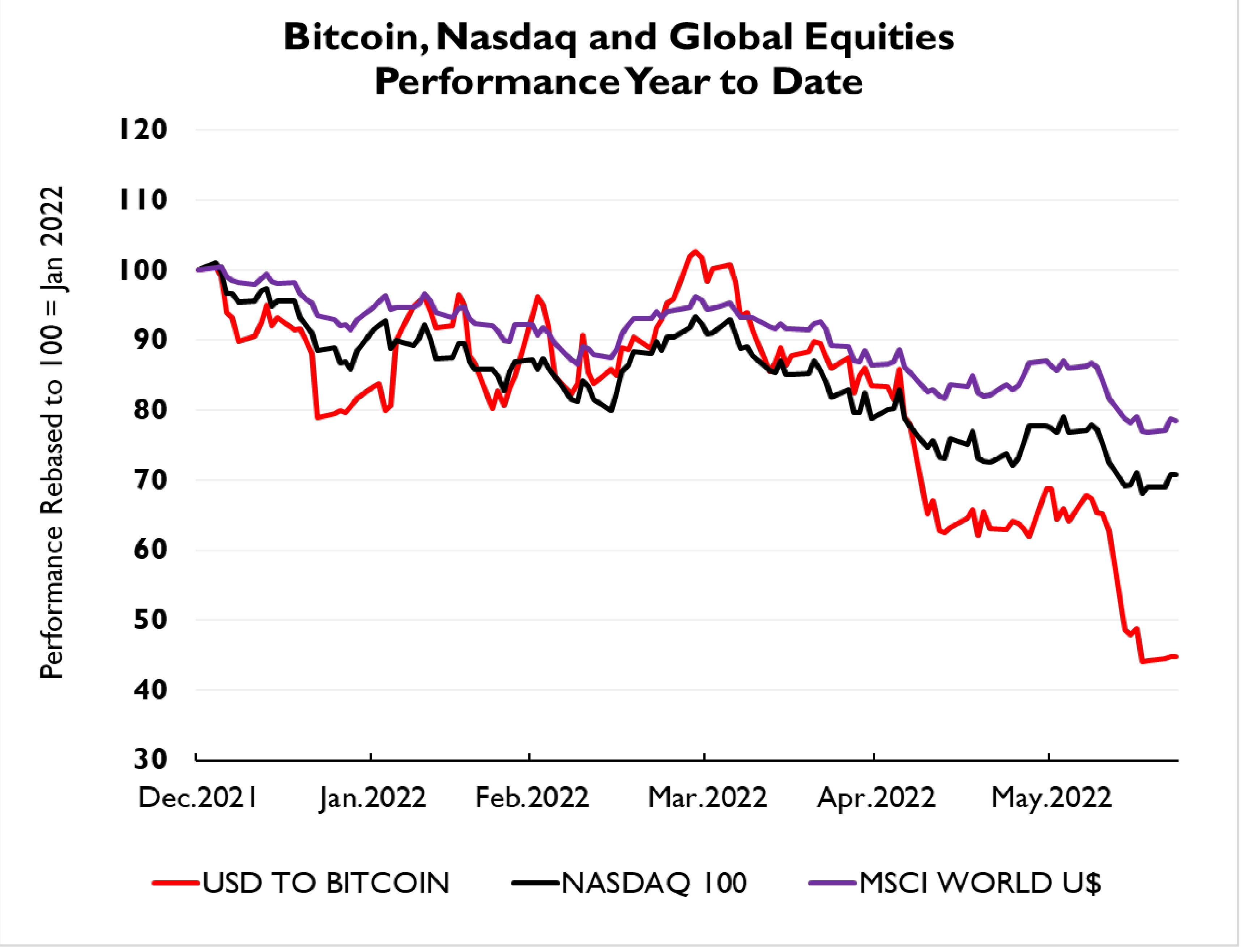
► Figure 1: **According to the Ned Davis Research Global Recession Probability Model there is a 78% chance the World is in recession**



Source: The AAA Report, CMG Wealth, Ned Davis Research

The performance of classical risk proxies show that investors remain in risk-off mode. Bitcoin, US Tech Stocks and Global Equities are all falling (Figure 2) and making a fully bearish pattern on the charts. The fluctuation in prices completes the profile of falling-highs-and-lows. The Nasdaq and many other equity markets have this shape. **We are now in a Global Bear market and the forecast is that it will continue.** Caution is advised.

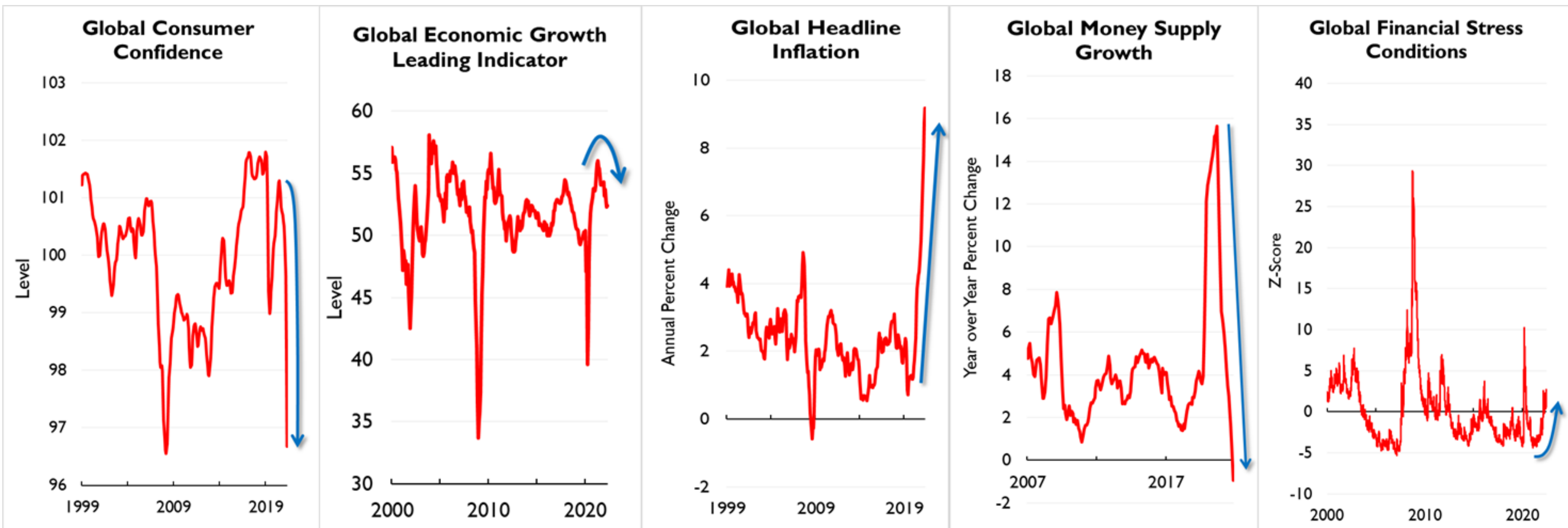
►**Figure 2: The performance of classical risk proxies show that investors remain in risk-off mode**



Source: The AAA Report, Refinitiv Datastream

When we look at key macroeconomic indicators which define the backdrop for risk assets, we can see that the outlook remains dire (Figure 3). Global consumer confidence has faced a Wile.E.Coyote moment, leading indicators of global economic growth paint a picture of an economy that is rolling over, headline inflation is moonward bound, global liquidity is being drained by the bucketload – as central banks hike interest rates – and financial stresses are at cautionary levels. How is any of this bullish for equities and other risk assets?

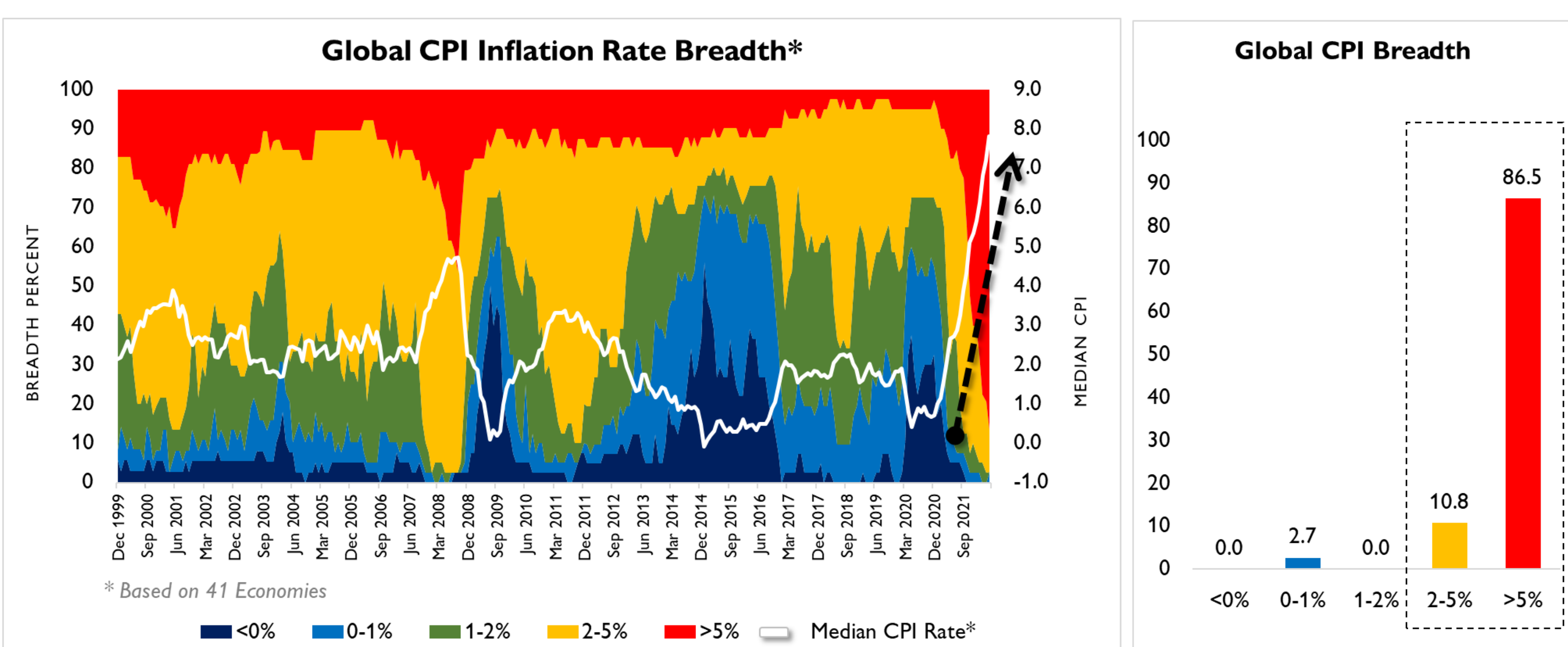
►Figure 3: Key macroeconomic indicators show that the backdrop remains very challenging for risk assets notably equities



Source: The AAA Report, Refinitiv Datastream

Of all these indicators, **the real elephant in the room is inflation and it's of jumbo proportions.** Figure 4 below captures the breadth of inflation across the global economy based on 41 major economies. The chart shows that **a jaw-dropping 9-out-of-10 economies are printing inflation numbers of over 5%.** The median inflation across this group is running close to 8% and in a handful of economies, the number is nearly double this figure. In the UK, the headline inflation number shot up to 9.1% last month, and the Bank of England predicts we still have further to go before it tops out. **This is out of control and weighing on the economy like a ton of bricks.**

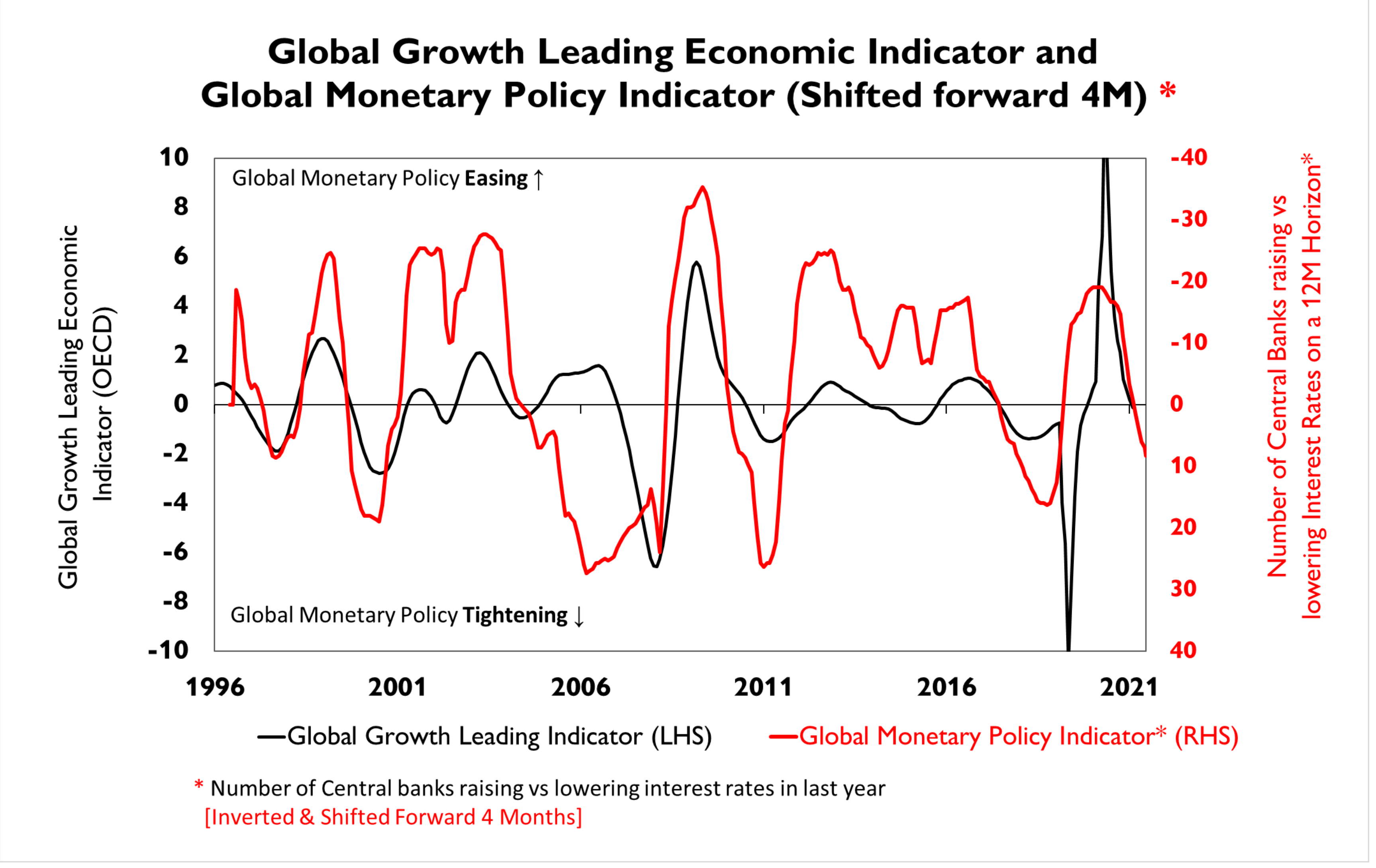
►Figure 4: Global inflation breadth shows that 90% of economies are printing fiery inflation numbers



Source: The AAA Report, Refinitiv Datastream

Red-hot inflation is deepening the global cost-of-living crisis and forcing the hand of central banks to tighten monetary policy at a time of economic slowdown. The Fed has already raised interest rates 1.5% this year, the Bank of England has hiked rates 1% and the ECB intends to raise rates in July and September. **Most other central banks are** following suit, **hiking aggressively, at a time of elevated economic uncertainty.** This is largely why we believe **the economic situation is likely to get worse before it gets better (Figure 5).**

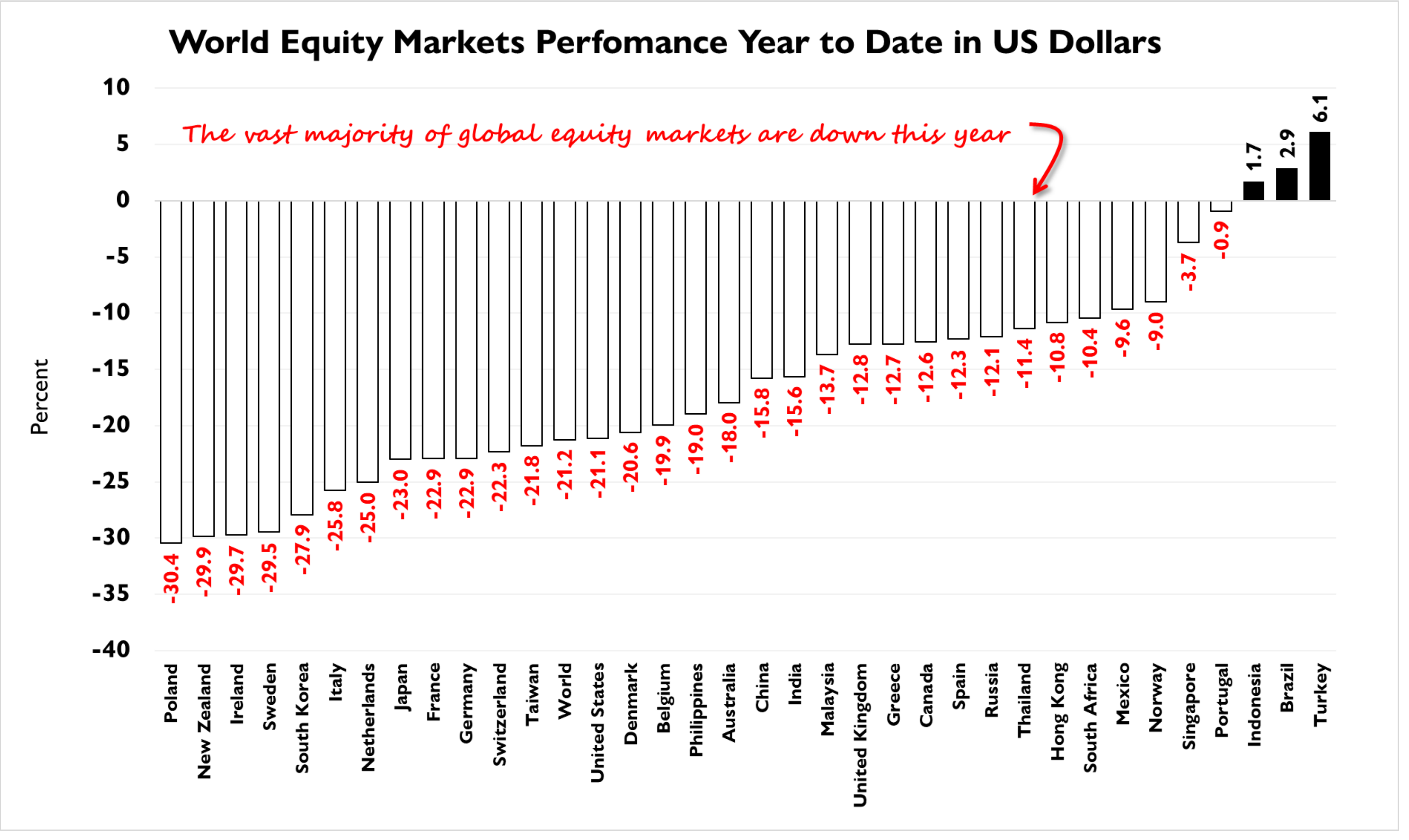
►**Figure 5: Nosebleed inflation is leading to aggressive central bank tightening and worsening economic growth ahead**



Source: The AAA Report, Refinitiv Datastream

Against this backdrop, it's little surprise that most equity markets are falling this year. Of the major global equity markets that we monitor, breadth remains incredibly negative with **only a handful in positive territory this year** compared with the vast majority in the red (Figure 6). The US Equity market, the world's largest, is down by 21% completing the textbook definition of a bear market, whereas the stock markets of Poland, New Zealand, Ireland, Sweden and others are in deeper bear market territory. **The bet is for further downside.**

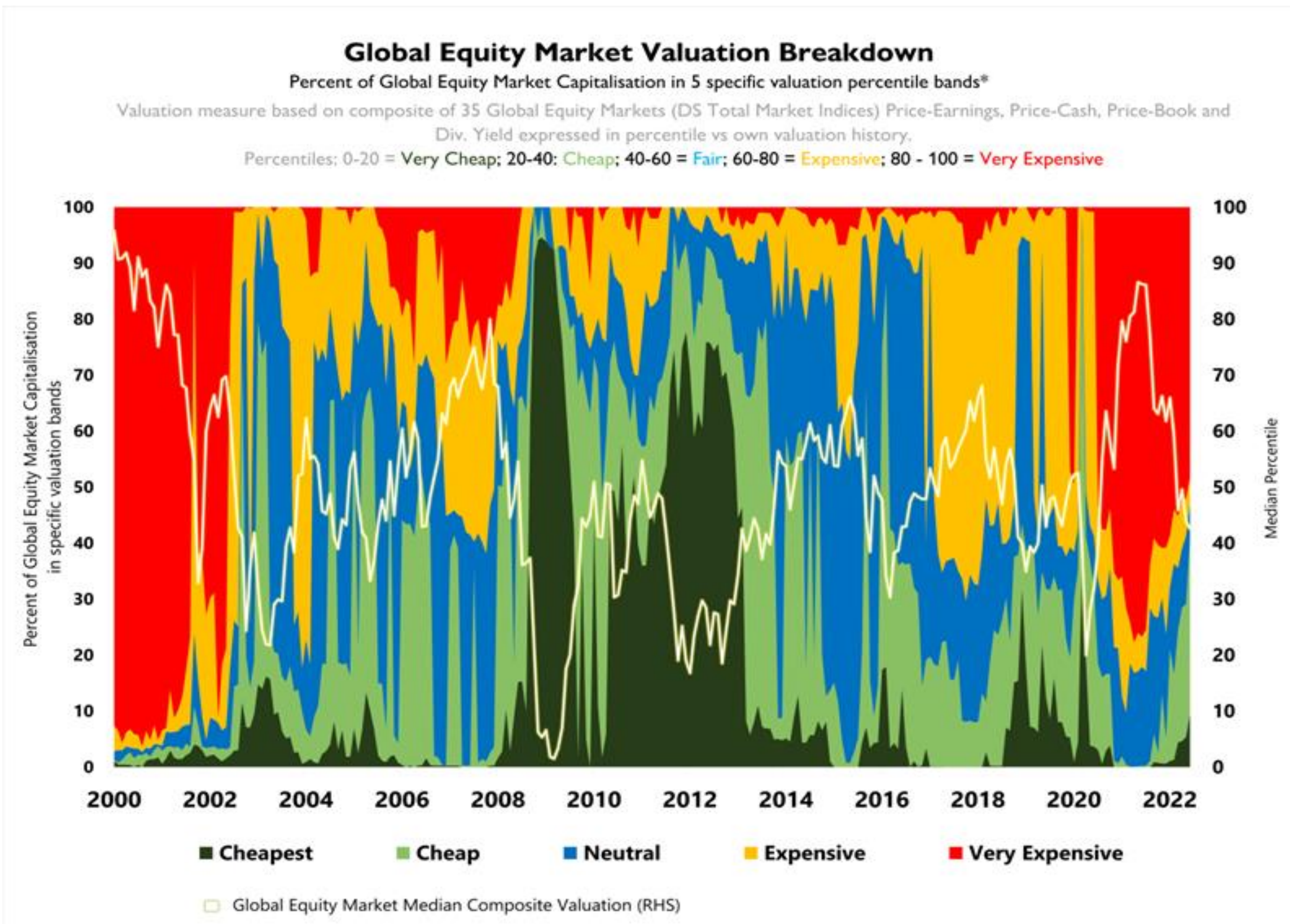
►**Figure 6: Equity markets have sold off significantly this year and are in bear market territory**



Source: The AAA Report, Refinitiv Datastream

When we rank the markets after the fall – to see how cheap they are – we find that very few are very cheap. Our composite global equity market valuation breadth indicator shows that **there are still more red skies than green hills (Figure 7). Those that are particularly cheap** such as Brazil, Poland, South Africa, Malaysia, etc. **do not command a large percentage of the World Equity market by size** (market cap), whereas the most expensive equity market, the USA, is nearly half the size of global stock markets. **The UK is towards the bottom of the list**. **It is, however, cheap for a reason** - the structure of the market is skewed towards old-economy businesses, a very small weight in the technology sector and investor disinterest for several years.

►**Figure 7: Even after the sell-off equity markets are nowhere as cheap as they were in 2008/2012**

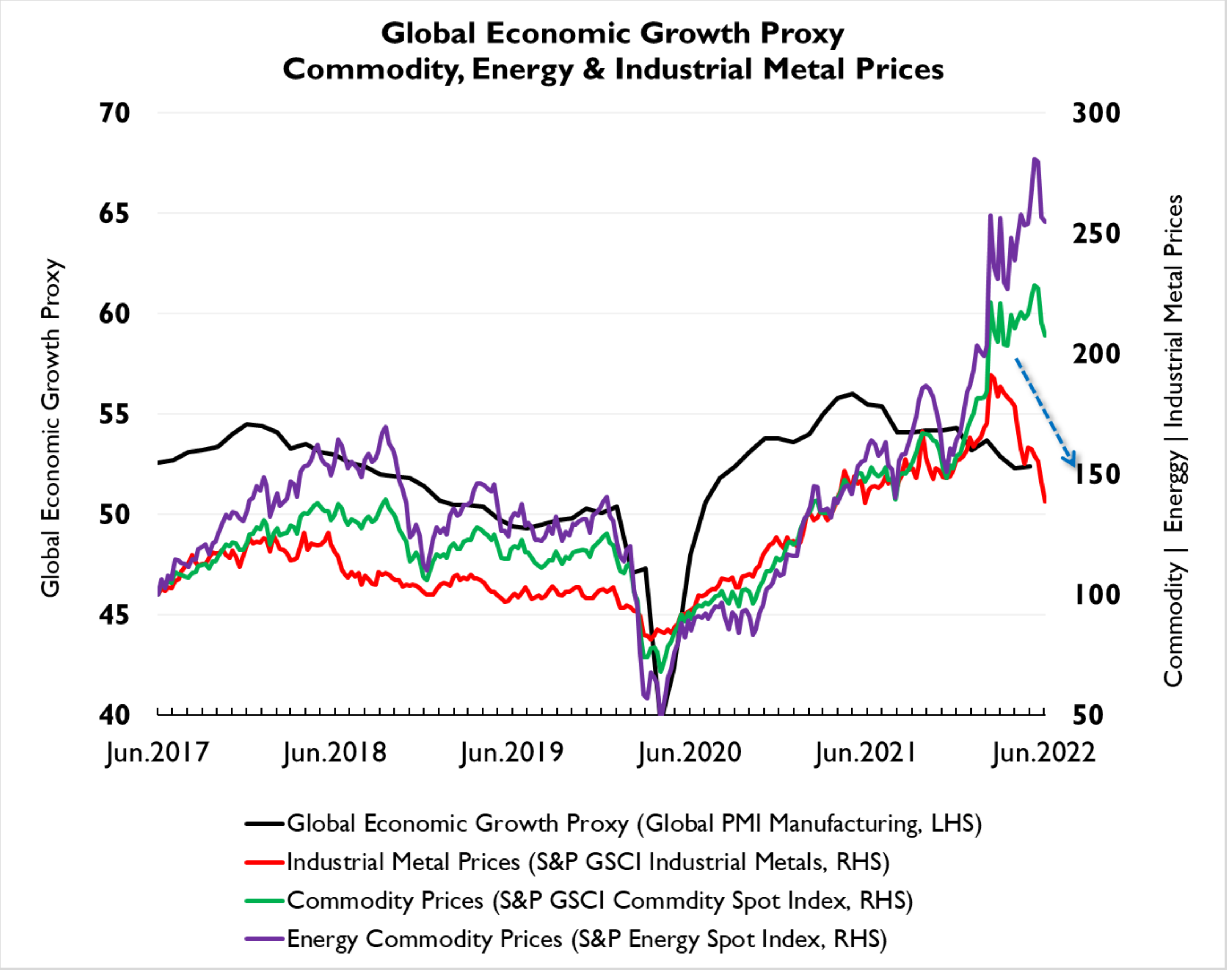


UNITED STATES	80.6
INDIA	78.1
NETHERLANDS	72.9
THAILAND	71.1
PORTUGAL	68.6
NEW ZEALAND	59.5
FRANCE	56.1
INDONESIA	46.7
NORWAY	44.6
TAIWAN	43.0
TURKEY	42.4
CANADA	35.6
DENMARK	34.6
PHILIPPINES	31.7
SWEDEN	31.5
IRELAND	31.4
CHINA	30.9
BELGIUM	29.8
SPAIN	27.6
GREECE	27.0
JAPAN	26.3
AUSTRALIA	25.8
SWITZERLAND	22.8
ITALY	22.4
UNITED KINGDOM	21.0
SOUTH KOREA	20.6
MEXICO	15.2
GERMANY	12.6
HONG KONG	12.4
RUSSIAN FEDERATION	12.0
SINGAPORE	11.4
MALAYSIA	11.3
SOUTH AFRICA	9.3
POLAND	3.7
BRAZIL	0.7

Source: The AAA Report, Refinitiv Datastream

The AAA model has primarily been holding commodities as global inflation pressures have put a strong bid under these assets. We have been doing well holding these assets until now but expect some rolling over to occur at the top. Just look at the chart of copper, the metal with a phD in economics, and the message is clear: **the global economy is rolling over**. **Because of this, the AAA Model has come out of Industrial metals (Figure 8).** This set back may be only a consolidation phase, but it is large enough to warrant action, so we must sell out of this commodity group. If more topping takes place we may need to sell out of the other commodities as well, but at present the war is keeping energy prices elevated.

►**Figure 8: As global economic growth has begun to roll over the most economically sensitive commodities are selling off**

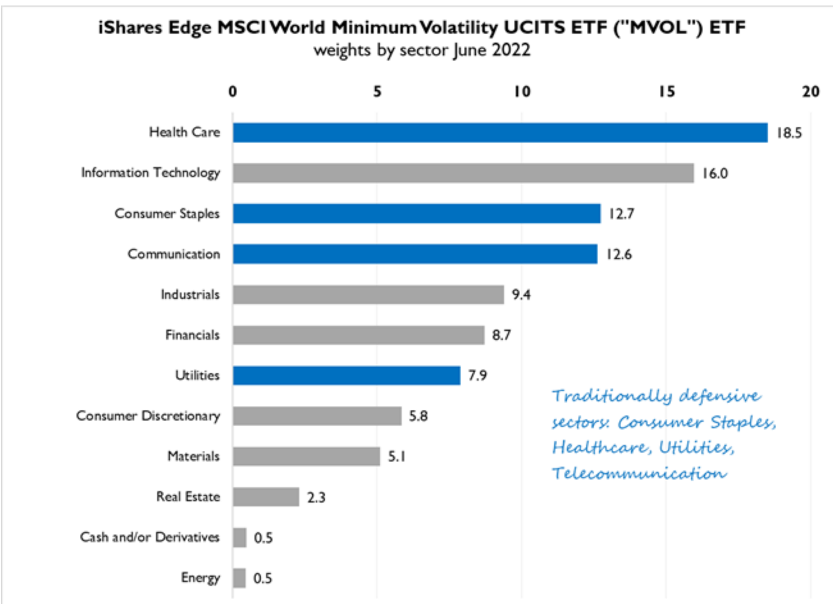


Source: The AAA Report, Refinitiv Datastream

Selling out of Industrial Metals, the AAA model has bought World Low Volatility Equities. This may seem odd but there is a good explanation for this. Low volatility equities represent equities of companies which are lower volatility than the broader equity market. **They tend to be equities of very defensive sectors** such as Consumer Staples, Health Care, Utilities and Telecommunications (Figure 9 – left chart). The companies that fall in these sectors produce products and services that are so essential to our daily lives that demand is not cancelled in a recession.

As these companies provide lower volatility and greater earnings visibility than other equities, **their stock prices also tend to be less volatile** to reflect this fact **and are thus preferred by investors in a bear marke**t. Currently, these styles of equities are outperforming the broader equity market (Figure 9 – right chart). As the bear market progresses, we suspect that these equities will fall out of the Strongest ranked asset group however we must continue to own them for now as they are amongst the strongest trending assets.

►Figure 9: World Low Volatility Equities are made up of very defensive sectors (marked in blue) and are outperforming broad equities as global economic growth falls

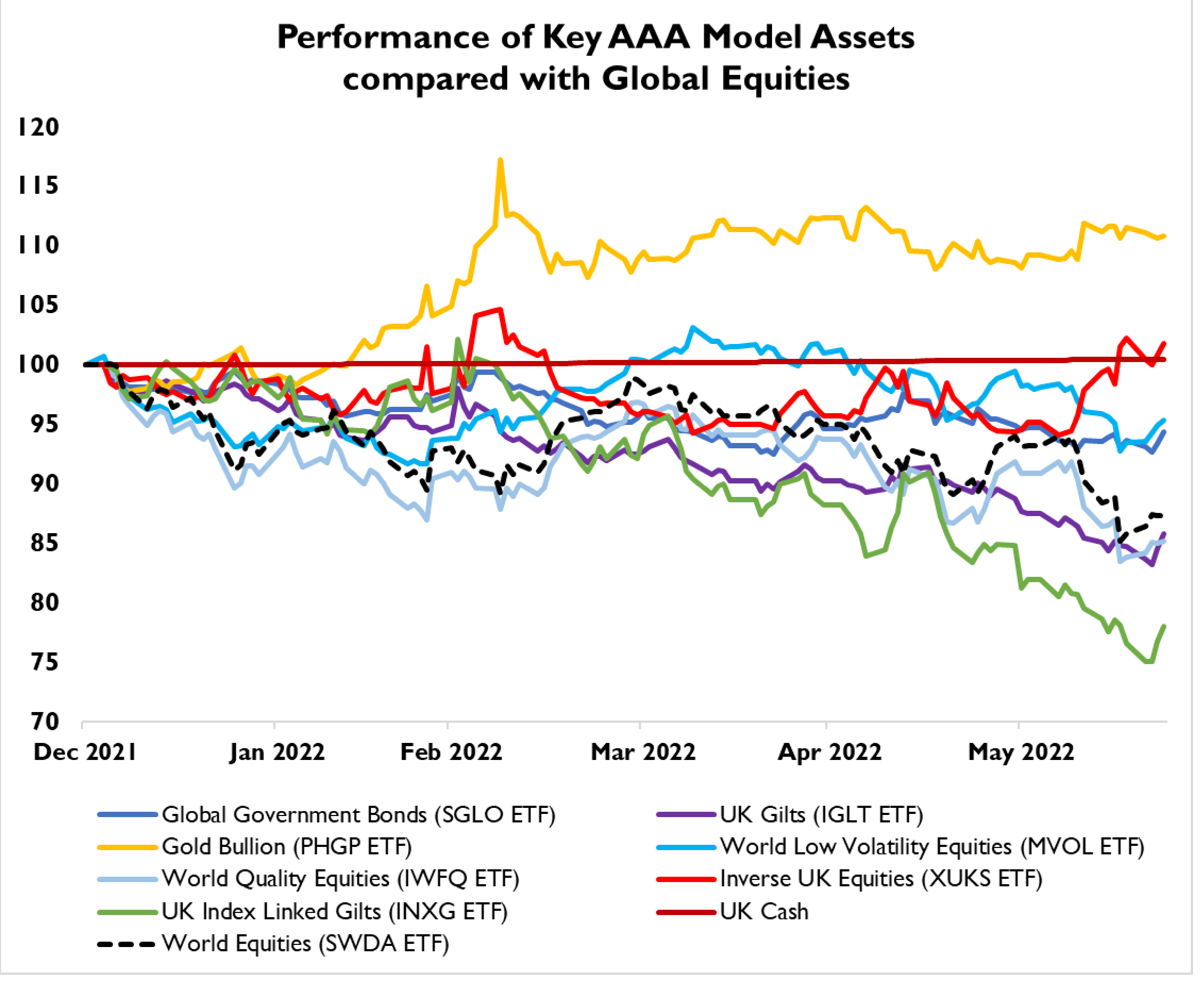


It **may come as a surprise that the AAA Model does not own more defensive assets** like government bonds, cash, and inverse equities – especially since we are in a bear market. Cash and inverse equities have been moving up the model ranking but are not trending strong enough to supplant commodities from the Strongest Asset group. **In the UK, government bonds have fallen as much as Global equities this year** (Figure 10) and are ranked in the Weak / Weakest Asset Category (see Appendix).

High quality government bonds tend to be very sensitive to the impact of rising interest rates. As the Bank of England and other central banks have taken to raising interest rates this year, **the yields on these bonds have risen to remain competitive and conversely their prices have fallen.** As long as central banks are in hiking mode, there is little appeal to buy these bonds.

This scenario also serves to highlight the importance of having an Adaptive Asset Allocation approach – as opposed to a Strategic one ("buy-and-hold"). Strategic asset allocators normally hold a large weight in government and other high-quality bonds to buffer the shock of a recession and bear market, but now that both these bonds and equities are falling in tandem, this strategy clearly isn't working. Our AAA Model has kept us out of both assets and in those that are trending strongly - some commodities and a few others.

►Figure 10: UK government bonds have fallen as much as Global equities this year providing little protection for balanced Strategic Asset Allocation portfolios

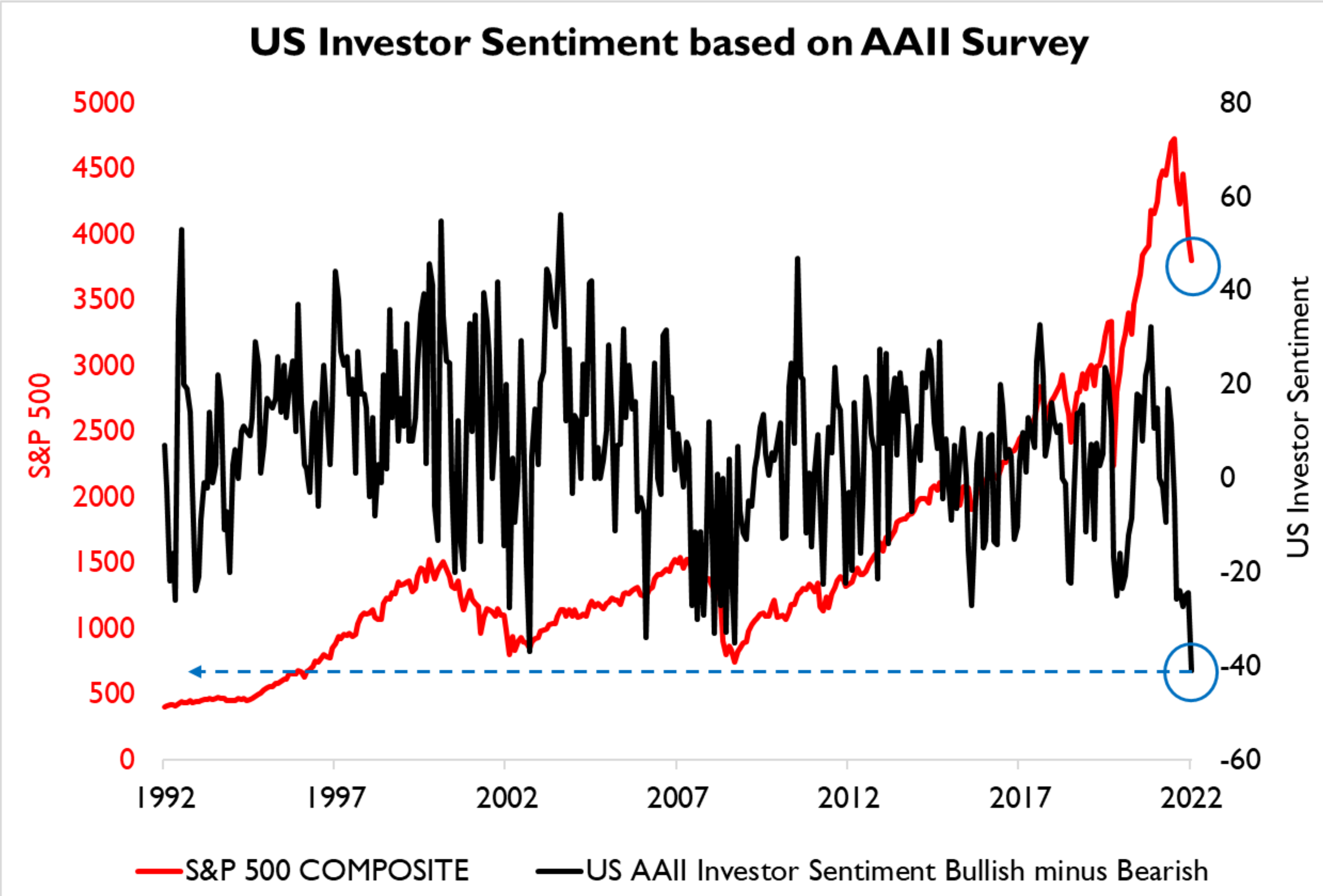


Source: The AAA Report, Refinitiv Datastream

Whilst we are bearish on the outlook for global equity markets, expecting further falls ahead, **investor sentiment has become so negative that a rally is inevitable. We can measure investor sentiment using the AAII investor sentiment survey.** This survey measures the percentage of investors who are bullish versus bearish over stock market prospects for the next six months. The survey is conducted weekly and goes all the way back to the early 90s. **What it currently suggests is that bearish sentiment is now more extreme than it has been for the last 30 years** (Figure 11). Soon a rally will follow. All bear markets have rallies and we do not expect this time will be different.

At the time they take place many people think it is the start of the next new bull market. They will eventually be wrong, but at that moment they seem correct. The rallies can be large and fast. Volatility picks up dramatically and with enough momentum to fool many people. We must not forget though, that after the rally is over, the market will fall back again – and go lower again. **Beware of stock market rallies in this bear market.**

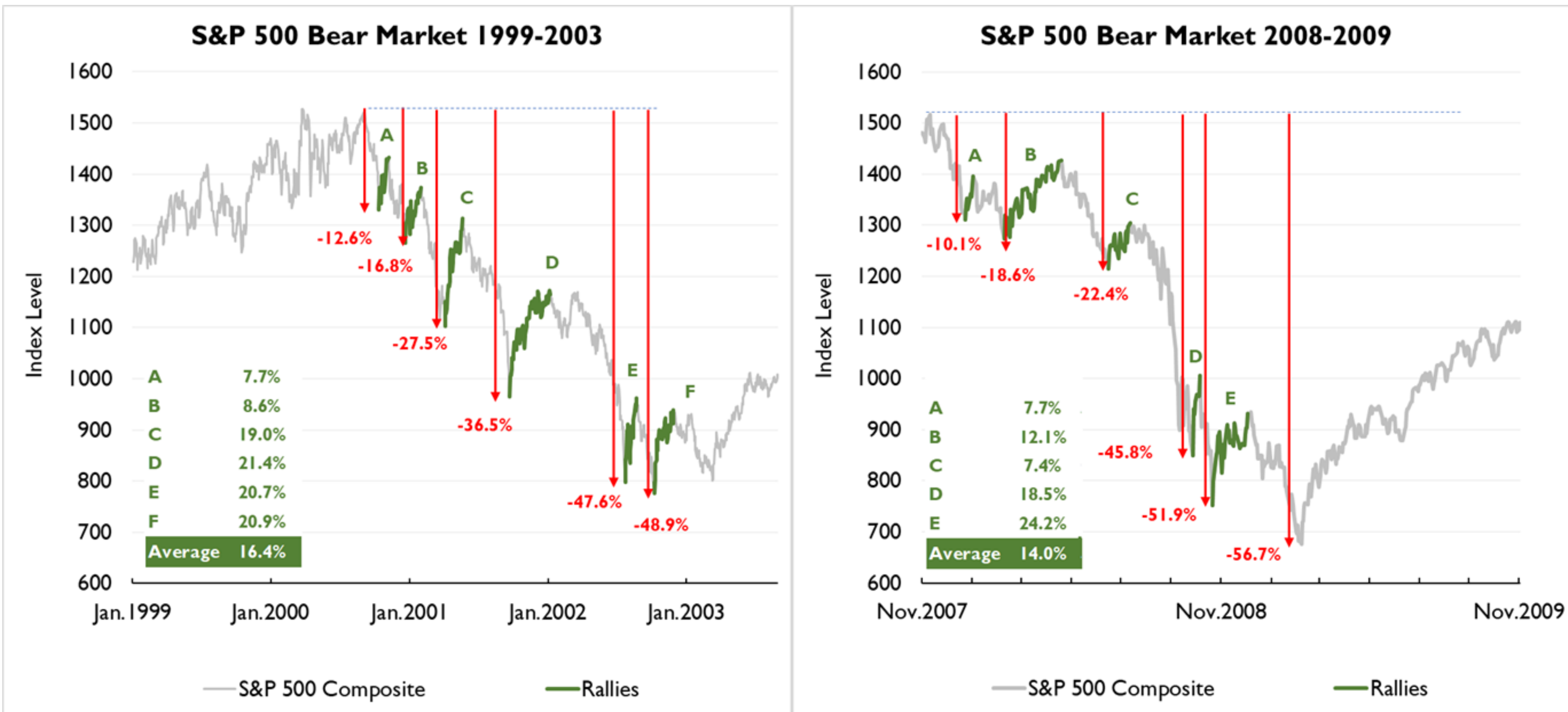
►Figure 11: Investor pessimism has become so negative that a bear market rally is highly likely



Source: The AAA Report, Refinitiv Datastream

When we look back at two previous bear markets, for some context, we can see that both had significant rallies. In the case of the dot-com bear market there were six (Figure 12 – left chart) and during the GFC there were five (Figure 12 – right chart). The thing to notice is that **they can be large, up to 20% or more**. The rallies keep getting bigger as the bear rolls along and in every case the market goes a lot lower eventually. Many technicians use a fall of 20% to be a bear move. Once we have that they look for a rally. This is exactly where we are in many cases now. There will usually be some event that is used as an excuse for the rise. We can think of temporary peace with Russia, a fall in inflation or some other event. The rise will be fast and then will end just as quickly. **The next drop is even more rapid**.

►Figure 12: Stock market rallies can be large but give way to even more rapid drops in the stock market



Source: The AAA Report, Piper Sandler

At present we are well placed for this event, but we need to point out a few observations. Lower in the ranking table than the Strongest Asset Group there are some clear messages (see Appendix). **Notice that shorting equities comes higher than any equity country index.** Also notice that cash is doing well on a relative basis. This is good, if a crash is likely, but bad if a rally is taking place. It is only the USA and UK Equity Market that are in this group. This is a strong message to not move too dramatically. If cash gets to the top level on the ranking table, it tells you to get out and go away. Put in other words, the message is that **being liquid is not a bad state to be in**. We are not punished for holding cash at present.

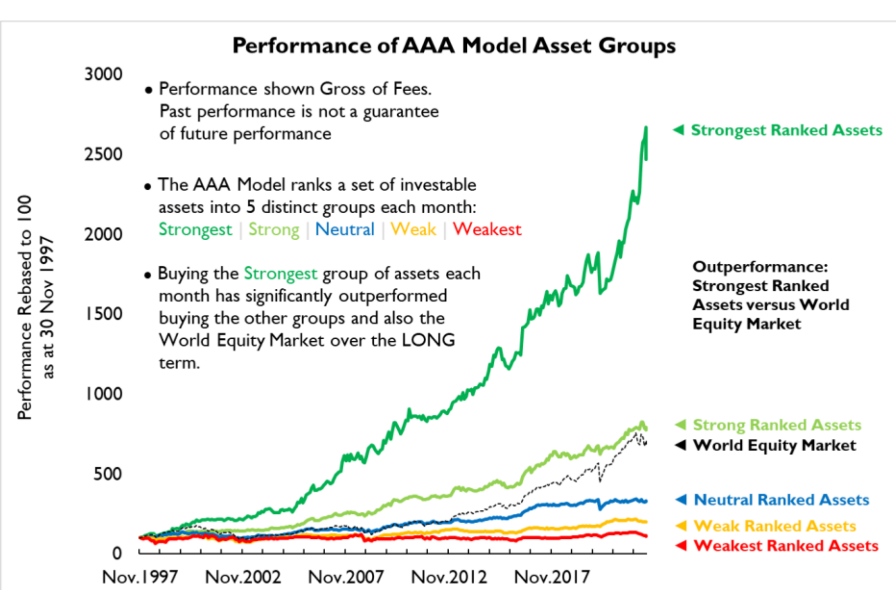
Good luck in future and be super cautious for now.

►Model Guide: What is the AAA model and how to use it?

- The AAA model is a technical model which ranks a list of important assets using our proprietary *Business Cycle Adaptive Trend* ranking algorithm.
- As different assets outperform at different stages of the business cycle*, the AAA model aims to identify which are the strongest and weakest trending assets at each phase of the business cycle.
- The model is run monthly and outputs the complete list of ranked assets divided into 5 distinct groups based on their trend-strength: Strongest, Strong, Neutral, Weak and Weakest.
- Whilst we will show the complete list of ranked assets as a table in the Appendix (Figure B), the assets to buy each month are the ones labelled as "STRONGEST".
- The chart below (Figure A) shows the difference in performance between buying the assets labelled as Strongest each month compared to buying the others [Strong, Neutral, Weak and Weakest]. The main point to take away from this chart is that the Strongest trending assets significantly outperform the other groups over the long term hence are the ones to buy. Of course, investors also need to bear in mind that **past performance is never a guarantee of future results.**
- The rankings are updated monthly and any changes to the rankings need to be mirrored in your portfolio [buy any assets that are promoted to the Strongest asset group each month and sell any that have left the group]. These trends do not change as rapidly as those for individual shares and typically means holding four assets each month.
- The strongest assets can be purchased using Exchange Traded Funds (ETFs) or Managed Funds. A representative sample of the former is shown in the Appendix for illustration purposes however this list should not be considered recommendations.

* Greed assets [risk assets] generally do better in times of economic expansion and investor risk-adoration. Conversely, Fear assets [defensive assets] generally do better in times of economic contraction and investor risk-aversion.

► Figure A: Buying the Strongest ranked assets has significantly outperformed the other groups over the long term



► Figure B: The AAA Model ranks a list of key assets each month but only the Strongest assets should be bought

	June 2022	Representative ETF Name Distributing ETF Name; Accumulating ETF Name	Representative ETF Ticker Distributing*	Accumulating*
Strongest	Energy Commodities	No Distributing ETF ; ETFS Commodity Securities Energy DJ-UBSCI	-	AIGE
	Agricultural Commodities	No Distributing ETF ; ETFS Commodity Securities Agriculture Dow Jones UBS CI	-	AGAP
	Gold Bullion	No Distributing ETF ; ETFS Physical Gold	-	PHGP
	World Low Volatility Equities	No Distributing ETF ; iShares Edge MSCI World Minimum Volatility UCITS ETF	-	MVOL
Strong	UK Cash	No Distributing ETF ; No Accumulating ETF	-	-
	US Equities	iShares S&P 500 UCITS ETF USD DIST ; ISHRS Core S&P 500 UCITS USD (ACC) ETF	IUSA	CSP1
	Inverse UK Equities	No Distributing ETF ; DB X-TRACKERS FTSE 100 SHORT DAILY ETF	-	XUKS
	UK Equities	iShares Core FTSE 100 UCITS ETF DIST ; SPDR FTSE UK All Share UCITS ETF	ISF	FTAL
	Industrial Metals	No Distributing ETF ; ETFS Industrial Metals ETC	-	AIGI
Neutral	World Equities	iShares MSCI World UCITS ETF USD DIST ; iShares Core MSCI World UCITS ETF USD ACC	IWRD	SWDA
	World Quality Equities	No Distributing ETF ; iShares Edge MSCI World Quality Factor UCITS ETF	-	IWFQ
	China Equities	HSBC MSCI CHINA ETF ; No Accumulating ETF	HMCH	-
	Global High yield	iShares Global High Yield Corp. Bond UCITS ETF DIST ; iShares Global High Yield Corp. Bond UCITS ETF ACC	IGHY	HYLA
	EM Equities	Vanguard FTSE Emerging Markets UCITS ETF USD ; No Accumulating ETF	VFEM	-
Weak	India Equities	No Distributing ETF ; DB X-TRACKERS MSCI India Index UCITS ETF ACC	-	XCX5
	Global Govt Bond	iShares Global Govt. Bond (USD) DIST UCITS ETF ; iShares Global Govt Bond UCITS (ACC) ETF	SGLO	IGLA
	EU Equities	iShares MSCI Europe ex UK UCITS ETF EUR (DIST) ; iShares MSCI EMU UCITS ETF ACC	IEUX	CEU1
	EM Govt. Bonds ($)	iShares J.P. Morgan USD EM Bond UCITS ETF DIST ; iShares J.P. Morgan USD EM Bond UCITS ETF ACC	SEMB	JPEA
	Japan Equities	iShares MSCI Japan UCITS ETF DIST ; iShares Core MSCI Japan IMI UCITS ETF ACC	IJPN	SJPA
Weakest	UK Gilts	iShares Core UK Gilts UCITS ETF GBP ; No Accumulating ETF	IGLT	-
	UK Corporate Bonds	iShares Core £ Corp Bond GBP UCITS ETF ; No Accumulating ETF	SLXX	-
	UK Index Linked Gilts	iShares Index Linked Gilts UCITS ETF ; No Accumulating ETF	INXG	-
	Global Corporate Bonds	iShares Global Corp Bond UCITS (USD) DIST ; iShares Global Corp Bond UCITS (USD) ACC	CRPS	CRPA

* *Distributing* units pay out dividends and income whilst *Accumulating* units reinvest it. Please select the ones that suit you. In some cases only one option is available.

Appendix

AAA Model Rankings GBP Portfolio with representative ETF Tickers

	June 2022	Representative ETF Name Distributing ETF Name; Accumulating ETF Name	Representative ETF Ticker Distributing*	 Accumulating*
Strongest	Energy Commodities	No Distributing ETF ; ETFS Commodity Securities Energy DJ-UBSCI	-	AIGE
Strongest	Agricultural Commodities	No Distributing ETF ; ETFS Commodity Securities Agriculture Dow Jones UBS CI	-	AGAP
Strongest	Gold Bullion	No Distributing ETF ; ETFS Physical Gold	-	PHGP
Strongest	World Low Volatility Equities	No Distributing ETF ; iShares Edge MSCI World Minimum Volatility UCITS ETF	-	MVOL
Strong	UK Cash	No Distributing ETF ; No Accumulating ETF	-	-
Strong	US Equities	iShares S&P 500 UCITS ETF USD DIST ; ISHRS Core S&P 500 UCITS USD (ACC) ETF	IUSA	CSP1
Strong	Inverse UK Equities	No Distributing ETF ; DB X-TRACKERS FTSE 100 SHORT DAILY ETF	-	XUKS
Strong	UK Equities	iShares Core FTSE 100 UCITS ETF DIST ; SPDR FTSE UK All Share UCITS ETF	ISF	FTAL
Strong	Industrial Metals	No Distributing ETF ; ETFS Industrial Metals ETC	-	AIGI
Neutral	World Equities	iShares MSCI World UCITS ETF USD DIST ; iShares Core MSCI World UCITS ETF USD ACC	IWRD	SWDA
Neutral	World Quality Equities	No Distributing ETF ; iShares Edge MSCI World Quality Factor UCITS ETF	-	IWFQ
Neutral	China Equities	HSBC MSCI CHINA ETF ; No Accumulating ETF	HMCH	-
Neutral	Global High yield	iShares Global High Yield Corp. Bond UCITS ETF DIST ; iShares Global High Yield Corp. Bond UCITS ETF ACC	IGHY	HYLA
Neutral	EM Equities	Vanguard FTSE Emerging Markets UCITS ETF USD ; No Accumulating ETF	VFEM	-
Weak	India Equities	No Distributing ETF ; DB X-TRACKERS MSCI India Index UCITS ETF ACC	-	XCX5
Weak	Global Govt Bond	iShares Global Govt. Bond (USD) DIST UCITS ETF ; iShares Global Govt Bond UCITS (ACC) ETF	SGLO	IGLA
Weak	EU Equities	iShares MSCI Europe ex UK UCITS ETF EUR (DIST) ; iShares MSCI EMU UCITS ETF ACC	IEUX	CEU1
Weak	EM Govt. Bonds ($)	iShares J.P. Morgan USD EM Bond UCITS ETF DIST ; iShares J.P. Morgan USD EM Bond UCITS ETF ACC	SEMB	JPEA
Weak	Japan Equities	iShares MSCI Japan UCITS ETF DIST ; iShares Core MSCI Japan IMI UCITS ETF ACC	IJPN	SJPA
Weakest	UK Gilts	iShares Core UK Gilts UCITS ETF GBP ; No Accumulating ETF	IGLT	-
Weakest	UK Corporate Bonds	iShares Core £ Corp Bond GBP UCITS ETF ; No Accumulating ETF	SLXX	-
Weakest	UK Index Linked Gilts	iShares Index Linked Gilts UCITS ETF ; No Accumulating ETF	INXG	-
Weakest	Global Corporate Bonds	iShares Global Corp Bond UCITS (USD) DIST ; iShares Global Corp Bond UCITS (USD) ACC	CRPS	CRPA

* *Distributing* units pay out dividends and income whilst *Accumulating* units reinvest it. Please select the ones that suit you. In some cases only one option is available.

Source: The AAA Report, Refinitiv Datastream

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