

## Portfolio Analytics and Consulting

This is a marketing communication

Overseeing client investment portfolios can be complex and time-consuming for advisers, including:

- **Ongoing governance:** monitoring portfolios to ensure they stay in line with their objectives.
- **Client communications:** clearly explaining the reasons for a portfolio's performance when there are multiple factors involved.
- **Evaluating funds:** identifying potential areas for concern.

For portfolios with a large number of underlying funds, or multiple strategic-allocation/multi-asset funds, understanding the portfolio's exposures can be difficult.

### How we can help

Vanguard's Portfolio Analytics and Consulting service is a free resource that offers our adviser partners:

- A holistic overview of client portfolios to identify tilts, biases, gaps and concentrations.
- Back-tested portfolio performance vs. an investable, market capitalisation index-based benchmark.
- Correlation analysis of underlying investments.
- Time back to focus on strengthening client relationships.

Our consultations focus on helping advisers identify potential improvements in the portfolio; for example, simplifying and consolidating investments, reducing costs, tilting the portfolio in line with the client's investment beliefs, or improving diversification and reducing risks.

### Portfolio analysis: identifying unintentional exposures

#### Potential biases



Region



Capitalisation



Style



Sector



Credit



Home bias



Currency



Duration



Security overlap



Costs



Concentration

### Find out more

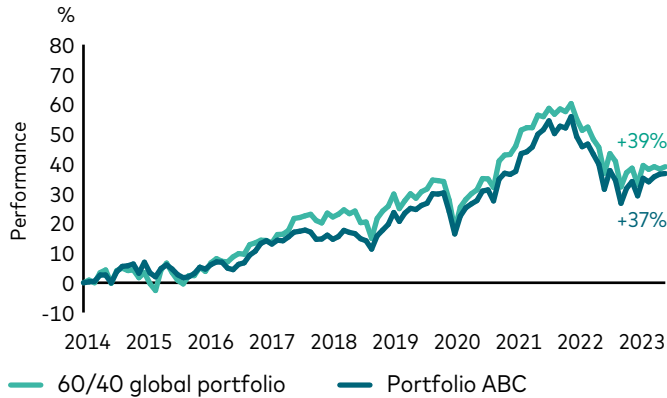
Your business development manager can instruct a portfolio analysis and consultation for you, and arrange a meeting to go through the findings. To find out more, email us at [enquiries@vanguard.ch](mailto:enquiries@vanguard.ch)

## Example analysis (powered by Morningstar)

For illustrative purposes. Portfolio ABC is a hypothetical client portfolio.

### Back-tested returns

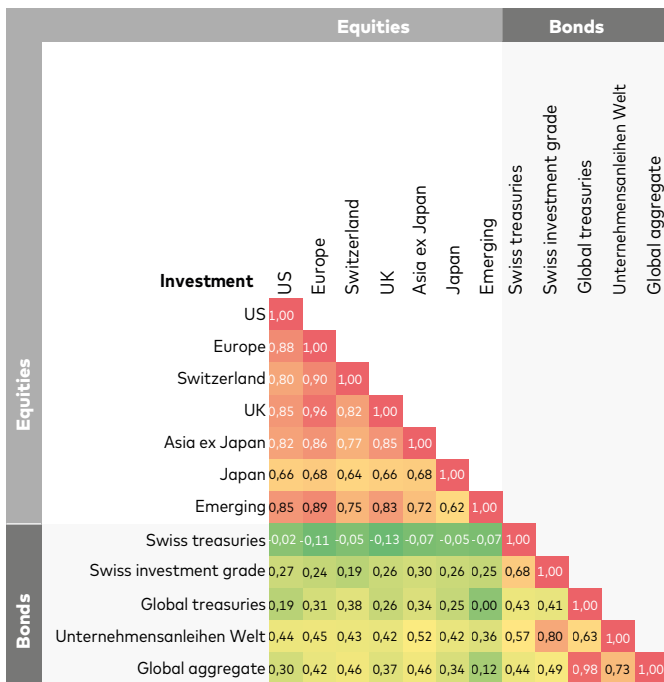
Identify sources of historic outperformance, underperformance and volatility.



For illustrative purposes only. Past performance is not a reliable indicator of future results.

### Historic correlation

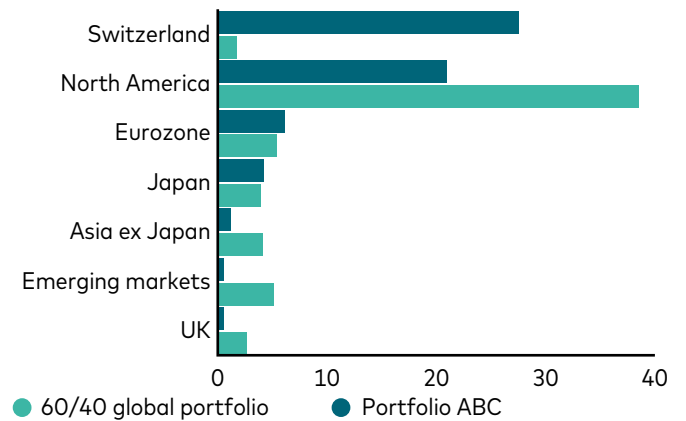
Understand the correlation and diversification benefits between underlying funds in the portfolio.



Source: Morningstar data, Vanguard calculations. Monthly return correlation from 1 January 2002 to 1 April 2023. Correlations shown are for illustration only.

### Aggregated exposure

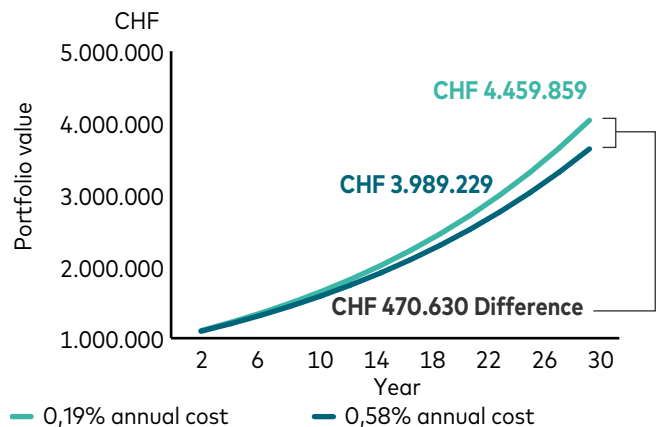
See the portfolio's overall exposure to different regions, as well as style, size and sector exposures within the equity sleeve; and credit quality and duration exposure through fixed income investments.



For illustrative purposes only.

### Costs

Assess the portfolio's cost-efficiency. High costs will reduce client returns over the long term.



This hypothetical example assumes an investment of CHF1,000,000 over 30 years in a 60/40 global portfolio. Annual compounding is used for both the assumption of 5.3% average growth per annum and the investment costs. Costs are applied to average annual growth of 5.3% for each year. This example does not represent any particular investment.

Source: Vanguard.

### **Investment risk information**

The value of investments, and the income from them, may fall or rise and investors may get back less than they invested.

Past performance is not a reliable indicator of future results. The performance data does not take account of the commissions and costs incurred in the issue and redemption of shares.

Any projections should be regarded as hypothetical in nature and do not reflect or guarantee future results.

Performance may be calculated in a currency that differs from the base currency of the fund. As a result, returns may decrease or increase due to currency fluctuations.

### **Important information**

#### **This is a marketing communication**

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