

Hymans Robertson Investment Services (HRIS)

# Building tournament ready model portfolios

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As the UEFA Euro 2024 tournament kicks off and football fever gets underway, we explore some parallels between bringing together your best players for matchday and portfolio construction.

## Player selection: Asset classes & positions in a HRIS portfolio

As with any strong team when it comes to selection, each player will have a specified role to fulfil. Here at Hymans Robertson Investment Services (HRIS), we think about portfolio construction in a similar way. With an array of asset classes (aka the players) to choose from, we group these into three main categories as shown in the graphic below.



## A team-based approach to navigate market conditions

Star players may attract a lot of attention and be keenly trailed but the opportunity of success diminishes without other players around them. Star players can also quickly fall in and out of favour, so when it comes to portfolio construction, we believe in a long term, team-based approach.

Each of the above asset classes are utilised within HRIS portfolios (in varying combinations depending on the risk level) to enable us to build a robust team, which seeks to navigate a range of different market conditions and give investors in our model portfolios confidence in their future outcomes.

## Work with a high-quality coach to achieve success

Markets can be difficult to predict, so we believe that the best way of navigating this uncertainty is to hold a set of well diversified asset classes over the long-term. Chasing returns and continual short-term tactical changes to do so, can be costly to investors, through transaction costs and time out of the market. Instead, we view strategic asset allocation as the primary driver of outcomes.

HRIS leverages our institutional expertise to build portfolios with the optimal combination of asset classes, which ultimately have the highest return for a given level of risk, while also providing the smoothest of journeys for investors. Each portfolio is positioned for the future and is scenario tested using over 5,000 forward-looking scenarios, to ensure it can consistently provide positive outcomes for investors. After all, as with any sport, long-term success is often a result of diligent preparation.

**If you would like to find out about HRIS and our approach to building tournament ready model portfolios, please [get in touch](#) or speak to your HRIS Relationship Director.**



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### **Risk warning**

*The value of your investments and the income from them may go down as well as up and neither is guaranteed. Investors could get back less than they invested. Past performance is not a reliable indicator of future results. Changes in exchange rates may have an adverse effect on the value of an investment. Changes in interest rates may also impact the value of fixed income investments. The value of your investment may be impacted if the issuers of underlying fixed income holdings default, or market perceptions of their credit risk change. There are additional risks associated with investments in emerging or developing markets. The information in this document does not constitute advice, nor a recommendation, and investment decisions should not be made on the basis of it. The material provided should not be released or otherwise disclosed to any third party without prior consent from HRIS.*