6 Meridian

Model Portfolios

6 Meridian utilizes a model portfolio approach for constructing solutions that can deliver our clients access to various strategies and asset classes with the oversight of a dedicated Investment Team. The model portfolios available to clients today are discussed below, covering asset classes that lean into Fixed Income, Non-US Equities, and Globally diverse allocations.

What is a Model Portfolio?

It is a collection of selected investment options that are combined to form a diversified portfolio that is representative of a specific asset class or allocation. The 6 Meridian Investment Team sources ideas for implementation into each Model Portfolio via external asset managers throughout the industry. The team takes into consideration performance, risk, correlation, costs, management style, and other various measures in selecting the mixture of funds ultimately selected to reside inside each specific model to meet the objectives of the solution.

Short Duration

The Short Duration Portfolio invests in a diversified set of low duration, fixed income ETFs that have exposure to various economic sectors, issuers, term structures, and regions. The portfolio has a flexible mandate that allows the 6 Meridian Investment Team and underlying portfolio managers to deliver on the strategies objective.

The objective is to preserve capital and generate current income. The strategy will generally operate with a duration of 0 to 3 years, making it a solution that is one step beyond cash.

Fixed Income

The Fixed Income Portfolio invests in a diversified and broad mix of fixed income ETFs and Mutual Funds that have exposure to various economic sectors, issuers, term structures, regions, and currencies. The portfolio has a flexible mandate that allows the 6 Meridian Investment Team and underlying portfolio managers to deliver on the strategies objective.

The objective is to produce current income with a secondary goal of capital appreciation. The strategy will operate with a duration profile beyond that of the Short Duration Portfolio and will be diversified globally across developed and emerging market countries. The longer duration of this portfolio makes it subject to more interest rate risk, meaning it can see larger moves on a day-to-day basis relative to other fixed income products such as cash or the Short Duration Portfolio.

Global Core Equity

The Global Core Equity Portfolio invests in a globally diversified mix of ETFs that are selected to provide cost-effective and full market exposure across developed and emerging markets. The portfolio expects to achieve a beta of 1 to the global equity market, and rebalancing of the portfolio is systematic.

The objective is to provide capital appreciation that closely aligns with the total return of the global equity market over a full market cycle. The strategy will introduce thoughtful, valuation-aware tilts towards segments believed to offer attractive forward return potential. The primary driver of the risk profile comes from equity market risk, but the modest tilts may introduce style and regional deviations as well.

Asset Allocation – Income and Growth

The Asset Allocation Portfolios come in two forms, either an Income or Growth orientation. The difference between them is the allocation across Global Equities and Fixed Income. In Asset Allocation Income, the target profile is a split of 30% Equity / 70% Income while the Asset Allocation Growth has a target profile of 70% Equity / 30% Income. Both portfolios are constructed to provide a solution that is pre-packaged to deliver broad diversification across the primary asset classes of debt and equity.

The objective for both solutions is to provide diversified, total return. In essence, these solutions are a set mix that incorporates the objectives of the Fixed Income and Global Core Equity model portfolios outlined previously. An alternative solution to these Asset Allocation Models would be to combine the Global Core Equity and Fixed Income Models at weightings that are representative of one's end goal that may deviate from the offered 70/30 or 30/70 mix here.

International Equity

The International Equity Portfolio invests in ETFs and Mutual Funds that have a target market of developed economies outside of the U.S. Key regions meeting this criterion would be the likes of Japan, U.K. Canada, France, and others. The 6 Meridian Investment Team constructs this portfolio by combining strategies that will provide exposure to the market yet introduce thoughtful tilts towards areas believed to deliver strong risk-adjusted returns over a full market cycle.

The objective is to provide capital appreciation and act as a complement to other equity investments. Recent history shows that non-U.S. developed market equities comprise 25-30% of the global equity market. This portfolio provides a solution that allows investors to capture this exposure and diversify across the many countries and firms that operate outside of the U.S.

Emerging Markets Blend

The Emerging Markets Blend Portfolio invests in ETFs and Mutual Funds that have a target market of emerging economies. Key regions meeting this criterion would be the likes of China, India, Taiwan, and Brazil. The 6 Meridian Investment Team constructs this portfolio by using a blend of both equity and debt offerings covering the emerging market landscape, with a majority of the portfolio weighted towards equities.

The equity component is constructed by using core positions that will introduce thoughtful tilts towards areas believed to deliver strong risk-adjusted returns, paired with additional high active share or tactical strategies as well. The debt component is allocated between fixed income securities denominated in both U.S. Dollars and local currencies.

The objective is to provide capital appreciation and act as a complement to other equity investments. Recent history shows that emerging market equities comprise 10-15% of the global equity market. This portfolio provides a solution that allows investors to capture this exposure and diversify across the many countries and firms that operate in the emerging economies of the world.

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