

July 2018

### Portfolio manager's commentary

Concerns about the impact of Donald Trump's trade restrictions led to a challenging quarter, but strong returns from the US and Europe saw the portfolio grow by almost 5% over the period, well ahead of its benchmark.

At an asset allocation level we have reduced our allocation to Europe and to emerging markets as they are at risk from political and currency pressures. We have also decided to introduce a holding in targeted absolute return. This asset class aims to produce an absolute return, independent of market conditions which could help provide a degree of insulation from future market shocks.

From a fund perspective, we have replaced Man GLG Japan Core Alpha in favour of Baillie Gifford Japanese. We have become increasingly concerned about the original holding in terms of its ability to produce returns in the current market cycle. The new fund should allow us to better drive gains from a region full of good potential.

### Indicative risk rating



### Portfolio mandate

Indicative risk rating	Asset classes	Asset allocation				Benchmark
		Cash	Fixed interest	Equities	Other	
5-6	Minimum	0	10	40	0	UT Mixed Investment 40%-85% Shares Retail
	Maximum	15	60	85	25	
	Normal alloc.	0	25	70	5	

### 5 year fund performance versus benchmark



■ A - \*\*\*IMS Balanced (July 2010) 01/04/2018 TR in GB [50.46%]  
 ■ B - UT Mixed Investment 40-85% Shares Retail TR in GB [42.11%]

28/06/2013 - 29/06/2018 Data from FE 2018



James Kempster  
Portfolio Manager

### Portfolio objective

To provide a long-term capital return in excess of the Mixed Investment 40-85% shares sector.

### Investment approach

The objective is achieved by using a balanced investment approach gaining exposure to a number of different asset types including shares and bonds across a broad range of international markets, enabling a better trade-off between risk and return. The performance of all the funds in the portfolio is constantly monitored and formally reviewed on a quarterly basis by an investment committee.

### Holdings

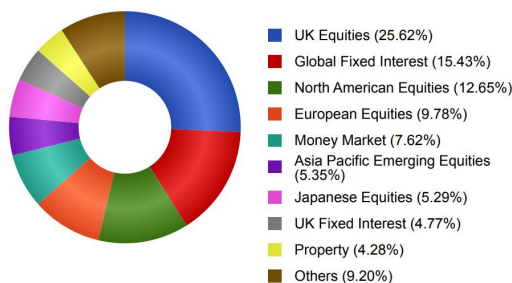
European Equities	6%
Jupiter - European	
Asia ex Japan/emerging markets	8%
Fidelity - Emerging Markets	
Invesco Perpetual - Asian	
Global Fixed Interest	10%
M&G - Global Macro Bond	
M&G - Emerging Markets Bond	
L&G - Global Inflation Linked Bond	
Global Growth	12%
Fundsmith - Equity	
Invesco Perpetual - Global Equity Income	
Targeted Absolute Return	6%
Jupiter - Absolute Return	
Japan	5%
Baillie Gifford - Japanese	
UK Equities	24%
AXA - UK Smaller Companies	
Liontrust - Special Situations	
Rathbone - Income	
Old Mutual - UK Mid Cap	
UK Fixed Interest	13%
Artemis - High Income	
Baillie Gifford - Strategic Bond	
Fidelity - Extra Income	
US Equities	7%
Old Mutual - North American Equity	
Property	5%
Threadneedle - UK Property	
Cash	4%
Aberdeen - Sterling Money Market / Blackrock - Cash*	

\*Dependant on platform availability

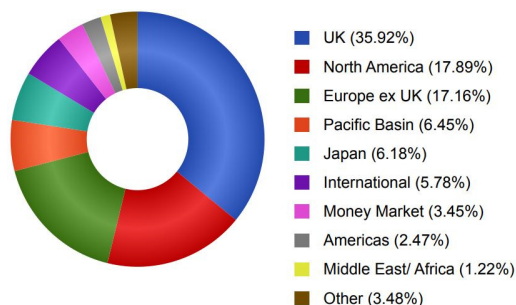
# IMS Balanced Portfolio

July 2018

## Asset allocation



## Regional breakdown



## Important notes

All data are to 30.06.2018. Any fund performance data include explicit (OCF) and implicit (ongoing) fund manager charges but do not include platform, adviser or investment management fees. Full details will be outlined in your product provider illustration. For further information please contact your financial adviser.

Past performance is not a guide to future performance. The value of investments and any income from them will fall as well as rise; you may get back less than the amount invested. Higher volatility investments are subject to sudden and large falls in value and could result in a loss equal to the sum invested. Certain investments (e.g. property) are not readily realisable and investors may experience difficulty in realising the investment or in obtaining reliable information on the value or associated risks. Changes in rates of exchange may have an adverse effect on the value, price or income of investments denominated in currencies other than Sterling.

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## Key facts

Ongoing charge figure	1.38%
ISA qualification	Yes
Twelve month historical yield	2.13%
Volatility*	7.09 (Benchmark 6.76)
Sharpe ratio**	0.88 (Benchmark 0.58)

\*Volatility measures how much an investment deviates from its average over a period.

\*\*The Sharpe Ratio measures the trade-off between risk and return.

The annual charge shown above does not include any fee that your adviser may elect to receive and is the total of all recurring charges on the portfolio. For the purposes of comparison it represents the highest potential charge (excluding platform costs) therefore the actual cost will depend on the provider selected.

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5 Lancer House  
Hussar Court, Westside View  
Waterlooville, Hampshire  
PO7 7SE

Tel: +44 2381 112003

Fax: +44 2392 263432

Email: [info@imscapital.co.uk](mailto:info@imscapital.co.uk)