

January 2018

## Portfolio manager's commentary

Markets finished strongly as positive outcomes for Donald Trump's tax plan as well as in the Brexit negotiations helped create a boost in confidence. The portfolio was up over 3% over the period and above 11% for the year.

At an asset allocation level we have adjusted our international exposure, both in terms of fixed interest as well as equity. The allocation to Japan has been slightly increased as has the holding in UK fixed interest while our Asia Pacific and global bond allocations have been lowered.

We have introduced a new UK fund this quarter with the intention of bringing greater diversification to this key sector. Some of our existing funds struggled in 2017 with major events on the stocks they held and the fund we are adding has a lower correlation which we think will benefit the portfolio.

## 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) 01/10/2017 TR in GB [61.39%]  
 ■ B - UT Mixed Investment 40-85% Shares Retail TR in GB [51.42%]

01/01/2013 - 29/12/2017 Data from FE 2018



James Kempster  
Portfolio Manager

## Portfolio objective

To provide a long-term capital return in excess of the Balanced Managed 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

Asia ex Japan/emerging markets	9%
Fidelity - Emerging Markets	
Invesco Perpetual - Asian	
European Equities	7%
Jupiter - European	
Invesco Perpetual - European	
Global Fixed Interest	6%
M&G - Global Macro Bond	
M&G - Emerging Markets Bond	
Global Growth/specialist	12%
Fundsmith - Equity	
Invesco Perpetual - Global Equity Income	
Japan	5%
Man GLG - Japan Core Alpha	
UK Equities	28%
AXA Framlington - UK Smaller Companies	
Invesco Perpetual - High Income	
JPM - UK Higher Income	
Liontrust - Special Situations	
Rathbone - Income	19%
UK Fixed Interest	
Baillie Gifford - Corporate Bond	
Schroder - High Yield Opportunities	6%
US Equities	
Old Mutual - North American Equity	4%
Property	
Threadneedle - UK Property	4%
Cash	
Aberdeen - Cash/ Blackrock - Cash*	

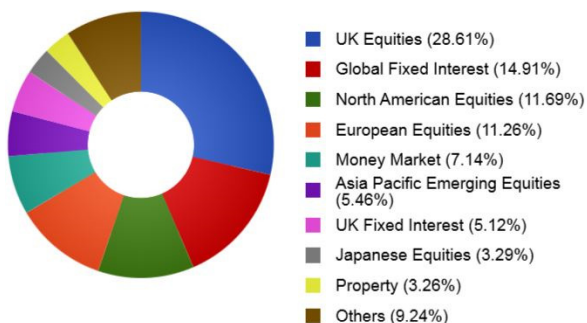
\*Dependant on platform availability

# IMS

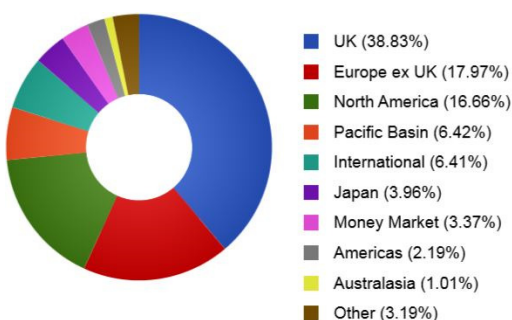
## Balanced Portfolio

January 2018

### Asset allocation



### Regional breakdown



### Important notes

Returns shown include most ongoing charges - further details on request. All data are to 31.12.2017.

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 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 (OCF)	1.20%
ISA qualification	Yes
Twelve month historical yield	2.30%
Volatility*	8.87 (Benchmark 7.35)
Sharpe ratio**	0.73 (Benchmark 0.65)

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. Further details are available on request.

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

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

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