

# Balanced Portfolio

October 2018

## Portfolio manager's commentary

A breakdown of Sino-American relations as a result of trade tariffs imposed by the Trump administration continued to weigh on markets over the quarter. The ongoing strengthening of the US dollar also acted as a headwind on emerging markets as their dollar-denominated debt repayments became more expensive as a result.

Although the dollar will not necessarily continue on this strong run, we have taken this opportunity to reduce our emerging markets exposure at an asset allocation level. This sector has experienced strong growth and faces a number of challenges so we elected to redirect a small part of our holding into what should be better value opportunities in the UK.

From a fund perspective we have reduced our weighting to UK Smaller Companies which are likely to experience greater volatility than their larger cap counterparts. We have also added a holding in Schroder Recovery which further increases the diversification within our UK equity allocation.

## 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) 01/07/2018 TR in GB [49.42%]  
 ■ B - UT Mixed Investment 40-85% Shares Retail TR in GB [39.22%]

27/09/2013 - 28/09/2018 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	7%
Fidelity - Emerging Markets	
Invesco - 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 - Global Equity Income	
Targeted Absolute Return	6%
Jupiter - Absolute Return	
Japan	5%
Baillie Gifford - Japanese	
UK Equities	26%
AXA - UK Smaller Companies	
Liontrust - Special Situations	
Rathbone - Income	
Merion- UK Mid Cap	
Schroder - Recovery	
UK Fixed Interest	12%
Artemis - High Income	
Baillie Gifford - Strategic Bond	
Fidelity - Extra Income	
US Equities	7%
Merion- North American Equity	
Property	5%
Threadneedle - UK Property	
Cash	4%
Aberdeen - Sterling Money Market / Blackrock - Cash*	

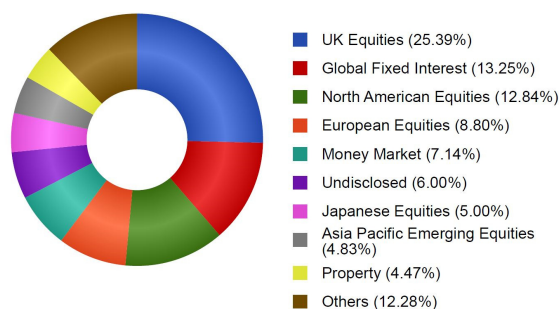
\*Dependant on platform availability

# IMS

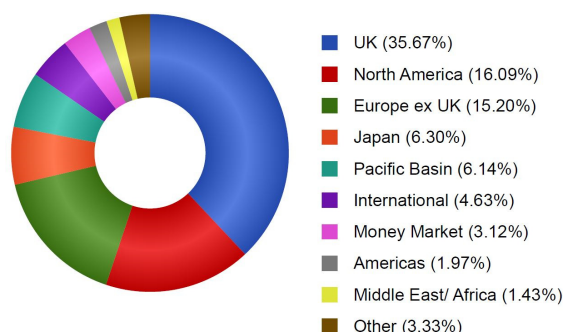
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### Asset allocation



### Regional breakdown



### Important notes

All data are to 30.09.2018. 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	1.34%
ISA qualification	Yes
Twelve month historical yield	1.96%
Volatility*	6.50 (Benchmark 6.13)
Sharpe ratio**	1.22 (Benchmark 1.02)

\*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)