

Balanced Portfolio

October 2017

Portfolio manager's commentary

The portfolio finished in positive territory despite a volatile few months which saw markets spike up then down on multiple occasions. The major impact on returns over the period was a sudden and dramatic strengthening in sterling which caused overseas assets, both equity and fixed interest, to move sharply down.

Following our annual strategic asset allocation review we have made high level changes to the portfolio structure to better align with the long-term view. This includes a reduction in European and US equity as well as increases to our UK holdings.

At a fund level we have elected to replace our US holding after losing confidence in the previously held fund. We also introduced a new fund as part of our UK equity allocation which increases diversification in this sector.

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) 01/07/2017 TR in GB [59.61%]
 B - UT Mixed Investment 40-85% Shares Retail TR in GB [49.75%]



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.

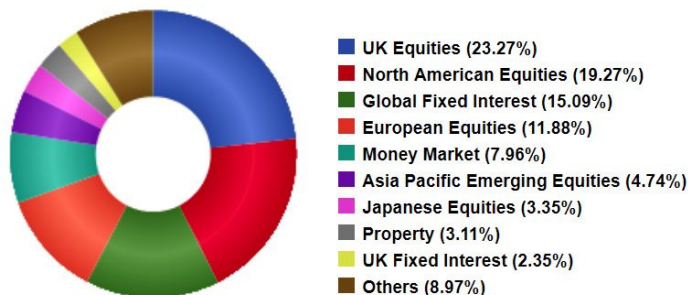
Holdings

Asia ex Japan/emerging markets	9%
Fidelity - Emerging Markets	
Invesco Perpetual - Asian	
European Equities	8%
Jupiter - European	
Invesco Perpetual - European	
Global Fixed Interest	9%
M&G - Global Macro Bond	
M&G - Emerging Markets Bond	
Global Growth/specialist	12%
Fundsmith - Equity	
Invesco Perpetual - Global Equity Income	
Japan	3%
Man GLG - Japan Core Alpha	
UK Equities	28%
AXA Framlington - UK Smaller Companies	
Invesco Perpetual - High Income	
Liontrust - Special Situations	
Rathbone - Income	
UK Fixed Interest	17%
Baillie Gifford - Corporate Bond	
Schroder - High Yield Opportunities	
US Equities	6%
Old Mutual - North American Equity	
Property	4%
Threadneedle - UK Property	
Cash	4%
Aberdeen - Cash/ Blackrock - Cash*	

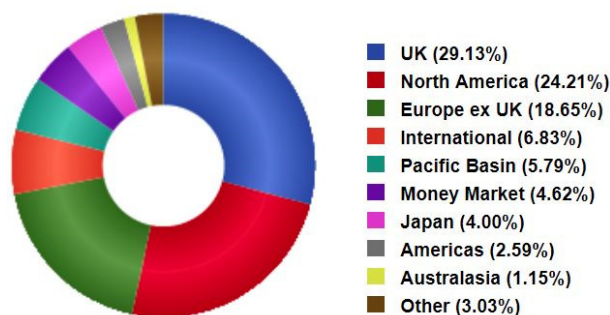
*Dependant on platform availability

October 2017

Asset allocation



Regional breakdown



Important notes

Returns shown include most ongoing charges - further details on request. All data are to 30.09.2017.

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)	1.21%
ISA qualification	Yes
Twelve month historical yield	2.03%
Volatility*	9.83 (Benchmark 7.61)
Sharpe ratio**	0.97 (Benchmark 0.88)

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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