

IMS Cautious Portfolio

July 2017

Portfolio manager's commentary

After a slow start to the quarter sentiment picked up as we entered the final third and despite a fall off towards the end prompted by falls in oil prices, the portfolio finished in positive territory, ahead of its benchmark.

Although a large number of articles were written to discuss the effect of oil prices and central bank decisions, the broad situation remains largely unchanged and we are still in a situation where markets are high and yields are low. We continue to be focused on maintaining the diversification of the portfolio to strike a balance between risk and returns.

As a result of our analysis this quarter we have taken steps to position our US equity allocation closer to a neutral weighting and have also lowered our allocation to global fixed interest. At a fund level we have introduced a small amount of UK smaller company equity in order to diversify our existing holdings.

Indicative risk rating



Portfolio mandate

Indicative risk rating	Asset classes	Asset allocation				Benchmark
		Cash	Fixed interest	Equities	Other	
3-4	Minimum	0	40	20	0	UT Mixed Investment 20%-60% Shares Retail
	Maximum	20	80	60	20	
	Normal alloc.	0	45	50	5	

5 year fund performance versus benchmark



A - ***IMS Cautious (July 2010) 01/04/2017 TR in GB [49.75%]
B - UT Mixed Investment 20-60% Shares Retail TR in GB [37.76%]

03/07/2012 - 03/07/2017 Data from FE 2017



James Kempster
Portfolio Manager

Portfolio objective

To provide a long-term capital return in excess of the Cautious 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, primarily in the UK, with a focus on Blue chip, higher rated instruments. 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	9%
Jupiter - European	
Invesco Perpetual - European Equity	
Asia ex Japan/emerging markets	2%
Invesco Perpetual - Asian	
Global Fixed Interest	15%
M&G - Global Macro Bond	
M&G - Emerging Markets Bond	
Standard Life - Global Index Linked Bonds	
Global Growth	12%
Fundsmith - Equity	
Threadneedle - Global Equity Income	
Japan	2%
Man GLG - Japan Core Alpha	
UK Equities	21%
AXA - UK Smaller Companies	
Invesco Perpetual - High Income	
Rathbone - Income	
UK Fixed Interest	22%
Artemis - High Income	
Baillie Gifford - Corporate Bond	
Fidelity - Extra Income	
Royal London - Corporate Bond	
Schroder - High Yield Opportunities	
US Equities	7%
Fidelity - American Special Situations	
Property	6%
Threadneedle - UK Property	
Cash	4%
Aberdeen - Cash/ Blackrock - Cash*	

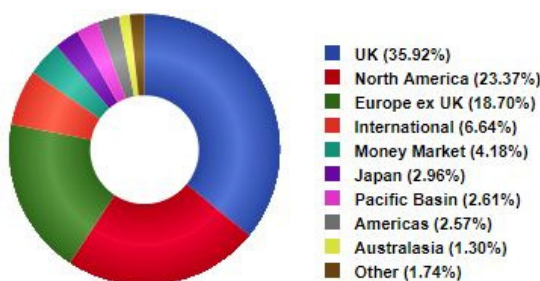
*Dependant on platform availability

July 2017

Asset allocation



Regional breakdown



Important notes

Returns shown include most ongoing charges - further details on request. All data are to 30.06.2017.

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)	1.19%
ISA qualification	Yes
Twelve month historical yield	2.63%
Volatility*	8.63 (Benchmark 4.64)
Sharpe ratio**	1.16 (Benchmark 1.50)

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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