

# Cautious portfolio

## Quarterly update - January 2019

### Portfolio Manager



James Kempster  
Manager since July 2010

### Portfolio objective

To provide a long-term capital return in excess of the Mixed Investment 20-60% 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, 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.

### Portfolio manager's commentary

A difficult year was capped off by a very challenging quarter which saw the familiar stories of Brexit and the US/China trade war continue to dominate headlines. Markets have also had to contend with a withdrawal of the support provided by central banks.

We do not attempt to anticipate specific market events and our focus is on ensuring the portfolio remains as diversified as possible, rather than leaving it exposed if certain outcomes fail to transpire. As such we have made some small changes at sector level which sees our gilt and cash allocations rise at the expense of UK equities and bonds.

From a fund perspective we have introduced a new holding in First State Global Listed Infrastructure which we believe will act to reduce the overall correlation of the assets held within the portfolio.

### Indicative risk rating



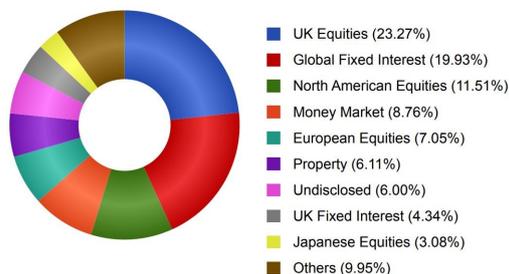
### 5 year fund performance versus benchmark



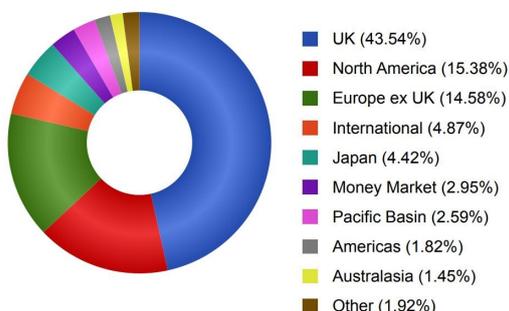
### Top 10 Holdings

Aberdeen - Sterling Money Market	8%
Fundsmith - Equity	7%
Liontrust - Special Situations	7%
Threadneedle - UK Property	7%
Jupiter - Absolute Return	6%
First State - Global Listed Infrastructure	5%
JPM - UK Higher Income	5%
Schroder - Recovery	5%
Artemis - High Income	4%
Baillie Gifford - Japanese	4%

**Asset allocation**



**Regional breakdown**



**Important notes**

All data are to 31.12.2018. 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.

This document has been prepared and published by IMS Capital, a trading style of Compass Wealth Management Consultants Ltd, Active Financial Partners Ltd, and AE Financial Services Ltd which are authorised and regulated by the Financial Conduct Authority.

The information and opinions contained herein are based upon sources believed by IMS Capital to be reliable, but which may not have been independently verified and no guarantees, representations or warranties are made as to its accuracy, completeness or suitability for any purpose. Any opinion or estimate expressed in this publication is IMS Capital's current opinion as of the date of this publication and is subject to change without notice. Any references to the impact of taxation are made in the context of current legislation and may not be valid should levels and /or bases of taxation change. This document is not intended as an offer or solicitation for the purchase or sale of any investment or any other action. No personal recommendation is being made to you; the securities referred to may not be suitable for you and this material should not be relied upon in substitution for the exercise of independent judgment or seeking independent advice. IMS Capital will not be liable for any direct or indirect damages, including lost profits, arising in any way from the information contained in this material. This material is for the use of intended recipients only and is not directed at you if IMS Capital is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. This document is being supplied to you solely for your information and may not be re-produced, re-distributed or passed to any other person or published in whole or in part for any purpose. The material in this document is not intended for distribution or use outside of the United Kingdom.

Key Investor Information Disclosure Documents (KIIDs) or Key Information Documents (KIDs) for the underlying funds can be found on our website: [www.imscapital.co.uk/kiid](http://www.imscapital.co.uk/kiid).

**Key facts**

Ongoing charge figure	1.25%
ISA qualification	Yes
Twelve month historical yield	2.40%
Volatility*	5.78 (Benchmark 5.01)
Sharpe ratio**	0.23 (Benchmark 0.04)

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

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

For the purposes of comparison the ongoing charge figure shown above represents the highest potential fund charge and therefore the actual cost will depend on the provider selected. It does not include adviser or platform fees.

Full details of all charges will be outlined in your product provider illustration. For further information please contact your financial adviser.

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)