

July 2018

Portfolio manager's commentary

Concerns about the impact of Donald Trump's trade restrictions led to a challenging quarter, but strong returns from the US and Europe saw the portfolio grow by almost 6% over the period, well ahead of its benchmark.

At an asset allocation level we have reduced our allocation to Europe and to emerging markets as they are at risk from political and currency pressures. We have also decided to introduce a holding in targeted absolute return. This asset class aims to produce an absolute return, independent of market conditions which could help provide a degree of insulation from future market shocks.

From a fund perspective, we have replaced Man GLG Japan Core Alpha in favour of Baillie Gifford Japanese. We have become increasingly concerned about the original holding in terms of its ability to produce returns in the current market cycle. The new fund should allow us to better drive gains from a region full of good potential.

Indicative risk rating



Portfolio mandate

| Indicative risk rating | Asset classes | Asset allocation | | | | Benchmark |
|------------------------|---------------|------------------|----------------|----------|-------|-------------------------|
| | | Cash | Fixed interest | Equities | Other | |
| 7-8 | Minimum | 0 | 0 | 60 | 0 | Flexible Managed Retail |
| | Maximum | 10 | 30 | 100 | 30 | |
| | Normal alloc. | 0 | 15 | 80 | 5 | |

5 year fund performance versus benchmark



A - ***IMS Growth (July 2010) 01/04/2018 TR in GB [59.68%]
 B - UT Flexible Investment Retail TR in GB [43.88%]

28/06/2013 - 29/06/2018 Data from FE 2018



James Kempster
Portfolio Manager

Portfolio objective

To provide a long-term capital return in excess of the Flexible Managed Sector.

Investment approach

The objective is achieved by using a diverse investment approach across a variety of geographical regions and industrial sectors exchanging a higher level of risk with the potential for a greater rate of return. The performance of all funds in the portfolio is constantly monitored and formally reviewed on a quarterly basis by an investment committee.

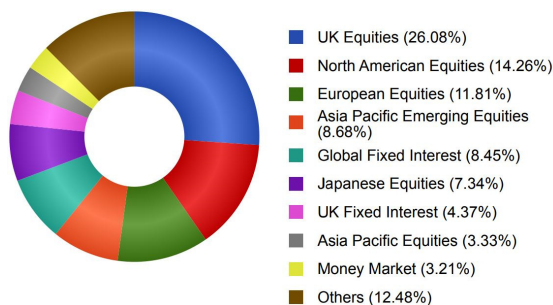
Holdings

| | |
|---|-----|
| European Equities | 8% |
| Jupiter - European | |
| Threadneedle - European Smaller Companies | |
| Asia ex Japan/emerging markets/China | 16% |
| Aberdeen - Latin American | |
| Fidelity - Emerging Markets | |
| Invesco Perpetual - Asian | |
| Invesco Perpetual - Hong Kong & China | |
| Global Fixed Interest | 9% |
| M&G - Global Macro Bond | |
| M&G - Emerging Markets Bond | |
| L&G - Global Inflation Linked Bond | |
| Global Growth | 13% |
| Fundsmith - Equity | |
| Invesco Perpetual - Global Equity Income | |
| Targeted Absolute Return | 4% |
| Jupiter - Absolute Return | |
| Japan | 7% |
| Baillie Gifford - Japanese | |
| UK Equities | 24% |
| AXA - UK Smaller Companies | |
| Liontrust - Special Situations | |
| Rathbone - Income | |
| Old Mutual - UK Mid Cap | |
| Threadneedle - UK Equity Income | |
| UK Fixed Interest | 8% |
| Artemis - High Income | |
| Fidelity - Extra Income | |
| US Equities | 8% |
| Old Mutual - North American Equity | |
| JPM - US Smaller Companies | |
| Property | 3% |
| Threadneedle - UK Property | |

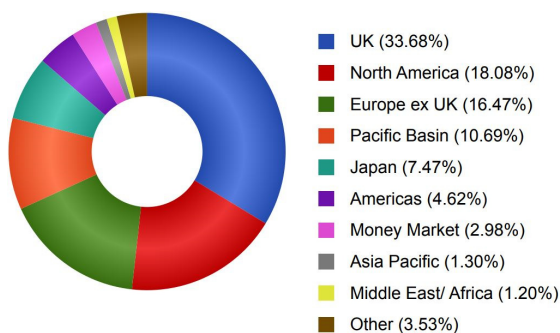
IMS Growth Portfolio

July 2018

Asset allocation



Regional breakdown



Important notes

All data are to 30.06.2018. 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 (FCA number 419331), Active Financial Partners Ltd (FCA number 301860), and Merchants Wealth Management (624602) 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.

Key facts

| | |
|-------------------------------|-----------------------|
| Ongoing charge figure | 1.46% |
| ISA qualification | Yes |
| Twelve month historical yield | 1.94% |
| Volatility* | 8.33 (Benchmark 7.12) |
| Sharpe ratio** | 0.96 (Benchmark 0.60) |

*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.

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

IMS Capital is a trading style of Compass Wealth Management Consultants Ltd (FCA number 419331), Active Financial Partners Ltd (FCA number 301860), and Merchants Wealth Management (624602) which are authorised and regulated by the Financial Conduct Authority.

5 Lancer House
Hussar Court, Westside View
Waterlooville, Hampshire
PO7 7SE

Tel: +44 2381 112003

Fax: +44 2392 263432

Email: info@imscapital.co.uk