

Portfolio Manager



James Kempster
Manager since July 2010

Portfolio objective

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

Portfolio manager's commentary

The portfolio rose by 1.65% over the quarter as negotiations between the US and China dominated markets yet again. After a lacklustre start, markets embraced the idea that the two nations were coming closer to reaching an agreement. In the UK, the Conservative Party won the December general election, all but confirming the UK's exit from the EU. This provided a degree of certainty but the resulting jump in sterling acted as an anchor on domestic stocks as it reduced the value of the profits which they earn from overseas.

This quarter we made one change to the portfolio by removing our holding in Jupiter Absolute Return. The fund is held as a defence against market turbulence and our research indicated that the fund provided insufficient defensive characteristics and as such it was replaced with Aviva Investors Multi-Strategy Total Return. Full details are outlined on the Fund Changes summary which is available on our website.

Indicative risk rating



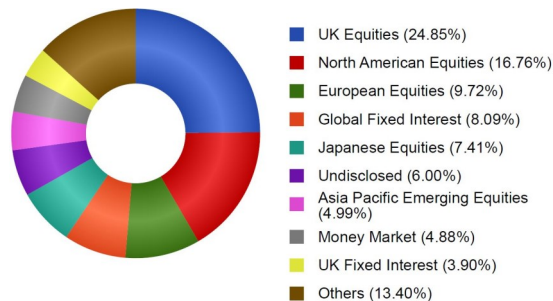
5 year fund performance versus benchmark



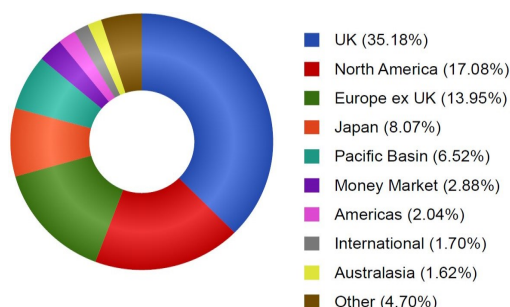
Top 10 Holdings

Fundsmith - Equity	8%
Liontrust - Special Situations	8%
Baillie Gifford - Japanese	7%
Rathbone - Income	7%
Schroder - Recovery	7%
Fidelity - Extra Income	6%
Aviva Inv - Multi-Strategy Target Return	6%
Jupiter - European	6%
Fidelity - Emerging Markets	5%
HSBC - American Index	5%

Asset allocation



Regional breakdown



Important notes

All data are to 31.12.2019. 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 may 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 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	1.25%
ISA qualification	Yes
Twelve month historical yield	2.11%
Volatility*	7.56 (Benchmark 6.80)
Sharpe ratio**	0.54 (Benchmark 0.37)

*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.

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