

Portfolio Manager



James Kempster
Manager since September 2019

Portfolio objective

To provide a higher level of income than our benchmark and a long-term capital return to protect the real value of the capital.

Investment approach

The objective is achieved by using an investment approach balanced between fixed interest securities and UK and international equity, allowing the portfolio to benefit from higher levels of income and also the potential for protection from inflation. 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

The third quarter of 2019 was somewhat challenging for markets which had to react not just to a number of interest rate cuts but also the ongoing negotiations in the trade dispute between the United States and China.

We saw rate cuts by the Federal Reserve in the United States (with only their second reduction since the global financial crisis) and also the European Central Bank. This caused a slight reduction in the underlying yield of the portfolio but correspondingly it benefitted total returns as prices rose in response.

The trade war continues to cause spikes of volatility in world markets and it is likely that we will see this pattern continue into the final quarter of the year. We have elected to reduce the weighting to global inflation linked bonds in favour of the broader Global Bonds sector. Full details are available on the Fund Changes summary.

Indicative risk rating



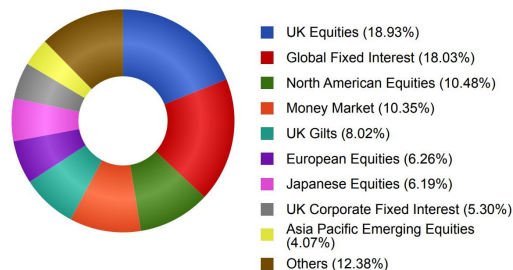
5 year fund performance versus benchmark



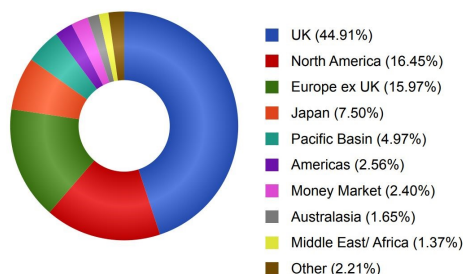
Top 10 Holdings

L&G - All Stocks Gilt Index	8%
Royal London - Short Duration Credit	7%
Schroder - Income Maximiser	7%
Royal London - Corporate Bond	7%
Marlborough - Global Bonds	7%
JPM - Japan (Hedged)	6%
HSBC - European Index	6%
HSBC - FTSE 100 Index	5%
ASI - Global Emerging Market Equity Income	5%
Vanguard - FTSE UK Equity Income Index	5%

Asset allocation



Regional breakdown



Important notes

All data are to 30.09.2019. 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	1.00%
ISA qualification	Yes
Twelve month historical yield	3.28%
Volatility*	6.39 (Benchmark 6.72)
Sharpe ratio**	0.15 (Benchmark 0.08)

*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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