

31 August 2019

**Capital at Risk.** The value of investments and the income from them can fall as well as rise and you may not receive back the original amount invested. Please read the important information overleaf.



## Portfolio objective

The portfolio objective has a focus on delivering capital growth in real terms, whilst still producing some income. The portfolio invests actively across all major asset classes and may have between 65% and 85% invested in funds providing exposure to UK and International equities, with the remainder diversified across defensive asset classes. The portfolio is likely to be relevant for investors for whom ongoing investment income is less important and who are willing to accept a medium degree of investment risk.

The portfolio's holdings and asset allocations will be subject to change over time as the managers look to reflect Smith & Williamson's evolving views regarding the relative attractiveness of the various asset classes.

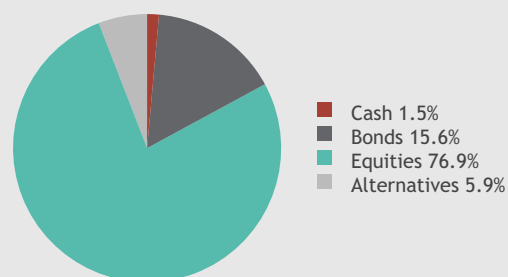
## Risk range

The manager will focus on actively managing the portfolio with the aim of keeping overall risk levels close to that of the S&W Balanced Growth benchmark. The mix of asset classes in the benchmark shown overleaf is reviewed annually to ensure they remain appropriate to the objective. Any changes to the mix of assets in the benchmark will be driven by the intention to keep the expected risk and return characteristics in line with the objective and consistent over time. As a result, the allocation between defensive and growth investments within the portfolio will vary over the medium to long term.

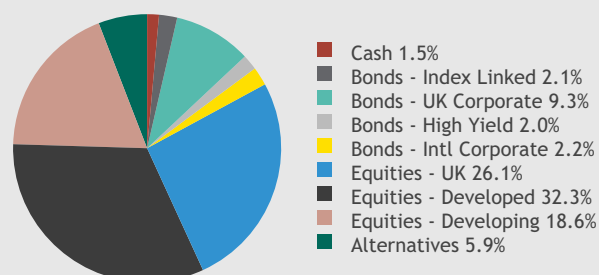
The portfolio is aligned with Distribution Technology's risk profiles and has been independently given a risk score of 6.

The portfolio's performance is shown below after the effects of all charges made by the underlying holdings (an estimate of which is shown overleaf) but before accounting for S&W's investment management charge, and any platform fees and adviser charges. The effect of these additional fees and charges would be to reduce the returns shown.

## Asset breakdown



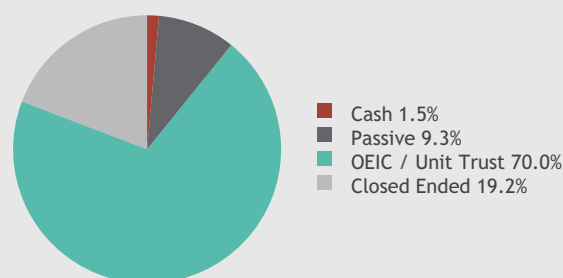
## Geographic & asset breakdown



## Performance <sup>1</sup>



## Product mix



Figures may not add to 100% due to rounding.

	Cumulative (%)						Rolling 12m (%)				
	YTD	6m	1yr	3yr	5yr	Since launch <sup>6</sup>	2015	2016	2017	2018	2019
Portfolio	13.01	7.61	3.16	29.81	54.46	100.07	5.71	12.56	17.30	7.27	3.16
Benchmark <sup>2</sup>	12.41	7.74	5.25	24.83	47.49	84.21	-0.97	19.30	14.21	3.85	5.25
IA 40-85% shares <sup>3</sup>	12.26	7.12	2.96	19.70	37.38	66.94	1.57	12.99	10.86	4.86	2.96

Past performance is not a guide to future performance.



	Portfolio %	Benchmark % <sup>2</sup>
<b>Cash</b>	<b>1.48</b>	<b>4.00</b>
Cash	1.48	
<b>Bonds - Index Linked</b>	<b>2.09</b>	<b>0.00</b>
ASI Global Inflation-Linked Bond Fund	2.09	
<b>Bonds - UK Corporate</b>	<b>9.32</b>	<b>12.00</b>
BlackRock Corporate Bond	3.65	
AXA US Short Duration High Yield (Hedged)	3.14	
Liontrust Monthly Income	2.54	
<b>Bonds - High Yield</b>	<b>2.01</b>	<b>3.00</b>
Sequoia Economic Infrastructure Income	2.01	
<b>Bonds - Intl Corporate</b>	<b>2.23</b>	<b>3.00</b>
M&G Emerging Markets Bond	2.23	
<b>Equities - UK</b>	<b>26.05</b>	<b>26.00</b>
Investec UK Alpha	5.03	
Troy Income & Growth Trust	4.70	
Man GLG Undervalued Assets	4.35	
Miton UK Multi-Cap Income	4.10	
RWC Enhanced Income	3.16	
Artemis UK Select	3.06	
BlackRock Smaller Companies	1.65	
<b>Equities - Developed</b>	<b>32.31</b>	<b>30.00</b>
Vanguard US Equity Index	9.31	
Artemis US Extended Alpha	7.08	
JPM US Equity Income	2.65	
JPM Japan	3.83	
Man GLG Japan Core Alpha	2.43	
Baillie Gifford Japan Trust	1.38	
Janus Henderson European Focus	2.94	
BlackRock European Dynamic	2.69	
<b>Equities - Developing</b>	<b>18.58</b>	<b>17.00</b>
Hermes Global Emerging Markets	3.29	
BlackRock Emerging Markets Equity Strategies	3.25	
Goldman Sachs India Equity	1.29	
Pictet Russian Equities	1.17	
Schroder Asian Total Return Inv. Co.	3.55	
Fidelity Asia	3.32	
Schroder Asian Alpha Plus	2.70	
<b>Alternatives</b>	<b>5.93</b>	<b>5.00</b>
Picton Property Income	3.01	
BH Macro	2.93	

Portfolio volatility - standard deviation (ann), 5 years	7.4%
Benchmark volatility - standard deviation (ann), 5 years	7.8%
Portfolio volatility - standard deviation (ann), since launch <sup>6</sup>	7.5%
Benchmark volatility - standard deviation (ann), since launch <sup>6</sup>	7.7%
Estimated yield (as at 30.06.19) <sup>4</sup>	2.08%
Estimated underlying holdings charges (as at 30.06.19) <sup>5</sup>	0.78%
Smith & Williamson charge <sup>4</sup>	0.3% + VAT

#### Important notes:

<sup>1</sup> Smith & Williamson Investment Management / FactSet as at 31.08.19 (unaudited). Periods over one year are annualised.

<sup>2</sup> The S&W Balanced Growth benchmark for which the performance is shown overleaf is a composite of specified proportions of different indices for each asset class, these indices being the relevant BofAML index for each type of bond (sovereign, index-linked, high yield, and UK and international corporate bonds), the relevant MSCI index for each type of equity (UK, US, European, Asian and emerging markets equities), the IPD UK Commercial Property Index for all alternative investments, and 3m Libor for cash. The current proportions of each index within the composite are set out in the table on the left. <sup>3</sup> IA (Investment Association) Mixed Investment 40-85% Shares. <sup>4</sup> The estimated yield is shown net of the charges borne by the underlying holdings within the portfolio, but before taking account of the Smith & Williamson Investment Management charge of 0.3% plus VAT or any platform charges, custody charges or adviser charges. The effect of these additional charges would be to reduce the total return of the portfolio. <sup>5</sup> Underlying holdings charges are estimated using platform information where possible, and represent the weighted average of historic costs charged within the underlying collective investment scheme.

<sup>6</sup> Launch date 30.09.12.

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- The value of investments and the income from them can fall as well as rise and you may not receive back the original amount invested.
- Past performance is not a guide to future performance.
- There can be no assurance that any portfolio will achieve its investment objective, the target return or any volatility target. Any target return or volatility target shown is neither guaranteed nor binding on the Manager.
- When investments are made in overseas securities, movements in exchange rates may have an effect on the value of that investment. The effect may be favourable or unfavourable.
- Investing in alternative assets may involve higher risks than traditional investments. They may also be highly leveraged and engage in speculative investment techniques, which can magnify the potential for investment loss or gain.
- Investments in emerging markets may involve a higher element of risk due to political and economic instability and underdeveloped markets and systems.
- Please note that bond funds may not behave like direct investments in the underlying bonds themselves. By investing in bond funds the certainty of a fixed income for a fixed period with a fixed return of capital are lost.
- This profile is tailored to the output of a Distribution Technology risk profiling process which is complex and not for use without assistance from a financial adviser. Performance outcomes will depend on the rebalancing and timing of entry and exit to the strategy on the platform.
- Defaqto is an independent financial research and software company specialising in rating, comparing and analysing financial products and funds.
- RSMR is an independent financial services research company specialising in the analysis and rating of investment funds and services.

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Source: FactSet