

IMS Growth Portfolio

October 2018

Portfolio manager's commentary

Rising oil prices, trade tensions between the US and China and a strengthening dollar all weighed on markets over the quarter. However strong performance from American and European equities helped the portfolio grow by almost 2% over the period, well ahead of its benchmark.

In light of the challenges faced by emerging markets in the current climate we have elected to pare back our holdings in this sector. This allocation has been redirected to UK equities which, despite ongoing concerns about the effect of the Brexit negotiations, do offer a degree of value relative to other markets.

At a fund level we have removed Threadneedle UK Equity Income, in part because it was highlighted as a potential concern by our systems but also because it had ceased to offer a diversification benefit. We have added Schroder Recovery which should help in this respect. We have also introduced Axa Health which provides an alternative approach to investing in a key part of the US market.

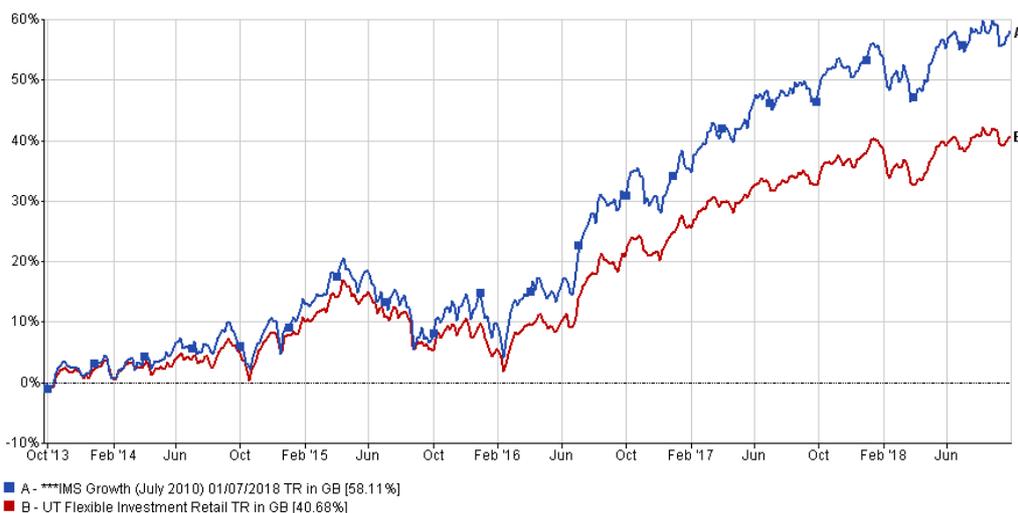
Indicative risk rating



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



27/09/2013 - 28/09/2018 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.

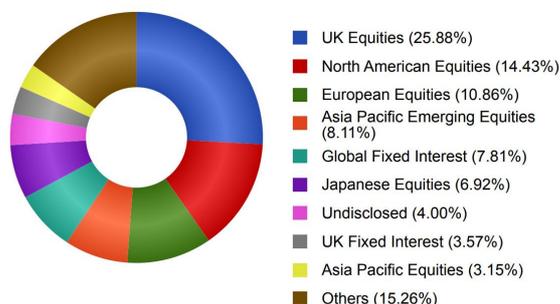
Holdings

European Equities	8%
Jupiter - European	
Threadneedle - European Smaller Companies	
Asia ex Japan/emerging markets/China	11%
Fidelity - Emerging Markets	
Invesco - Asian	
Invesco - 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 - Global Equity Income	
Targeted Absolute Return	4%
Jupiter - Absolute Return	
Japan	7%
Baillie Gifford - Japanese	
UK Equities	26%
AXA - UK Smaller Companies	
Liontrust - Special Situations	
Rathbone - Income	
Merion - UK Mid Cap	
Threadneedle - UK Equity Income	
UK Fixed Interest	8%
Artemis - High Income	
Fidelity - Extra Income	
US Equities	7%
Merion - North American Equity	
JPM - US Smaller Companies	
Property	3%
Threadneedle - UK Property	
Specialist	4%
Aberdeen - Latin American	
Axa Framlington - Health	

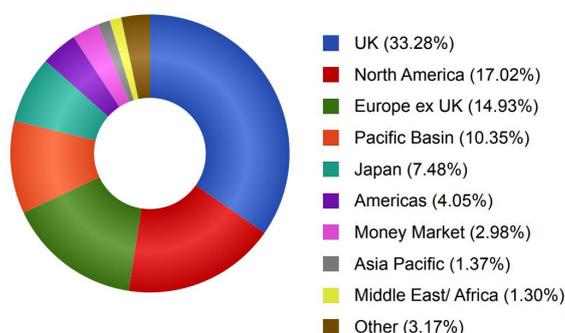
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Asset allocation



Regional breakdown



Important notes

All data are to 30.09.2018. 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.

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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	1.42%
ISA qualification	Yes
Twelve month historical yield	1.83%
Volatility*	7.56 (Benchmark 6.37)
Sharpe ratio**	1.39 (Benchmark 1.09)

*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.

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