

PORTFOLIO OBJECTIVE

Aims to maximise income and capital growth by focusing on the stock market.

An adventurous portfolio designed to generate a rising dividend income, alongside capital growth. The focus is on UK shares, but it also includes some investments overseas.

Gross yield, variable, and not a reliable indicator of future performance % investors could be subject to tax on their distributions 4.91

Portfolio Holdings (Target %)

HL Multi-Manager Income & Growth	80
HL Multi-Manager Special Situations	20

Portfolio's top ten underlying holdings (%)

Artemis – Adrian Frost	14.6
JOHCM – Clive Beagles	12.3
Jupiter – Ben Whitmore	11.5
Columbia Threadneedle – Richard Colwell	9.4
Marlborough Multi Cap Income	8.3
Troy – Francis Brooke	7.9
Aviva – Chris Murphy	6.9
Jupiter Asian Income	5.0
Findlay Park American	3.6
LF Equity Income	2.0

THE INVESTMENT MANAGERS



LEE GARDHOUSE
Chief Investment Officer



ROGER CLARK
Fund Manager



ELLEN POWLEY
Fund Manager

Investment research is a core part of our business. We believe exceptional fund managers are few and far between, but can be identified using a combination of rigorous statistical analysis and face-to-face meetings.

HOW DO WE SELECT INVESTMENTS?

Our proprietary, in-house quantitative model looks at over 2,000 funds and allows us to see more than just past performance. It enables us to drill down and decipher why a fund is at the top (or bottom) of performance tables. A key way to judge a manager is to find out if they consistently add value with their stock selection. In other words, do they do better than we would expect when considering their investment style? That is one of the key things we look for when we evaluate managers.

MORE THAN JUST NUMERICAL ANALYSIS

In addition to number crunching, we have unrivalled access to fund managers and conduct hundreds of face-to-face meetings each year. These meetings explore the manager's philosophy, process, team and incentivisation, among other things. We do all this because we want our clients to have exposure only to the limited pool of exceptional talent available. Each fund goes through a rigorous selection process. We constantly monitor funds and regularly review sectors to ensure you're invested only in what we believe are the very best funds.

PORTFOLIO UPDATE – The coronavirus pandemic has affected many companies' ability to pay dividends. The Multi-Manager team has spoken to the managers of the funds they invest in about expectations for income for the rest of the year. As a result, they previously reported the decision to reduce the dividends paid from a number of the Multi-Manager funds, and this reduced the level of income from this portfolio. They have since been able to increase the HL Multi-Manager Income & Growth fund's monthly dividend, and this will take effect from the payment due on 31 August 2020.

Performance since launch



* Bank of England base rate net of basic rate tax until 5th April 2016, gross thereafter.

Year on year performance (%)

	Jul 15 – Jul 16	Jul 16 – Jul 17	Jul 17 – Jul 18	Jul 18 – Jul 19	Jul 19 – Jul 20	Since inception (03/06/15)
Portfolio for Adventurous Income	2.5	14.7	5.4	-3.0	-17.9	-3.4
Benchmark	4.3	14.2	7.2	0.3	-13.7	7.2

Past performance is not an indication of future returns.

ABOUT THE BENCHMARK

The Investment Association (IA) is the UK fund industry's body. This portfolio uses a benchmark made up of two IA sectors to reflect the benchmark of the underlying Multi-Manager funds. The benchmark comprises 80% IA UK Equity Income sector and 20% IA Global sector.

Past performance is not a guide to future returns.

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Asset Allocation (%)



Please note figures may not add up to 100% due to rounding.

Geographical equity allocation (%)



MARKET REVIEW AND OUTLOOK

Some of the world's major stock markets have made a recovery since the coronavirus took hold earlier this year. Global governments and central banks have stepped in with extensive fiscal packages to support domestic demand and economic activity, which improved investor confidence.

The UK's stock markets delivered a respectable return over the three months to 31 July 2020, though they didn't grow as much as many other global markets. The broader UK market, the FTSE All Share, grew 1.3%, though performance varied depending on the size of the company. Smaller companies performed best with a return of 4.3%, compared with 1.9% for medium-sized companies. Larger companies of the FTSE 100 made 0.6%.

We increased exposure to managers that typically take a more conservative investment approach, including Chris Murphy at Aviva and Francis Brooke at Troy. Investments with managers that use a slightly more adventurous approach, including Clive Beagles and James Lowen at JOHCM and Ben Whitmore at Jupiter, were reduced.

We also added an investment in First State Japan Focus, and reduced exposure to Man GLG Japan CoreAlpha. We believe both funds dovetail well – while First State has a growth bias and preference for medium-sized Japanese companies, Man GLG focuses on larger companies and has a distinct value bias.

The portfolio has a 1.91% holding in LF Equity Income, which remains suspended and is in the process of being wound up. Its investments are being sold and cash is being returned to investors in a series of payments. We have so far received two payments, which have been reinvested in the portfolio.

Underlying holdings in focus



FIRST STATE JAPAN FOCUS

Sophia Li is lead manager of this fund, and she also has support of the experienced First State team, including co-manager Martin Lau. The team looks for high-quality Japanese companies they can invest in for the long term. They like those with a competitive advantage that others struggle to copy, such as a well-known brand. They should have the potential to grow earnings sustainably over the long run, and be run by reputable management teams that don't take unnecessary risks in the pursuit of short-term gains.



TROY – FRANCIS BROOKE

Francis Brooke invests with a more conservative mind-set than many of his peers that run UK equity income portfolios. He targets stable and more established businesses that may pay more reliable dividends. Capital preservation is key to his process, and the manager aims to limit volatility and losses in a falling market, though this means there could be less growth in a stock market rally. Brooke is a part-owner of the Troy business, and we think this shows he is aligned with investors' interests.



MAN GLG JAPAN COREALPHA

Stephen Harker and his team use a contrarian investment approach, often referred to as 'value investing'. They look for large Japanese companies going through a temporary setback. Then they wait patiently for them to recover, with the hope their share prices will rise as they do. They'll often take a little profit if the share price rises, or invest a little more if it falls. When they feel the recovery's complete, or a better opportunity emerges, they'll sell and move on to the next investment.

IMPORTANT INFORMATION

Factsheet correct as at 31/07/20. All investments and any income from them can fall and rise in value so you may get back less than you invest. Neither income nor capital are guaranteed, unlike a bank or building society account. Investing is not recommended for less than 5 years. This portfolio may invest in funds with exposure to overseas markets, including emerging markets, and smaller

companies. The funds may also be able to use derivatives, and invest in a concentrated number of investments. Each of these factors adds risk. For more details please see the key investor information of the HL Multi-Manager Special Situations and Income & Growth funds. This portfolio has an ongoing charge of 1.30% plus our platform charge of up to 0.45% per annum. Source for all figures: Lipper IM/Hargreaves Lansdown,

NAV-to-NAV pricing, net income reinvested. This factsheet is not a promotion of any funds profiled nor is it personal advice. For more information on these funds please see their key investor information on our website. The HL Multi-Manager funds are managed by our sister company Hargreaves Lansdown Fund Managers.

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