

PORTFOLIO OBJECTIVE

Holds a broad spread of investments, aiming for income and capital growth.

A multi-asset portfolio holding a mixture of shares and bonds. It should be less volatile than more adventurous options.

Gross yield, variable, and not a reliable indicator of future performance % investors could be subject to tax on their distributions **2.49**

Portfolio holdings (target %)

HL Multi-Manager Income & Growth	55
HL Multi-Manager Equity & Bond	27.5
HL Multi-Manager Strategic Bond	17.5

Portfolio's top ten underlying holdings (%)

Artemis UK Equity Income Mandate (HL IG)	9.6
JOHCM UK Equity Income Mandate (HL IG)	8.4
Jupiter UK Equity Income Mandate (HL IG)	8.2
Troy UK Equity Income Mandate (HL IG)	7.4
Columbia Threadneedle UK Equity Income Mandate (HL IG)	7.4
Aviva UK Equity Income Mandate (HL IG)	6.9
Marlborough Multi Cap Income	6.6
Jupiter Asian Income	4.6
Invesco Tactical Bond	3.7
Jupiter Strategic Bond	3.6

THE INVESTMENT MANAGERS



LEE GARDHOUSE
Chief Investment Officer



RICHARD TROUE
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



DAVID SMITH
Fund Manager



ELLEN POWLEY
Fund Manager

style? That is one of the key things we look for when we evaluate managers.

MORE THAN JUST NUMERICAL ANALYSIS

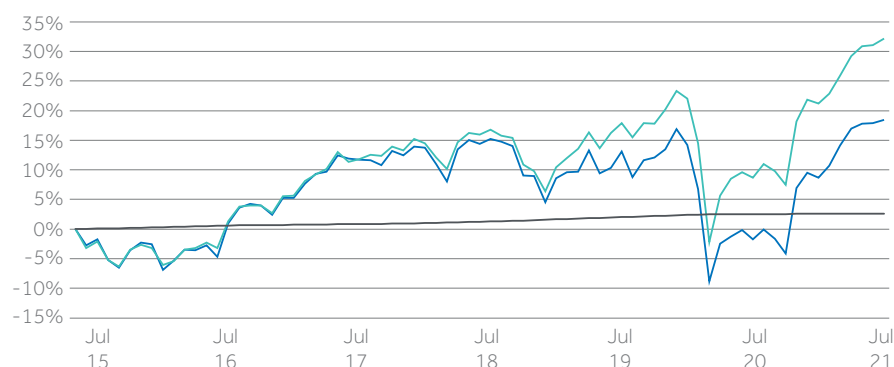
In addition to number crunching, we have unrivalled access to fund managers and conduct hundreds of face-to-face meetings each year. These meetings explore the manager's philosophy, process, team and incentivisation, among other things. We do all this because we want our clients to have exposure only 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

This portfolio has a holding in LF Equity Income (formerly the LF Woodford Equity Income Fund), in which dealing is currently suspended. This portfolio continues to trade as normal.

Performance since launch

● Portfolio **+18.5%** ● Benchmark **+32.2%** ● Cash* **+2.6%**



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

ABOUT THE BENCHMARK

The Investment Association (IA) is the UK fund industry's body. This portfolio uses a benchmark made up of three IA sectors to reflect the benchmark of the underlying Multi-Manager funds. The benchmark comprises 55% IA UK Equity Income sector, 27.5% IA Mixed Investment 20-60% Shares and 17.5% IA GBP Strategic Bond.

The portfolios have been available since 03 June 2015.

Past performance is not an indication of future returns.

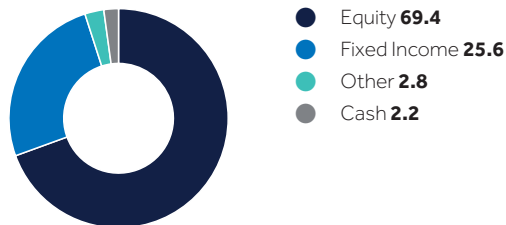
Year on year performance (%)

	Jul 16 – Jul 17	Jul 17 – Jul 18	Jul 18 – Jul 19	Jul 19 – Jul 20	Jul 20 – Jul 21	Since launch 03/06/2015
Portfolio for Balanced Income	10.7	3.2	-1.8	-13.2	20.6	18.5
Benchmark	10.4	4.4	1.0	-7.8	21.6	32.2

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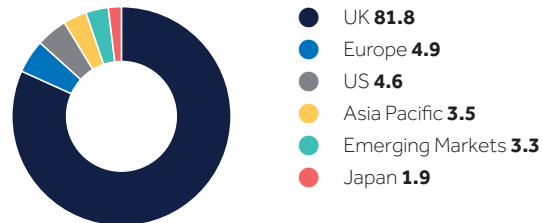
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Asset Allocation (%)



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

Geographical equity allocation (%)



MARKET REVIEW AND OUTLOOK

Global stock markets delivered mixed returns in the three months to the end of July 2021. The US did best, boosted by the strong performance of big tech names like Microsoft, Facebook and Alphabet (formerly Google). UK companies rose 1.8%, with small and medium-sized companies outperforming their larger peers. Asian and emerging markets were the worst performers, falling heavily in response to China's regulatory crackdown on a range of industries.

In bond markets, UK inflation-linked gilts performed best. They proved popular amid concerns that wage inflation and record-high government spending could mean higher inflation is here to stay. UK gilts and UK corporate bonds also made money, as did global bonds, emerging market bonds and high yield bonds.

Top performers included Marlborough Multi Cap Income. Siddarth Chand Lall mainly looks for income opportunities among higher-risk small and medium-sized companies. This differentiates him from other equity income managers, who tend to focus on larger businesses.

Jupiter Asian Income didn't do so well. It was held back by the weaker performance of Asian markets in comparison to UK ones. We still think the fund brings valuable diversification to the portfolio and has the potential to do well over the long term, although there are no guarantees.

INCOME UPDATE

The coronavirus pandemic affected many companies' ability to pay dividends and service their debts. As a result, we took the decision to reduce the dividends and interest paid by a number of HL Multi-Manager funds, and this reduced the level of income from this portfolio. Since then, many of the underlying funds we invest in have started to increase their distributions. As a result, we've been able to increase the income paid by several HL Multi-Manager funds, including HL Multi-Manager Income & Growth, HL Multi-Manager Equity & Bond and HL Multi-Manager Strategic Bond.

Underlying holdings in focus



AVIVA UK EQUITY INCOME MANDATE

Chris Murphy and co-manager James Balfour look for companies that aim to make lots of cash, either to reinvest it to boost growth or to pay dividends. They like companies they believe can grow their cash flow in the long run, as this could support growing dividends. It can also mean a firm's better equipped to handle whatever's thrown at it, providing some stability when stock markets are turbulent. We like this simple investment approach, which Murphy has used throughout his investment career.



PYRFORD GLOBAL TOTAL RETURN

Tony Cousins and his team are conservative investors. They aim not to lose money over any 12-month period. They also aim to deliver an inflation-beating return over the long term with relatively low volatility. To achieve this, they invest in government bonds, shares and cash. When their outlook is positive, they invest more in shares. When they're cautious they invest more in government bonds and cash. We expect them to offer some shelter from swings in the stock market.



M&G GLOBAL MACRO BOND

This fund is run by an experienced manager with great flexibility to invest across global bond markets. A significant proportion of the fund can be invested overseas and it can be heavily exposed to foreign currencies, particularly the US dollar. Jim Leaviss invests with conviction, and proactively adjusts the portfolio in response to changing economic conditions. We think the fund provides important diversification to the UK-focused part of our bond portfolio and offers exposure to currencies other than sterling.

IMPORTANT INFORMATION

Factsheet correct as at 31/07/2021. 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, smaller companies and high yield bonds. 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 Equity & Bond, Strategic Bond and Income & Growth funds. This portfolio has an ongoing charge of 1.27% 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. BI 07.21