

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 % 3.70

Portfolio Holdings (Target %)

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

Portfolio's top ten underlying holdings (%)

Artemis Income	13.7
JO Hambro UK Equity Income	13.2
Jupiter – Ben Whitmore	13.1
LF Woodford Equity Income	11.6
Marlborough Multi Cap Income	8.8
Columbia Threadneedle – Richard Colwell	8.2
Majedie UK Income	6.6
Jupiter Asian Income	3.5
Findlay Park American	2.0
FP CRUX European Special Situations	1.6

THE INVESTMENT MANAGERS



LEE GARDHOUSE
Chief Investment Officer



ELLEN POWLEY
Fund Manager



DAVID SMITH
Fund Manager



ROGER CLARK
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.

Backtested, and since launch, performance



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

The portfolios have been available since 03 June 2015. We have added the performance since launch as indicated by the vertical line. The Multi-Manager funds have been trading since at least 2009 and in most cases much longer, this has enabled us to backtest the performance data to give an indication of the likely performance pre-launch. We have selected a five year performance time frame which includes backtested performance up to the 03 June 2015, and actual performance since the 03 June 2015.

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.

Year on year performance (%)

	Backtested Performance		Actual Performance				Rolling Performance – 5 Years
	Apr 14 – Apr 15	Apr 15 – 3rd June 15	3rd June 15 – Apr 16	Apr 16 – Apr 17	Apr 17 – Apr 18	Apr 18 – Apr 19	
Portfolio for Adventurous Income	13.6	1.7	-4.8	18.1	5.3	-0.4	36.2
Benchmark	9.8	2.2	-4.4	18.6	5.9	2.3	37.7

Asset Allocation (%)



Geographical equity allocation (%)



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

MARKET REVIEW & OUTLOOK

It hasn't been an easy few years for income investors. Companies typically favoured for the higher dividends they pay, such as telecoms and tobacco businesses, haven't done so well. Many investors have favoured areas like technology that don't tend to pay dividends, but are expected to deliver higher rates of growth.

It's been a similar story over the three months to 30 April 2019 and means most UK Equity Income funds haven't performed as well as the broader UK stock market. So the portfolio's focus on these funds recently dragged on performance. Investments with overseas exposure, including Newton Global Income and Jupiter Asian Income, did better though.

There was an exciting development in the portfolio over the period. We appointed Paul Spencer (from Franklin Templeton) to manage part of the portfolio for us. It means the company shares he invests in will be held directly in the portfolio, instead of us investing in his existing funds. It gives him greater flexibility, which we think could improve long-term returns, and reduces costs for investors. As a result we sold investments in Franklin UK Mid Cap and Franklin UK Smaller Companies – funds managed by Paul Spencer and other members of the same UK team.

Underlying holdings in focus



JOHCM UK EQUITY INCOME

Ben Whitmore invests in companies that Clive Beagles and James Lowen focus on small and medium-sized companies, which makes this fund different from many equity income managers. They invest in businesses that aren't doing so well today if they think their prospects will improve in the future. It allows them to buy shares at attractive prices, with room for future growth. In the meantime they collect any dividends these companies pay. We like their disciplined approach, which they've stuck to through good times and bad.



MARLBOROUGH UK MICRO CAP GROWTH

We've invested with Giles Hargreave, a seasoned smaller companies investor, for many years. He manages this fund along with co-manager Guy Feld. They search the entire UK smaller companies landscape to find businesses they think can grow rapidly by dominating their niche or bringing something new and innovative to the market. It's no easy task with hundreds of companies to consider.



NEWTON GLOBAL INCOME

Many income investors focus on UK companies. The UK is a great place to invest for income, but it only makes up around 6% of the global stock market. In this fund Nick Clay aims to find income opportunities overseas. He invests in companies that pay higher dividends than the global average. He thinks companies that pay dividends are more likely to be financially stronger and higher quality than those that don't. At the moment he focuses on developed markets, like the US, UK and Europe.



FRANKLIN – PAUL SPENCER

Medium-sized companies are often seen as the investing 'sweet spot'. They're large enough to avoid some of the risks faced by smaller companies, but small enough to have plenty of room to grow. We think there's also a fund manager sweet spot – a long and successful track record, a clear and simple investment approach and a strong team behind them. Paul Spencer ticks all those boxes. In this portfolio he has the flexibility to invest in some smaller businesses with the potential to grow into medium-sized companies.

IMPORTANT INFORMATION

Factsheet correct as at 30/04/19. All investments and any income from them can fall and rise in value so you may get back less than you invest. You should anticipate holding an investment for at least 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 1.35% 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. AI 05.19