

## PORTFOLIO OBJECTIVE

Aims for income and modest growth with reduced risk, **though it can still fall in value.**

A more conservative income portfolio diversified across a number of different investment areas, such as shares, bonds and total return funds, to reduce risk.

Gross yield, variable, and not a reliable indicator of future performance % 2.97

### Portfolio holdings (target %)

HL Multi-Manager Equity & Bond	40
HL Multi-Manager Strategic Bond	40
HL Multi-Manager Income & Growth	20

### Portfolio's top ten underlying holdings (%)

Invesco Tactical Bond	7.4
LF Woodford Equity Income	6.5
Jupiter Strategic Bond	6.2
Royal London Sterling Extra Yield Bond	6.1
JO Hambro UK Equity Income	6.0
Artemis Income	6.0
Jupiter - Ben Whitmore	5.7
Fidelity MoneyBuilder Income	5.2
M&G Optimal Income	5.1
Marlborough Multi Cap Income	4.5

## 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.

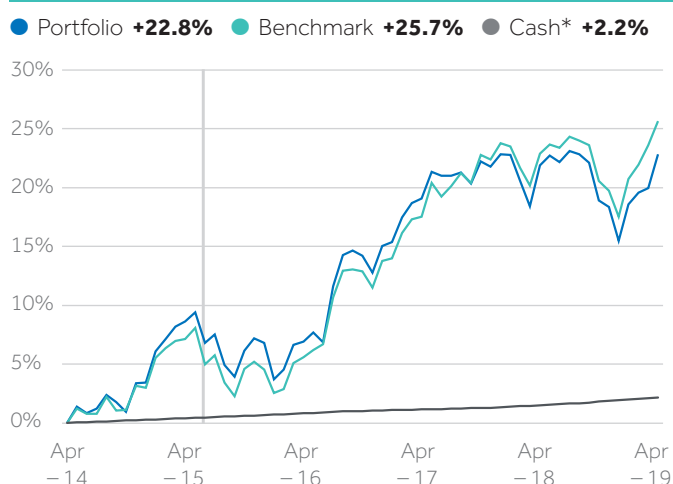
## MORE THAN JUST NUMERICAL ANALYSIS

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.

## PORTFOLIO UPDATE

This portfolio has a holding in Woodford Equity Income, in which dealing is currently suspended. This portfolio continues to trade as normal.

## 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 three IA sectors to reflect the benchmark of the underlying Multi-Manager funds. The benchmark comprises 40% IA Mixed Investment 20-60% Shares, 40% IA GBP Strategic Bond and 20% IA UK Equity Income sector.

**Past performance is not a guide to future returns.**

## Year on year performance (%)

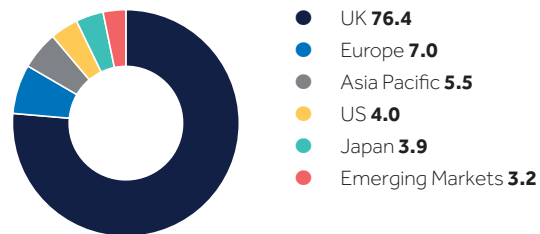
	Backtested Performance		Actual Performance				Rolling Performance - 5 Years
	Apr 14 - Apr 15	Apr 15 - 3rd June 15	3rd June 15 - Apr 16	Apr 16 - Apr 17	Apr 17 - Apr 18	Apr 18 - Apr 19	
Portfolio for Conservative Income	8.6	0.4	-2.0	11.4	2.4	0.8	22.8
Benchmark	7.1	0.3	-1.7	11.3	4.6	2.3	25.7

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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.

Global bond markets performed fairly well over the period. Higher-risk parts of the market, including emerging markets and high yield bonds, did best.

Within the portfolio, funds focused on UK investment-grade corporate bonds, such as Morgan Stanley Sterling Corporate Bond and M&G Strategic Corporate Bond, performed well. Invesco Tactical Bond was weaker, but we used this as a chance to top up this investment. We think it adds some valuable stability to the portfolio, as it's tended to hold up better than others when bond markets go through a tougher time.

Underlying holdings in focus



JOHCM UK EQUITY INCOME

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.



ROYAL LONDON CORPORATE BOND

We think Jonathan Platt is an excellent fund manager. He's got lots of experience investing in bonds and can draw from one of the best bond teams in the industry to help run this fund. We like the team's approach, rigorously analysing bonds many other investors overlook. It's helped drive long-term returns, though it means taking on a bit more risk than some other corporate bond fund managers. We think this slightly more adventurous corporate bond fund's a great choice for income portfolios.



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.



PYRFORD GLOBAL TOTAL RETURN

Tony Cousins is a conservative investor. He aims not to lose money over any 12-month period, whatever the stock market's doing. He also aims to deliver an inflation-beating return over the long term with relatively low volatility. To achieve this he and his team 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.

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 Equity & Bond, Strategic Bond and Income & Growth funds. This portfolio has an ongoing charge of 1.31% 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.