

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 % 3.04

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 Perpetual Tactical Bond	7.6
LF Woodford Equity Income	6.7
Jupiter Strategic Bond	6.4
Royal London Sterling Extra Yield Bond	6.4
JO Hambro UK Equity Income	5.6
Fidelity MoneyBuilder Income	5.4
Artemis Income	5.4
Jupiter – Ben Whitmore	5.3
M&G Optimal Income	5.2
Morgan Stanley Sterling Corporate Bond	4.6

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?

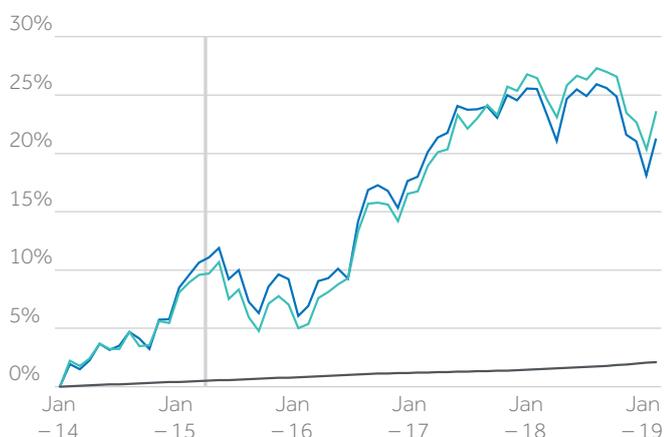
Our proprietary, in-house quantitative model looks at over 2,000 funds and allows us to see more than just past performance. It enables us to drill down and decipher why a fund is at the top (or bottom) of performance tables. A key way to judge a manager is to find out if they consistently add value 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

● Portfolio **+21.3%** ● Benchmark **+23.6%** ● Cash* **+2.1%**



* 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

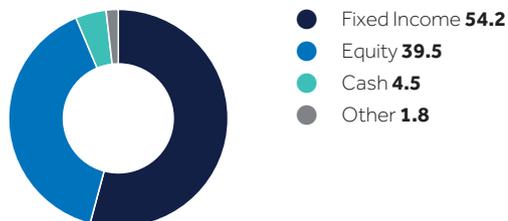
The Investment Association (IA) is the UK fund industry's body. This portfolio uses a benchmark made up of three IA sectors to reflect the benchmark of the underlying Multi-Manager funds. The benchmark comprises 40% IA Mixed Investment 20-60% Shares, 40% IA GBP Strategic Bond and 20% IA UK Equity Income sector.

Past performance is not a guide to future returns.

Year on year performance (%)

	Backtested Performance		Actual Performance				Rolling Performance – 5 Years
	Jan 14 – Jan 15	Jan 15 – 3rd June 15	3rd June 15 – Jan 16	Jan 16 – Jan 17	Jan 17 – Jan 18	Jan 18 – Jan 19	
Portfolio for Conservative Income	8.5	2.8	-4.9	11.3	6.4	-3.4	21.3
Benchmark	8.1	1.8	-4.5	11.2	8.3	-2.2	23.6

Asset Allocation (%)



Geographical equity allocation (%)



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

MARKET REVIEW & OUTLOOK

The three months to 31 January 2019 was a period to forget for lots of investors. UK companies of all sizes lost money as they continued to wrestle with uncertainty caused by Brexit. US, European and Japanese markets also fell. Asia and emerging markets were the only ones to make money. A weaker US dollar helped, partly because it makes any company debts denominated in US dollars easier to repay.

The picture was brighter in bond markets. UK government and corporate bonds rose. Global bonds made money too but their performance was held back by a stronger pound.

The portfolio fell 0.27% over the period. Its benchmark rose 0.13%. Investments in UK equity income funds mostly dragged on returns but there were a number of success stories in the international portfolio, including Jupiter Asian Income.

An investment in Kames Investment Grade Bond was sold following manager Stephen Snowden's departure. The proceeds were used to make new investments in Morgan Stanley Sterling Corporate Bond and Royal London Corporate Bond Trust. They're both run by experienced managers and we think they've got great long-term potential. We also added to a number of other funds across the portfolio including Artemis Strategic Bond and M&G Optimal Income.

Underlying holdings in focus



JUPITER INCOME

Ben Whitmore invests in companies that have been overlooked by other investors, possibly because they've been through a tough patch. But he'll only invest if he thinks the setback is temporary. Once the company recovers, he aims to sell their shares at a higher price and move on to the next opportunity. In the meantime he collects the dividends these companies pay. We like the fact he sticks to his process through thick and thin. It's an approach that's worked well over the long run.



LF WOODFORD EQUITY INCOME

Neil Woodford is one of the UK's longest-standing fund managers and his long-term track record speaks for itself. He combines his views on individual companies with his broader economic outlook to build a portfolio able to provide income and growth over the long term. The manager often takes a different view to other investors – that means he'll invest in out-of-favour companies or sectors at what he believes to be attractive share prices, and sell them once they return to favour and the price has risen.



NEWTON REAL RETURN

We like the flexibility this fund offers. Its managers can invest in a range of assets from across the globe – from shares and bonds to commodities and cash. The team aims to grow investors' wealth over the long term, but provide some shelter when markets hit stormy waters. This means we expect the fund to produce relatively stable returns, although it won't keep pace when markets are rising quickly. We think this fund brings some stability to the wider portfolio.



M&G UK INFLATION LINKED CORPORATE BOND

This fund is managed by an experienced team of bond investors led by Ben Lord and Jim Leaviss. They aim to invest in inflation-linked corporate and government bonds to generate inflation-beating returns over the long term. Rising interest rates can negatively impact bond prices, so they use derivatives to try and reduce the fund's sensitivity to interest rate rises. The fund's invested differently to most bond funds and has the potential to perform well when others perform more poorly.

IMPORTANT INFORMATION

Factsheet correct as at 31/01/19. 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 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, bid-to-bid 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.