

### 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 % investors could be subject to tax on their distributions 2.19

#### 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	7.3
Jupiter Strategic Bond	6.7
Royal London Fixed Income Mandate (HL SB)	5.7
M&G Optimal Income	5.7
M&G Global Macro Bond	4.7
Marlborough Multi Cap Income	4.0
Morgan Stanley Sterling Corporate Bond	3.6
Artemis UK Equity Income Mandate (HL IG)	3.6
Fidelity MoneyBuilder Income	3.6
Jupiter Asian Income	3.5

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

### 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.



**DAVID SMITH**  
Fund Manager



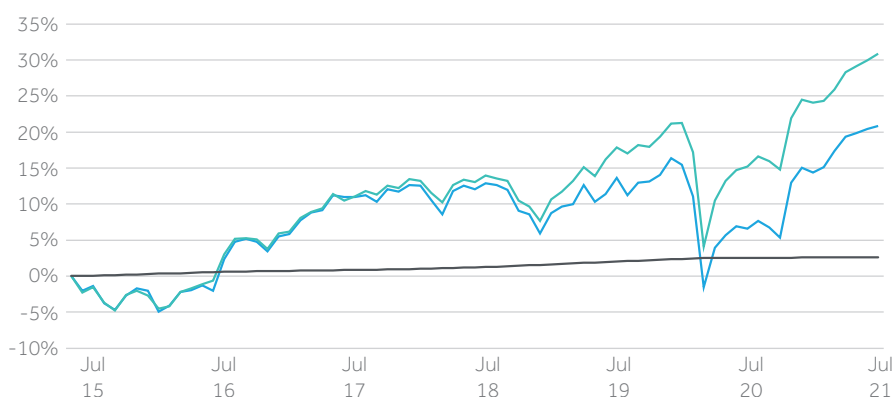
**ELLEN POWLEY**  
Fund Manager

### 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.

### Performance since launch

● Portfolio **+20.9%** ● Benchmark **+30.9%** ● Cash\* **+2.6%**



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

### 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 Conservative Income	8.4	1.7	0.6	-6.2	13.4	20.9
Benchmark	7.8	2.6	3.5	-2.2	13.6	30.9

Past performance is not an indication of future returns.

SEE IMPORTANT INFORMATION >>

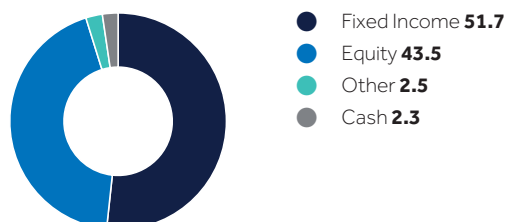
### ABOUT THE BENCHMARK

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.

The portfolios have been available since 03 June 2015.

Past performance is not an indication of future returns.

Asset Allocation (%)



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

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.

Marlborough Multi Cap Income was the portfolio's top performer. Manager Siddarth Chand Lall mainly looks for income opportunities among higher-risk small and medium-sized companies, which differentiates this fund from other equity income funds.

Within the fixed income portfolio, the Royal London Fixed Income mandate, which focuses on higher-risk higher-yielding parts of the market, was one of the strongest performers. Jupiter Strategic Bond was another strong performer. It's a more adventurous bond fund run by Ariel Bezalel, a talented and experienced fund manager.

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 Equity & Bond, HL Multi-Manager Strategic Bond and HL Multi-Manager Income & Growth.

IMPORTANT INFORMATION

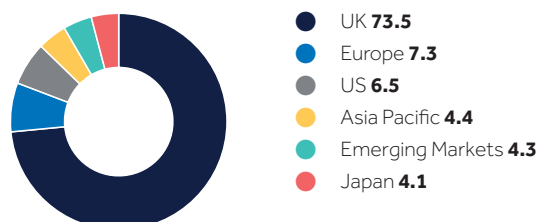
Factsheet correct as at 31/07/2021. All investments and any income from them can fall and rise in value so you may get back less than you invest. Neither income nor capital are guaranteed, unlike a bank or building society account. Investing is not recommended for less than 5 years. This portfolio may invest in funds with exposure to overseas markets, including emerging markets, 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 1.26% 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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Geographical equity allocation (%)



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.



JUPITER STRATEGIC BOND

Ariel Bezalel is willing to use the full flexibility he has in running a Strategic Bond fund. He can invest in all areas of the bond markets and increase and reduce risk when he feels the time is right. The manager tends to take more risks when he's positive in his outlook for the markets. But when the outlook is uncertain, he adopts a more defensive approach and might invest in a way that could offer the fund an element of shelter.