

Balanced Growth HL PORTFOLIO +

August 2020

HARGREAVES
LANSDOWN

PORTFOLIO OBJECTIVE

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

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

Portfolio holdings (target %)

HL Multi-Manager Special Situations	45
HL Multi-Manager Balanced Managed	37.5
HL Multi-Manager Strategic Bond	17.5

Portfolio's top ten underlying holdings (%)

Findlay Park American	10.1
TM CRUX European Special Situations	5.1
First State Asia All-Cap	4.8
Stewart Investors Asia Pacific Leaders	4.6
Man GLG Japan CoreAlpha	4.5
Baring Europe Select	4.4
Majedie UK Equity	3.9
Artemis – Adrian Frost	3.7
Invesco Tactical Bond	3.6
Comgest Growth Emerging Markets	3.4

THE INVESTMENT MANAGERS



LEE GARDHOUSE
Chief Investment Officer



RICHARD TROUE
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 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 **+23.6%** ● Benchmark **+39.2%** ● Cash* **+2.4%**



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

Year on year performance (%)

	Jul 15 – Jul 16	Jul 16 – Jul 17	Jul 17 – Jul 18	Jul 18 – Jul 19	Jul 19 – Jul 20	Since inception (03/06/15)
Portfolio for Balanced Growth	7.3	16.0	5.5	2.1	-5.5	23.6
Benchmark	9.5	13.5	7.2	7.5	-0.2	39.2

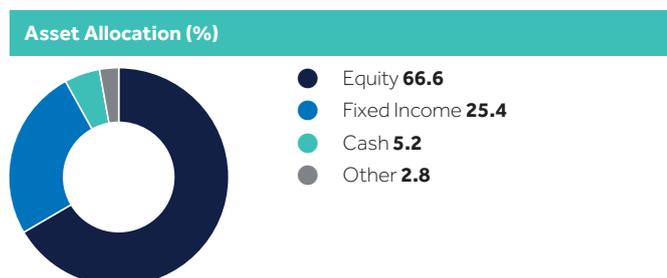
Past performance is not an indication of future returns.

ABOUT THE BENCHMARK

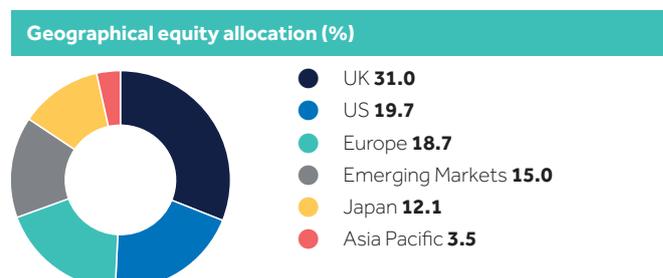
The Investment Association (IA) is the UK fund industry's body. This portfolio uses a benchmark made up of three IA sectors to reflect the benchmark of the underlying Multi-Manager funds. The benchmark comprises 45% IA Global sector, 37.5% IA Mixed Investment 40-85% Shares and 17.5% IA GBP Strategic Bond.

Past performance is not a guide to future returns.

SEE IMPORTANT INFORMATION >>



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



MARKET REVIEW AND OUTLOOK

Some of the world's major stock markets have made a recovery since the coronavirus took hold earlier this year. Global governments and central banks have stepped in with extensive fiscal packages to support domestic demand and economic activity, which improved investor confidence.

Europe was one of the strongest-performing markets over the three months to 31 July 2020, boosted by the strength of the euro against sterling. The UK didn't fare quite so well, as investors remain wary of the number of coronavirus cases, while it also has a bias towards weaker sectors such as financials and oil and gas.

Global bond markets generally performed well. Higher-risk areas, such as emerging markets and high-yield bonds, delivered some of the best returns. UK corporate and index-linked government bonds also made money, although conventional government bonds were pretty much flat.

The main change to the portfolio was the addition of First State Japan Focus. To make room for this, we reduced exposure to Man GLG Japan CoreAlpha. We believe both funds dovetail well – while First State has a growth bias and preference for medium-sized Japanese companies, Man GLG focuses on larger companies and has a distinct value bias.

The portfolio has a 0.53% holding in LF Equity Income, which remains suspended and is in the process of being wound up. Its investments are being sold and cash is being returned to investors in a series of payments. We have so far received two payments, which have been reinvested in the portfolio.

Underlying holdings in focus

First State
Investments

FIRST STATE JAPAN FOCUS

Sophia Li is lead manager of this fund, and she also has support of the experienced First State team, including co-manager Martin Lau. The team looks for high-quality Japanese companies they can invest in for the long term. They like those with a competitive advantage that others struggle to copy, such as a well-known brand. They should have the potential to grow earnings sustainably over the long run, and be run by reputable management teams that don't take unnecessary risks in the pursuit of short-term gains.

M&G
INVESTMENTS

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 a bond portfolio and offers exposure to currencies other than sterling.

Man | GLG

MAN GLG JAPAN COREALPHA

Stephen Harker and his team use a contrarian investment approach, often referred to as 'value investing'. They look for large Japanese companies going through a temporary setback. Then they wait patiently for them to recover, with the hope their share prices will rise as they do. They'll often take a little profit if the share price rises, or invest a little more if it falls. When they feel the recovery's complete, or a better opportunity emerges, they'll sell and move on to the next investment.

IMPORTANT INFORMATION

Factsheet correct as at 31/07/20. 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 Special Situations, Balanced Managed and Strategic Bond funds. This portfolio has an ongoing charge of 1.42% 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.

BG 08.20