

Conservative Growth HL PORTFOLIO +

August 2020

**HARGREAVES
LANSDOWN**

PORTFOLIO OBJECTIVE

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

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

Portfolio holdings (target %)

HL Multi-Manager Balanced Managed	35
HL Multi-Manager Strategic Bond	35
HL Multi-Manager Equity & Bond	30

Portfolio's top ten underlying holdings (%)

Invesco Tactical Bond	7.5
Jupiter Strategic Bond	7.0
M&G Optimal Income	5.7
M&G Global Macro Bond	5.0
Royal London Sterling Extra Yield Bond	4.8
Artemis – Adrian Frost	4.3
Morgan Stanley Sterling Corporate Bond	3.6
Jupiter – Ben Whitmore	3.5
Fidelity MoneyBuilder Income	3.5
TM CRUX European Special Situations	3.3

THE INVESTMENT MANAGERS



DAVID SMITH
Fund Manager



ROGER CLARK
Fund Manager



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.

MORE THAN JUST NUMERICAL ANALYSIS

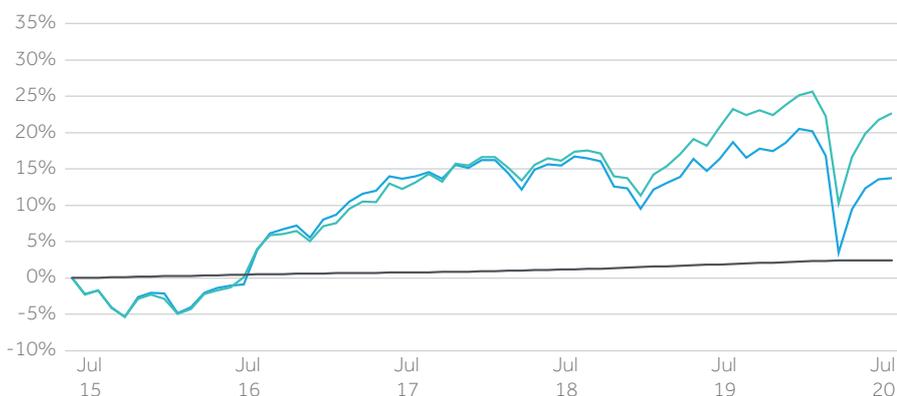
In addition to number crunching, we have unrivalled access to fund managers and conduct hundreds of face-to-face meetings each year. These meetings explore the manager's philosophy, process, team and incentivisation, among other things. We do all this because we want our clients to have exposure only 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.

Backtested, and since launch, performance

● Portfolio **+13.8%** ● Benchmark **+22.7%** ● 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 Conservative Growth	5.7	9.7	2.4	1.7	-4.1	13.8
Benchmark	5.8	8.8	3.7	5.0	-0.5	22.7

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 35% IA Mixed Investment 40-85% Shares, 35% IA GBP Strategic Bond and 30% IA Mixed Investment 20-60% Shares.

Past performance is not a guide to future returns.

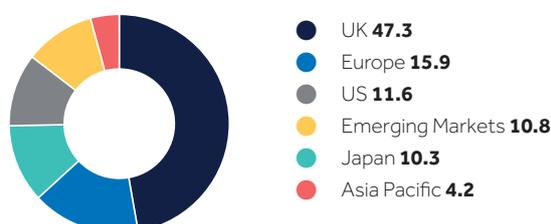
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Asset Allocation (%)



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

Geographical equity allocation (%)



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 0.52% 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 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 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 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 31/07/2020. 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 Balanced Managed, Strategic Bond and Equity & Bond funds. This portfolio has an ongoing charge of 1.34% 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. CG 08.20