

Adventurous Income HL PORTFOLIO +

January 2021

HARGREAVES
LANSDOWN

PORTFOLIO OBJECTIVE

Aims to maximise income and capital growth by focusing on the stock market.

An adventurous portfolio designed to generate a rising dividend income, alongside capital growth. The focus is on UK shares, but it also includes some investments overseas.

Gross yield, variable, and not a reliable indicator of future performance % investors could be subject to tax on their distributions 3.15

Portfolio Holdings (Target %)

HL Multi-Manager Income & Growth	80
HL Multi-Manager Special Situations	20

Portfolio's top ten underlying holdings (%)

Artemis - Adrian Frost	14.5
JOHCM - Clive Beagles	12.0
Jupiter - Ben Whitmore	11.9
Columbia Threadneedle - Richard Colwell	10.0
Troy - Francis Brooke	10.0
Aviva - Chris Murphy	8.9
Marlborough Multi-Cap Income	7.4
Jupiter Asian Income	4.9
Findlay Park American	3.0
FSSA Asia All-Cap	1.5

THE INVESTMENT MANAGERS



LEE GARDHOUSE
Chief Investment Officer



ROGER CLARK
Fund Manager



ELLEN POWLEY
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 fund manager 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

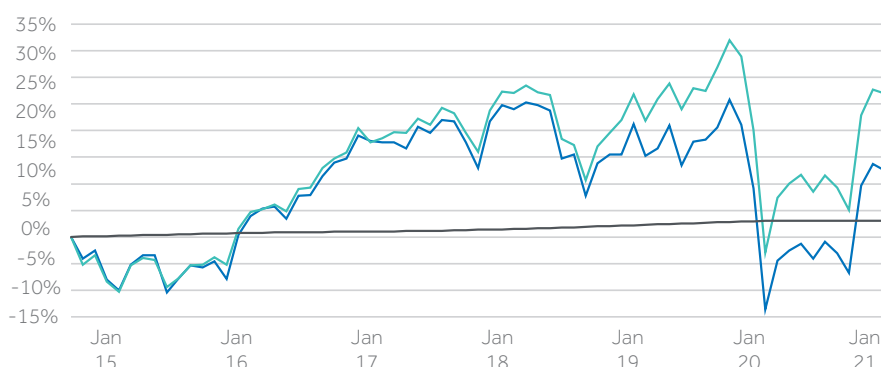
In addition to number crunching, we have unrivalled access to fund managers and conduct hundreds of meetings each year. These meetings explore the manager's philosophy, process, team and incentivisation, among other things. We do all this because we want our clients to have exposure only to the limited 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 the funds our analysis indicates offers the greatest long term performance potential.

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 **+10.5%** ● Benchmark **+22.7%** ● Cash* **+2.6%**



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

Year on year performance (%)

	Jan 16 – Jan 17	Jan 17 – Jan 18	Jan 18 – Jan 19	Jan 19 – Jan 20	Jan 20 – Jan 21	Since launch 03/06/2015
Portfolio for Adventurous Income	16.9	11.0	-5.6	5.4	-6.2	10.5
Benchmark	17.2	10.9	-4.4	12.5	-4.6	22.7

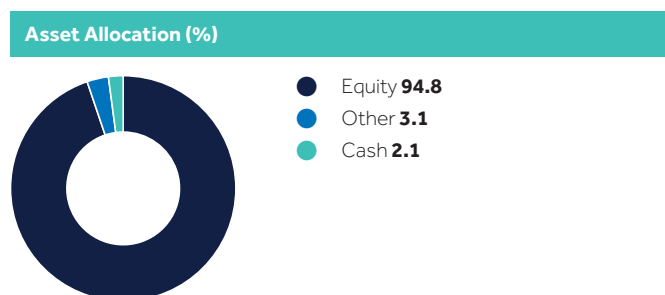
Past performance is not an indication of future returns.

ABOUT THE BENCHMARK

The Investment Association (IA) is the UK fund industry's body. This portfolio uses a benchmark made up of two IA sectors to reflect the benchmark of the underlying Multi-Manager funds. The benchmark comprises 80% IA UK Equity Income sector and 20% IA Global sector.

Past performance is not a guide to future returns.

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

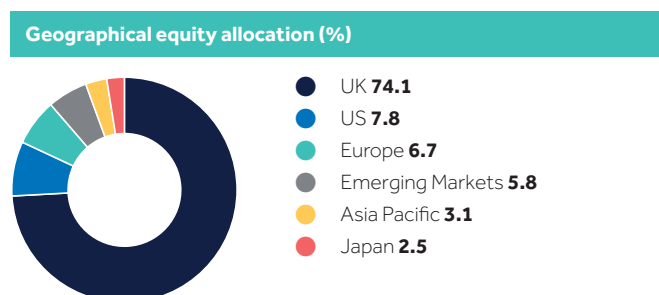
MARKET REVIEW AND OUTLOOK

The successful development of several covid-19 vaccines boosted investor confidence in the three months to 31 January 2021. Most major stock markets rose significantly, with the UK leading the charge after agreeing a trade deal with the European Union. Smaller companies did best, followed by medium-sized and larger ones. Larger businesses, which tend to earn a greater share of their revenues overseas, were held back by sterling strength.

In recent years, growth-focused funds, which invest in companies capable of above-average earnings growth have generally done better than value-focused funds, which aim to invest in companies whose share prices don't reflect their actual worth. However, that trend reversed over the three months to 31 January 2021.

Value-focused investments, such as the segregated mandates run by J O Hambro managers Clive Beagles and James Lowen, and Jupiter manager Ben Whitmore therefore performed well. In contrast, the more growth-focused mandate run by Francis Brooke at Troy was weaker.

We think this demonstrates the cyclical nature of stock markets and highlights the benefits of a diversified portfolio. In line with our investment process, we took profits from the best performers, and topped up weaker ones.



Underlying holdings in focus



TROY – FRANCIS BROOKE

Francis Brooke invests with a more conservative mind-set than many of his peers that run UK equity income portfolios. He targets stable and more established businesses that may pay more reliable dividends. Capital preservation is key to his process, and the manager aims to limit volatility and losses in a falling market, though this means there could be less growth in a stock market rally. Brooke is a part-owner of the Troy business, and we think this shows he is aligned with investors' interests.



JUPITER GLOBAL VALUE EQUITY

Ben Whitmore and Dermot Murphy seek companies that have fallen out of favour and whose shares can be bought at an attractive price. They invest in those they think will turn themselves around, which could see their share prices rise. If this happens, or if their view on a company changes, they'll sell it and invest the proceeds into a new opportunity. Whitmore has managed funds using this process for many years and we think he has the potential to deliver for long-term, patient investors.



JUPITER ASIAN INCOME

Many investors don't look to Asia when investing for income. But that's exactly what this fund does. That makes it different from most other income funds out there. Jason Pidcock tends to focus on developed Asian economies like Australia and Singapore. He looks for companies run by good management teams, which make plenty of cash to support dividends. He's got a long track record of identifying strong companies with the potential to pay a high income.

IMPORTANT INFORMATION

Factsheet correct as at 31/01/21. 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. 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 Special Situations and Income & Growth funds. This portfolio has an ongoing charge of 1.28% 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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