

Balanced Growth HL PORTFOLIO +

January 2021

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	9.9
FSSA Asia All-Cap	5.2
CRUX – Richard Pease	5.2
Man GLG Japan CoreAlpha	5.1
Stewart Investors Asia Pacific Leaders Sustainability	4.8
Barings – Nick Williams	4.5
Artemis – Adrian Frost	4.0
Merian – Luke Kerr	3.6
Comgest Growth Emerging Markets	3.5
Invesco Tactical Bond	3.2

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 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 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



* 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 03/06/15
Portfolio for Balanced Growth	21.2	11.2	-4.4	8.9	4.8	37.5
Benchmark	22.6	10.4	-2.1	13.9	9.3	53.0

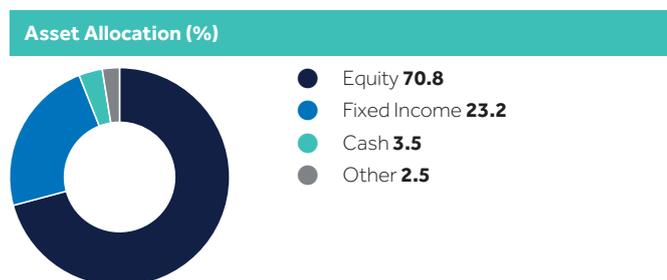
Past performance is not an indication of future returns.

ABOUT THE BENCHMARK

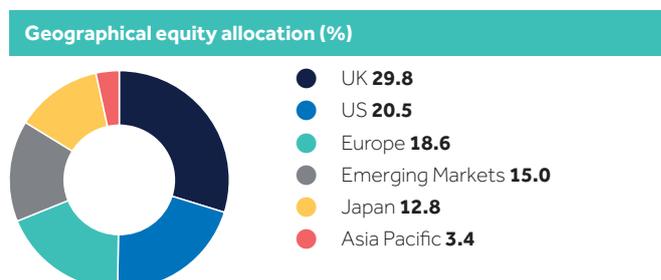
The Investment Association (IA) is the UK fund industry's body. This portfolio uses a benchmark made up of three IA sectors to reflect the benchmark of the underlying Multi-Manager funds. The benchmark comprises 45% IA Global sector, 37.5% IA Mixed Investment 40-85% Shares and 17.5% IA GBP Strategic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

Past performance is not a guide to future returns.

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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. Asia, Europe and the emerging markets did well too. The US stock market was weaker in comparison, but still made money.

Global bond markets were more mixed. Higher-risk areas, such as emerging markets and high-yield bonds, delivered some of the best returns but sterling strength held back performance for UK-based investors. UK corporate bonds did well, but UK gilts and index-linked government bonds lost money.

We recently sold an investment in Odey Allegra International following a period of poor performance. The proceeds were reinvested across three existing funds: Pyrford Global Total Return, BNY Mellon Real Return and Troy Trojan. We also converted our investments in the Merian UK Smaller Companies Focus fund and the LF Majedie UK Equity fund into segregated mandates run by the same experienced and highly regarded teams. Within the mandates, we've allowed the managers freedom to invest in a way we think will deliver the best long-term returns.

Underlying holdings in focus



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.



PYRFORD GLOBAL TOTAL RETURN

Tony Cousins and his team are conservative investors. They aim not to lose money over any 12-month period, whatever the stock market's doing. 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 think the fund can offer some shelter from swings in the stock market.



M&G UK INFLATION-LINKED CORPORATE BOND

This fund offers something different to most mainstream corporate and strategic bond funds. Ben Lord and his team 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 use of derivatives adds risk. 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 31/01/2021. 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, 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 1.40% 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 01.21