

Balanced

S U C C E S S I O N

Managed Portfolio Service

Investment objective and policy

For Professional Advisers Only

These discretionary managed model portfolios offer risk-profiled investment solutions, all of which have a dynamic top-down asset allocation strategy implemented using low cost ETFs.

The objective for the Balanced model portfolio is to provide moderate long-term total returns over and above sterling cash whilst exposing the investor to Moderate investment risk in accordance with their attitude to risk.

Key facts

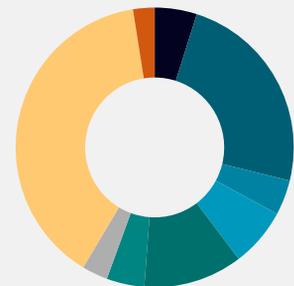
Inception Date	31 March 2009
Annual Management Charge	0.25% inc. VAT
Fund Underlying OCFs	0.10%
Indicative Yield	1.30%
Typical Growth / Defensive Split	50:50

Latest commentary

January was a much better month for investors in shares, as the main equity markets of the world rallied strongly. Emerging markets did better than the developed world, although India did fall. The US outperformed Japan and the Euro area, as technology shares came back into favour after the December sell off. A stronger pound against the major currencies meant the sterling investor had 2% to 3% shaved off these gains. Bonds in the main markets made some upwards progress. The decision of the Federal Reserve in the USA to back-off from a proposed series of three more rate rises unless the data justifies it, was good for both bonds and shares. The Chinese too decided on some more monetary and fiscal relaxation as their economy is slowing more than they would like. UK assets did well, with property real estate investment trusts leading the way and positive returns on the All Share Index and government bonds. The better mood will persist if as we anticipate there is some agreement between the USA and China on trade before March, and if the main Central Banks stick with this new mood of a softer approach to interest rate and money policy.

There were no changes made to the investments during January, a month which saw all equity holdings contributing positively to the portfolio's overall return. Meanwhile, the yield on 10 year gilts fell very slightly over the month and SPDR Global Aggregate Bond ETF (GBP hedged) was the best performing bond holding. The L&G property fund also provided useful diversification benefits with companies such as Simon Property Group and Prologis gaining over 10% and 21% respectively over the month as brokers reappraised their expectations for the sector. Returns were also helped by having all the European and over a third of the US equity exposures hedged.

Asset Allocation



■ UK Equities	5%
■ US Equities	24%
■ European Equities	4%
■ Japanese Equities	7%
■ Emerging Markets Equities	12%
■ Global Equities	4%
■ Property	3%
■ Bonds	39%
■ Cash	3%

Top ten holdings

	%
L&G Short Dated £ Corp Bond Index Fund (C Class) Inc	22
iShares Core MSCI Emerging Markets IMI ETF	12
X-trackers S&P 500 UCITS ETF GBP Hedged ETF	10
iShares CORE S&P 500 ETF	9
iShares £ Ultrashort Bond UCITS ETF	6
iShares S&P 500 Information Technology Sector ETF	5
iShares CORE FTSE 100 ETF	5
L&G International Equity	4
iShares MSCI EMU ETF GBP Hedged	4
L&G Japan Index Fund Class C Acc UCITS	4

Performance %

Discrete Performance	Feb 18 - Jan 19	Feb 17 - Jan 18	Feb 16 - Jan 17	Feb 15 - Jan 16	Feb 14 - Jan 15	3 yr Volatility
Balanced	-2.8	9.3	14.9	-2.6	13.2	5.9

Cumulative Performance	1m	3m	6m	1yr	3yr	5yr
Balanced	3.1	-0.3	-3.9	-2.8	22.0	34.5

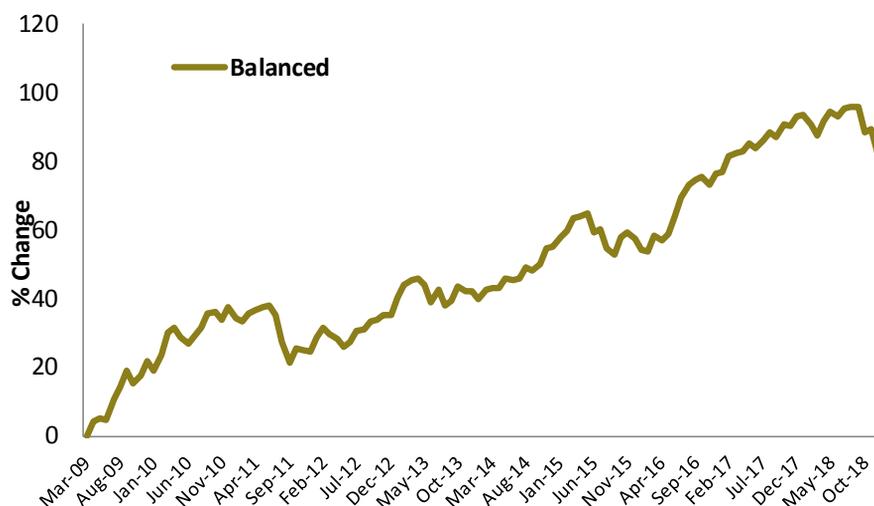
Investment Team

The model portfolios are managed by the Charles Stanley Asset Management Division. The team of portfolio managers and analysts have extensive experience, drawing upon the expertise of investment specialists, strategists and economists both internally and externally. The research team looks for the best Index tracking funds from the available passive universe.

Risk Profile

The Balanced Model Portfolio targets a moderate risk and return. The Portfolio is invested in a range of defensive and growth asset classes. The Portfolio is not hedged and therefore will be exposed to currency fluctuations arising from any international investments.

Performance since Inception



Source APX / FE Analytics. Past performance is not a guide to future performance. The value of investments may fall as well as rise and the income from them may fluctuate and is not guaranteed. Investors may not recover the amount invested. The performance is net of Charles Stanley investment management fees, with income reinvested.

FIND OUT MORE

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ACCOUNTS

- General Investment Account
- ISA
- SIPP
- Offshore Bond

PLATFORM

- Succession

Important Information

The value of investments, and the income derived from them, can fall as well as rise and may be affected by exchange rate variations. Investors may get back less than invested. Past performance is not a reliable guide to future returns.

Performance is shown net of Charles Stanley's investment management fees. Any charges and fees applied by platforms and/or authorised intermediaries will be charged in addition to the charges shown. The Ongoing Charges Figure (OCF) is calculated on a periodic basis using a weighted average of the most recent publicly available OCFs for the underlying investments as at the date of the factsheet. The Indicative Yield is provided for guidance purposes only and is calculated on a periodic basis using a weighted average of the most recent publicly available income yields for the underlying investments. Yields for the underlying funds, and thus for the strategy, are likely to differ in the future. The Indicative Yield does not represent guaranteed income.

Portfolios linked to this Model Portfolio may not exactly replicate the model due to the difference in timing of initial investment or rebalancing differences resulting from minimum transaction size limits on platforms.

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