

Balanced

S U C C E S S I O N

Managed Portfolio Service

Investment objective and policy

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

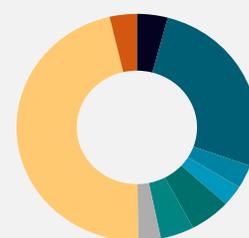
Inception Date	31/03/2009
Indicative Yield	1.3%
Typical Growth / Defensive Split	50:50
Annual Management Charge (including VAT)	0.25%
Total Ongoing Charges (of underlying funds)	0.10%
Portfolio Total Ongoing Charge	0.35%

July saw US share markets continue to advance whilst the other developed markets fell back after their strong rallies during the second quarter. Early and aggressive US fiscal and monetary policy easing, with Covid-19 accelerating the digitisation of daily life helped drive the mega-cap US technology companies. An earlier cyclical recovery from lockdown was positive for Chinese shares and helped emerging markets outperform the developed region. Economic data for the second quarter confirmed that we have seen the biggest contraction in global activity since the Second World War.

Markets are hoping that we have left behind the worst of the Covid-19 pandemic and that future flare ups in the disease can be tackled by local not national lock downs. As expected, there are high rates of recovery in sectors where output ceased or was very damaged by the initial responses to the virus. It will, nevertheless, take time to get back to levels of income and output that preceded the disease. Share markets continue to draw support from loose money policies, but we expect the market environment to remain uncertain and volatile whilst businesses strive to adapt and recover, tensions escalate between the US and China and the US Presidential election looms.

Corporate bond spreads continued to retrace the spike higher seen in March but remain wider for the year to date. Boosting the rally in credit were 'better than expected' Q2 corporate earnings versus estimates and a quiet issuance market which helped push up valuations. The biggest boost to the corporate bond markets is still the buying of high yield bonds and 'Fallen Angel' ETFs by the US Federal Reserve and the ECB accepting high-yield bonds as eligible collateral for their funding operations. On the equities side, the hedged US Equity trackers were the best performing holdings, helped by the sizeable allocation to technology and currency protection from a weaker US dollar. Japanese equities detracted from returns, largely attributable to the outperformance of the pound against the yen. This month, we increased our allocation to global inflation linked securities, funding the purchase from cash.

Asset Allocation



- UK Equities 4.2%
- US Equities 26.4%
- European Equities 3.3%
- Japanese Equities 2.9%
- Emerging Markets Equities 5.5%
- Global Equities 4.5%
- Property 3.0%
- Bonds 46.5%
- Cash 3.6%

Top ten holdings

Top ten holdings	%
L&G - Sterling Corporate Bond Index C Inc	17
SSGA - SPDR Bloomberg Barclays Global Aggregate Bond UCITS ETF Hedged GBP	15
Xtrackers - S&P 500 UCITS ETF 2C Hedged GBP	13
iShares - S&P 500 Information Technology Sector UCITS ETF GBP	7
iShares - Core S&P 500 UCITS ETF Acc GBP	7
iShares - Core MSCI EM IMI UCITS ETF GBP	5
L&G - International Index Trust C Acc	5
iShares - Core FTSE 100 UCITS ETF Acc GBP	4
Lyxor - Core US TIPS (DR) UCITS ETF D GBP	4
L&G - Short Dated Sterling Corporate Bond Index C Inc	4

Performance %

Discrete Performance	Jul-19 - Jul-20	Jul-18 - Jul-19	Jul-17 - Jul-18	Jul-16 - Jul-17	Jul-15 - Jul-16	3 yr Volatility
Balanced	0.5	4.7	5.1	9.7	5.9	6.2
Cumulative Performance	1m	3m	6m	1yr	3yr	5yr
Balanced	0.3	5.1	-0.8	0.5	10.6	28.5

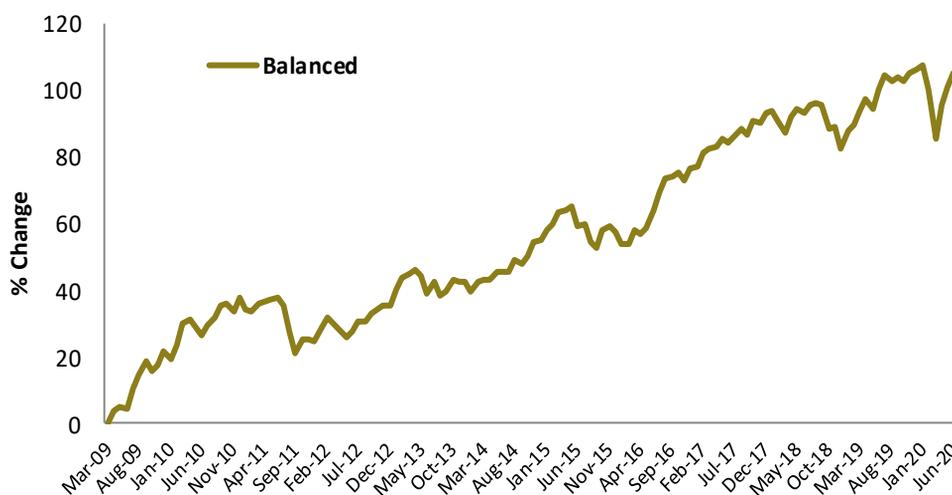
Investment Team

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 reliable guide to future performance. 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

Minimum suggested Investment = £10,000
(subject to platform minimum requirements)

PLATFORMS

- Succession
- Transact

Important Information

The value of investments, and any 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.

Performance is calculated on a Total Return basis using a notional portfolio in Advent Portfolio Exchange (APX). Performance is net of Charles Stanley investment management fees but not adviser fees nor platform costs. Any charges and fees applied by platforms and/or authorised intermediaries will be charged in addition to the charges shown. The Total Ongoing Charges Figure (TOC) is calculated on a periodic basis using a weighted average of the most recent publicly available Total Ongoing Charges for the underlying investments as at the date of the factsheet. This includes the underlying funds' Ongoing Charges Figure plus Transaction costs plus Incidental costs. Please note that whilst we endeavour to show all charges associated with specific funds, sometimes this is not possible due to the information not being made available by the fund provider. In such cases transaction or incidental cost information may be missing.

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. The management and rebalancing of this Model Portfolio does not take Capital Gains Tax into consideration.

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