

MPS-BALANCED STRATEGY

OCTOBER 2019

INVESTMENT OBJECTIVE

The objective of this portfolio is to grow capital over the medium to longer term. Investors should expect reasonable correlation to stock market behaviour and rewards, including quite sharp fluctuations in values, whilst also some protection in times of market weakness.

KEY INFORMATION

Launch Date	January 2013
Estimated Yield (Current)	1.28%
Initial Charge	0.00%
Investment Management Charge	0.25% (+VAT)
Fund Underlying Charges	0.64%

TOP TEN HOLDINGS

TwentyFour Absolute Return Credit	17.1%	Lindsell Train UK Equity	3.3%
TwentyFour Monument Bond	16.6%	Merian UK Mid Cap	3.3%
AXA Sterling Credit Short Duration	11.4%	Threadneedle UK Fund	3.2%
Vanguard All Country World ETF	3.7%	Legal & General US Index	3.2%
Allianz UK Opportunities Fund	3.5%	Cash	2.0%

RISK LEVEL



DEFENSIVE

BALANCED

ADVENTUROUS

INVESTMENT STRATEGY

Our investment strategy has three key components:

ASSET ALLOCATION ➤ Focused on analysing the economic and financial environment, assessing the prospective returns and risks of each of the major asset classes, both over the short and long term.

FUND SELECTION ➤ Our rigorous fund selection process involves assessing which funds best allow us to gain exposure to the most attractive asset classes, regions and themes.

PORTFOLIO CONSTRUCTION ➤ These two building blocks are then combined to create portfolios which are designed to meet their specific objectives and are actively managed with regular rebalancing.

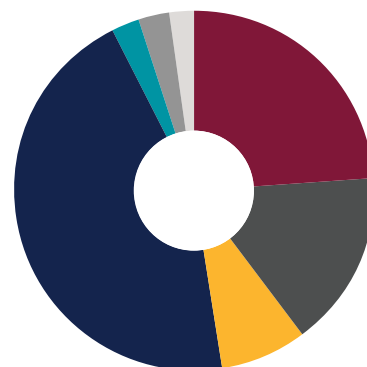
The process is run by our research and strategy team and overseen by our investment committee to ensure that the portfolios are managed in line with their objectives and risks are kept to appropriate levels.

OUR PORTFOLIO

ASSET ALLOCATION

Equities - International	24.1%
Equities - Global	3.7%
Equities - Asia (excluding Japan)	3.6%
Equities - Emerging Markets	2.6%
Equities - Europe (excluding UK)	2.1%
Equities - Japan	2.8%
Equities - US	9.3%

Equities - UK	15.9%
Equities - Thematic	7.6%
Bonds	45.0%
Alternatives	2.5%
Gold	3.0%
Cash	2.0%



Global growth has slowed significantly, hit by a downturn in the manufacturing sector as a result of continuing trade tensions particularly between the US and China. However, central banks are taking action to halt the slowdown. The Fed has cut rates by 0.5% in recent months and looks set to lower rates further and the ECB has also eased policy.

While the economic backdrop remains far from rosy, we continue to expect global growth to recover a little in due course on the back of monetary, and to a much smaller extent fiscal, stimulus and some kind of limited US-China trade deal. This in turn should set the stage for an upturn in corporate earnings growth and renewed gains in equity prices.

We have increased our equity exposure in recent months as prospective returns from equities look significantly higher than for bonds where the very low level of yields leaves return prospects looking very limited. Even so, given uncertainties remain heightened—not least on the geo-political front—we have only moved our equity weighting back up towards neutral.

Within equities, we remain positive on emerging markets and also retain an exposure to the technology sector where we believe growth prospects remain favourable. By contrast, we remain cautious on the UK despite its cheap valuation because of the continuing uncertainties surrounding Brexit and a general election.

PERFORMANCE (%)

Cumulative (%)					
	3 m	1 yr	3 yr	5 yr	Since Launch
Portfolio	1.1%	2.7%	11.8%	27.4%	47.4%

Calendar Year Performance (%)					
	2014	2015	2016	2017	2018
Portfolio	5.9%	1.8%	10.3%	7.0%	-5.5%

Past performance is not a guide to future returns.

BALANCED MPS (SINCE INCEPTION)



FundsNetwork

nucleus

Standard Life

OLDMUTUAL
WEALTH

novia

This factsheet is for Professional Intermediaries only. KW Wealth, KW Protect, KW Wellbeing, KW Partner, KW Private Office and KW Institutional are trading names of KW Wealth Planning Limited (Companies House Number: 01265376) regulated by the Financial Conduct Authority (Firm Reference Number: 114694), KW Investment Management Limited (Companies House Number: 06931664) regulated by the Financial Conduct Authority (Firm Reference Number: 506600) and KW Trading Services Limited (Companies House Number: 03109469) regulated by the Financial Conduct Authority (Firm Reference Number: 176984) and has its registered office at 13 Austin Friars London EC2N 2HE. KW Investment Management Limited is also regulated in South Africa by the Financial Sector Conduct Authority (Firm Reference Number: 46775). All companies are wholly owned subsidiaries of Kingswood Holdings Limited and operate under the brand name of "Kingswood" or "Kingswood Group" which is incorporated in Guernsey (registered number: 42316) and has its registered office at Regency Court, Glatigny Esplanade, St Peter Port, Guernsey, GY1 1WW. The value of an investment and any income from it may fall as well as rise, may be affected by exchange rate fluctuations and you may not get back the amount you originally invested. Securities may not be suitable for all investors. Past performance data is not representative of past performance on different platforms. This is because MPS on platforms will vary in portfolio composition due to the differing availability of investments. Portfolios are re-balanced at least quarterly and rounding when buying securities may affect the cash held. The information in this factsheet does not constitute an offer of, or an invitation to buy or sell any security.