

## BALANCED PORTFOLIO (EP)

### INVESTMENT OBJECTIVE

This portfolio aims to generate capital growth combined with some income by investing across a range of assets. There will be a significant proportion of Equity based assets so there is a risk of a considerable degree of fluctuation in the value of your capital in return for the potential of good long term returns.

### COMMENTARY

- US growth remains firm, but there has been some loss of momentum elsewhere as the extended business cycle matures and policy support fades.
- Geopolitics is becoming a big driver of markets, which is concerning. We remain under the cloud of Trump's tariff tirades which threaten a decade's long process of free trade, globalisation and international cooperation.
- Central bank divergence continues with the US steadily raising rates. The Bank of England managed one rate rise, but that's it for the year. Europe and Japan are still adding support.
- In equity markets, the US led the way with muted returns elsewhere and some positive horror shows in emerging markets. Government bond yields generally rose across the board and commercial property continued its steady year.
- It was a volatile quarter for Sterling; strengthening then weakening back to evens by Quarter end. Gold remains weighed down by a strong \$ whilst oil has been a beneficiary of OPEC production discipline and Trump's forthcoming sanctions on Iranian exports.
- A strong equity market rises and a positive currency tailwind meant Fidelity Index US was strongest for another Quarter. As a bloc, UK equities were negative contributors, with Franklin UK Managers Focus at the back of the pack.
- We made no changes to fund selection or asset allocation during the Quarter.

### PERFORMANCE SUMMARY

	3 Months	6 Months	1 Year	3 Years	Year to Date
Balanced Portfolio (excl.property)	0.6	4.8	3.2	24.1	1.1
ARC Sterling Balanced	0.4	3.6	2.7	19.8	0.4

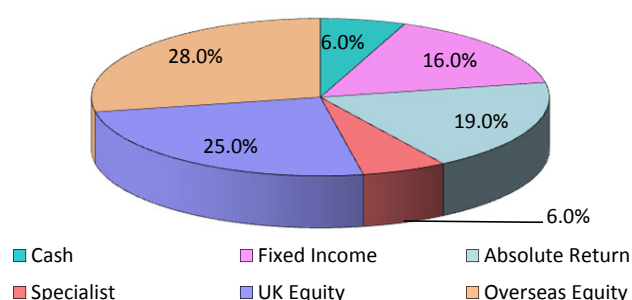
Data provided by Financial Express Analytics. All figures quoted are to 30/09/2018.

Performance numbers are net of 1% HFMC Wealth planning & investment advisory fees; not including custody fees or VAT if applicable.

Funds within portfolios are priced on a bid-to-bid basis, with dividends reinvested.

ARC PCI indices are based on the actual returns generated by participating discretionary investment managers for their UK private clients (ARC = Asset Risk Consultants Private Client Indices)

### CURRENT ASSET ALLOCATION



#### Top 10 Holdings

Cash	6%
Trojan Fund	6%
Jupiter Strategic Bond	5%
Newton Real Return	5%
Lazard UK Omega	5%
Artemis Global Income	5%
Henderson UK Absolute Return	5%
Jupiter UK Special Situations	5%
Jupiter Absolute Return	5%
Threadneedle UK Equity Income	5%

### MODEL DETAILS

Inception Date	July 2009
Number of holdings	23
Estimated Yield (not guaranteed)	1.9%

Management of individual Portfolios are based on a central model portfolio. The performance summary, asset allocation, fund holdings, charges and yield quoted on this factsheet are based on the central model portfolio. Actual performance and asset allocation will deviate as a result of timing and market drift.

*Investors should remember that past performance should not be seen as an indication of future performance and that the value of any investment and the income from it is not guaranteed as it can fall as well as rise. You may not get back the amount originally invested. Where an investment involves exposure to currency other than your base currency, changes in rates of exchange may cause the value of the investment to go up or down. The 'commentary' does not constitute advice to undertake a transaction in this particular investment and clients are strongly recommended to seek independent or professional advice prior to doing so.*