

TOTAL RETURN PORTFOLIO

INVESTMENT OBJECTIVE

This portfolio aims to generate positive returns coupled with low volatility over a number of years from an actively managed multi-asset portfolio. The portfolio will aim to deliver a narrower range of returns compared to a portfolio invested in equities. The portfolio is likely to include a number of funds which utilise UCITS III regulations allowing the use of derivatives in the underlying fund portfolio.

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.
- In what was a disappointing Quarter for portfolio returns, Newton Real Return & M&G Property were some rare bright points; less helpful was Artemis Strategic Assets, which lost on its currency and equity positioning, leaving it down over 4% on the Quarter.
- We made no changes to portfolio construction or fund selection during the Quarter.

PERFORMANCE SUMMARY

	3 Months	6 Months	1 Year	3 Years	Year to Date
Total Return Portfolio	-0.8	0.8	-0.5	6.1	-0.6

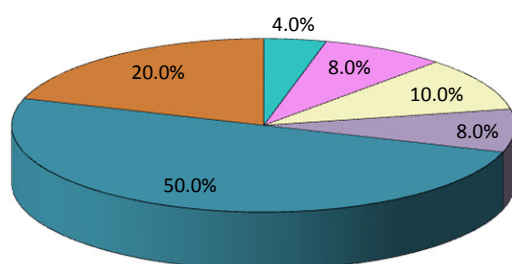
Data provided by Financial Express Analytics. All figures quoted are to 30/09/2018.

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



■ Cash ■ Specialist ■ Fixed Income ■ Property ■ Absolute Return ■ Multi-Asset

Top 10 Holdings

M&G Property Portfolio	8%
Threadneedle UK Absolute Alpha	8%
Henderson UK Absolute Return	8%
Investec UK Total Return	8%
Jupiter Absolute Return	8%
Newton Real Return	7%
Trojan	7%
CF Ruffer Total Return	7%
Henderson European Absolute Return	7%
Artemis Strategic Assets	6%

MODEL DETAILS

Inception Date	June 2011
Number of holdings	15
Estimated Yield (not guaranteed)	1.2%

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. The Total Return Portfolio was launched on 14 June 2011.

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.