



# MANAGED PORTFOLIO SERVICE

Balanced Portfolio | December 2017

The value of investments can fall and you may get back less than you invested. Past performance is not a guide to future performance. Any specific investments mentioned are for illustrative purposes only and are not intended as investment advice.

December 2017	1 Mth	3 Mths	6 Mths	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	2016	2015	2014	2013	2012	2011	2010	2009	SI (p.a) <sup>1</sup>
Balanced Portfolio	1.3	2.6	3.8	8.8	8.8	24.7	29.7	39.6	63.9	14.6	4.0	7.7	17.4	12.0	-2.6	15.2	15.3	10.9
WMA Balanced Index <sup>2</sup>	2.6	4.0	5.5	9.8	9.8	28.6	32.1	41.7	61.7	17.1	2.7	7.2	14.1	9.1	0.2	12.5	16.8	10.1
Relative	-1.3	-1.4	-1.7	-1.0	-1.0	-3.9	-2.4	-2.1	2.2	-2.5	1.3	0.5	3.3	2.9	-2.8	2.7	-1.5	0.8

Performance Calculation: All income is reinvested. Performance is shown inclusive of underlying fund charges but gross of Brewin Dolphin's investment management charge. Deduction of this charge will have the result of reducing the illustrated performance.

Performance is calculated through Morningstar direct and provided for illustrative purposes only and should not be viewed as the performance of a specific client account. <sup>1</sup>Inception Date of 31/08/2008, quoted on an annualised basis. <sup>2</sup>Data for FTSE WMA indices to 28/02/2017. MSCI WMA indices from 01/03/2017.

## Balanced Portfolio

The portfolio's objective is to provide outperformance of the Wealth Management Association (WMA) Balanced Index over the medium term. Returns will be generated through both capital growth and income with a bias towards developed and liquid capital markets. The risk will be diversified by holding collective investments. The management of the portfolio aims to meet the objective conservatively by taking managed risk through fund selection and asset allocation.

## Recent Activity

December's press was dominated firstly by the meteoric rise of Bitcoin which saw the cryptocurrency rise over 19x to its peak on 16 December. Those who remember the DotCom bubble will testify to the risks of becoming embroiled in the latest tech craze. From its peak the currency had fallen 34% by the end of the year.

The other major topic was the largest overhaul of the US taxation system since Ronald Reagan as Trump finally got one of his election promises fulfilled. The fall in the corporate tax rate from 35% to 21% was a welcome fillip for company profits.

Within markets the FTSE 100 was the standout performer rising 5%. Emerging Markets were close behind rising 4% whilst Japan was the laggard at 0.3%.

Over the month the portfolio was up but underperformed the benchmark mainly driven by disappointing relative performance from the funds within the UK equities and Absolute return space.

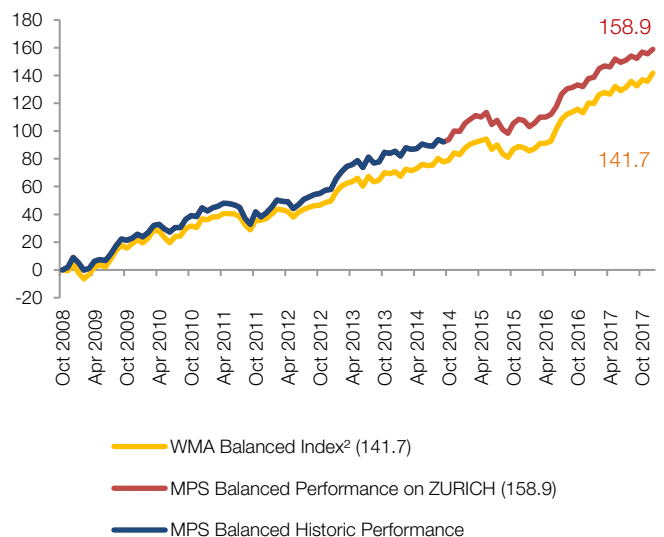
At the start of the month the portfolio was restructured to take account of the Asset Allocation changes to the WMA benchmark weights.

## Portfolio Information

Portfolio Benchmark	WMA Balanced Index <sup>2</sup>
Investment Management Charge (p.a)	0.3%+VAT
Fund Underlying OCFs	0.69
Estimated Annual Yield	1.86

An Investment Administration Charge is applicable. Please refer to your investment adviser or investment administrator for details.

## Performance Since Inception

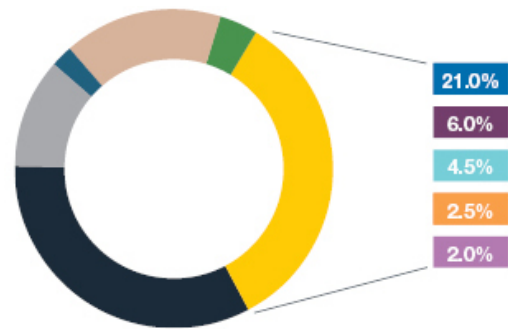


Source: Brewin Dolphin, Morningstar Direct

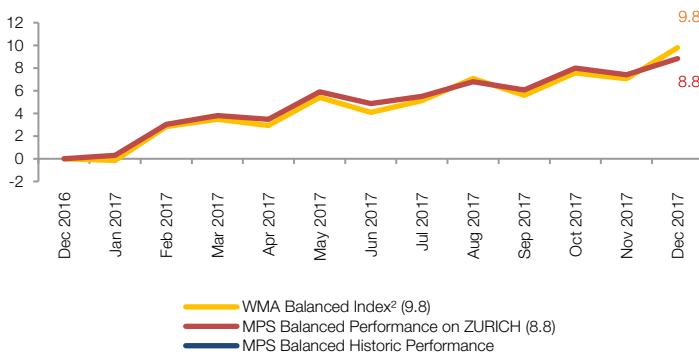


## Asset Allocation as at 31 December 2017

Equities – International	36.0%
Equities - US	21.0%
Equities - Europe ex UK	6.0%
Equities - Asia ex Japan	4.5%
Equities - Japan	2.5%
Equities - Emerging	2.0%
Equities – UK	30.5%
Bonds	16.0%
Absolute Return	11.2%
Cash	4.0%
Commercial Property	2.3%



## Performance One Year



Source: Brewin Dolphin, Morningstar Direct

## Statistics

Portfolio Inception Volatility

8.2

Benchmark Inception Volatility

8.3

Inception Information Ratio

0.3

Tracking Error

2.7

## Portfolio Management

The management of the portfolio is achieved through Brewin Dolphin’s network of investment professionals. The group’s Asset Allocation Team meets monthly to decide upon the top down strategy for the portfolio. Strict adherence to its recommendations ensures that profits are taken regularly and keeps risks within appropriate levels.

The funds selected for the portfolio are taken from the group’s Fund Research Department. This team is mandated to provide the building blocks for successful portfolio management. All selected funds have been carefully analysed to identify fund managers who can sustain enhanced returns while diversifying risk.

## Portfolio Holdings as at 31 December 2017

Vanguard US Equity Index Inc	8.50%
Threadneedle UK Eq Inc Z Inc GBP	7.50%
JPM US Equity Income C Net Inc	6.50%
PIMCO Select UK Income Bond R GBP Inc	6.00%
Investec UK Special Situations I Acc Net	6.00%
Newton Asian Income Instl W Inc	4.50%
Old Mutual Global Eq AR R £ Hgd Acc	4.00%
Threadneedle European Sel Z Acc GBP	4.00%
Cash	4.00%
Liontrust Special Situations I Inc	4.00%
LF Woodford Equity Income C Sterling Inc	4.00%
F&C UK Equity-Linked Gilt 2	3.50%
Legg Mason CB US Agrsv Gr X GBP Acc	3.00%
Vanguard US Govt Bd Idx GBPH Acc	2.50%
Newton Global Dynamic Bd Inst W Inc	2.50%
Schroder Tokyo Z Inc	2.50%
Vanguard UK Govt Bd Idx GBP Inc	2.50%
Allianz Gilt Yield I Inc	2.50%
Janus Henderson UK Absolute Return I Acc	2.25%
Baillie Gifford American B Inc	2.00%
Fundsmith Equity I Inc	2.00%
Fidelity Emerging Markets W Acc	2.00%
Fidelity Index UK P Inc	2.00%
Jupiter Absolute Return I Acc	1.50%
JOHCM Continental European Y GBP Inc	1.50%
Old Mutual UK Smaller Coms R GBP Acc	1.50%
Man GLG Undervalued Assets Profil Inc D	1.50%
iShares Corporate Bond Index (UK) D Inc	1.50%
Schroder Global Cities Real Estt Z Inc	1.25%
Fidelity MoneyBuilder Income Net Y	1.00%
JPM Global Macro Opportunities C Net Inc	1.00%
iShares Glb Prpty Secs Eq Idx (UK) D Inc	1.00%

### Past performance is not a guide to future performance.

The value of investments and any income from them can fall and you may get back less than you invested. If you invest in currencies other than your own, fluctuations in currency value will mean that the value of your investment will move independently of the underlying asset. The information contained in this documentation has been taken from sources stated and is believed to be reliable and accurate, but without further investigation cannot be warranted as to accuracy or completeness. We or a connected person may have positions in or options on the securities mentioned herein or may buy, sell or offer to make a purchase or sale of such securities from time to time. In addition we reserve the right to act as principal or agent with regard to the sale or purchase of any security mentioned in this document. For further information, please refer to our conflicts policy which is available on request or can be accessed via our website at [www.brewin.co.uk](http://www.brewin.co.uk). eValue risk tolerance scores are based on a 10-year time horizon. The mappings are only for use by financial advisers licensed to use eValue’s risk profiling system and does not constitute financial advice. It is the responsibility of the adviser to select the correct model appropriate for the client’s time horizon and objective. The opinions expressed are not necessarily the views held throughout Brewin Dolphin Ltd. The Estimated Annual Yield figure is based on reasonable assumptions supported by objective data and is no guarantee of future performance.

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