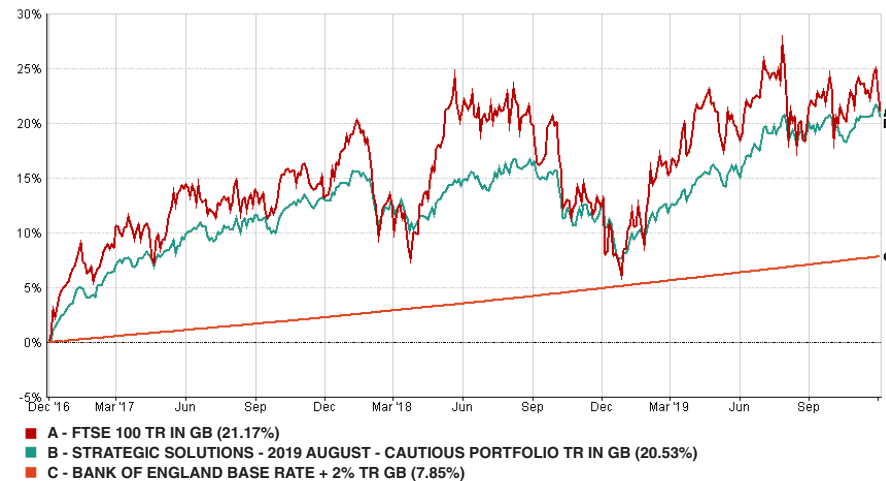


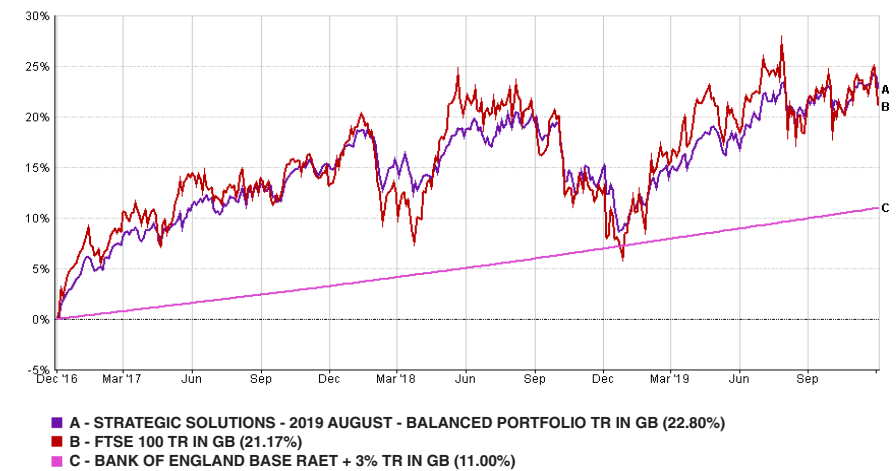
DEFENSIVE PORTFOLIO *



CAUTIOUS PORTFOLIO *



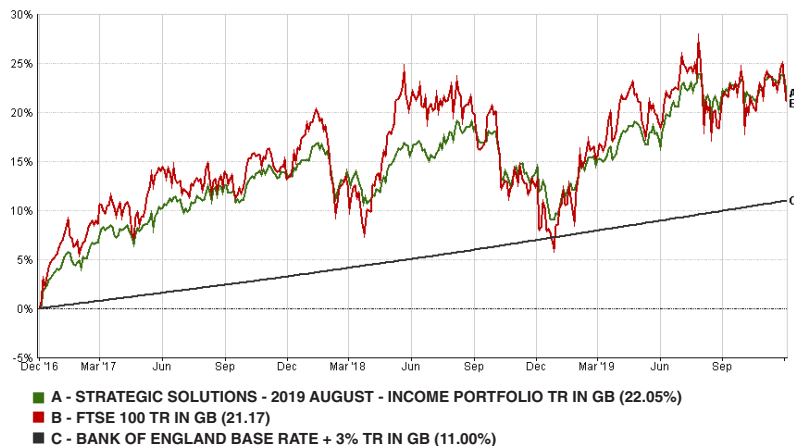
BALANCED PORTFOLIO *



MODERATELY ADVENTUROUS PORTFOLIO *



INCOME PORTFOLIO*



ADVENTUROUS PORTFOLIO*



2019 To Brexit or not to Brexit- that is the question

In contrast to the backdrop of low investment returns throughout the year of 2018, 2019 has been strong through the majority of asset classes.

US markets have looked bullish, though that is not to say that this strengthening has not come without some volatility.

In the UK we are still seeing heightened risk, due to present political uncertainty. Three years on we still have not seen a firm resolution to Brexit, and with a general election imminent the UK continues to look unloved and undervalued, pending some clarity. As a result of this sterling continues to remain weak, and UK equities have seemed to struggle to match the pace of the US equity markets.

Despite President Trump's ongoing discussions with the Chinese, the S&P 500 and Dow Jones continues to rise and reach new highs. Three Federal Bank rate cuts, and the relaunch of quantitative easing, has allowed both fixed interest and equity sectors to do well this year.

Fixed interest securities have made considerable gains this year, with central banks continuing to reduce interest rates. This though does continue to cause concern with low risk clients - in a low interest rate environment, and with such bullish equities, the costs of investing defensively have risen significantly. Yields on equities are currently higher than the equivalent coupon distribution from fixed interest asset classes.

On the horizon, in 2020 we expect to see resolution to certain global political-economic risks, such as the US/China trade war, and Brexit fuelling markets for further growth. With both UK and US general elections on the horizon, we hope to see some stability, giving us some certainty in terms of longer term asset allocation decisions.

Strategic Portfolios

As has been mentioned many times the Strategic portfolios are very well diversified and they have all benefitted from good growth during 2019, this it must be said is from a low point when markets fell during the last quarter of 2018.

Gold has bounced back nicely during the first half of 2019 which was what we were expecting and hence we had added this during 2018 across all portfolios.

We have increased our allocation to the US as we are anticipating a strong 2020 in the lead up to the US elections.

We have removed one fund the Artemis Global Income which has been ever present in the portfolios and on the whole has performed exceptionally well. However this has tailed off over the last two years and the committee feels changes are needed.

We have therefore replaced this fund across all the portfolio with the BNY Mellon Global income, we had a meeting with the investment manager and gained lots of confidence in how he runs the fund which backs up the excellent track record.

Portfolio Measure

The committee has thought long and hard in relation to "benchmarks", these are the industries way of trying to measure a fund/portfolio performance.

Many of these benchmarks are difficult to understand and in reality, mean little or nothing to our clients. We therefore decided to change our approach and come up with an alternative means of clients being able to see how a portfolio is performing.

Each of the portfolios will now have an objective based around the risk strategy and these objectives will be linked to interest rates.

The volatility of a portfolio is how much the portfolio gains when markets rise or loses when markets fall and the Strategic portfolios will be measured against the FTSE 100 which is the most well known index in the UK.

This should enable our clients to gain a better understanding of how the respective portfolios perform.

SUMMARY

So far 2019 has been a good year for Equities and despite the political headwinds swirling around the world we remain optimistic that 2020 will also be a strong year and we have tweaked the portfolios to take advantage of this. If you have any specific questions regarding the investment strategies please contact your financial adviser.



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