

“...with all the uncertainty in the markets cash has fared just as badly, figures from the Money Charity show the average interest rate is now a record low of 0.33% ...”

Heavy losses were suffered in the first six weeks of the year. However, the latter half of February and the whole of March posted healthy positive numbers which effectively cancelled out the negative start, which delivered flat returns across the portfolios for the quarter.

Although it has been a volatile quarter we focus on our long term aim which is to cushion on the downside, grow values over time and deliver on individual goals irrespective of short term market noise.

During this time, we have been preparing the annual rebalance reports and this quarter has highlighted some interesting observations; for example, some of the unloved funds have benefited from this uncertainty and could be some of the standout performers in 2016.

As a final point although markets swing widely day to day, and there will be volatility around specific events (BREXIT, TRUMPIT etc), we are seeing a general upward trajectory and if the portfolios build on the first quarter we will hopefully be on target for the year, with returns of between 5% and 8%.

George Ladds
April 2016

PORTFOLIO OVERVIEW

Bitesize introduction

The last quarter was messy and it was hard at times not to be sucked into thinking that along with everyone else we were missing something. Taking a step back it became clear that the market was being driven more by fear than reality, and was being sold indiscriminately without a single catalyst.

When the bounce came in mid-February, it happened very quickly with a near 10% rise over two weeks in some of the portfolios. It is a reminder that trying to time the market is very hard to do. JP Morgan recently published a piece which stated that six of the best days for investing (over a 20-year period) occurred within two weeks of the worst 10 days.

With all the uncertainty in the markets cash is yielding less than inflation; figures from the Money Charity show the average interest rate is now a record low of 0.33%. We have also seen National Savings cut rates in recent days. Some now argue that the days of super low oil prices are behind us, and any rise will push up inflation bringing cash into negative territory.

In summary the start of the quarter was difficult but we start the second quarter with a small tailwind which can be built on. We know in the short term events like BREXIT and TRUMPIT could push down returns but it should settle and we remain focused on long term goals.

Highs and lows of the first quarter

We follow a small group of regions and sectors and the top three areas were Emerging Markets (7.57%), Global Bonds (5.64%) and Asia (3.87%). At the bottom was Japan (-2.84%), China (-2.54%) and UK Smaller Companies (-2.20%).

This points to some of the best performers for this quarter and those that have struggled. The Threadneedle Emerging Markets Bond Fund is up 8.25% since January, Hermes Asia up 9.43% and Templeton Emerging Markets up 10.71%. Other interesting funds include BlackRock Emerging Europe which is up 9.80% and BlackRock Frontier Markets up 5.64%.

It is not just Emerging Markets and Asia which have surprised, we have seen unloved stocks rebound from their lows and this has helped funds like Schroders Global Recovery Fund which is up 3.35% this year and M&G Global Dividends Fund up 8.40%.

Disappointingly, the portfolios are adrift of the benchmarks. To a larger part we can identify this as the relative strong performance of the benchmark we have set for fixed interest and the underperformance of the funds within this sector. The benchmark is based on corporate bonds and gilts, and this sector is up 4.34% this year. On the flipside the portfolios have exposure to the Standard Life Global Absolute Return Strategy and Global Focused Strategy Funds and both of these have delivered negative returns of -3.27% and -5.95% respectively this year. Additionally, the Invesco Targeted Returns Fund and M&G Optimal Income Fund although positive are adrift of the benchmark.

Our focus is on the Standard Life funds and we are in constant dialogue with the team; the team faced the same problems back in 2008 and 2011 and on both occasions went on to deliver positive returns. It doesn't mean we ignore the problem, but at the moment there are no warning signals that the strategy is under strain.

Reflecting on the negative areas, the Standard Life UK Smaller Companies Trust is down 12.17% but the Standard Life Global Smaller Companies Fund is up 3.17%. Neptune Japan is down 14.52% but has come up from its lows.

One other interesting observation is the Schroder Global Real Estate Income Fund which is up nearly 10% this year after a change of management and strategy. This is certainly something to watch.

In summary, this year has shown some interesting trends and where some of our best performers in previous years have slipped, unlikely “hero’s” have picked up the baton. We are making minimal changes in the rebalance to reflect this.

A prediction for quarter 2

Nothing has really changed from what we said in the last update. It will be an unsettled year with Europe, global tensions, China etc but also to a lesser extent BREXIT will have some impact and possibly more so TRUMPIT (US elections).

We were worried that we would have a headwind going into the second quarter but the reality is that we have a small tailwind which is good. If April and May are positive, then we could see a positive quarter. It is hard to predict what short term impact the BREXIT vote will bring to the UK markets, as much of this will depend on how much is priced in already.

Part of me feels that we will look back at 2016 and wonder what all the fuss was about; the markets were a bit more volatile, there was a sigh of relief when the UK voted to stay in Europe and for all the excitement of TRUMPIT the US ended up with its first female president. Would I be willing to put my life savings on this, no!

Summary

Away from the noise there are some really interesting things starting to surface especially in Emerging Markets and Asia as well as within individual stocks. This could work well with the way the portfolios are positioned. Although there has been disappointment with some holdings we continue to watch these with interest and believe this will reverse.

Note: You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise.

LWM Consultants Ltd

A summary of the performance is shown below. The performance shown does not reflect our fees and any charges for where the investments are held. The impact of these charges varies but is around 1% p.a.

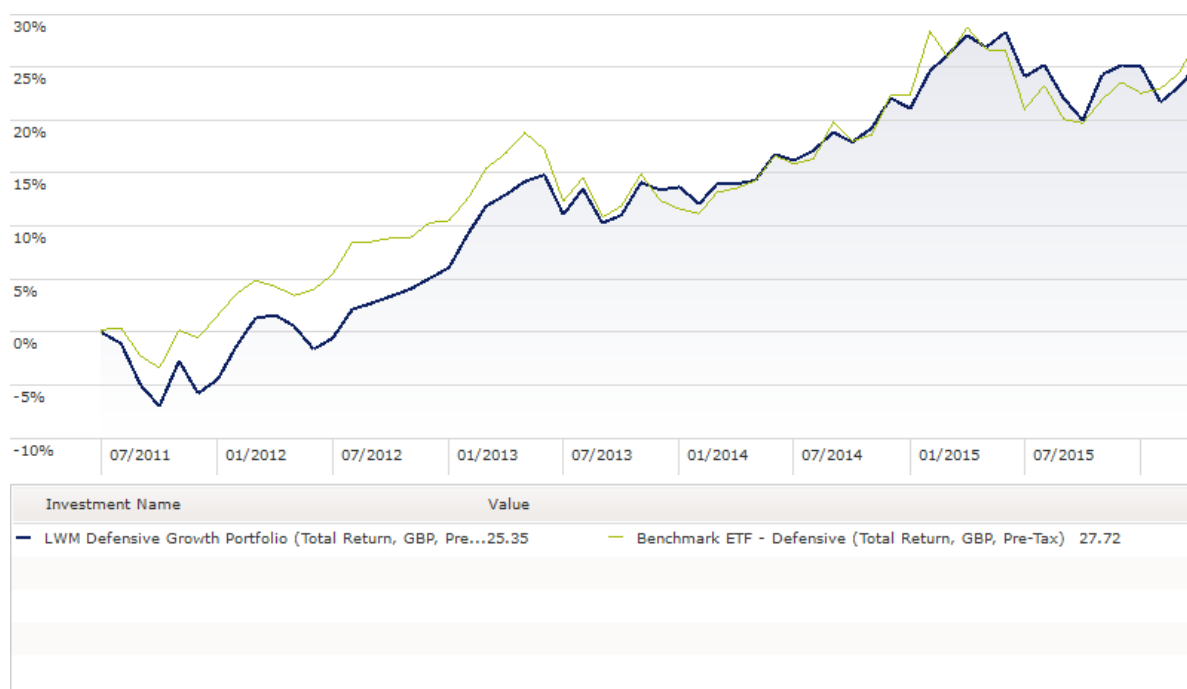
Summary of performance – 1 January 2009 – 31 March 2016

	12 months		2 years		3 years		4 years		5 years		Since launch	
	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark
Defensive	-2.10%	-0.85%	9.93%	12.39%	10.94%	9.22%	23.34%	22.37%	-	-	25.39%	27.72%
Cautious Income	-0.91%	-1.20%	12.74%	5.11%	14.97%	4.31%	31.39%	16.12%	36.27%	19.85%	114.88%	52.28%
Cautious Growth	-1.95%	-1.55%	11.24%	9.16%	14.17%	7.61%	29.29%	21.07%	31.21%	24.85%	106.91%	59.87%
Balanced	-1.58%	-2.60%	13.29%	8.40%	14.81%	3.28%	31.26%	15.07%	32.34%	17.10%	115.22%	56.06%
Mod Adventurous	-3.04%	-4.14%	9.31%	1.21%	15.60%	1.74%	33.44%	14.45%	29.99%	13.02%	111.93%	50.78%
Adventurous	-2.96%	-4.72%	8.95%	0.14%	16.82%	2.30%	35.11%	14.11%	30.88%	10.64%	113.38%	47.62%
Ethical	0.55%	-6.59%	-	-	-	-	-	-	-	-	13.94%	-2.16%

Note: Please read special note to tables at the end of the tables. The launch date of the portfolios is 1 January 2009 with the exception of the Defensive Portfolio which is 30 June 2011, and Ethical Portfolio 1 August 2014. You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise.

Detailed breakdown of performance

Defensive

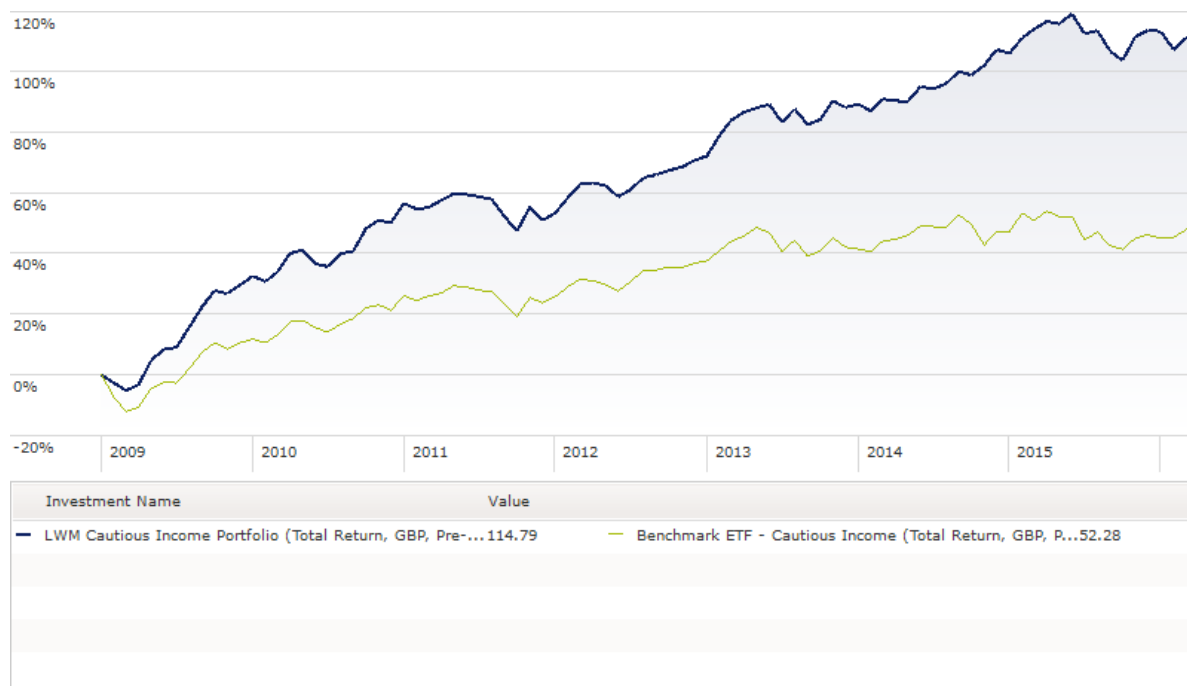


	2011	2012	2013	2014	2015	2016	Since launch
Defensive	N/A	11.02%	7.18%	6.50%	3.29%	0.21%	4.88% p.a.
Benchmark	N/A	8.80%	0.98%	9.66%	0.12%	4.18%	5.28% p.a.

	1 Year to 31/03/12	1 Year to 31/03/13	1 Year to 31/03/14	1 Year to 31/03/15	1 Year to 31/03/16
Defensive	N/A	11.18%	0.91%	12.29%	-2.10%
Benchmark	N/A	12.04%	-2.82%	13.35%	-0.85%

Note: Please read special note to tables at the end of the tables. The launch date of the Portfolio is 30 June 2011, and performance is up to 31 March 2016. The Benchmark performance tracks the performance period of the portfolio. You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise.

Cautious Income

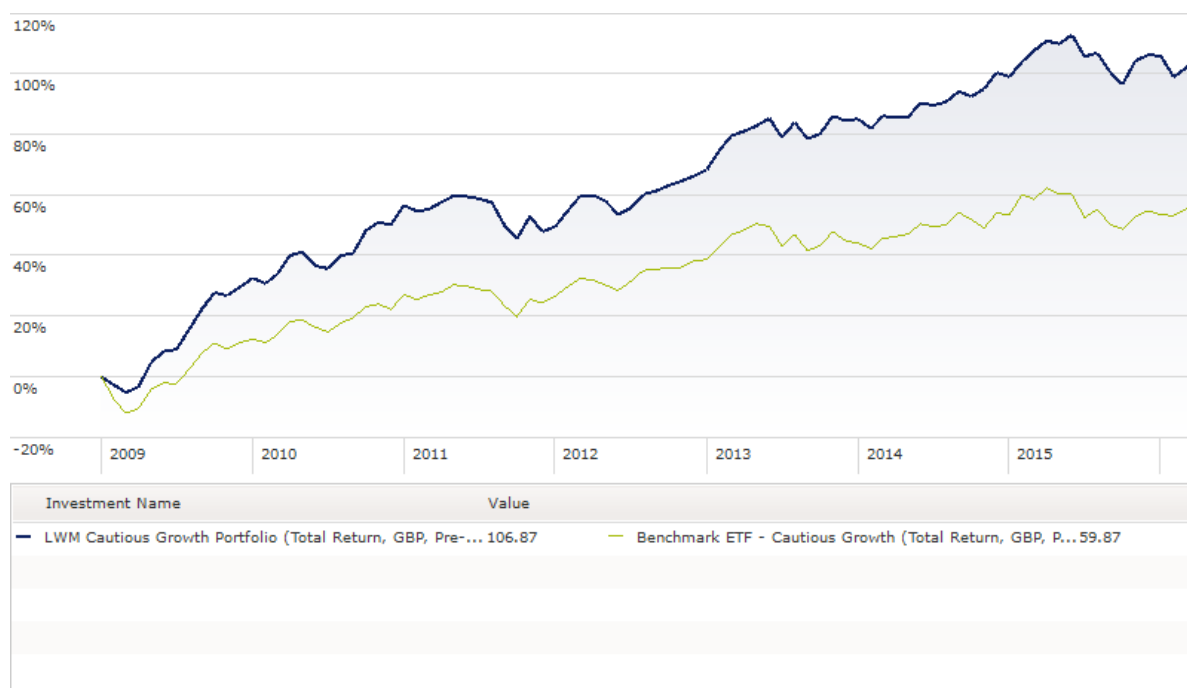


	2011	2012	2013	2014	2015	2016	Since launch
Cautious Income	-2.04%	12.27%	9.97%	8.81%	3.52%	0.65%	11.14% p.a.
Benchmark	-0.32%	9.46%	2.84%	4.01%	-1.50%	4.93%	5.98% p.a.

	1 Year to 31/03/12	1 Year to 31/03/13	1 Year to 31/03/14	1 Year to 31/03/15	1 Year to 31/03/16
Cautious Income	3.71%	14.28%	1.98%	13.77%	-0.91%
Benchmark	3.21%	11.33%	-0.77%	6.40%	-1.20%

Note: Please read special note to tables at the end of the tables. The launch date of the Portfolio is 1 January 2009, and performance is up to 31 March 2016. The Benchmark performance tracks the performance period of the portfolio. You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise.

Cautious Growth

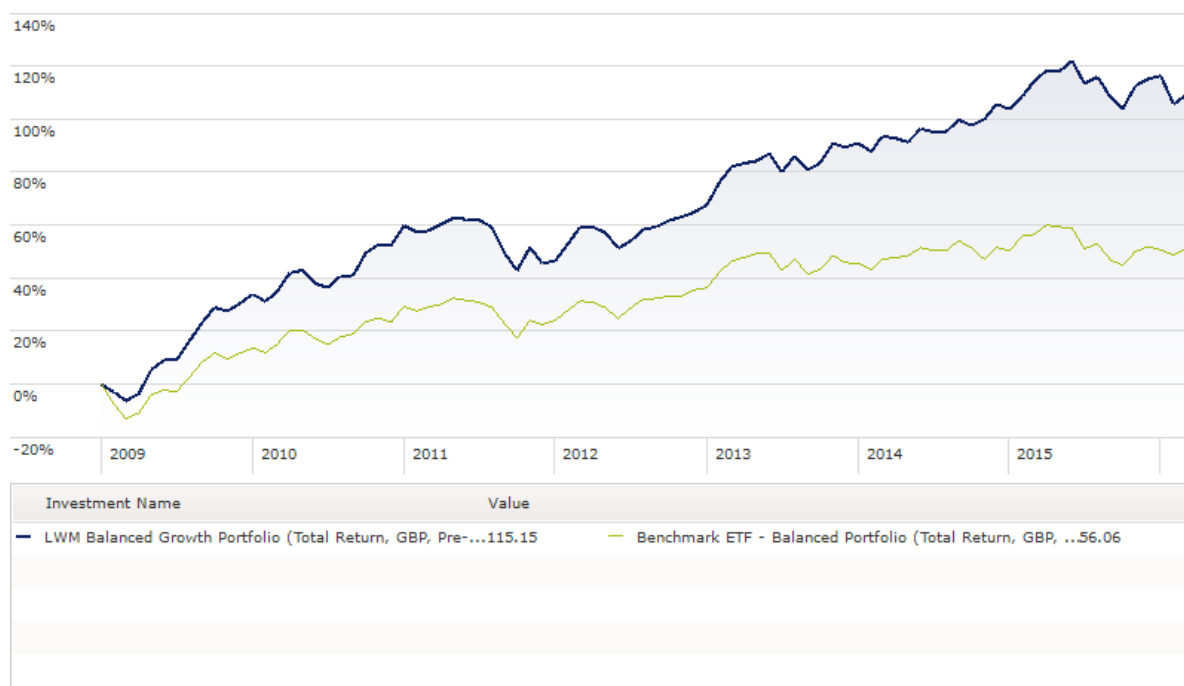


	2011	2012	2013	2014	2015	2016	Since launch
Cautious Growth	-4.52%	12.89%	10.00%	7.49%	3.52%	0.35%	10.56% p.a.
Benchmark	-0.49%	0.46%	3.86%	6.56%	-0.05%	4.06%	6.69% p.a.

	1 Year to 31/03/12	1 Year to 31/03/13	1 Year to 31/03/14	1 Year to 31/03/15	1 Year to 31/03/16
Cautious Growth	1.49%	13.24%	2.64%	13.44%	-1.95%
Benchmark	3.12%	12.50%	-1.42%	10.08%	-1.55%

Note: Please read special note to tables at the end of the tables. The launch date of the Portfolio is 1 January 2009, and performance is up to 31 March 2016. The Benchmark performance tracks the performance period of the portfolio. You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise.

Balanced Growth

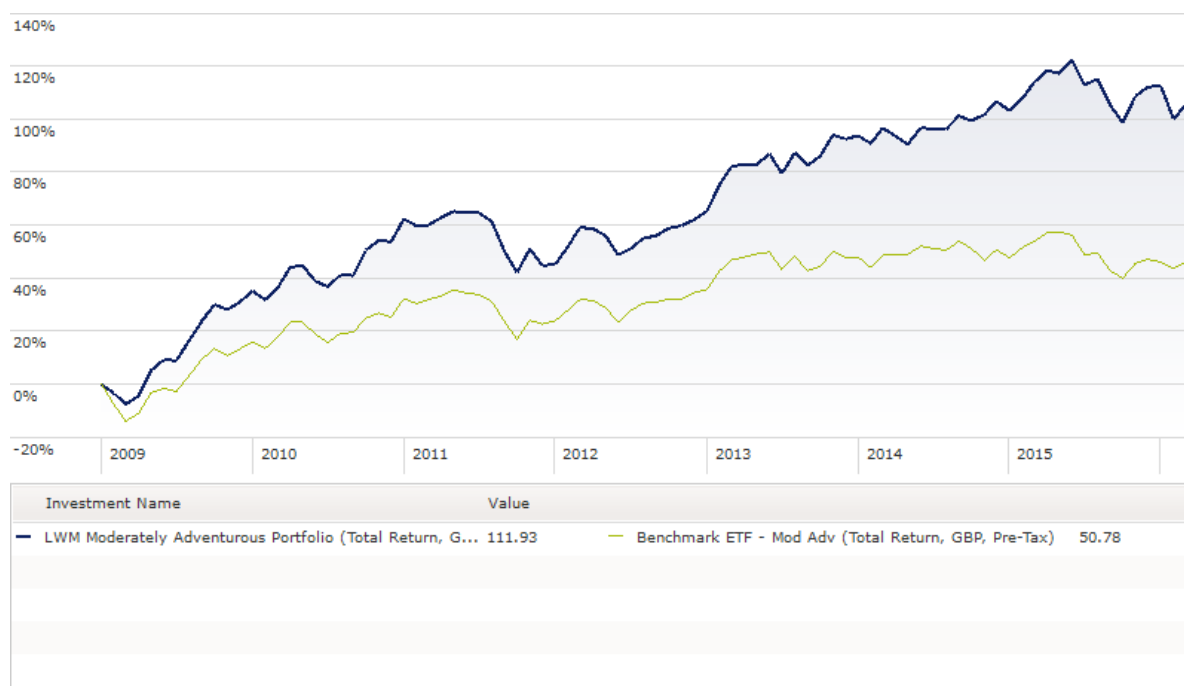


	2011	2012	2013	2014	2015	2016	Since launch
Balanced Growth	19.25%	-8.29%	14.36%	13.89%	6.71%	0.03%	11.15% p.a.
Benchmark	13.62%	-5.56%	7.78%	7.11%	0.81%	-3.81%	4.51% p.a.

	1 Year to 31/03/12	1 Year to 31/03/13	1 Year to 31/03/14	1 Year to 31/03/15	1 Year to 31/03/16
Balanced Growth	-4.44%	13.20%	13.39%	7.76%	3.10%
Benchmark	-4.98%	10.45%	7.64%	4.42%	-5.58%

Note: Please read special note to tables at the end of the tables. The launch date of the Portfolio is 1 January 2009, and performance is up to 31 March 2016. The Benchmark performance tracks the performance period of the portfolio. You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise.

Moderately Adventurous Growth

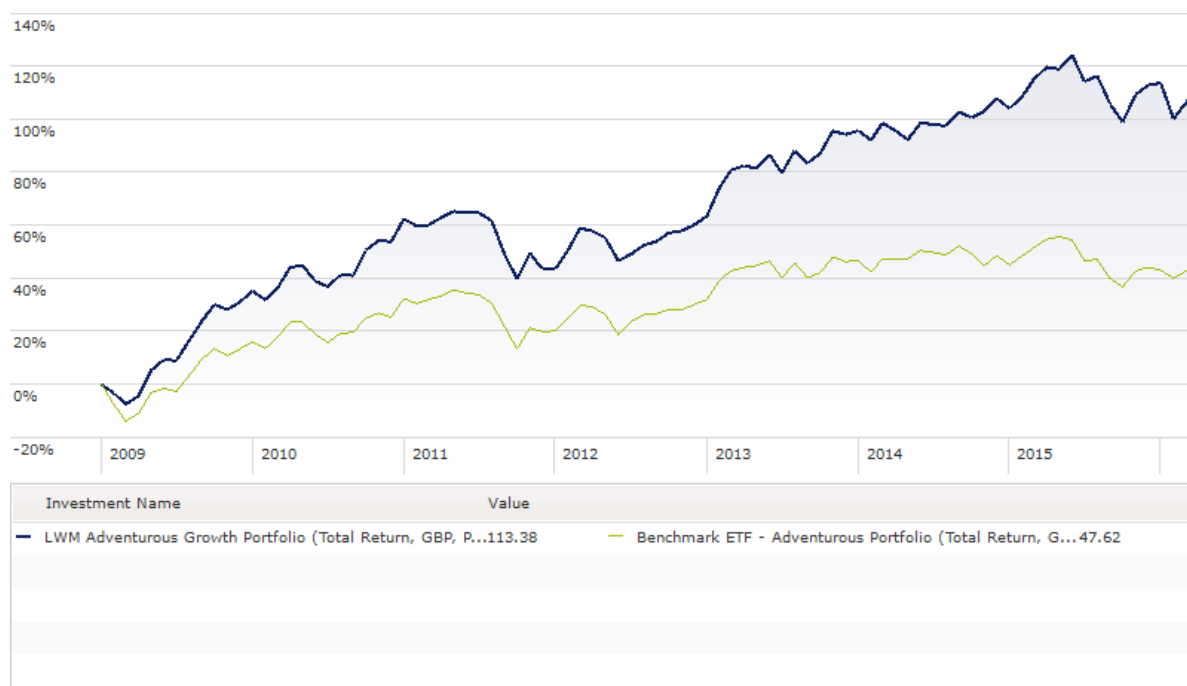


	2011	2012	2013	2014	2015	2016	Since launch
Moderately Adventurous Growth	-10.51%	13.82%	17.19%	4.86%	4.66%	-0.45%	10.92% p.a.
Benchmark	-6.30%	9.54%	9.00%	-0.17%	-1.04%	3.03%	5.83% p.a.

	1 Year to 31/03/12	1 Year to 31/03/13	1 Year to 31/03/14	1 Year to 31/03/15	1 Year to 31/03/16
Moderately Adventurous Growth	-2.59%	15.43%	5.76%	12.74%	-3.04%
Benchmark	-1.26%	12.50%	0.52%	5.58%	-4.14%

Note: Please read special note to tables at the end of the tables. The launch date of the Portfolio is 1 January 2009, and performance is up to 31 March 2016. The Benchmark performance tracks the performance period of the portfolio. You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise.

Adventurous Growth

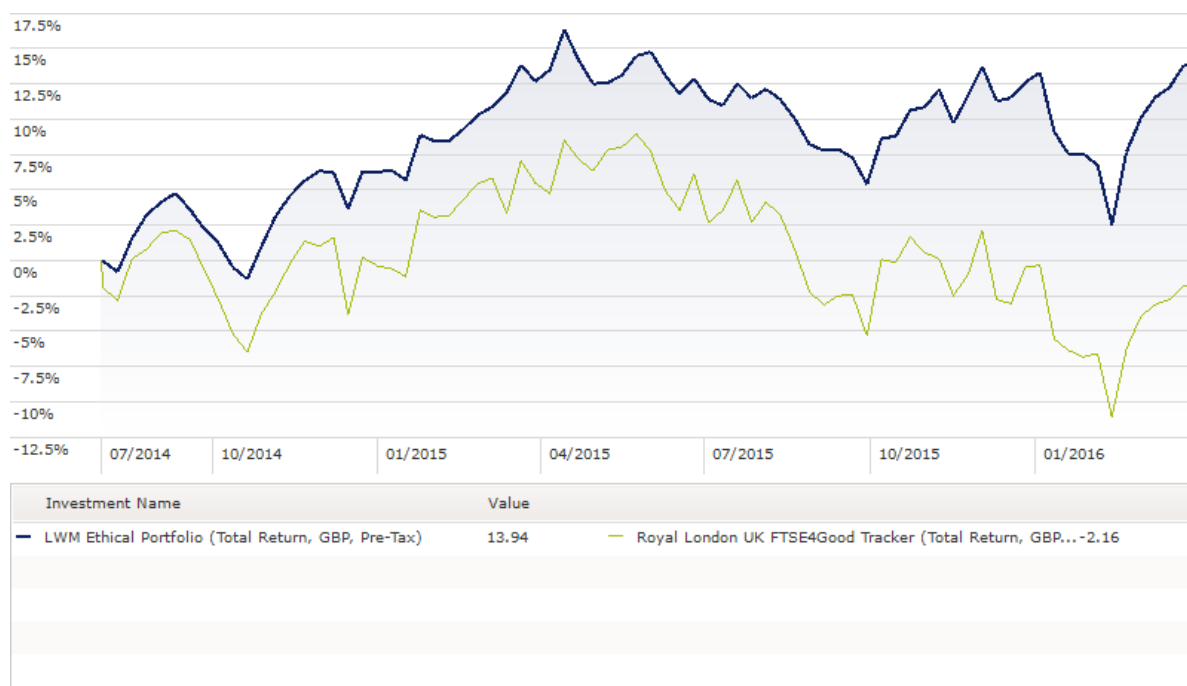


	2011	2012	2013	2014	2015	2016	Since launch
Adventurous Growth	-11.59%	13.88%	19.73%	4.30%	4.69%	-1.34%	11.03% p.a.
Benchmark	-9.18%	9.82%	11.19%	-1.09%	-1.34%	-0.24%	5.52% p.a.

	1 Year to 31/03/12	1 Year to 31/03/13	1 Year to 31/03/14	1 Year to 31/03/15	1 Year to 31/03/16
Adventurous Growth	-3.13%	15.66%	7.22%	12.28%	-2.96%
Benchmark	-3.03%	11.54%	2.16%	5.10%	-4.72%

Note: Please read special note to tables at the end of the tables. The launch date of the Portfolio is 1 January 2009, and performance is up to 31 March 2016. The Benchmark performance tracks the performance period of the portfolio. You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise.

Ethical Portfolio



	2011	2012	2013	2014	2015	2016	Since launch
Ethical	N/A	N/A	N/A	N/A	6.63%	0.51%	8.15% p.a.
Benchmark	N/A	N/A	N/A	N/A	0.01%	-1.84%	-1.30% p.a.

	1 Year to 31/03/12	1 Year to 31/03/13	1 Year to 31/03/14	1 Year to 31/03/15	1 Year to 31/03/16
Ethical	N/A	N/A	N/A	N/A	0.55%
Benchmark	N/A	N/A	N/A	N/A	-6.59%

The launch date of the Portfolio is 1 August 2014, and performance is up to 31 March 2016. The Benchmark performance tracks the performance period of the portfolio.

Special note to tables: You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

Additional notes

The key measure for us is to outperform a fund that tracks an index over a medium to long term period. Within each sector we will have funds that perform differently. We have set a benchmark which accurately and fairly reflects what we are aiming to do. The benchmark is tradable and therefore can be invested in. The benchmarks we have used are:

Fixed Interest	iShares Core UK Gilts iShares Core £ Corporate Bond iShares J.P.Morgan \$ Emerging Mkts Bond
Property	iShares Developed Markets Property Yld
UK	iShares UK Dividend Lyxor ETF FTSE All Share
Europe	iShares MSCI Europe Ex UK iShares MSCI Eastern Europe Capped ETF
US	iShares MSCI North America
Japan	DB X-Trackers MSCI Japan ETF
Asia	iShares MSCI AC Far East Ex Japan
Emerging Markets	iShares MSCI Emerging Markets (Acc) iShares MSCI Frontier 100
Global	iShares MSCI World Dist
Specialist	ETFS All Commodities ETFS Agriculture iShares Global Infrastructure Lyxor ETF MSCI World Health Care

LWM Consultants Ltd is authorised and regulated by the Financial Conduct Authority. FCA Number 728107. Registered in England & Wales under Company Number 07408315. Registered Office: The Garden Suite, 23 Westfield Park, Redland, Bristol, BS6 6LT