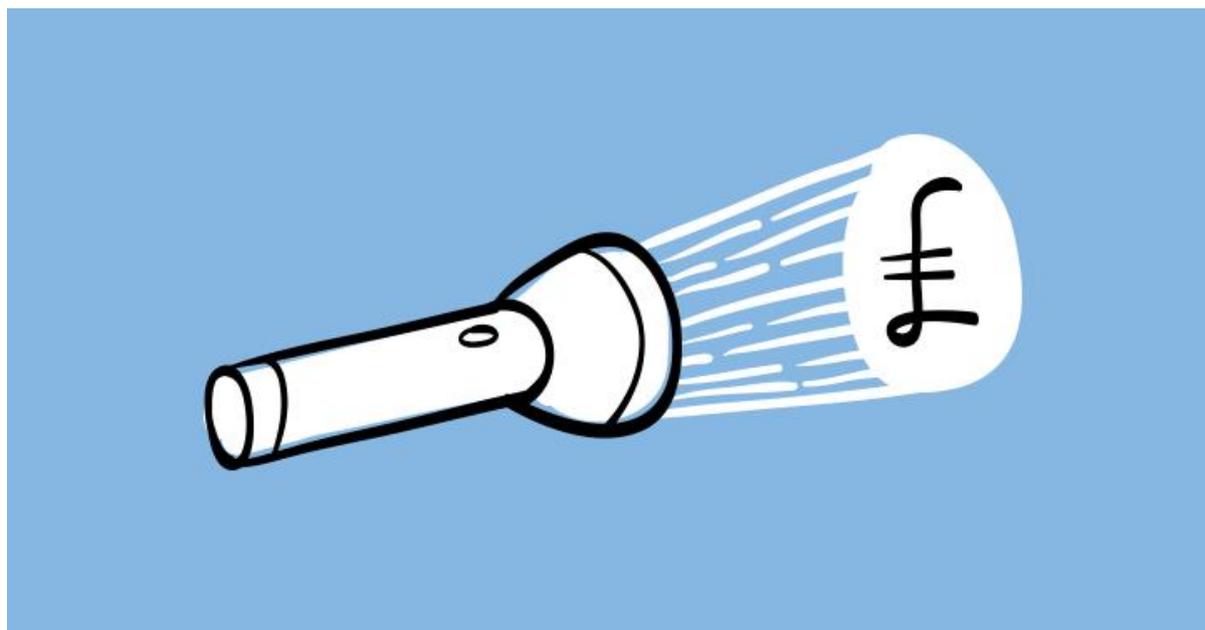


QUARTERLY PORTFOLIO REVIEW – JANUARY 2020



"You get recessions, you have stock market declines. If you don't understand that's going to happen, then you're not ready, you won't do well in the markets."

- Peter Lynch

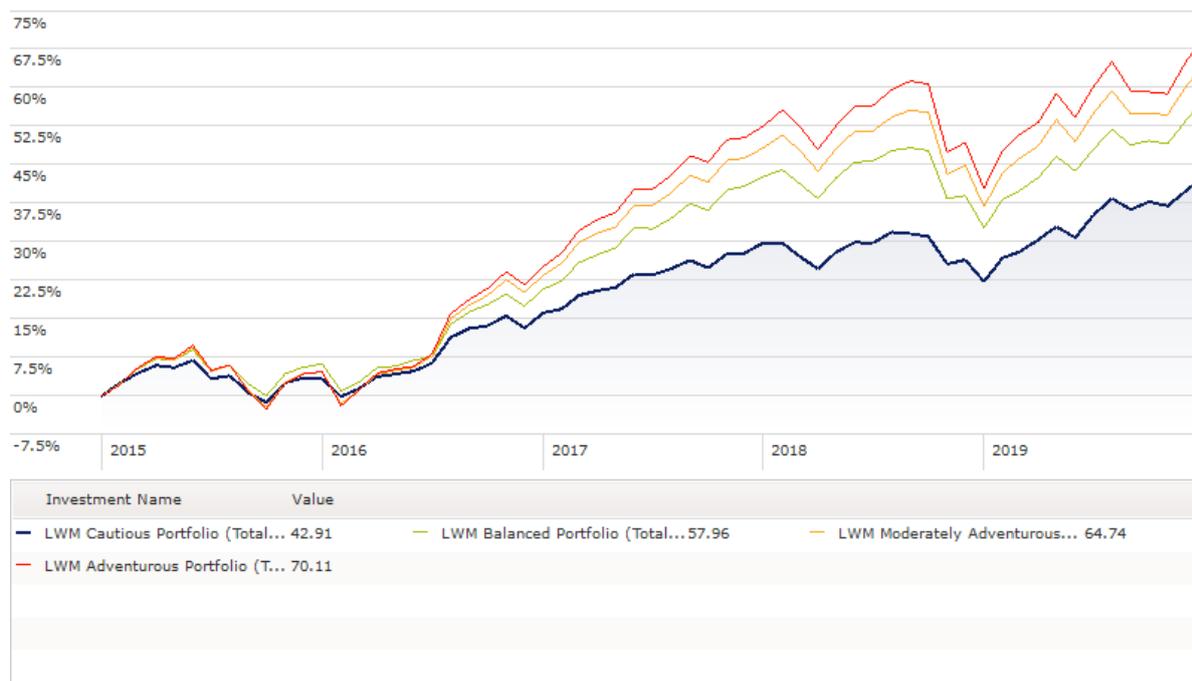
It's a lot easier to write the update when we have come out of a positive year. One take-out from our last annual review was that historically if you get a bad year, you normally get a bounce the following year. 2019 certainly delivered that, although it did start to slow in the second half with a sudden surge in November and December, which helped deliver strong positive returns for the year.

This meant that over two years (2018 and 2019) the average returns were between 5% and 6% per annum, across the portfolios. We have always said however that the focus should be on the long term.

If we look at the performance over 5 years, we can see the figures are above the 5% to 8% potential annual returns.

Cautious Portfolio	7.40% p.a.
Balanced Portfolio	9.58% p.a.
Moderately Adventurous Portfolio	10.50% p.a.
Adventurous Portfolio	11.21% p.a.

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It is perhaps worth repeating what we are aiming to achieve, which is a simple strategy; we want to deliver average potential returns between 5% to 8% p.a. after fees, depending on the level of risk/volatility someone is happy with. It is no more complicated than that.

We set benchmarks because we feel that over a ten-year period you should comfortably beat them; however, if we don't, but achieve those returns without taking on undue risk, then we will have succeeded in our fundamental goal.

We will be issuing a series of blogs over the coming weeks looking at our process, and why we think this works best. In the last review we highlighted how we changed the 'diversified' part of the portfolios to provide downside protection. We will touch on this in more detail when we review the portfolios this year, but early signs are that this has been a positive change. The next area is the equity side and we are at the final stages of this review, but we are excited by the proposed changes which we think will deliver performance returns for the next market phase.

In summary, investing is never easy! 2018 was a difficult period with declines in the first and last quarter, which meant that getting positive returns was almost impossible. We indicated that after a decline you often get a bounce and we certainly saw that. We don't expect the same double digit returns this year but if some of the concerns around trade, BREXIT etc dissipate then this could help generate healthy returns for 2020.

George Ladds
January 2020

PORTFOLIO OVERVIEW

Bitesize introduction

2019 started well, and then in August, September and October the returns slowed. The Adventurous Portfolios were hardest hit because of the pull back in equities. The Cautious Portfolio benefited from a higher weighting to diversified assets, meaning at one point its performance was the same as the higher risk portfolios. As the markets rebounded in November and December, the higher risk portfolios made up for lost ground which again, we would expect to see.

The table below shows the performance over the last six months and reflects the changes to the portfolios. The portfolio that really benefited in the last six months was Balanced, which not only was able to cushion some of the downside but had enough in higher risk assets to participate in the upside when it came.

Cautious Portfolio	5.70%
Balanced Portfolio	6.71%
Moderately Adventurous Portfolio	6.26%
Adventurous Portfolio	6.16%

The year-end figures were positive, and all the portfolios outperformed their index.

	Portfolio	Benchmark
Cautious Portfolio	16.93%	12.24%
Balanced Portfolio	18.96%	15.65%
Moderately Adventurous Portfolio	20.37%	17.19%
Adventurous Portfolio	21.15%	18.02%

These helped reverse the negative returns in 2018, meaning over two years the returns were positive. It is worth stressing that these returns are before platform charges and our fees. (For example, if the platform charge was 0.36% and our fee 1% then the net return for the Balanced Portfolio would be 17.6%).

We will write more on the proposed changes in July in the coming months, but we are excited about these, and some of the new managers we have found. We think these will blend well with the changes made in 2019.

Fourth quarter

In October we saw negative returns across the portfolios, however the Cautious Portfolio was the one which was able to mostly retain its gains across the year. From our side, this was really pleasing because it is an early indication that the diversified assets will help when there is a down period.

We indicated that many things could reverse this; Brexit election, trade etc, and we did get the strong return that we said might happen. The Cautious Portfolio did benefit from this but not as much as the higher risk portfolios, which we would expect.

In summary, it ended as a good quarter and helped reverse the effects of a poor 2018.

First quarter

2019 is done we are now in 2020, so it all starts again!

For areas which have the potential to outperform; Asia/Emerging Markets could do well especially if Phase 1 of the Trade deal is signed in January. We will be watching this closely in 2020.

The other region is the UK; performance has been lacklustre. The markets reacted positively to the general election result, especially domestic stocks, which tend to be found in the small and mid-cap space. Relatively speaking the FTSE 100 remains very cheap, and therefore the UK markets could be another one to watch.

It is also worth adding in the market update, we indicated that the S&P 500 tends to do well after a significant rise the previous year. There is however the election to contend with, fall out from the trade war and escalating tensions in the Middle East all of which might impact the potential returns.

Summary

In summary, 2019 was a good year for investors and much needed after 2018. 2020 has the potential to deliver positively especially if there is easing of trade tensions, a resolve around Brexit etc. But we cannot ignore the unexpected. We don't know what will happen in the Middle East and whether heightened tensions will upset the markets. So, on paper the potential is there but a great deal can happen in 12 months!

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.

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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 1.36% p.a.

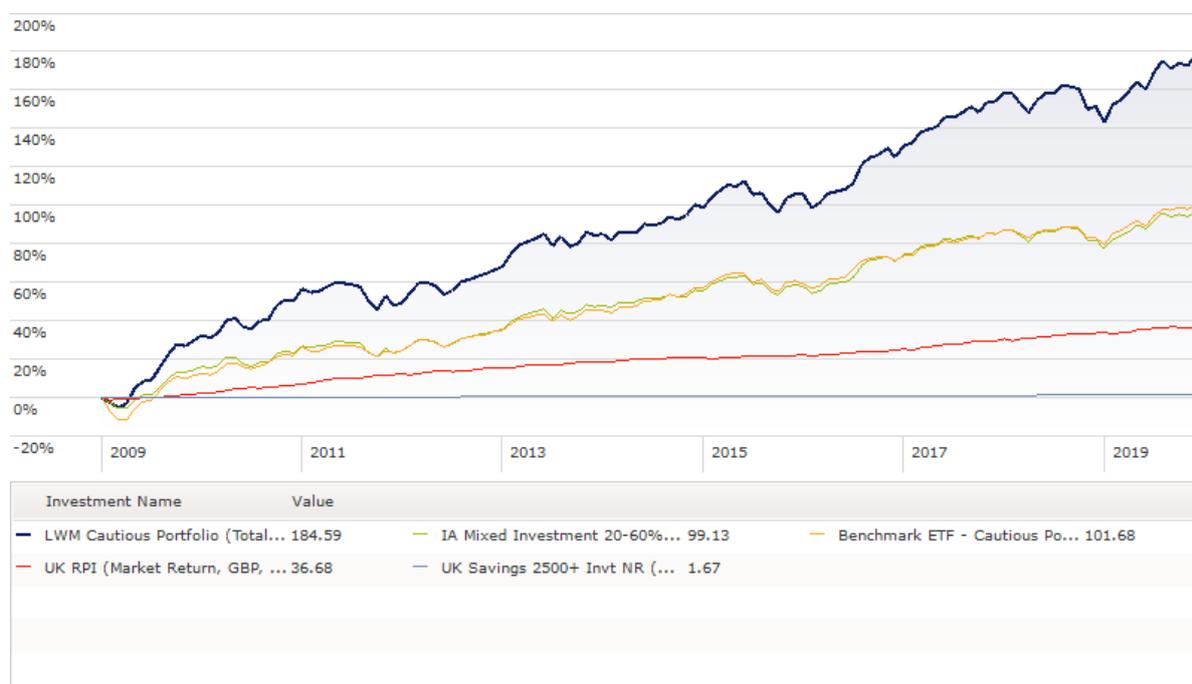
Summary of performance – 1 January 2009 – 31 December 2019

Performance up to 31 December 2019												
	12 months		2 years		3 years		4 years		5 years		Since launch	
	Portfolio	Benchmark	Portfolio	Benchmark								
Cautious	16.93%	12.24%	10.06%	7.58%	23.05%	15.93%	38.26%	26.75%	53.57%	34.39%	184.59%	101.68%
Balanced	18.96%	15.65%	10.64%	8.51%	30.83%	20.67%	48.78%	34.02%	57.96%	34.86%	222.34%	115.97%
Mod Adventurous	20.37%	17.19%	11.04%	10.36%	33.42%	23.27%	57.50%	45.41%	64.74%	44.85%	235.24%	133.55%
Adventurous	21.15%	18.02%	11.47%	10.95%	35.87%	25.21%	62.55%	50.27%	70.11%	49.17%	247.72%	137.53%
Ethical	22.35%	18.97%	15.87%	10.09%	34.10%	21.68%	54.80%	37.71%	65.07%	37.72%	75.47%	37.26%

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

Cautious Portfolio

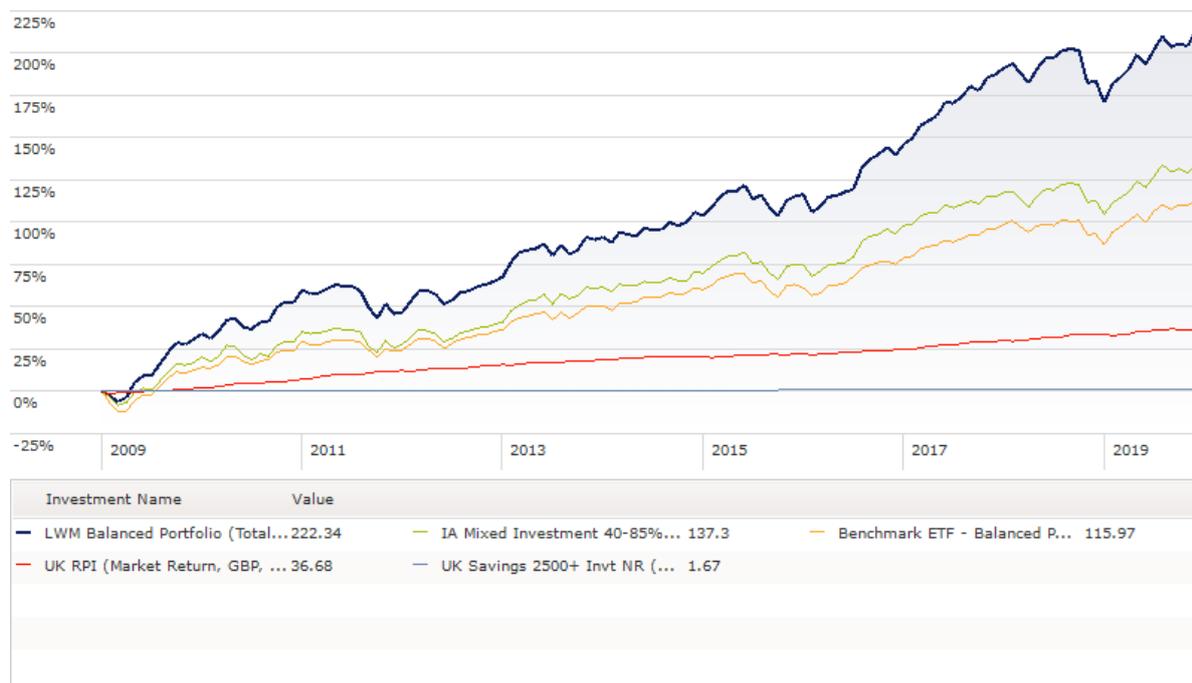


	2014	2015	2016	2017	2018	2019	Since launch
Cautious Portfolio	7.46%	3.37%	12.36%	11.81%	-5.88%	16.93%	9.98% p.a.
Benchmark	8.06%	1.29%	9.33%	7.77%	-4.16%	12.24%	6.59% p.a.

	1 Year to 31/12/15	1 Year to 31/12/16	1 Year to 31/12/17	1 Year to 31/12/18	1 Year to 31/12/19
Cautious Portfolio	3.37%	12.36%	11.81%	-5.88%	16.93%
Benchmark	1.29%	9.33%	7.77%	-4.16%	12.24%

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 December 2019. 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 Portfolio

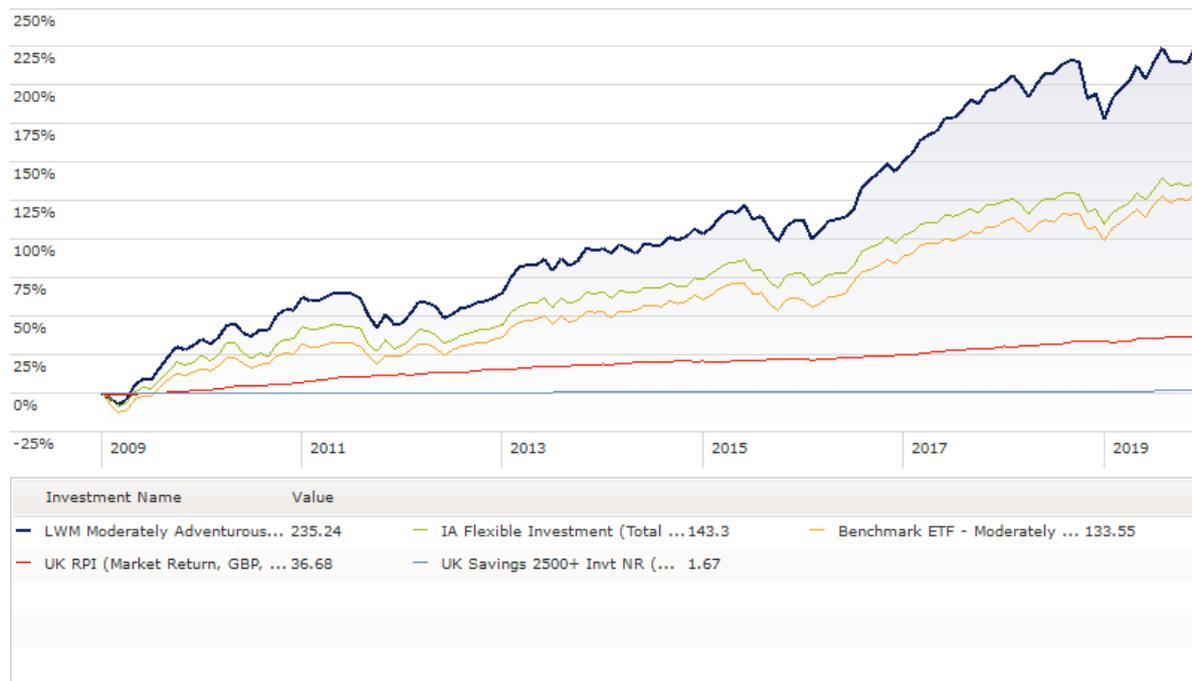


	2014	2015	2016	2017	2018	2019	Since launch
Balanced Portfolio	6.69%	6.17%	13.72%	18.24%	-6.99%	18.96%	11.23% p.a.
Benchmark	6.91%	1.01%	13.31%	11.21%	-6.17%	15.65%	7.25% p.a.

	1 Year to 31/12/15	1 Year to 31/12/16	1 Year to 31/12/17	1 Year to 31/12/18	1 Year to 31/12/19
Balanced Portfolio	6.17%	13.72%	18.24%	-6.99%	18.96%
Benchmark	1.01%	13.31%	11.21%	-6.17%	15.65%

Note: Please read special note to tables at the end of tables. The launch date of the is 1 January 2009, and performance is up to 31 December 2019. 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 Portfolio

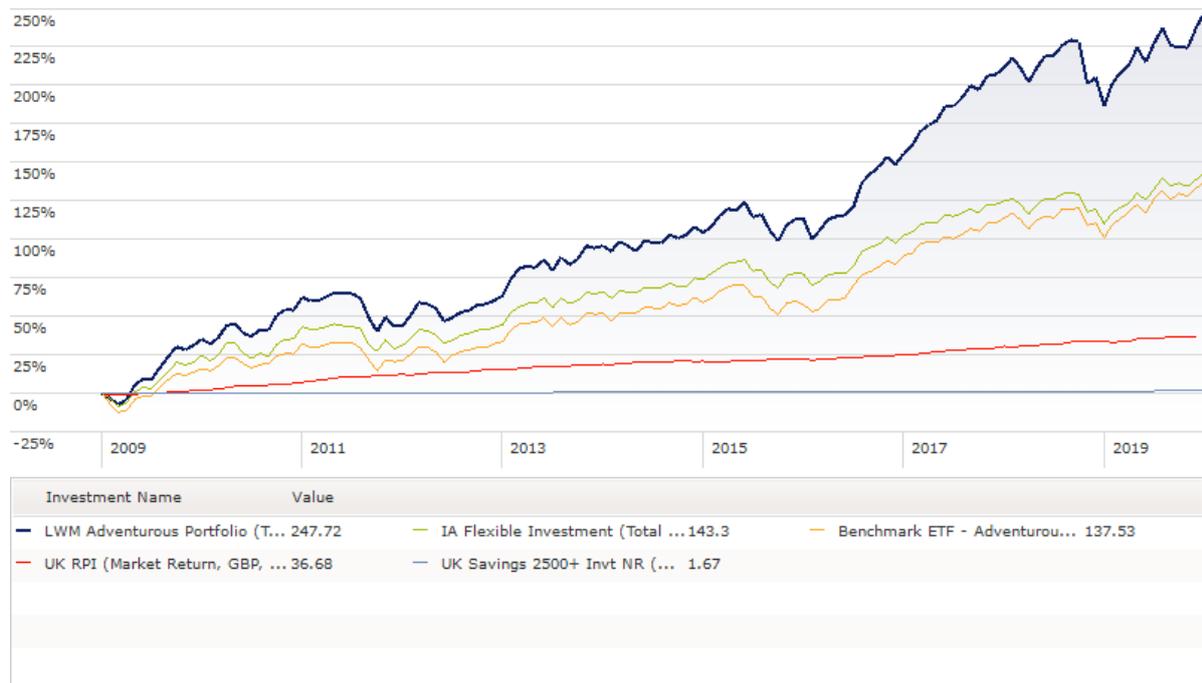


	2014	2015	2016	2017	2018	2019	Since launch
Moderately Adventurous Portfolio	4.84%	4.60%	18.05%	20.16%	-7.75%	20.37%	11.63% p.a.
Benchmark	5.47%	-0.38%	17.97%	11.70%	-5.83%	17.19%	8.02% p.a.

	1 Year to 31/12/15	1 Year to 31/12/16	1 Year to 31/12/17	1 Year to 31/12/18	1 Year to 31/12/19
Moderately Adventurous Portfolio	4.60%	18.05%	20.16%	-7.75%	20.37%
Benchmark	-0.38%	17.97%	11.70%	-5.83%	17.19%

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 December 2019. 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 Portfolio

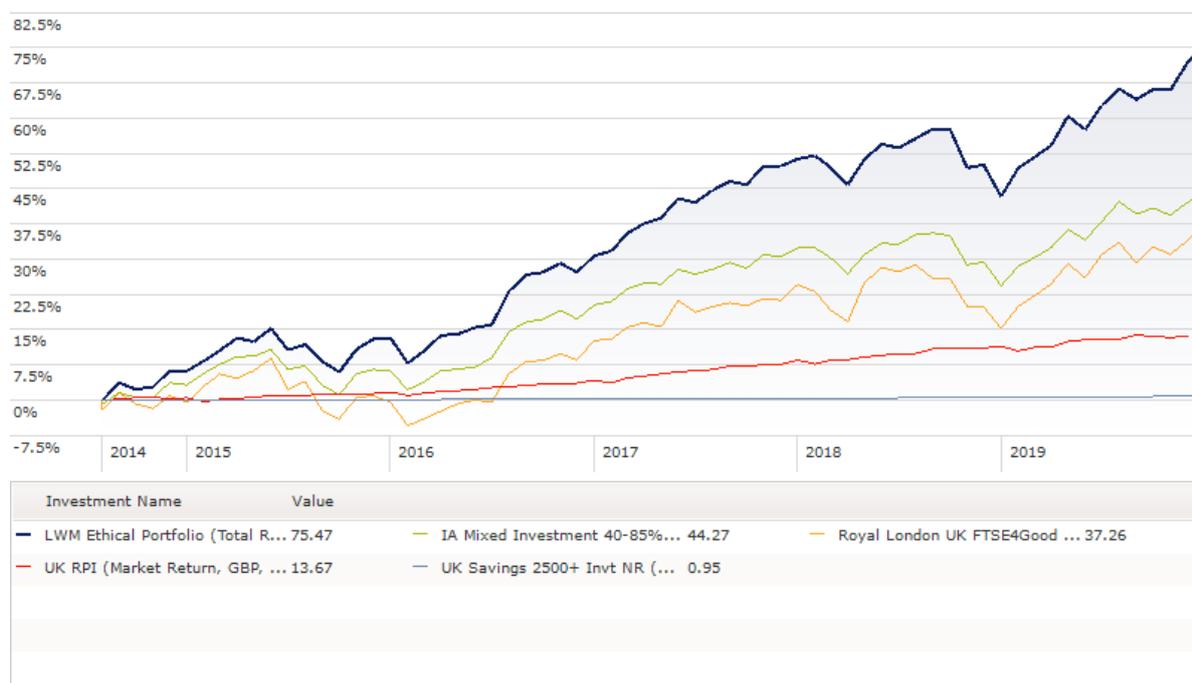


	2014	2015	2016	2017	2018	2019	Since launch
Adventurous Portfolio	4.28%	4.65%	19.64%	21.89%	-7.99%	21.15%	12.00 p.a.
Benchmark	4.83%	-0.73%	20.01%	12.85%	-5.99%	18.02%	8.18% p.a.

	1 Year to 31/12/15	1 Year to 31/12/16	1 Year to 31/12/17	1 Year to 31/12/18	1 Year to 31/12/19
Adventurous Portfolio	4.65%	19.64%	21.89%	-7.99%	21.15%
Benchmark	-0.73%	20.01%	12.85%	-5.99%	18.02%

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 December 2019. 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



	2014	2015	2016	2017	2018	2019	Since launch
Ethical Portfolio	N/A	6.63%	15.51%	15.73%	-5.30%	22.35%	10.94% p.a.
Benchmark	N/A	0.01%	13.27%	10.52%	-7.46%	18.97%	6.02% p.a.

	1 Year to 31/12/15	1 Year to 31/12/16	1 Year to 31/12/17	1 Year to 31/12/18	1 Year to 31/12/19
Ethical Portfolio	6.63%	15.51%	15.73%	-5.30%	22.35%
Benchmark	0.01%	13.27%	10.52%	-7.46%	18.97%

The launch date of the Portfolio is 1 August 2014, and performance is up to 31 December 2019. 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:

Diversifying Assets	Vanguard Global Bond Index Fund
UK	Vanguard FTSE All Share Fund
Europe	iShares MSCI Europe Ex UK
US	iShares MSCI North America
Japan	DB X-Trackers MSCI Japan ETF
Global	iShares MSCI World Dist
Asia	iShares MSCI AC Far East Ex Japan
Emerging Markets	iShares MSCI Emerging Markets (Acc)
	iShares MSCI Frontier 100

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