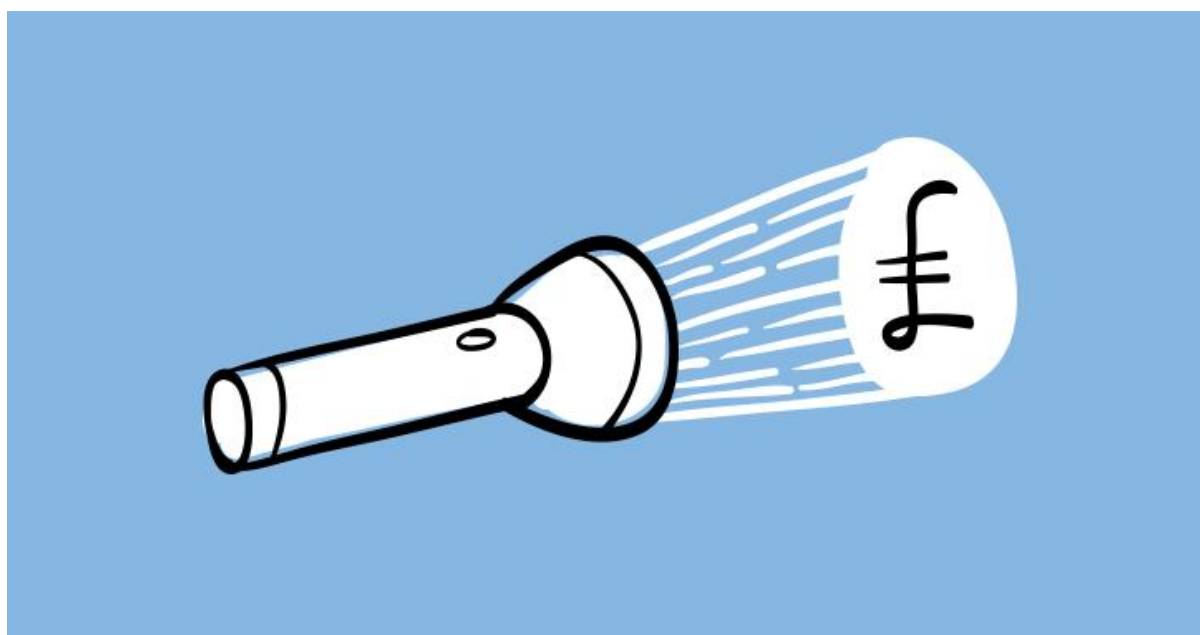


QUARTERLY PORTFOLIO REVIEW – JULY 2020



"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 is worth keeping this quote from Peter Lynch. This year has been extraordinary and has tested many. For the introduction I have included four tables of data which highlight the importance of keeping our nerve, even in the worst of times.

The first is our primary focus which is to consider investments over a period of five years plus. Up to the end of 31st December 2019, the Balanced Portfolio had averaged a return of 9.58% p.a. This reflects major market falls in August/September 2015, January/February 2016, early and late 2018.

The most recent figures factor in these same periods of negativity plus the recent market falls. Even with this, the Balanced Portfolio has returned 7.43% p.a. before fees.

	1st July 2015 - 30th June 2020	1st January 2015 - 31st December 2019
Cautious Portfolio	5.38% p.a.	7.40% p.a.
Balanced Portfolio	7.43% p.a.	9.58% p.a.
Moderately Adventurous Portfolio	8.44% p.a.	10.50% p.a.
Adventurous Portfolio	9.28% p.a.	11.21% p.a.
Positive Impact Portfolio	9.46% p.a.	10.54% p.a.

If we focus on the short term, the recent market falls happened very quickly as we can see in the table below. The damage happened during the period from the end of February to the 19th March and markets fell hard and quickly. However, as quickly as the markets dropped, they recovered. In just two weeks most of the portfolios had returned around 11%.

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	1 st January – 19 th March 2020	19 th March – 31 st March 2020
Cautious Portfolio	-25.80%	10.35%
Balanced Portfolio	-27.55%	11.22%
Moderately Adventurous Portfolio	-29.16%	11.37%
Adventurous Portfolio	-29.29%	11.23%
Positive Impact Portfolio	-21.76%	9.30%

Of course, these recoveries did not replace the entirety of the fall in values, so at the quarterly review at the end of March, we were seeing the potential for negative returns for the year. That said, with the volatility over the last couple of weeks we continue to see that the recovery between April and the end of June has been much stronger, and our year end predictions will likely alter.

	1 st January - 31 st March 2020	1 st April – 30 th June 2020
Cautious Portfolio	-18.12%	14.75%
Balanced Portfolio	-19.41%	17.74%
Moderately Adventurous Portfolio	-21.10%	20.83%
Adventurous Portfolio	-21.35%	22.27%
Positive Impact Portfolio	-14.48%	16.02%

If we go one step further, the table below shows the performance for six months and this now looks very different to where we were on the 19th March. The 12-month figures look healthy considering what has just happened.

	1 st January – 30 th June 2020	1 st July 2019 – 30 th June 2020
Cautious Portfolio	-6.04%	-0.68%
Balanced Portfolio	-5.12%	+1.24%
Moderately Adventurous Portfolio	-4.67%	+1.30%
Adventurous Portfolio	-3.83%	+2.09%
Positive Impact Portfolio	-0.78%	+6.90%

So, what does this tell us? We take investing money very seriously and although the numbers show a 'paper loss' it is still very uncomfortable to watch. Those initial few weeks were difficult to respond to. However, our focus remained the same. Firstly, sticking to our process, then engaging with as many fund managers as we could and thirdly, looking at all the facts.

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One of the key facts is that *time in the market* is better than *timing (when to enter or exit) the market*. We don't know if the markets will test the lows again, but what we can say is that withdrawing or selling during this period would have meant missing some of the biggest upswings that I have ever seen.

Going into the next six months we know there are challenges with a potential second wave, US vs China, the US election and Brexit, but we are also excited about the new portfolios.

The changes to the portfolios started in the July 2019 rebalance and are focused on the next 5 years. We have identified good fund management houses, and selected areas and sectors which we think will do well.

Healthcare and technology are an ever-increasing influence on our lifestyles; China and Asia are some of the fastest growing regions and China is highly likely to overtake the US in its share of World Global GDP. We should not write-off Europe so have sourced good fund managers who can exploit those opportunities.

Although we may make changes next year, we would expect these to be significantly fewer, to possibly reflect a change in management team or a better opportunity.

This report looks at everything that has happened over the last 6 months and what may be in store in the near future.

George Ladds

July 2020

PORTFOLIO OVERVIEW

Bitesize introduction

2020 has been a tough year so far, but if we consider the returns over six months since 1st January, the portfolios have held up relatively well.

Where the Cautious Portfolio performed well in 2019 when markets slowed, in 2020 it was less insulated. This was because when the markets went down everything went the same way and there was no haven. When the markets recovered, and as we would expect, those with greater equity exposure did better. We have seen elements of the diversifying assets recover however, especially property and structured products which is good news for the lower risk portfolios. We will touch on other ways we hope to provide more protection in the Cautious Portfolio further in this update.

Our focus will always be on the long-term and the tables below show annual returns over 3, 5- and 10-years vs the benchmark:

1 July 2017 – 30 June 2020

	Portfolio	Benchmark
Cautious Portfolio	2.82% p.a.	3.42% p.a.
Balanced Portfolio	4.18% p.a.	3.43% p.a.
Moderately Adventurous Portfolio	4.63% p.a.	4.12% p.a.
Adventurous Portfolio	5.27% p.a.	4.27% p.a.
Positive Impact Portfolio	6.99% p.a.	-1.48% p.a.

1 July 2015 – 30 June 2020

	Portfolio	Benchmark
Cautious Portfolio	5.38% p.a.	4.56% p.a.
Balanced Portfolio	7.43% p.a.	4.90% p.a.
Moderately Adventurous Portfolio	8.44% p.a.	6.45% p.a.
Adventurous Portfolio	9.28% p.a.	6.88% p.a.
Positive Impact Portfolio	9.46% p.a.	2.10% p.a.

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1 July 2010 – 30 June 2020

	Portfolio	Benchmark
Cautious Portfolio	7.01% p.a.	5.68% p.a.
Balanced Portfolio	8.38% p.a.	6.04% p.a.
Moderately Adventurous Portfolio	8.83% p.a.	6.80% p.a.
Adventurous Portfolio	9.32% p.a.	6.91% p.a.
Positive Impact Portfolio	-	-

The Positive Impact Portfolio is a different portfolio to the others. It was launched in 2014 and aims to invest in assets which have a positive impact on the world around us. These types of investments have tended to do better during market downturns.

First six months

The first six months of this year have been 'interesting' for the portfolios. January started well and even into February we felt comfortable that this year would be positive. When everything changed, we felt there might be some protection in infrastructure, bonds, REITS (property), multi-asset and structured products, but this did not happen as all assets came down with the markets.

To illustrate the differences in performance, I have picked four funds which are held in most of the portfolios. The table below shows the performance up to the 19th March, and then the performance up to 30th June.

	1 st January – 19 th March 2020	1 st January – 30 th June 2020
Nomura Global Dynamic Bond Fund	-10.07%	+3.19%
AHFM Defined Returns Fund	-32.66%	-7.69%
TR Property	-50.10%	-29.85%
Scottish Mortgage	-17.51%	+41.98%

The main message was that even bonds, which are considered a haven, saw significant falls. In all cases these strategies have seen significant recoveries with Nomura being positive for the year and Scottish Mortgage significantly up. AHFM has recovered strongly and we expect that to move into positive territory. TR property reflects the fact that property is currently out of favour, but we have spoken to the team and we believe the fund is invested in the right areas of the market and should recover further.

Third quarter

We are excited about these new portfolios which start on 1 July.

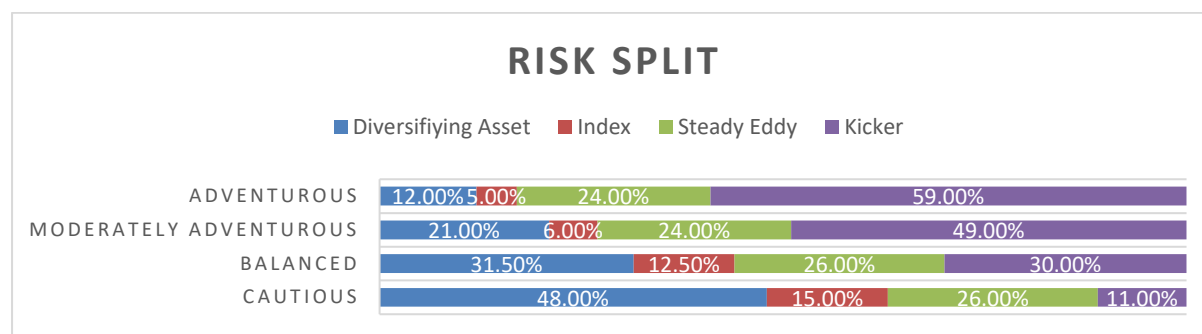
In some of the portfolios we have increased exposure to technology and biotechnology. We have also introduced a global brands strategy to replace the income strategies, to provide some protection in market dislocations as we have just seen.

Globally, we continue to see the US as a long-term investment play but also believe in the potential for growth in emerging markets and Asia. We have reduced exposure to Japan but increased our weightings to China. We do not think that investors should write off Europe. There are global companies and we think we have found to excellent fund managers to exploit those opportunities.

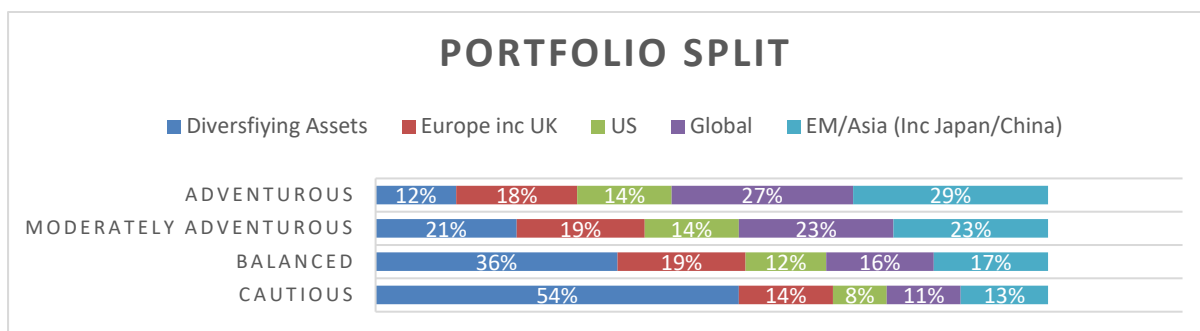
We wanted to mention the Cautious Portfolio specifically, but this applies across the strategies we manage. We have split the investments into four groups:

1. Diversifying assets – in normal times we expect this to respond differently to the market and will be a mix of bonds, infrastructure, property etc
2. Index - these are assets which match an index. The three areas we use this is in bonds, UK equities and US equities
3. 'Steady eddy' – these are steadier equity strategies that have a focus on downside protection as well as capturing upside growth
4. Kicker – the kickers are higher risk funds which should in theory perform strongly put also have the potential to fall with the market

To protect the Cautious Portfolio, we will have more in diversifying assets, index, and steady eddy. This is reversed for the Adventurous Portfolio which has more in kickers. The table below shows how this looks:



Within diversifying assets there are index holdings, and the table below shows the portfolio split and how the higher the risk the greater the exposure to specific regions. We are looking to mitigate the downside for assets in the Cautious Portfolio more but also capture upside growth.



We will have to wait and see if 2020 brings a positive return, but we feel confident that the portfolios are well placed to weather the next five years plus.

Summary

2020 has been tricky so far and has tested the nerves of any investor, however as things stand today the returns, although still negative from 1st January, have recovered strongly from the lowest points.

Some funds individually have made excellent progress in this period and within the updated portfolios we think this could be good news for the rest of the year.

We hope for positive returns for the calendar year of 2020, although we are only halfway through. We do feel that remaining invested in these portfolios should deliver strong, consistent performance over the next 5 years and beyond.

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.

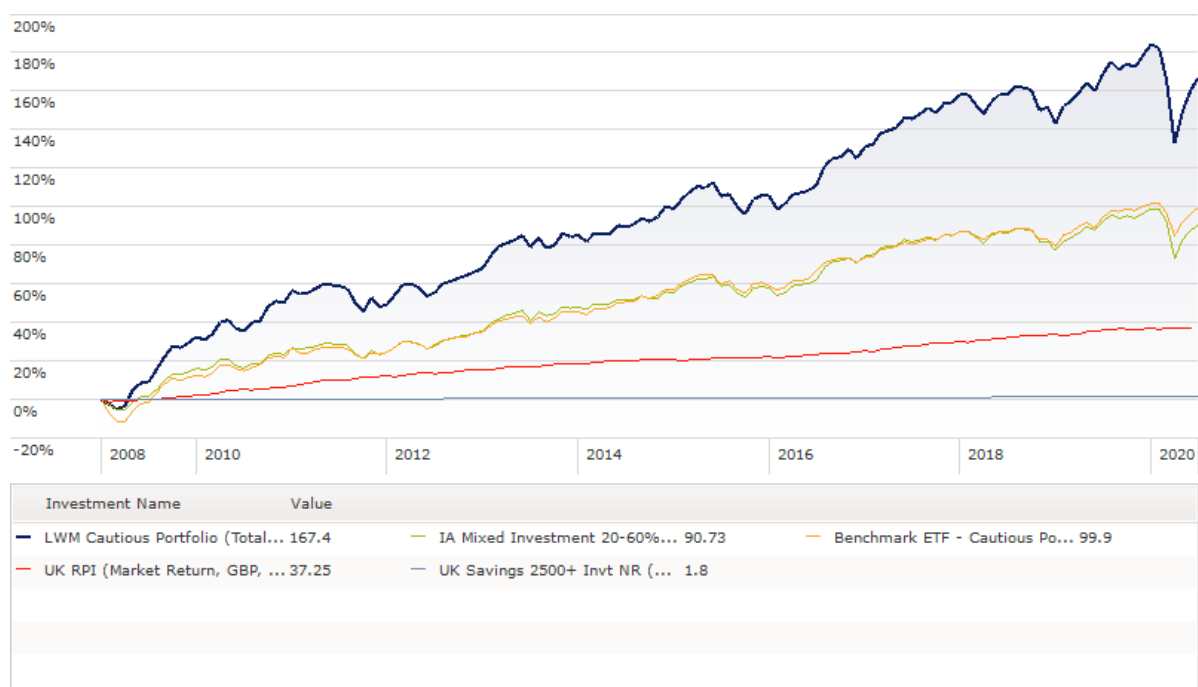
Summary of performance – 1 January 2009 – 30 June 2020

	Performance up to 30 June 2020											
	12 months		2 years		3 years		4 years		5 years		Since launch	
	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark
Cautious Portfolio	-0.68%	2.61%	3.50%	6.89%	8.72%	10.63%	26.27%	19.65%	29.99%	24.98%	167.40%	99.90%
Balanced Portfolio	1.24%	0.84%	2.83%	5.25%	13.07%	10.65%	39.32%	24.19%	43.09%	27.06%	205.83%	108.48%
Moderately Adventurous Portfolio	1.30%	1.00%	3.57%	6.50%	14.53%	12.89%	45.79%	30.52%	49.95%	36.72%	219.59%	125.21%
Adventurous Portfolio	2.09%	0.53%	4.46%	6.31%	16.66%	13.36%	51.24%	33.45%	55.88%	39.48%	234.41%	127.45%
Positive Impact Portfolio	6.90%	-13.35%	13.22%	-10.86%	22.46%	-4.37%	49.95%	13.93%	57.15%	10.98%	74.10%	13.63%

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 Positive Impact Portfolio which is 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

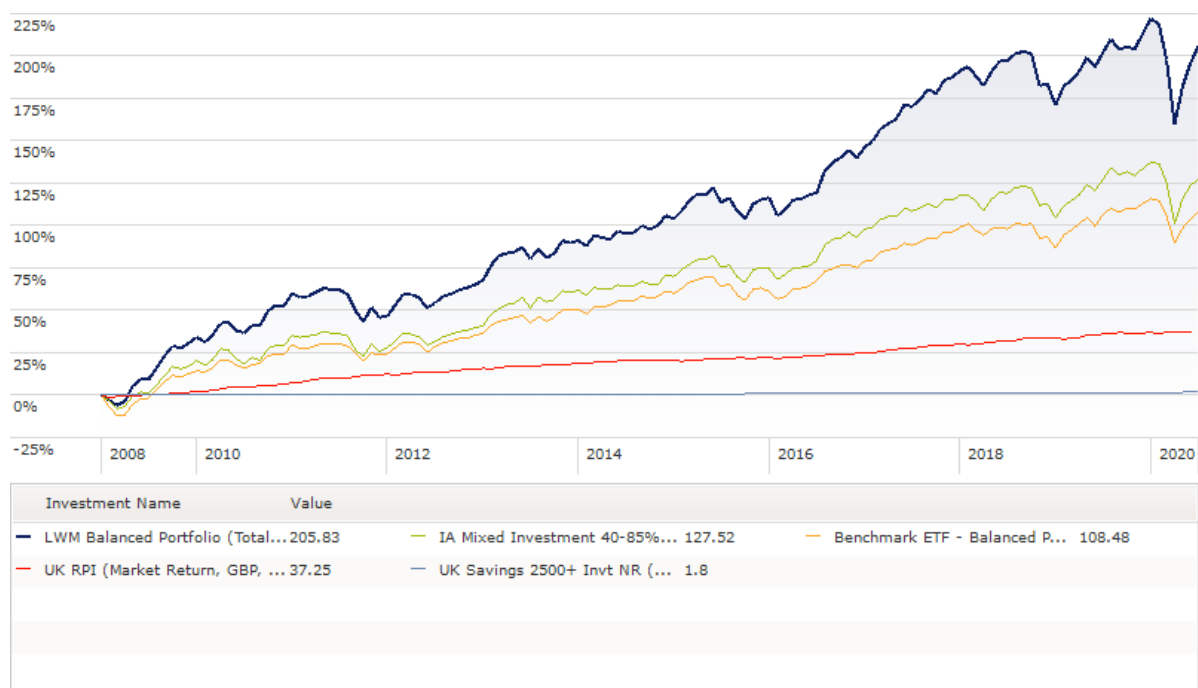


	2015	2016	2017	2018	2019	2020	Since launch
Cautious Portfolio	3.37%	12.36%	11.81%	-5.88%	16.93%	-6.04%	8.93% p.a.
Benchmark	1.29%	9.33%	7.77%	-4.16%	12.24%	-0.88%	6.21% p.a.

	1 Year to 30/06/16	1 Year to 30/06/17	1 Year to 30/06/18	1 Year to 30/06/19	1 Year to 30/06/20
Cautious Portfolio	2.95%	16.15%	5.04%	4.21%	-0.68%
Benchmark	4.45%	8.15%	3.50%	4.17%	2.61%

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 30 June 2020. 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

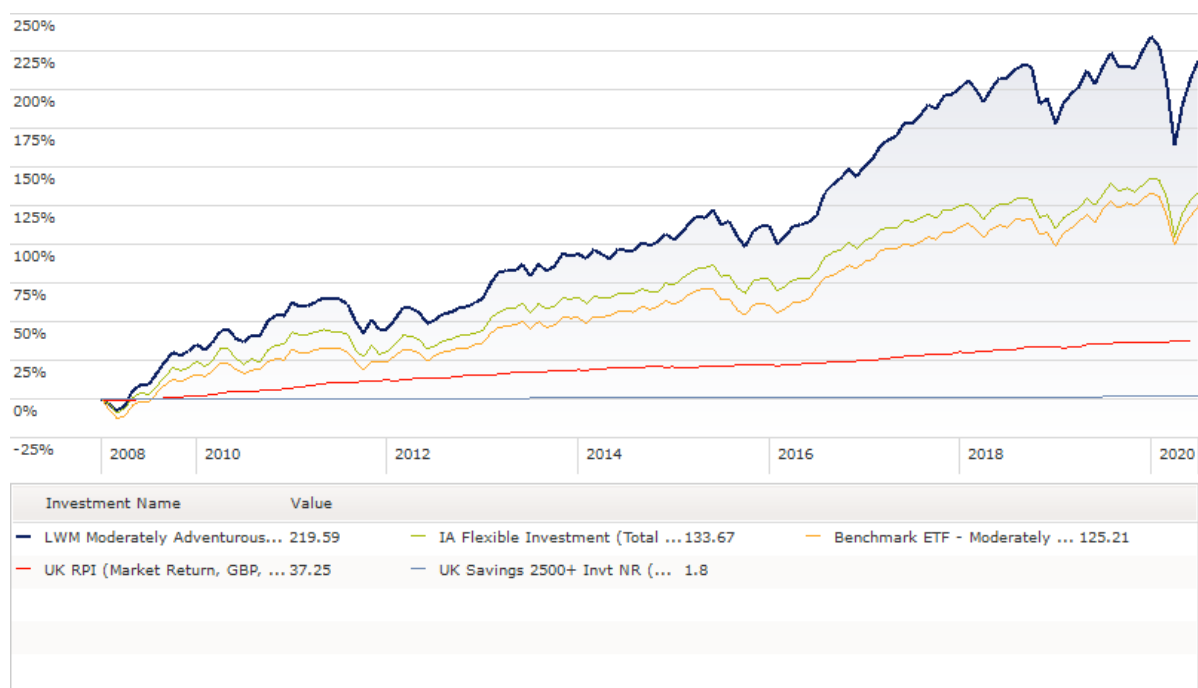


	2015	2016	2017	2018	2019	2020	Since launch
Balanced Portfolio	6.17%	13.72%	18.24%	-6.99%	18.96%	-5.12%	10.21% p.a.
Benchmark	1.01%	13.31%	11.21%	-6.17%	15.65%	-3.47%	6.60% p.a.

	1 Year to 30/06/16	1 Year to 30/06/17	1 Year to 30/06/18	1 Year to 30/06/19	1 Year to 30/06/20
Balanced Portfolio	2.70%	23.22%	9.96%	1.57%	1.24%
Benchmark	2.31%	12.23%	5.14%	4.37%	0.84%

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 30 June 2020. 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

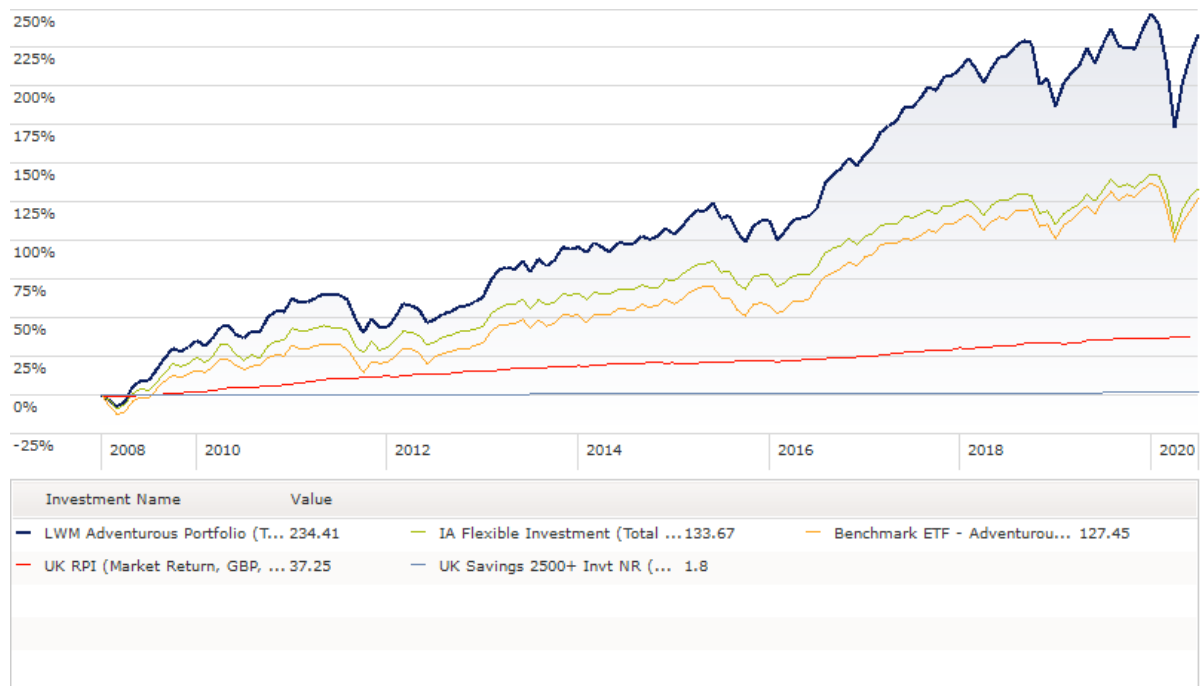


	2015	2016	2017	2018	2019	2020	Since launch
Moderately Adventurous Portfolio	4.60%	18.05%	20.16%	-7.75%	20.37%	-4.67%	10.64% p.a.
Benchmark	-0.38%	17.97%	11.70%	-5.83%	17.19%	-3.57%	7.32 p.a.

	1 Year to 30/06/16	1 Year to 30/06/17	1 Year to 30/06/18	1 Year to 30/06/19	1 Year to 30/06/20
Moderately Adventurous Portfolio	2.85%	27.28%	10.59%	2.24%	1.30%
Benchmark	4.75%	15.62%	6.00%	5.44%	1.00%

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 30 June 2020. 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

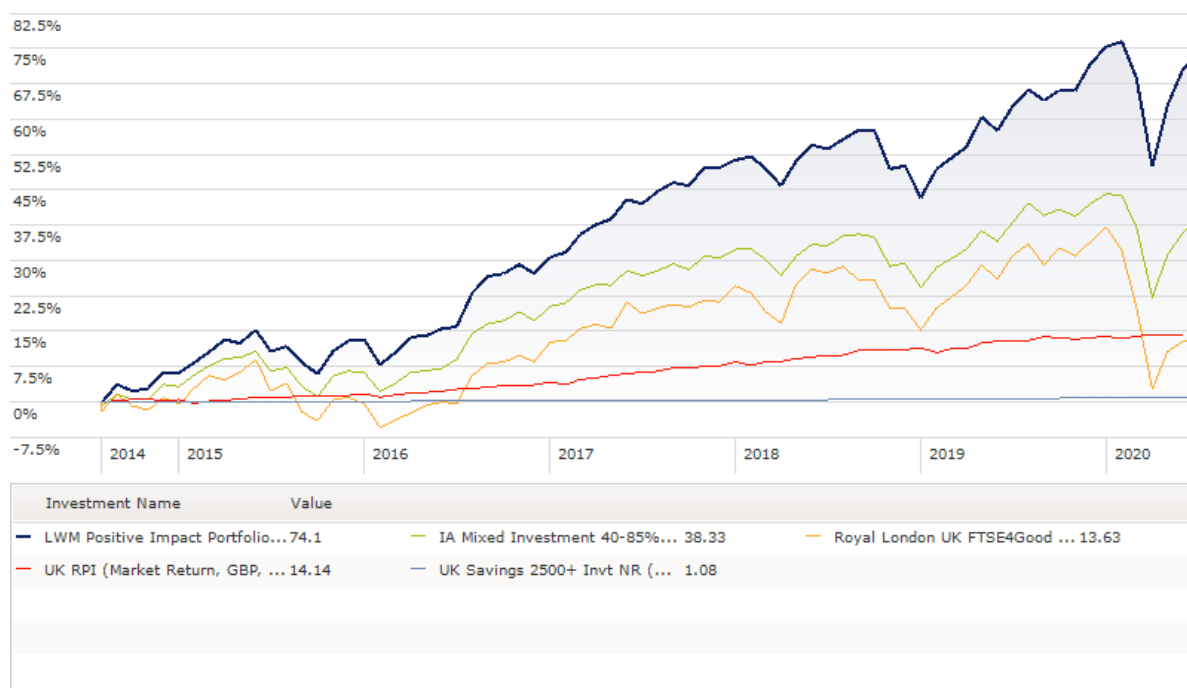


	2015	2016	2017	2018	2019	2020	Since launch
Adventurous Portfolio	4.65%	19.64%	21.89%	-7.99%	21.15%	-3.83%	11.07% p.a.
Benchmark	-0.73%	20.01%	12.85%	-5.99%	18.02%	-4.24%	7.41% p.a.

	1 Year to 30/06/16	1 Year to 30/06/17	1 Year to 30/06/18	1 Year to 30/06/19	1 Year to 30/06/20
Adventurous Portfolio	3.07%	29.64%	11.68%	2.32%	2.09%
Benchmark	4.52%	17.72%	6.63%	5.75%	0.53%

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 30 June 2020. 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.

Positive Impact Portfolio



	2015	2016	2017	2018	2019	2020	Since launch
Positive Impact Portfolio	6.63%	15.51%	15.73%	-5.30%	22.35%	-0.78%	9.83% p.a.
Benchmark	0.01%	13.27%	10.52%	-7.46%	18.97%	-17.22%	2.18% p.a.

	1 Year to 30/06/16	1 Year to 30/06/17	1 Year to 30/06/18	1 Year to 30/06/19	1 Year to 30/06/20
Positive Impact Portfolio	4.81%	22.44%	8.17%	5.19%	6.90%
Benchmark	-2.60%	19.14%	7.27%	2.88%	-13.35%

The launch date of the Portfolio is 1 August 2014, and performance is up to 30 June 2020. 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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