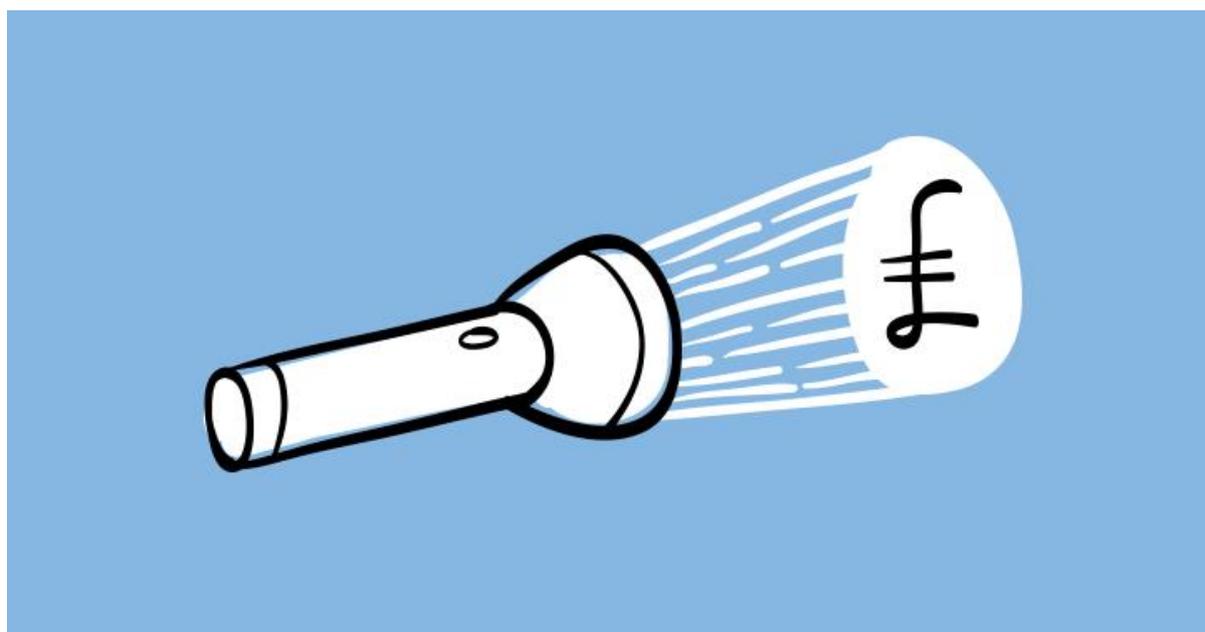


QUARTERLY PORTFOLIO REVIEW – OCTOBER 2020



"I think a problem people have when they are investing is that they don't think about it as a roller coaster ride, they think it should be more like a bike ride. And when they experience uncomfortable bumps, they want to jump off."

- Eric Ravenscraft

This year has been an interesting ride so far. What has been positive is that the portfolios continue to push upwards. The table below splits the returns over the last three quarters:

		1 Jan – 31 Mar 2020	1 Apr – 30 June 2020	1 July – 30 Sept 2020
LWM Portfolio	Cautious	-18.12%	14.78%	3.60%
LWM Portfolio	Balanced	-19.41%	17.76%	4.73%
LWM Portfolio	Moderately Adventurous	-21.10%	20.83%	6.34%
LWM Portfolio	Adventurous	-21.35%	22.27%	7.38%
LWM Portfolio	Positive Impact	-14.48%	16.02%	5.33%

Since we introduced the new portfolios over the last quarter, all of them have outperformed the index.

Most portfolios have outperformed their index in 2020 (to date) apart from the Cautious Portfolio.

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The focus is always long term and the table below shows performance year to date, 12 months, 3 years, and 5 years:

	Year to date	12 months	3 years	5 years
LWM Cautious Portfolio	-2.63%	0.96%	11.38%	41.12%
LWM Balanced Portfolio	-0.62%	4.84%	15.31%	57.02%
LWM Moderately Adventurous Portfolio	1.37%	7.70%	17.89%	70.87%
LWM Adventurous Portfolio	3.27%	10.30%	20.70%	80.35%
LWM Positive Impact Portfolio	4.51%	10.30%	25.65%	72.92%

Note: It is worth reminding with both the tables that past performance is no guide to the future and investments can fall as well as rise.

It is disappointing that both the Cautious and Balanced Portfolios are negative, and we will cover the Cautious Portfolio further in this update.

However, it is pleasing to see that the bounce back has been strong. September was still challenging but the new portfolios managed to post slight positives, and over the quarter all posted strong returns.

It is hard to guess how the end of year figures may look but it is worth considering that if the US election is positive (for example, no protracted long term contested result), and there is a deal for Brexit and a vaccine is announced, then all of that could be seen positively by markets. If nothing happens on Brexit and no deal is agreed, then the 2 remaining issues may still lift market sentiment.

There remains the potential for the portfolios to end higher from this point. But we need to be aware there are risks and we should expect the path to be far from smooth. Ultimately however we feel that we have positioned the portfolios well for the next 5 years, and we have always said that investing is a marathon not a sprint. That said, this year is a perfect example of how quickly things can drop and rise again.

In this update we will touch on quarter 3, with an eye on the last quarter of 2020. Also, we will discuss our Cautious Portfolio and its performance, as well as our responsible investing portfolio and why this has performed differently to the other portfolios.

George Ladds

October 2020

PORTFOLIO OVERVIEW

Bitesize introduction

This year has been a rollercoaster ride! If this is the first time you have looked at the performance this year, considering what has happened it is worth focusing on the numbers below:

	Year to date (portfolio)	Year to date benchmark
LWM Cautious Portfolio	-2.63%	1.55%
LWM Balanced Portfolio	-0.62%	-0.31%
LWM Moderately Adventurous Portfolio	1.37%	-0.01%
LWM Adventurous Portfolio	3.27%	-0.19%
LWM Positive Impact Portfolio	4.51%	-19.39%

Note: It is worth reminding that past performance is no guide to the future and investments can fall as well as rise.

If the year stopped at this point which I think many of us wish it would (!) these are positive numbers especially when we consider one of the sharpest stock market falls on record. We can also see with three portfolios we have outperformed the benchmark, and with one we are closing the gap.

The Cautious Portfolio is a concern and we can attribute that to underperformance in the diversified assets, and the UK.

The Portfolio has about 12% in Real Estate, and this has been a detractor with TR property currently down nearly -16%. The Atlantic House strategy is also down -6.78%. The other area it has struggled with is the UK; to provide a degree of safety we do not allocate to smaller companies and prefer an all share strategy.

However, this year we have seen the All Share Index to which the fund has exposure, down -19.63%, and JOHCM UK Dynamic Fund is down -33.68%. These are headwinds for the strategy. But on the positive side, the fund has exposure to excellent equity strategies and the last quarter really showed how these can be of benefit.

We know that the structure of Atlantic House will mean that it should return to positive numbers, we also believe that Real Estate, where invested in the right place will correct, which will add benefit. The UK is a worry, and much will depend on Brexit and an improving economic environment. However, if parts of the investments improve, this, in conjunction with the other equity holdings, should mean the UK is a minor detractor moving forward.

We are monitoring the Cautious Portfolio and considering whether we should incorporate other strategies to provide some additional downside protection and we will share our thoughts in the coming months. However, we must remember this event was very different and in the past infrastructure and Real Estate have protected the portfolio in times of market downturn.

In summary, looking at the numbers today and considering what has happened we hope that you are pleased with the position to date.

Responsible Investing

One of the many themes coming out of COVID-19 was an increased focus on responsible investing. It comes under many names, but it is “investing for good”, for example social programs or for the environment. There are many ways to use money for good, whilst not compromising in achieving goals.

The Positive Impact Portfolio was launched in 2014 and provides different dynamics to the other portfolios. It fits mostly in the Balanced Risk Profile and we will be developing a Cautious and Adventurous version.

In 2020, it continued to provide downside protection as it had in previous years. The portfolio did dip in value during this episode but not as much as other portfolios and it has managed to capture the upside when markets rose again.

There are some great stories within the portfolio, including:

- Civitas Social Housing, which is the first real estate investment trust dedicated to investing into social housing and healthcare facilities.
- The Renewables Infrastructure Trust invests in energy sources (wind, solar) that contribute towards a zero-carbon world.
- Impax Environmental Markets, which invests in companies which have at least 50% of underlying revenue generated by sales of environmental products or services in energy efficiency, renewable energy, waste and sustainable food and agriculture markets.

The fund also holds bonds, including the Rathbone Ethical Bond Fund. Some examples of its holdings include Chelmer Housing Partnership, Charities Aid Foundation, Places for People and Dolphin for Living. Even in a world of squeezing incomes this fund is generating a yield of 3.5% p.a.

The Portfolio now invests across Europe, UK, US, Emerging Markets and Asia and we are seeking managers who actively engage with companies to make positive change.

In summary, this has performed differently because of its holdings. Some of these tend to be less impacted when markets go down, which provides a level of capital protection (not guaranteed). When markets race ahead, this tends to lag but overall, the returns can mean that investors achieve their goals but simultaneously use their money to make that positive difference. In the upcoming quarterly reports, we will provide updates on this strategy and any new ones.

Note: It is worth reminding that past performance is no guide to the future and investments can fall as well as rise.

Last quarter (Q3)

We are pleased about the returns in the last quarter. It has been a flat period with markets drifting but the portfolios have returned between 3.61% and 7.38%. We have also outperformed the index. The JOHCM UK Dynamic Fund has continued to underperform, however a positive Brexit could reverse that very quickly. The TR Property Fund is up +3.45% over the last quarter.

In terms of the new strategies within the portfolios (introduced in the rebalance) the LF Miton European Opportunities Fund is up +11.94%, Baillie Gifford Global Discovery Fund up +10.80% and ASI China A up +15.04%. Not everything has been perfect with Matthews China Smaller down -3.00%.

Overall, 73% of funds have outperformed the index in the last quarter.

In summary, it was far from easy, but we have managed to deliver positive numbers in a very difficult environment.

Fourth quarter

We would ideally like a fair wind to push us to the end of the year, to be able to post positive returns across all our portfolios. We believe there are three factors that will contribute – the US Election, Brexit, and the virus.

In theory, a Biden win should not be damaging for the economy and should not spook markets. It is unlikely he will raise taxes immediately because he will not want to damage any potential recovery. There is also likely to be a massive infrastructure spend, with a focus on the environmental element and the stimulus for those without work is likely to be passed. If Trump is re-elected, then it will be much of the same. The worry is a contested result and even if that is only for a few days we can expect volatility but nothing more, if it drags it will likely be negative.

With Brexit, we should know in the next few weeks whether a deal is likely. The biggest hit will be sterling, and this may benefit the portfolios, but we should not assume a weak sterling will raise performance. There are many different factors at play however the portfolios are diversified and have limited exposure to the UK.

COVID is a new, complicated issue. It normally takes 10 years to develop a vaccine, but in this case, it could be available this year. This would be a game changer but like the flu vaccine not everyone will receive it, and there may only be a 50% protection rate against the virus. For markets however, this will change things massively as the world takes a collective sigh of relief.

Summary

We are really pleased with where the position of our portfolios during these past few months. We are also very grateful to everyone who has taken this journey with us. When we look at the figures today and the path they have taken, even though some are slightly negative overall (compared to the start of 2020) things are still in very good shape.

We remain optimistic about the new portfolios and how they may work over the next few years. We are hopeful we can write something positive in January, but there are plenty of big issues to navigate in the meantime.

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.

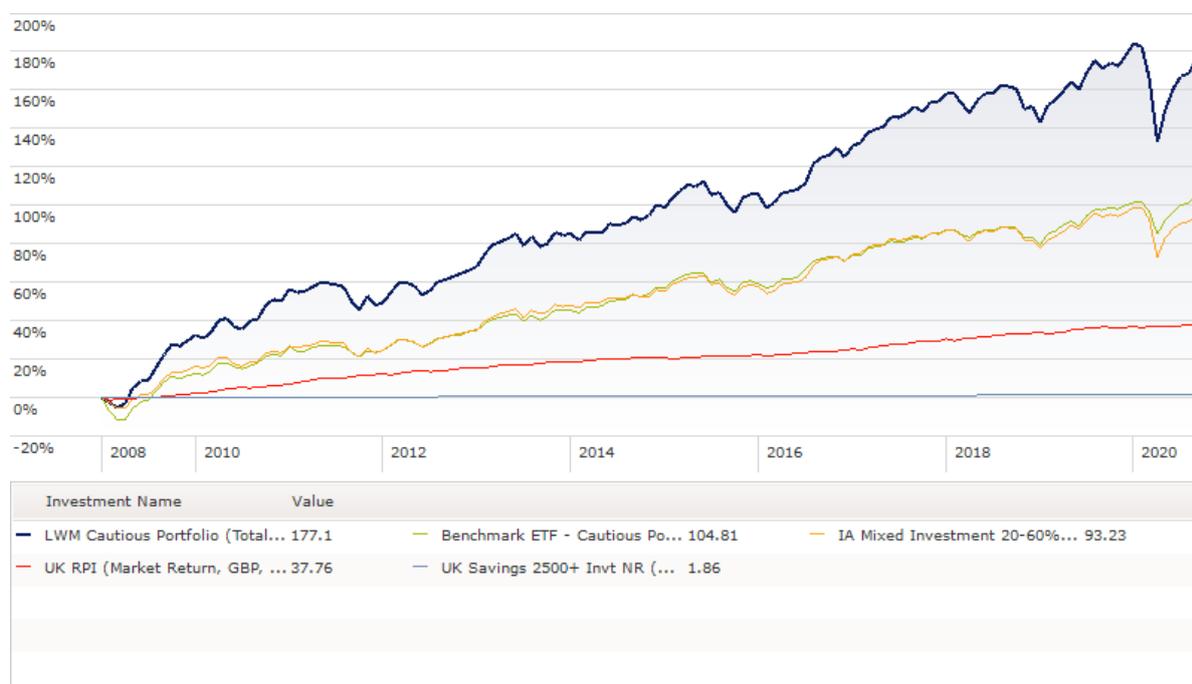
Summary of performance – 1 January 2009 – 30 September 2020

Performance up to 30 September 2020												
	12 months		2 years		3 years		4 years		5 years		Since launch	
	Portfolio	Benchmark	Portfolio	Benchmark								
Cautious	0.96%	2.80%	6.21%	8.69%	11.38%	12.03%	22.45%	18.10%	41.12%	31.93%	177.10%	104.81%
Balanced	4.84%	2.35%	6.20%	7.13%	15.31%	11.86%	33.31%	22.03%	57.02%	38.06%	220.34%	115.31%
Mod Adventurous	7.70%	2.84%	7.59%	7.57%	17.89%	14.62%	39.71%	27.52%	70.87%	51.31%	239.85%	133.53%
Adventurous	10.30%	3.08%	9.25%	7.37%	20.70%	15.35%	45.29%	30.14%	80.35%	56.61%	259.09%	137.07%
Ethical	10.30%	-17.15%	16.15%	-12.76%	25.65%	-8.51%	44.04%	1.31%	72.92%	14.40%	83.38%	9.96%

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

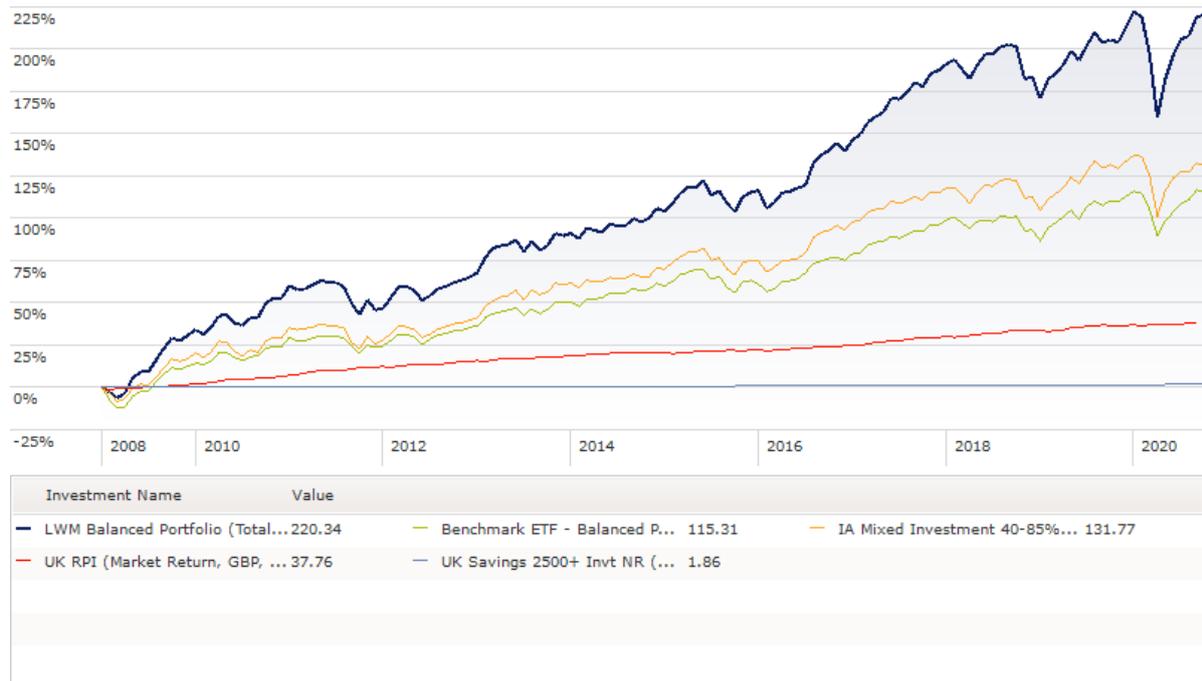


	2015	2016	2017	2018	2019	2020	Since launch
Cautious Portfolio	3.37%	12.36%	11.81%	-5.88%	16.93%	-2.65%	9.07% p.a.
Benchmark	1.29%	9.33%	7.77%	-4.16%	12.24%	1.55%	6.29% p.a.

	1 Year to 30/09/16	1 Year to 30/09/17	1 Year to 30/09/18	1 Year to 30/09/19	1 Year to 30/09/20
Cautious Portfolio	15.25%	9.94%	4.86%	5.20%	0.96%
Benchmark	11.71%	5.43%	3.07%	5.73%	2.80%

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 September 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

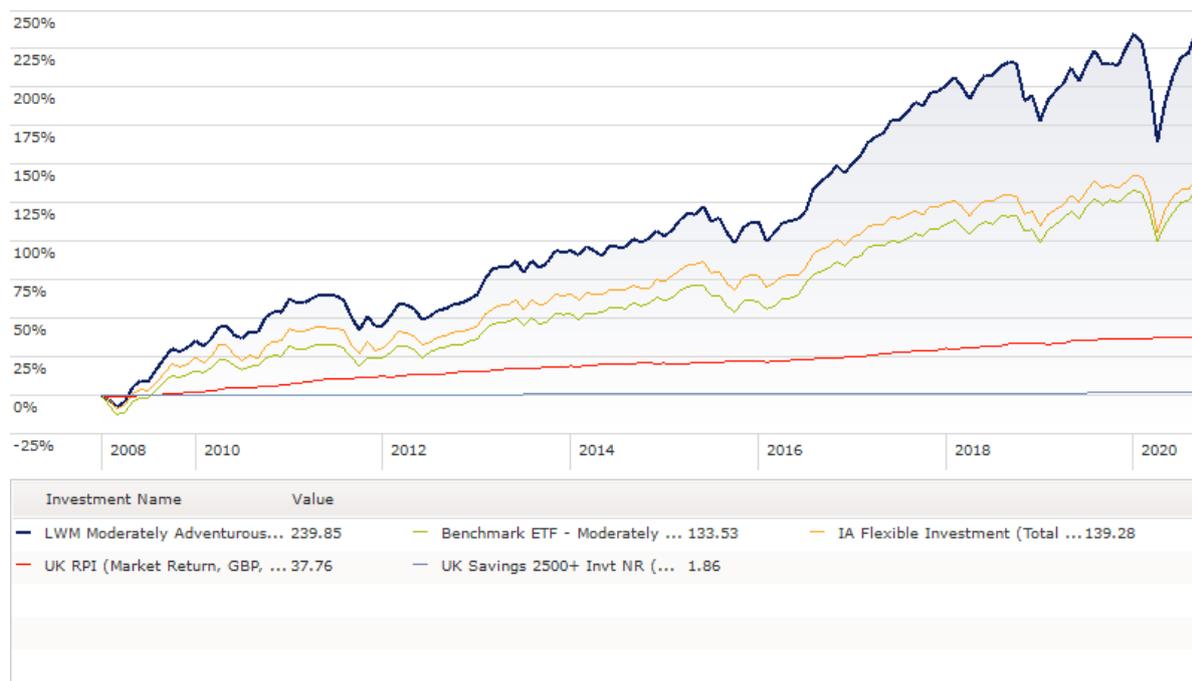


	2015	2016	2017	2018	2019	2020	Since launch
Balanced Portfolio	6.17%	13.72%	18.24%	-6.99%	18.96%	-0.62%	10.42% p.a.
Benchmark	1.01%	13.31%	11.21%	-6.17%	15.65%	-0.31%	6.75% p.a.

	1 Year to 30/09/16	1 Year to 30/09/17	1 Year to 30/09/18	1 Year to 30/09/19	1 Year to 30/09/20
Balanced Portfolio	17.79%	15.61%	8.57%	1.30%	4.84%
Benchmark	11.71%	9.09%	4.42%	4.66%	2.35%

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 September 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

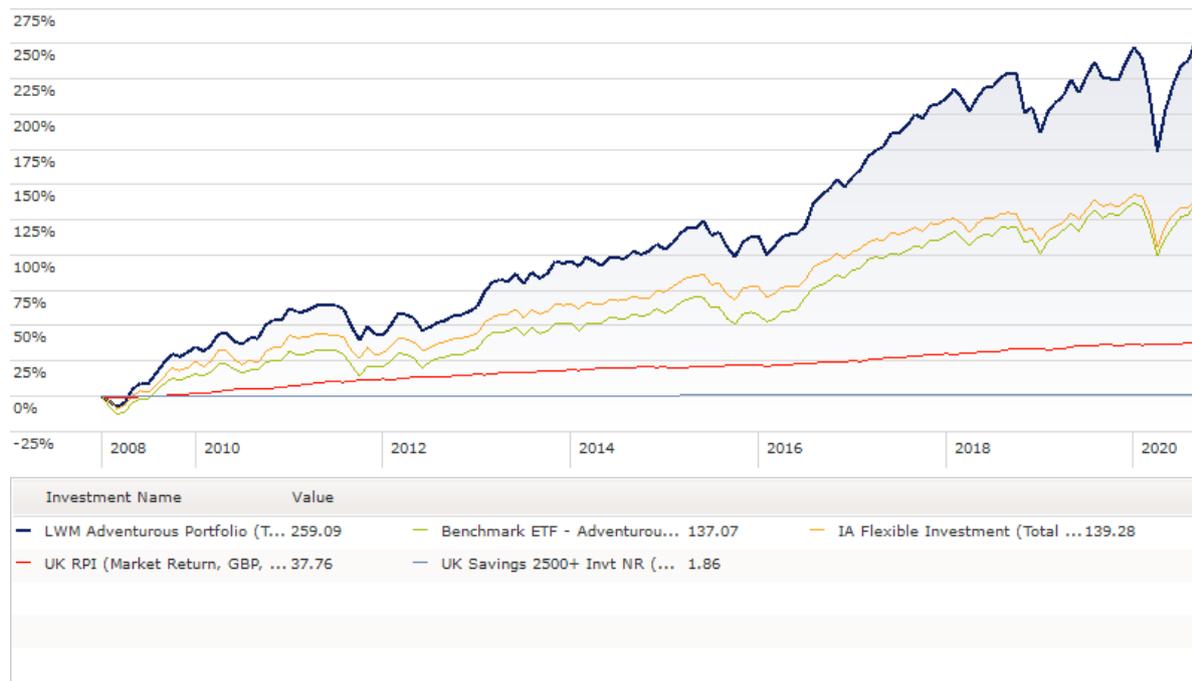


	2015	2016	2017	2018	2019	2020	Since launch
Moderately Adventurous Portfolio	4.60%	18.05%	20.16%	-7.75%	20.37%	1.37%	10.98% p.a.
Benchmark	-0.38%	17.97%	11.70%	-5.83%	17.19%	-0.01%	7.49% p.a.

	1 Year to 30/09/16	1 Year to 30/09/17	1 Year to 30/09/18	1 Year to 30/09/19	1 Year to 30/09/20
Moderately Adventurous Portfolio	22.31%	18.51%	9.57%	-0.10%	7.70%
Benchmark	18.66%	11.25%	6.56%	4.60%	2.84%

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 September 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

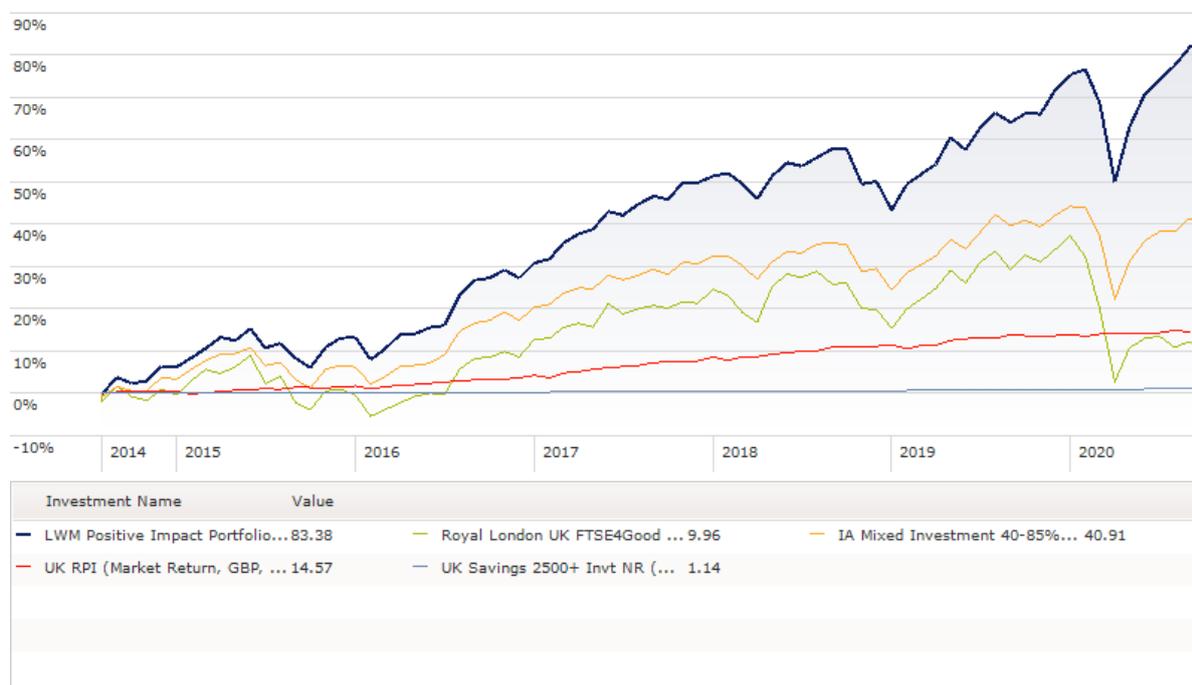


	2015	2016	2017	2018	2019	2020	Since launch
Adventurous Portfolio	4.65%	19.64%	21.89%	-7.99%	21.15%	3.27%	11.50% p.a.
Benchmark	-0.73%	20.01%	12.85%	-5.99%	18.02%	-0.19%	7.62% p.a.

	1 Year to 30/09/16	1 Year to 30/09/17	1 Year to 30/09/18	1 Year to 30/09/19	1 Year to 30/09/20
Adventurous Portfolio	24.13%	20.38%	10.48%	-0.95%	10.30%
Benchmark	20.34%	12.82%	7.43%	4.16%	3.08%

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 September 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%	4.51%	10.33% p.a.
Benchmark	0.01%	13.27%	10.52%	-7.46%	18.97%	-19.89%	1.55% p.a.

	1 Year to 30/09/16	1 Year to 30/09/17	1 Year to 30/09/18	1 Year to 30/09/19	1 Year to 30/09/20
Positive Impact Portfolio	20.05%	14.63%	8.18%	5.30%	10.30%
Benchmark	12.92%	10.74%	4.87%	5.30%	-17.15%

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

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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
UK
Europe
US
Global
Asia
Emerging Markets
Japan

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

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