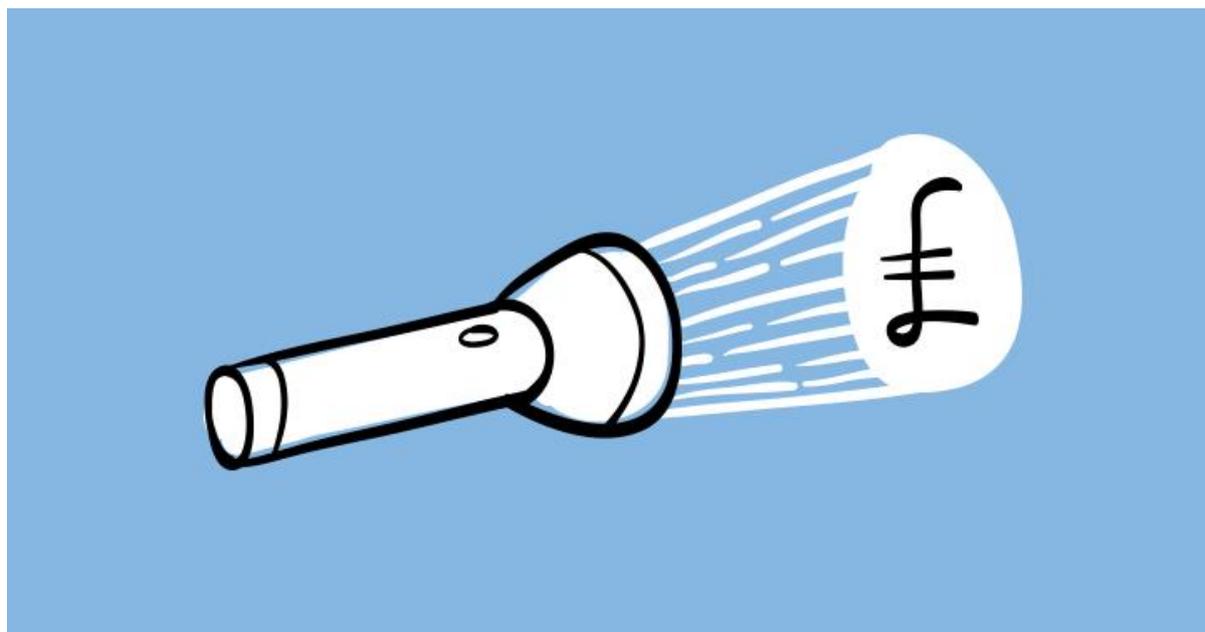


QUARTERLY PORTFOLIO REVIEW – JULY 2021



“It's so difficult, isn't it? To see what's going on when you're in the absolute middle of something? It's only with hindsight we can see things for what they are.”

— S.J. Watson, Before I Go to Sleep

It is over 15 months since we saw the lowest point in the markets and the portfolios; if we could have transported ourselves forward to today and then looked back, perhaps we would have thought very differently if we had known what was ahead.

Fundamentally our role is to understand your journey and what goals you want to achieve and then try to deliver on them. The investments are part of the solution that helps to deliver your goals, so last year when the markets dropped the question for us was how long before it recovers.

What we saw was extraordinary, and many have never seen such a sharp recovery. But post ‘vaccine Monday’, returns have been harder to achieve, therefore, to come to this point in 2021 with returns of between 6.21% and 7.58% gross so far, we hope is something everyone will be very happy with.

It is also perhaps worth reflecting on the table below which shows the percentage of positive months since the portfolios were launched on 1 January 2009 (except for the Balance Positive Impact Portfolio which was launched on 1 July 2014).

Portfolio	Positive Months
Cautious Portfolio	67%
Balanced Portfolio	67%
Moderately Adventurous Portfolio	67%
Adventurous Portfolio	65%
Balanced Positive Impact Portfolio	78%

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When we consider the market movements in 2011, 2015, 2016, 2018 and 2020 it shows a positive outcome.

For information, the table below shows the total returns of the portfolios over 3 and 5 years:

	3 years		5 years	
	Portfolio	Benchmark	Portfolio	Benchmark
Cautious	25.47%	19.83%	53.08%	34.12%
Balanced	28.24%	24.43%	73.74%	46.83%
Moderately Adventurous	33.42%	29.71%	87.80%	58.96%
Adventurous	35.76%	32.53%	96.57%	66.35%
Balanced Positive Impact	36.92%	5.88%	81.65%	35.33%

We firmly believe that the data above supports the notion that the investments are part of the solution that aims to deliver on people's goals. Investing in the short term can make us nervous, and when you are in the middle of what seems like the worst stock falls, it is hard to see a way out. However, if you explore the data in more detail, since 1 January 2009 the Balanced Portfolio has delivered positive returns during 67% of that time, and an annualised return of 11.31% which is something to focus on.

Our message remains that if average returns after charges will settle somewhere between 5% and 8% per year going forward, then achieving that should help deliver on most goals.

In summary, I am not known for writing positively (!) but especially this year it has had been hard to grind out returns and keeping the positive returns by the end of the year will be a challenge. Our focus on capital growth is demonstrated by the number of positive months, and the returns over the medium to long term. I also feel optimistic over this timescale that as economies reignite this will help returns; the journey will not always be smooth but there are still plenty of opportunities for investors.

Last year it was difficult to have meetings of course, as restrictions prohibited most face-to-face contact. We would, however, encourage people to have their annual meetings so that we can update goals/plans and your approach to investing, if they have changed.

We can use Zoom or Teams if you have a video-call facility, and these work very well if you are busy or there are several parties to join a meeting. Video calling has become a very useful tool alongside in-person meetings, which we can arrange at our offices, and we will continue to offer all options where possible.

George Ladds

July 2021

PORTFOLIO OVERVIEW

Bitesize introduction

In the last update, the returns were flat for the first three months of 2021. The table below shows the returns over 6 months and 12 months, from 1 January 2021– 30 June 2021 and from 1 July 2020 – 30 June 2021.

	1 January 2021 – 30 June 2021	1 July 2020 – 30 June 2021
Cautious Portfolio	6.21%	21.20%
Balanced Portfolio	6.81%	24.68%
Moderately Adventurous Portfolio	7.58%	28.82%
Adventurous Portfolio	7.18%	29.97%
Balanced Positive Impact Portfolio	6.28%	21.15%

What we saw post ‘vaccine Monday’ (November 2020) was a rotation to companies that suffered badly through the COVID period (‘COVID losers’) and this meant many of the strategies that had done well in 2020, did not perform as well after November 2020. We do not know whether this use of underperforming companies has legs to run, but we can see that over the last three months many of the strategies that underachieved from November 2020 have started to come back.

For clarification, ‘COVID losers’ are trades that buy into those stocks that were beaten up in the market downturn last year; a couple of examples are EasyJet and Cineworld. We have talked about these in the past, but the question is whether when you look at the fundamentals of some of these businesses, have they improved?

In summary, we hope you are pleased with the returns for the first half of the year. We hope this continues so that at the end of the year we remain positive and upbeat, but there are as always areas of uncertainty.

Responsible Investing

Our Balanced Positive Impact Portfolio has seen a significant inflow of money this year, and now holds nearly as much as our Cautious Portfolio. We have done a lot of work on the portfolio this year, so please do check the website for more information.

We believe the impact strategies tap into new tech, which are the solutions created to deliver on the carbon neutral world and changes need to improve society; we believe this is a multi-decade theme. Of course, we cannot build a portfolio with just impact strategies because that would carry too much risk, but we think we have struck the right balance.

The performance continues to play out as we would expect, which means that in the dips in the market it should protect on the downside. That does not mean it will not have negative periods, but rather it should not go down as much as the other portfolios. When there is a strong recovery, this portfolio may lag the ‘mainstream’ portfolios, but you can see that the returns over 3 and 5 years are just as good as our other strategies, it is the method and content that is different.

We know responsible/impact investing is not for everyone, but we would add that this is something we have run since 2014 and does not inhibit performance as older 'ethical' type funds may have done. As we now have more experience, fund managers come to us for our views on new strategies and the market. This sharing of information benefits investors using the strategy and we have also launched Cautious and Adventurous options.

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

Last quarter (Q2)

In the last quarter we saw strong returns.

From 1 January the number of funds that outperformed the benchmark increased from 33% to 45%. Over 12 months this remains at 73% and over 3 years it has dropped slightly to 91%.

In terms of Sectors, it is interesting to see the strongest sector (on the ones we follow) were UK Smaller Companies +17.77%, North America +13.21% and UK All Companies +11.71%.

JOHCM UK Dynamic Fund is up 17.24% this year which supports the point above. Although AXA Framlington UK Smaller Companies Fund is up 8.28% and therefore behind the sector it is up 62.48% over 12 months, and AXA Framlington North American Growth Fund is up 30.91% over 12 months.

A couple of other good performers this year include TR Property which is up 9.65% and Mathews China Smaller up 11.69%.

The main area of underperformance has been Japan with JP Morgan Japanese Trust down -14.09% and Legg Mason IF Japan Equity Fund down -7.39%. This reflects the slowdown in Japan, but investing is a strange game and things often change.

In summary, we are happy with the second quarter performance, and we would like to see the funds outperforming the index in the short term over 50% but the long-term figures remain strong.

Note: Past performance is no guide to the future and investments can fall as well as rise.

Third quarter

In the last update, as there is a gradual re-opening, we expected this to be positive, and this came to pass. If the momentum continues then we are optimistic for the third quarter and beyond, but if there is still a pull towards the 'COVID losers' this will hold back performance. We also must remember that markets can spook very easily, and wrong moves by central banks or concerns over inflation could weigh heavily short term on the markets.

In summary, we are optimistic but overlay this with caution. If things go the way we hope, then we could see positive returns for the third quarter but as indicated above, there are always factors that could rapidly change things.

Summary

We still believe that over the next two to three years the environment is good for risk assets (equities). Interest rates may rise but from a low base and slowly, inflation might seem high, but this is from a stop start scenario so is likely to come down, governments will invest, more economies will open and there is a wall of cash still waiting to be spent.

I do not think we will get double digit returns this year but if things move in the right direction, it is possible, but we advise caution on the risks and how things can change quickly.

In summary, we are really pleased with the first half of this year and the medium to long term figures. As positive as I am, I think there are many factors that could deliver a good year for investments, but we do not ignore the risks, which may provide short-term opportunities.

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.

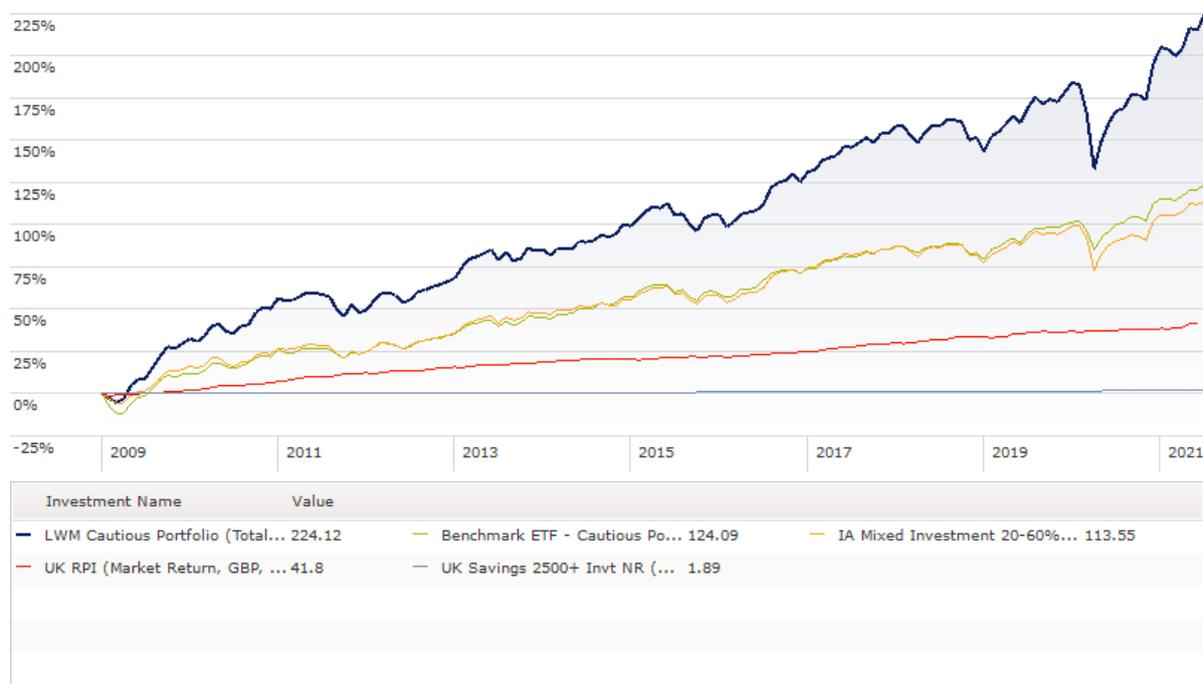
Summary of performance – 1 January 2009 – 30 June 2021

Performance up to 30 June 2021												
	12 months		2 years		3 years		4 years		5 years		Since launch	
	Portfolio	Benchmark	Portfolio	Benchmark								
Cautious	21.20%	11.88%	20.40%	15.02%	25.47%	19.83%	31.80%	24.02%	53.08%	34.12%	224.17%	124.09%
Balanced	24.68%	18.08%	26.25%	19.22%	28.24%	24.43%	41.00%	30.83%	73.74%	46.83%	281.38%	146.49%
Mod Adventurous	28.82%	21.70%	30.49%	23.01%	33.42%	29.71%	47.54%	37.49%	87.80%	58.96%	311.69%	174.28%
Adventurous	29.97%	24.60%	32.69%	25.32%	35.76%	32.53%	51.63%	41.31%	96.57%	66.35%	334.63%	183.54%
Balanced Positive Impact	21.15%	18.78%	29.30%	2.92%	36.92%	5.88%	48.16%	13.58%	81.65%	35.33%	110.50%	34.96%

Note: Please read special note to tables at the end of the tables. The launch date of the portfolios is 1 January 2009 except for 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

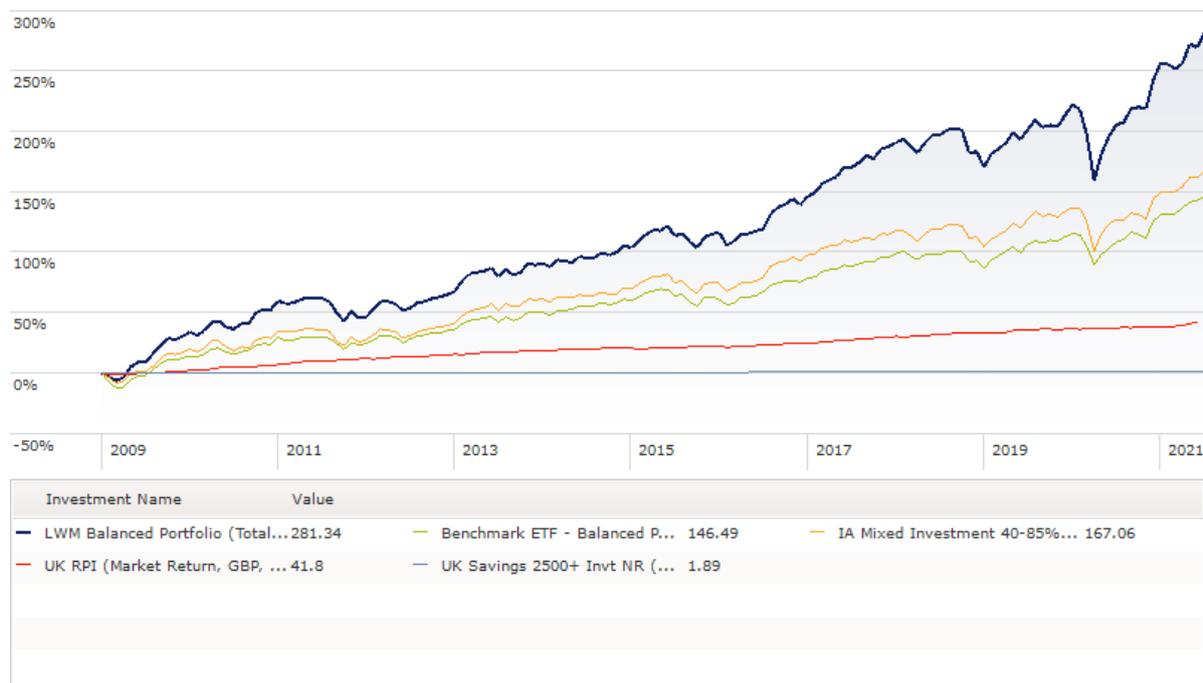


	2016	2017	2018	2019	2020	2021	Since launch
Cautious Portfolio	12.36%	11.81%	-5.88%	16.93%	7.24%	6.21%	9.87% p.a.
Benchmark	9.33%	7.77%	-4.16%	12.24%	6.98%	3.86%	6.67% p.a.

	1 Year to 30/06/17	1 Year to 30/06/18	1 Year to 30/06/19	1 Year to 30/06/20	1 Year to 30/06/21
Cautious Portfolio	16.15%	5.04%	4.21%	-0.66%	21.20%
Benchmark	8.15%	3.50%	4.17%	2.81%	11.88%

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 2021. 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

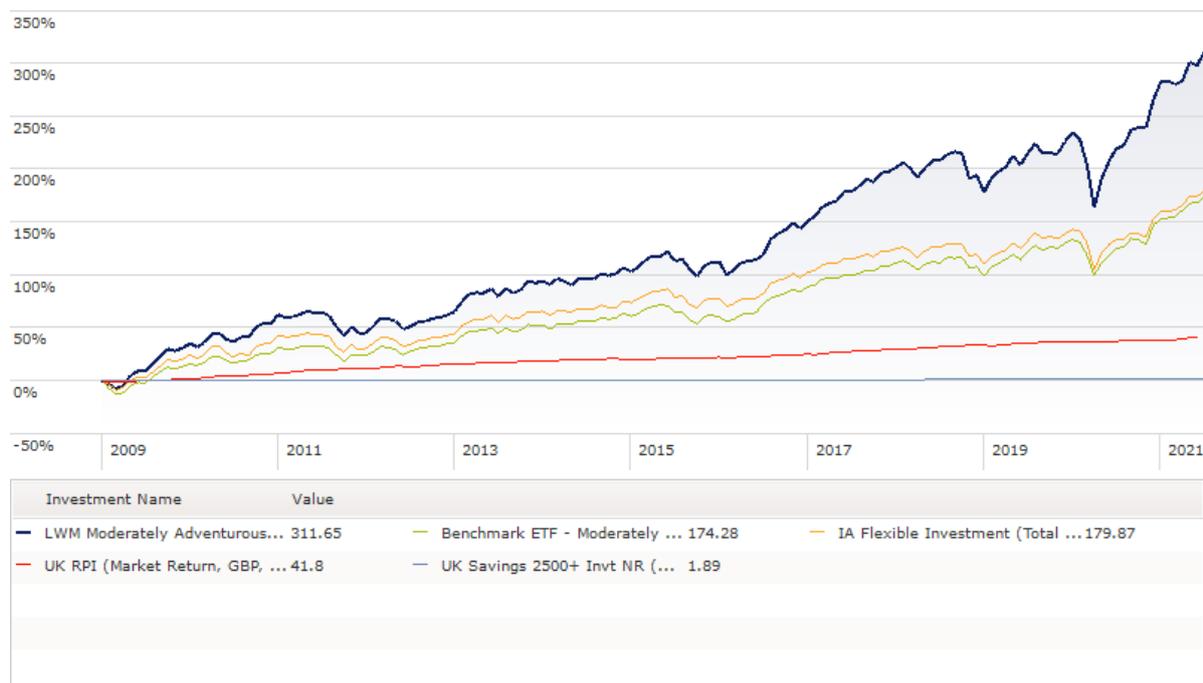


	2016	2017	2018	2019	2020	2021	Since launch
Balanced Portfolio	13.72%	18.24%	-6.99%	18.96%	10.77%	6.81%	11.31% p.a.
Benchmark	13.31%	11.21%	-6.17%	15.65%	7.25%	6.41%	7.49% p.a.

	1 Year to 30/06/17	1 Year to 30/06/18	1 Year to 30/06/19	1 Year to 30/06/20	1 Year to 30/06/21
Balanced Portfolio	23.22%	9.96%	1.57%	1.26%	24.68%
Benchmark	12.23%	5.14%	4.37%	0.97%	18.08%

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 2021. 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

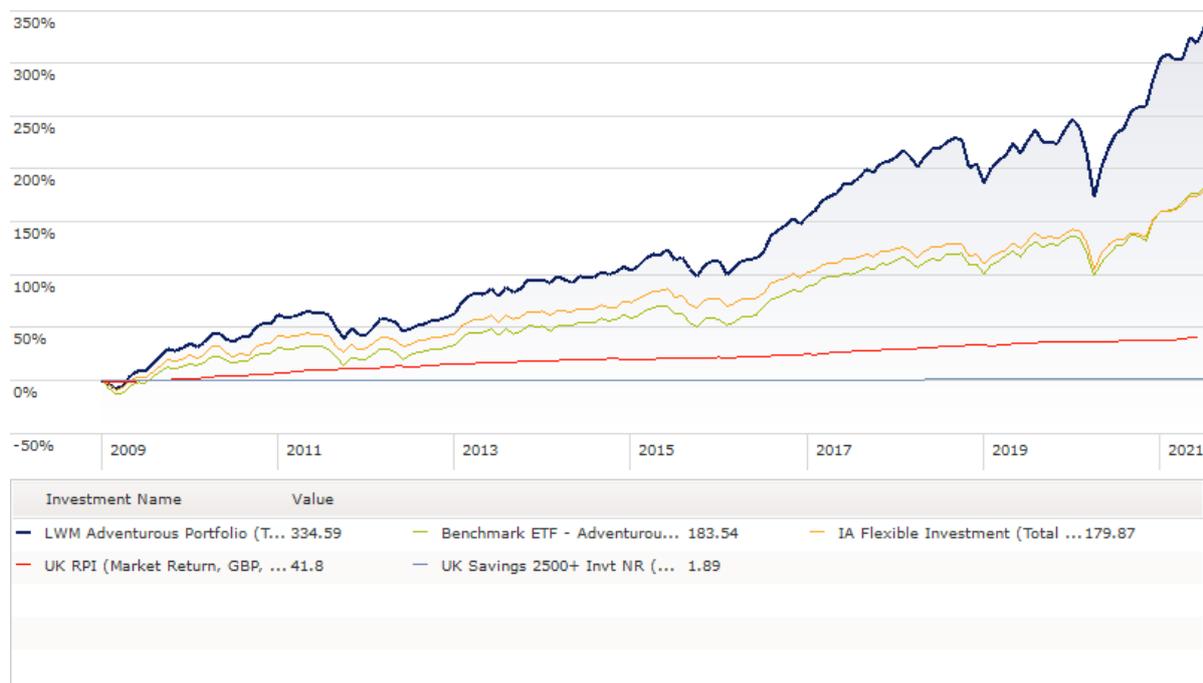


	2016	2017	2018	2019	2020	2021	Since launch
Moderately Adventurous Portfolio	18.05%	20.16%	-7.75%	20.37%	14.15%	7.58%	11.99% p.a.
Benchmark	17.97%	11.70%	-5.83%	17.19%	8.58%	8.16%	8.41% p.a.

	1 Year to 30/06/17	1 Year to 30/06/18	1 Year to 30/06/19	1 Year to 30/06/20	1 Year to 30/06/21
Moderately Adventurous Portfolio	27.28%	10.59%	2.24%	1.30%	28.82%
Benchmark	15.62%	6.00%	5.44%	1.08%	21.70%

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 2021. 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

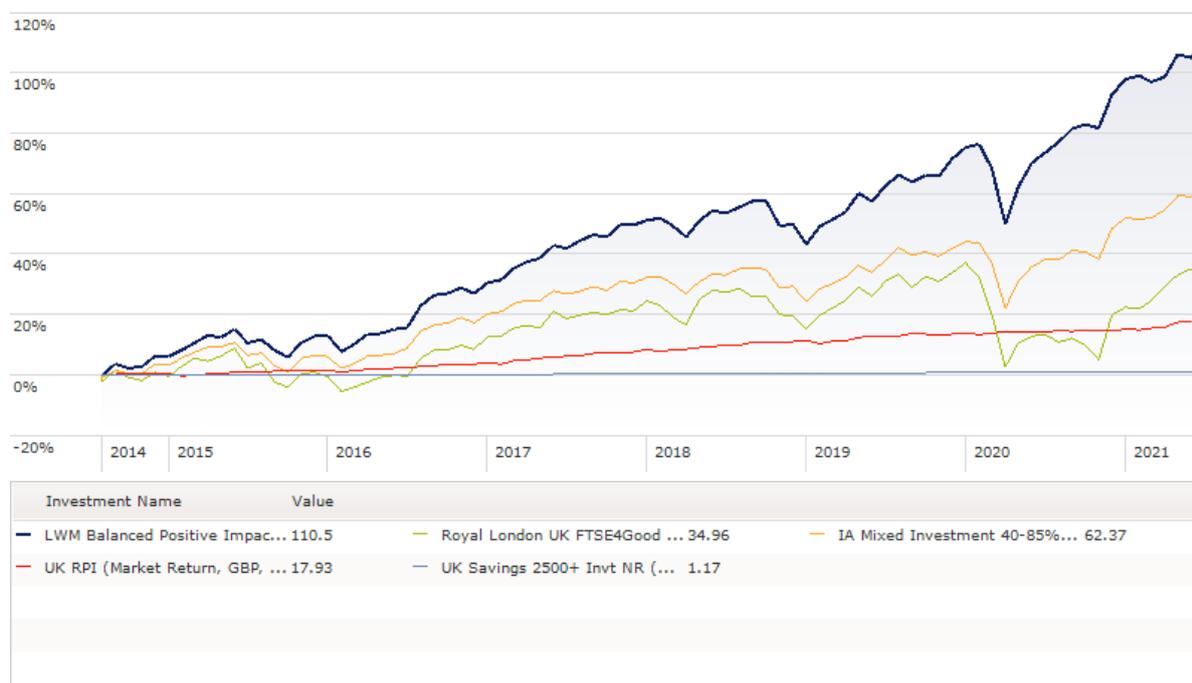


	2016	2017	2018	2019	2020	2021	Since launch
Adventurous Portfolio	19.64%	21.89%	-7.99%	21.15%	16.62%	7.18%	12.48% p.a.
Benchmark	20.01%	12.85%	-5.99%	18.02%	9.40%	9.11%	8.70% p.a.

	1 Year to 30/06/17	1 Year to 30/06/18	1 Year to 30/06/19	1 Year to 30/06/20	1 Year to 30/06/21
Adventurous Portfolio	29.64%	11.68%	2.32%	2.09%	29.97%
Benchmark	17.72%	6.63%	5.75%	0.58%	24.60%

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 2021. 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 Positive Impact Portfolio



	2016	2017	2018	2019	2020	2021	Since launch
Balanced Positive Impact Portfolio	15.51%	15.73%	-5.30%	22.35%	12.92%	6.28%	11.37% p.a.
Benchmark	13.27%	10.52%	-7.46%	18.97%	-10.68%	10.08%	4.43% p.a.

	1 Year to 30/06/17	1 Year to 30/06/18	1 Year to 30/06/19	1 Year to 30/06/20	1 Year to 30/06/21
Balanced Positive Impact Portfolio	22.60%	8.21%	5.89%	6.73%	21.15%
Benchmark	19.14%	7.27%	2.88%	-13.35%	18.78%

The launch date of the Portfolio is 1 August 2014, and performance is up to 30 June 2021. 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
Global	iShares MSCI World Dist
Asia	iShares MSCI AC Far East Ex Japan
Emerging Markets	iShares MSCI Emerging Markets (Acc)
Japan	DB X-Trackers MSCI Japan ETF

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