



LWM Consultants Ltd

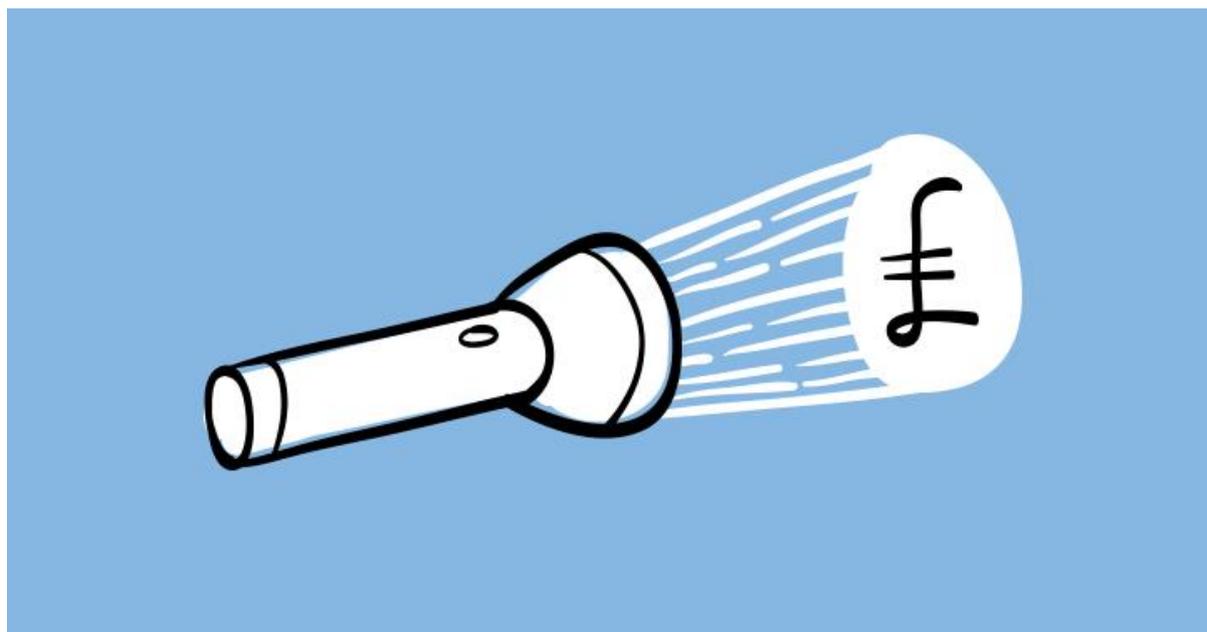
Quarterly Portfolio Update
– April 2022



ClimateHero

**We offset our calculated
carbon footprint by
200% with ClimateHero**

Are you curious about how much CO₂ you actually generate?
Go to climatehero.me and calculate your carbon footprint in 5 minutes!



*"Courage taught me no matter how bad a crisis gets ...
any sound investment will eventually pay off."*

— Carlos Slim Helu

Coming into this year we were cautiously optimistic. January saw the biggest swing to “value” stocks for 15 years as markets tried to digest news on inflation, interest rates, global slowdown, and geopolitical events. In February we saw the tragic events in the Ukraine unfold, and March saw markets starting to settle. The question is where does that lead us?

Ultimately, our aim is to deliver a return of between 5% and 7% per annum over the long-term. This should be seen as a five year plus view. The table below shows the performance over 5-years up to the 31 March 2022 and excludes our fees and the platform charges.

	Volatility	Annual Performance
Cautious Portfolio	10.51%	5.80%
Balanced Portfolio	11.87%	6.87%
Moderately Adventurous Portfolio	13.27%	7.12%
Adventurous Portfolio	13.92%	7.13%
Balanced Positive Impact Portfolio	10.78%	8.33%

The adventurous portfolios have underperformed recently. This is in part due to the weighting towards emerging markets (including Asia), and Japan. Within this there are specific funds investing in China. Across all the portfolios we have more of a weighting to quality growth companies rather than value, which has also held back performance.

During these periods we don't panic! As part of our process we question and we challenge. We know that some investments have underperformed but the question is whether something has fundamentally changed. If the investment thesis remains sound, then we are happy to hold onto that investment because we believe it will come good.

Taking three specific examples:

1. Should we invest in funds which are pointing towards "value"?

We tend to invest in fund managers who adopt a quality growth approach. Our view is that good quality companies are more likely to grow over time. Some of those managers adopt an approach that overlays value i.e., they don't want to pay any price for these companies.

Currently, in the environment we are in with high inflation, rising rates, rising commodity prices, and COVID re-opening, these factors favour certain stocks that we may not hold in our portfolios. This might seem painful in the short term, but long term we still believe that where we are invested will deliver the best returns.

2. Should we still invest in China?

In the market update we set out the case for why China. China has been written down by the markets, and we have up to 8% invested in direct China funds. We believe that at some point the market will return to long term fundamentals and this will see a reversal in performance.

3. Should we reduce our weighting to emerging markets?

We have Russian holdings in a couple of funds; most managers have written down their holdings to zero. Emerging markets are cheap, and yet careful selection offers great opportunities across Asia and Latin America. Similar to China, we believe in the long-term fundamentals, and we expect to see a reversal in performance.

So, where does this leave us? We were hoping for inflation to come down and more normalised interest rates (as were many people) but we are in a very difficult period. However, we think that periods like this open opportunities. The long-term performance is within our range, but we would like to see better performance. We have been in this place before (2011 and 2018 were negative periods), and we often see light at the end of tunnel. If we can deliver flat returns this year we would be really pleased. Anything positive will be a bonus. Although we don't know what the market will do in the short term, there are opportunities, and we think patience will pay-off in the long run.

George Ladds

April 2022

PORTFOLIO OVERVIEW

Bitesize introduction

We have had 45 fund manager meetings this year! Two of the most important were with the managers of Nomura Global Dynamic Bond Fund and Carmignac Emerging Markets Fund. Both these strategies had weightings to Russia, and both tell similar stories.

Nomura has invested in Russia for several years and the fundamentals have been good. They have used the income from the investments to invest in other bond holdings. The fact was that nothing flagged Russia as a bad investment. The holdings they have cannot be traded and so they made the decision to write the value of those holdings to zero. This reflects one of the worst periods of performance for the fund. If the Russian markets open then they will review what to do with those holdings at that point in time.

Carmignac describe the crisis as a Black Swan event. Russia was one of the best emerging market economies and offered opportunities to invest in some great companies. They had started to reduce some exposure to Russia, but the closing of markets meant that they had to write down the remaining holdings to zero. They have decided if / when the markets re-open they will not buy any more Russian holdings. In terms of the holdings they have, they are likely to sell them, but they are concerned that the shares end up under Russian government control, and so this is a careful path that they need to tread.

We don't hold specific Russian Funds and it has never been on our radar. We believed that Russia was more of a commodity play, and therefore a specific Russian fund didn't offer the same opportunities as a UK or US fund. There were always going to be some companies in Russia which are good companies, and these would be found in some of the holdings we had, but it was always going to be small.

Interestingly, the poor performance so far this year was in January when the markets were fearful about inflation, interest rates etc. February was down, but March saw a slight recovery. We have had tough periods before, but we do think there are great opportunities. When markets recover which, they do, investors tend to feel comfortable when the recovery is well on its way.

In summary, the five-year figures remain within the bands we set. We know that it has been a tough period for the holdings we have but these are good fund managers investing in good quality companies. Things will change and we are optimistic for the long-term.

Responsible Investing

Our positive impact portfolios were not immune to the downturn in January, and we spoke to several managers to understand more.

Our process is similar to the mainstream portfolios of investing in quality growth companies. The sell-off was indiscriminate in its approach, and what we saw in March was that the strongest recovery came across the positive impact portfolios.

This part of the market offers diversity across sectors and regions and plenty of investment opportunities to achieve a better world and society, and therefore although we were "disappointed" in January, we still believe in the long term future.

Last quarter (Q1)

It has been a volatile quarter.

The Balanced Portfolio was down -8.13% in January, and -2.25% in February. March saw a recovery up +1.82%.

The Cautious Portfolio behaved more in line with our expectations, down in January -6.47%, and February -1.20% and up in March +2.38%.

Some areas seeing the largest declines were smaller companies, pure growth strategies and emerging markets. The adventurous portfolios have greater exposure in these areas and so the short-term performance reflects this.

Areas that held up well were in the diversifying assets which included property, infrastructure and structured products, which the Cautious Portfolio has a higher weighting to.

In summary, a challenging quarter across most funds, but we believe there is a lot of value and if things start to change this could be good for the portfolios going forward.

2022 (Q2)

We will be sending out the rebalance packs in May. There are minimal changes, mainly as we want to monitor markets and some of the strategies we already have particularly in the global space. The pure growth strategies from Baillie Gifford have delivered exceptional long term returns over the last few years but struggled over the last few months. We believe in the strategies and the managers but want to see what happens when inflation comes under control and we have more normalised rates, how the strategies perform and whether we should have a counterbalance strategy to work alongside these.

As always, we do research throughout the year. We don't rush decisions because short term noise can cause short term irrational behaviour. If we see the recovery continue from March then quarter 2 could be positive for the portfolios and therefore we don't want to make changes based on the last six months.

The changes we are making are things we have been considering for some time and we are really excited about the opportunities these offer.

Summary

In my last update I indicated that, in theory, we should see a positive 2022, but there were challenges which could deliver negative returns. Geo-politics was not one of the challenges foresaw! We do believe that although the portfolios have been volatile there are some great opportunities for when the markets reverse. I do believe we have a mountain to climb to get positive returns in 2022, but we have seen this before (2016), and much will depend on market sentiment in the coming 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

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 1.36% p.a.

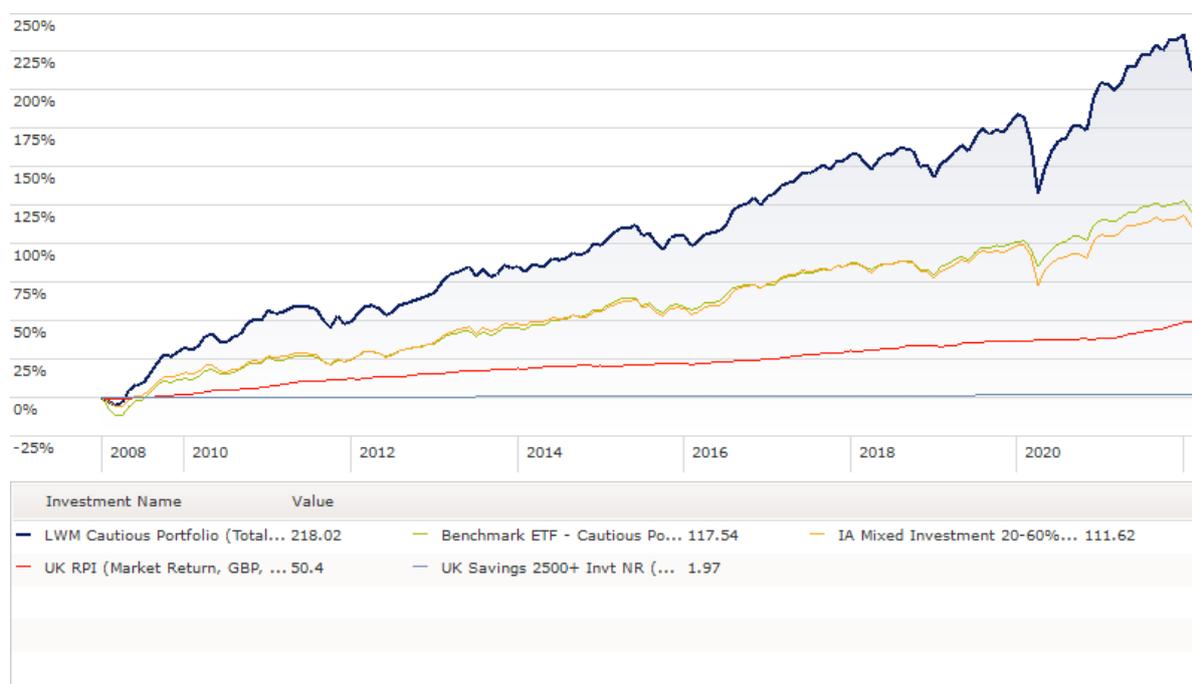
Summary of performance – 1 January 2009 – 31 March 2022

	12 months		2 years		3 years		4 years		5 years		Since launch	
	Portfolio	Benchmark	Portfolio	Benchmark								
Cautious	4.43%	0.18%	36.49%	17.46%	22.47%	14.47%	28.01%	18.68%	32.58%	21.65%	218.02%	117.54%
Balanced	1.78%	2.18%	39.65%	27.62%	24.72%	20.36%	28.39%	24.50%	39.43%	30.19%	262.71%	141.98%
Mod Adventurous	-1.48%	3.83%	42.96%	35.81%	24.91%	26.14%	29.22%	32.47%	41.02%	37.31%	278.06%	171.65%
Adventurous	-4.27%	3.97%	41.71%	40.19%	23.65%	28.40%	28.08%	35.39%	41.13%	40.85%	287.51%	180.26%
Balanced Positive Impact Portfolio	3.25%	12.79%	36.73%	41.78%	33.26%	16.74%	40.78%	24.78%	49.21%	25.01%	105.30%	45.74%

Note: Please read special note 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

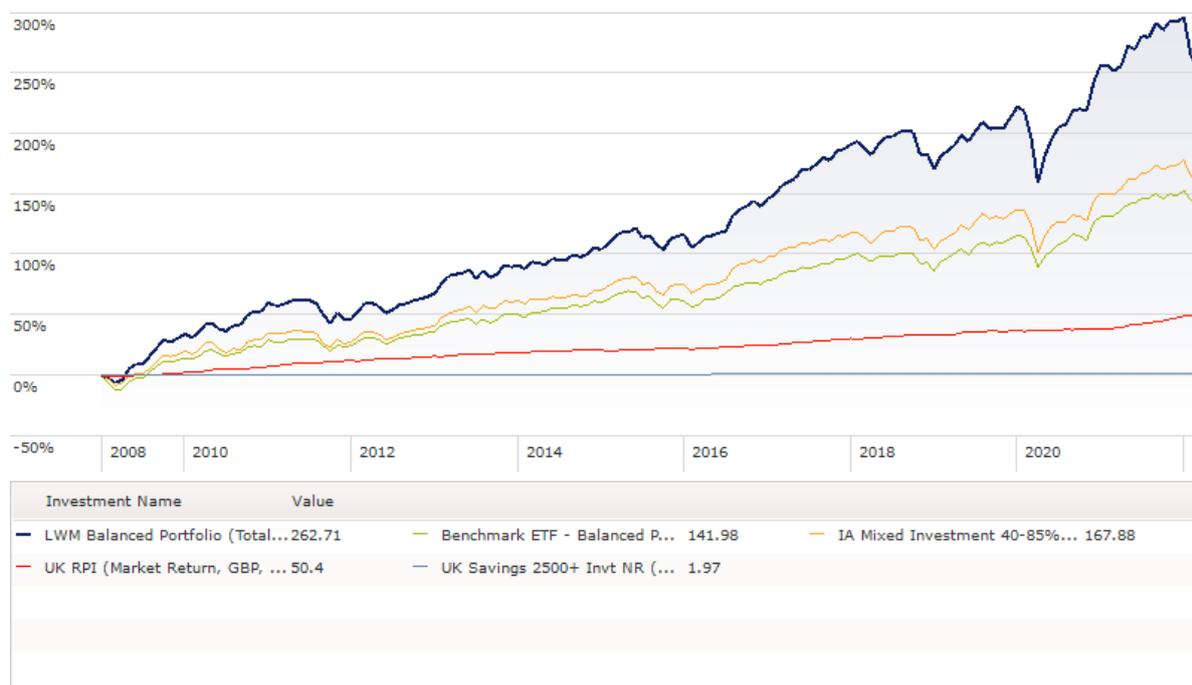


	2018	2019	2020	2021	2022	Since Launch
Cautious Portfolio	-5.88%	16.93%	7.25%	10.28%	-5.51%	9.13% p.a.
LWM Benchmark	-4.16%	12.24%	6.98%	5.76%	-4.67%	6.04% p.a.
IA Mixed Investment 20-60% Benchmark	-5.11%	12.08%	3.49%	6.28%	-3.38%	5.82% p.a.

	1 Year to 31/03/18	1 Year to 31/03/19	1 Year to 31/03/20	1 Year to 31/03/21	1 Year to 31/03/21
Cautious Portfolio	3.57%	4.52%	-10.27%	30.71%	4.43%
LWM Benchmark	2.50%	3.68%	-2.55%	17.25%	0.18%
IA Mixed Investment 20-60% Benchmark	0.83%	2.89%	-7.14%	20.05%	1.77%

Note: Please read special note at the end of the tables. The launch date of the Portfolio is 1 January 2009, and performance is up to 31 March 2022. 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

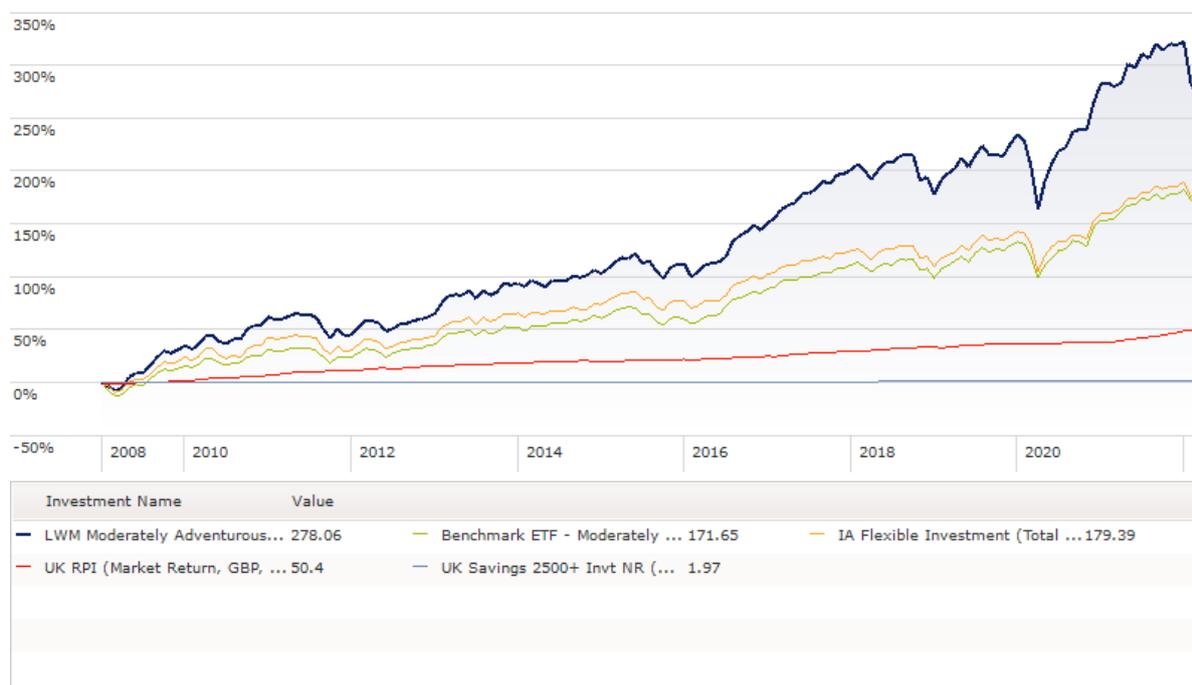


	2018	2019	2020	2021	2022	Since Launch
Balanced Portfolio	-6.99%	18.96%	10.77%	11.13%	-8.58%	10.22% p.a.
LWM Benchmark	-6.17%	15.65%	7.25%	9.29%	-4.42%	6.90% p.a.
IA Mixed Investment 40-85% Shares Benchmark	-6.07%	15.94%	5.50%	11.10%	-3.69%	7.72% p.a.

	1 Year to 31/03/18	1 Year to 31/03/19	1 Year to 31/03/20	1 Year to 31/03/21	1 Year to 31/03/22
Balanced Portfolio	8.60%	2.94%	-10.69%	37.21%	1.78%
LWM Benchmark	4.57%	3.44%	-5.69%	24.89%	2.18%
IA Mixed Investment 40-85% Shares Benchmark	1.63%	4.36%	-7.73%	26.47%	5.29%

Note: Please read special note at the end of tables. The launch date of the is 1 January 2009, and performance is up to 31 March 2022. 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

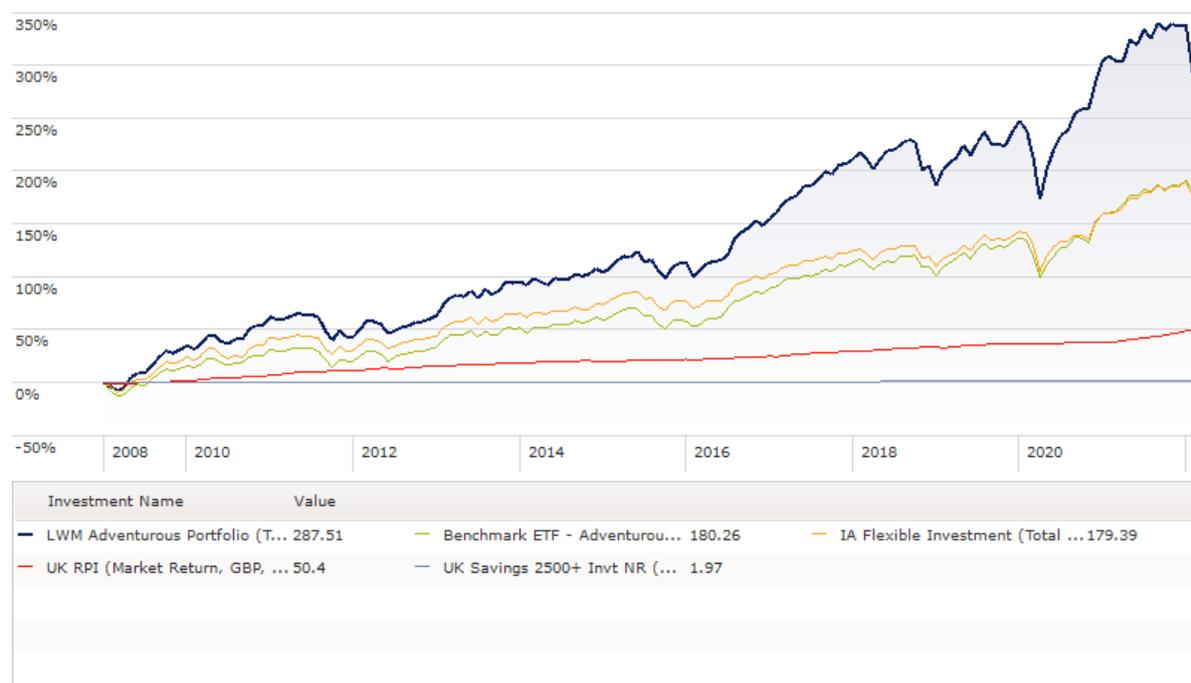


	2018	2019	2020	2021	2022	Since Launch
Moderately Adventurous Portfolio	-7.75%	20.37%	14.16%	10.46%	-10.55%	10.56% p.a.
LWM Benchmark	-5.83%	19.19%	8.58%	11.68%	-4.08%	7.84% p.a.
IA Flexible Investment Benchmark	-6.64%	15.64%	7.01%	11.38%	-3.65%	8.07% p.a.

	1 Year to 31/03/18	1 Year to 31/03/19	1 Year to 31/03/20	1 Year to 31/03/21	1 Year to 31/03/22
Moderately Adventurous Portfolio	9.13%	3.45%	-12.63%	45.10%	-1.48%
LWM Benchmark	3.66%	5.02%	-7.12%	30.80%	3.83%
IA Flexible Investment Benchmark	2.34%	3.34%	-8.05%	29.36%	4.98%

Note: Please read special note at the end of the tables. The launch date of the Portfolio is 1 January 2009, and performance is up to 31 March 2022. 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

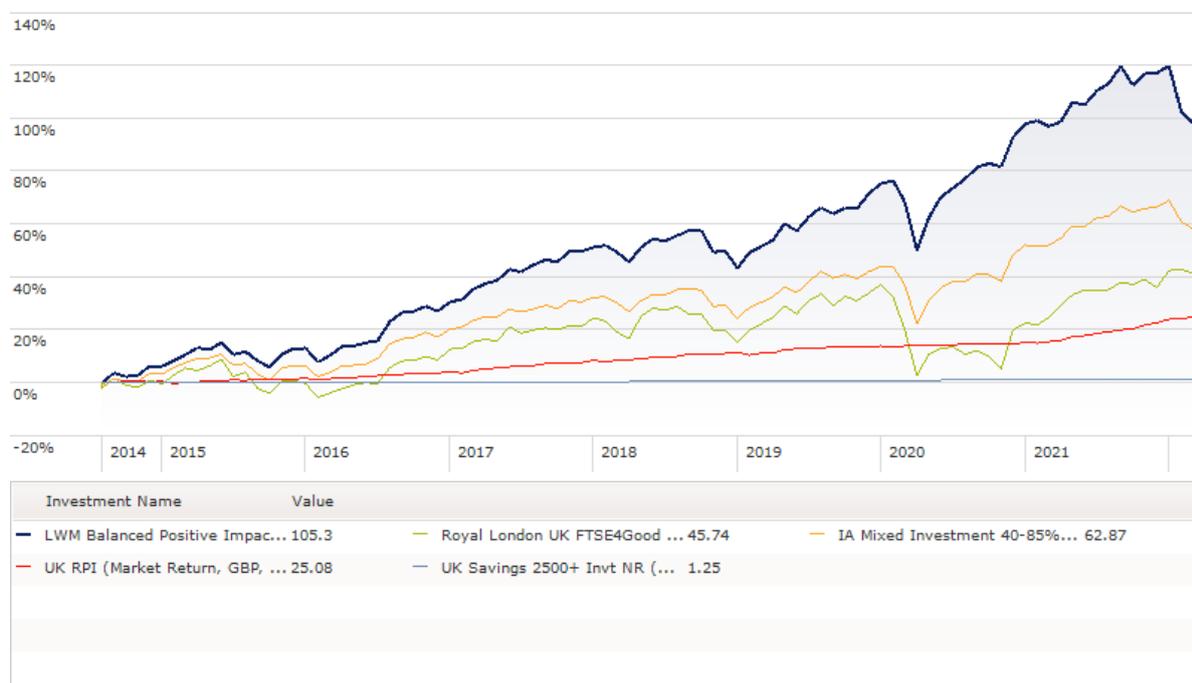


	2018	2019	2020	2021	2022	Since Launch
Adventurous Portfolio	-7.99%	21.15%	16.62%	8.24%	-11.70%	10.77% p.a.
LWM Benchmark	-5.99%	18.02%	9.40%	12.39%	-4.04%	8.09% p.a.
IA Flexible Investment Benchmark	-6.64%	15.64%	7.01%	11.38%	-3.65%	8.07% p.a.

	1 Year to 31/03/18	1 Year to 31/03/19	1 Year to 31/03/20	1 Year to 31/03/21	1 Year to 31/03/22
Adventurous Portfolio	10.19%	3.38%	-12.74%	48.03%	-4.27%
LWM Benchmark	4.03%	5.45%	-8.41%	34.85%	3.97%
IA Flexible Investment Benchmark	2.34%	3.34%	-8.05%	29.36%	4.98%

Note: Please read special note at the end of the tables. The launch date of the Portfolio is 1 January 2009, and performance is up to 31 March 2022. 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



	2018	2019	2020	2021	2022	Since Launch
Balanced Positive Impact Portfolio	-5.24%	22.35%	12.87%	11.12%	-6.71%	9.84% p.a.
LWM Benchmark (Royal London FTSE4 Good Tracker)	-7.46%	18.97%	-10.68%	16.24%	2.26%	5.04% p.a.
IA Mixed Investment 40-85% Shares	-6.07%	15.94%	5.50%	11.10%	-3.69%	6.57% p.a.

	1 Year to 31/03/18	1 Year to 31/03/19	1 Year to 31/03/20	1 Year to 31/03/21	1 Year to 31/03/22
Balanced Positive Impact Portfolio	5.99%	5.65%	-2.54%	32.43%	3.25%
LWM Benchmark (Royal London FTSE4 Good Tracker)	0.19%	6.89%	-17.66%	25.71%	12.79%
IA Mixed Investment 40-85% Shares	1.63%	4.36%	-7.73%	26.47%	5.29%

The launch date of the Portfolio is 1 August 2014, and performance is up to 31 March 2022. 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.

LWM Consultants Ltd

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

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