

BALANCED PORTFOLIO ATTITUDE TO RISK REPORT



LWM Consultants Ltd

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“Focusing on helping individuals & companies understand and plan their financial future”.



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BALANCED PORTFOLIO

ATTITUDE TO RISK REPORT

INTRODUCTION

Your suitability report outlines your aims / goals and how we will look to achieve these, including the proposed investment strategy. This report outlines your risk profile, what this means and how it applies to your investment strategy.

RISK PROFILE

Based on our discussion, your previous experience, current assets and goals, your current risk profile is best suited to our **Balanced Portfolio**.

BALANCED PORTFOLIO

Aim

The portfolio looks to deliver a return of between 6% and 8% gross over the long term. This should, in a normalised environment, be above the higher rate of cash or inflation.

Key points:

- The portfolio holds a higher content of equities compared to the Cautious Portfolio, but less than the adventurous portfolios.
- Currently the portfolio holds approximately 40% in diversifying assets such as fixed interest, property, infrastructure and multi asset strategies, with the balance in equity funds. We believe this is the best way to provide potential upside growth as well as providing equal weight between risk and reward.
- The benchmark is based on a basket of index strategies.
- We consider the long term as 10 years plus.

To view all our portfolios, follow this link to our website - <https://lwmconsultants.com/portfolios/>

Asset allocation

The portfolio will diversify your assets between funds, offering exposure to different sectors of the market and regions. Creating the right mix of assets is an important part of the process of building a portfolio designed to meet your financial objectives. Your portfolio is monitored and reviewed on an ongoing basis to ensure that it remains in line with your risk profile.

	2022/2023 Asset Allocation	2023/2024 Asset Allocation
Diversifying Assets	36.00%	40.00%
Equities		
Europe including UK	19.00%	17.00%
US	12.00%	12.00%
Global	16.00%	15.00%
Emerging markets and Asia Including Japan and China	17.00%	16.00%
	100.00%	100.00%

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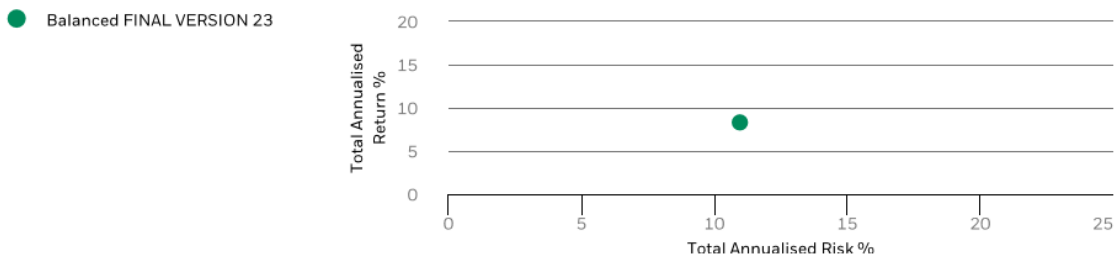
Historical Returns vs Risk

The data below is based on the holdings for the portfolio as of 1 July 2023. It doesn't reflect any of the previous versions. It shows the potential volatility (rapid or unpredictable changes, especially for the worse, in the portfolio value at any given point in time) of the proposed holdings based on past performance. This is over a five-year timeframe.

Historical Returns vs Risk

As of 31/03/2023

Portfolio	Total Annualised Return	Annualised Risk	Sharpe Ratio	Total Return
Balanced FINAL VERSION 23	8.43%	11.01%	0.72	49.89%



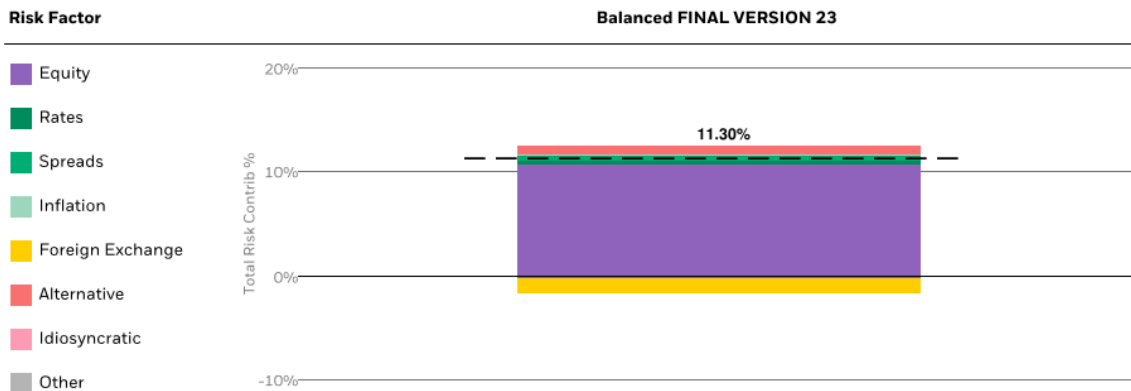
The ex-ante risk is a calculation of future risk.

Ex-ante Risk

Portfolio	Ex-ante Risk	Beta to MSCI All Country World Gross TR Index
Balanced FINAL VERSION 23	11.30%	0.76

Specific risks such as inflationary risk, counterparty risk and risks arising from a lack of diversification should also be considered. Below we show the total risk contribution.

TOTAL RISK CONTRIBUTION

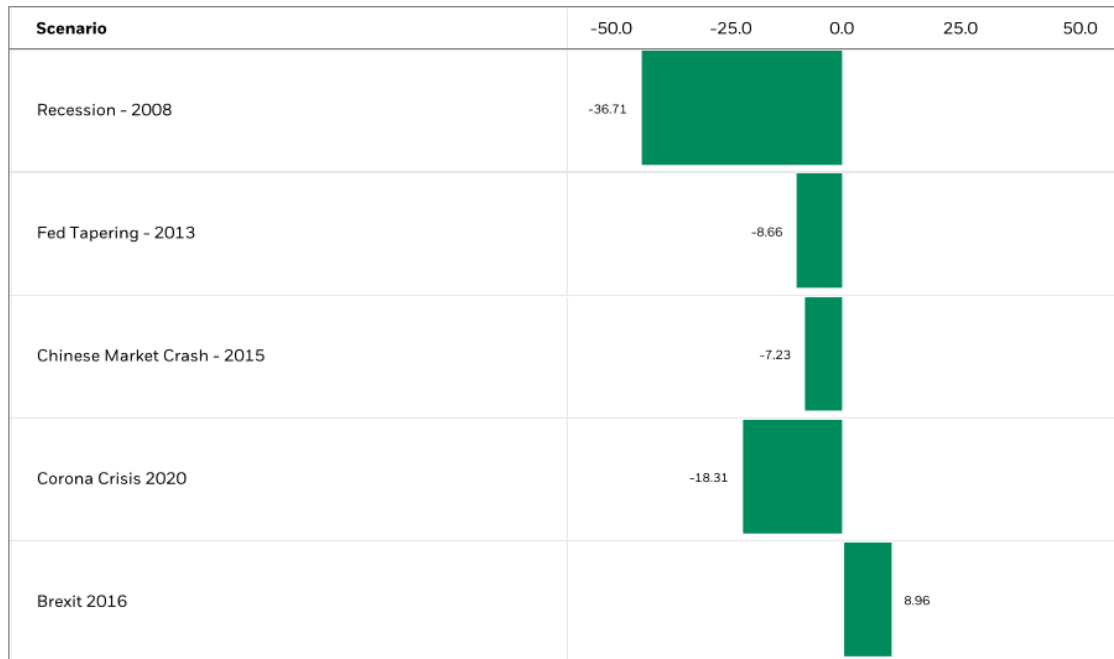


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Historical Scenarios

The chart below shows how the portfolio may have responded in specific market scenarios. This is based on the holdings as of 1 July 2023.

■ Balanced FINAL VERSION 23



Source: BlackRock, Aladdin as of 31/03/2023, Currency: GBP

Ratio Table

The table below outlines some of the “risk” data based on the actual portfolio since launch.

Max Drawdown	Max Gain	Max Loss	Negative Periods	Positive Periods	Return	Volatility
-24.53	15.70	-24.48	311	445	8.31	11.61

Portfolio summary

Portfolio Summary										
Instrument	Name	Currency	6 Months	1 Year	3 Years	5 Years	Hist. Yield	Portfolio Expense	FE fundinfo	Risk Score
Portfolio	LWM Balanced Portfolio - Jan 09	GBP	-0.71	0.58	5.18	10.92	1.19	0.80		95
Benchmark	Benchmark ETF - Balanced Portfolio - Jan 09	GBP	0.98	1.73	7.41	13.70	1.67	-		76

Loss of capital

The portfolio is positioned as a long-term investment (5 years plus). The aim is to achieve a positive outcome over the investment period, although past performance is no guide to future performance and investments can fall as well as rise. **There is potential for capital loss particularly where the investment is sold during a down period.**

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SNAPSHOT

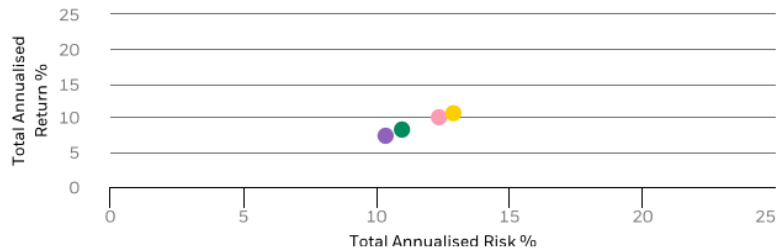
Below we compare the Balanced Portfolio to the other Portfolios. This is based on the holdings as of 1 July 2023, and does not reflect any previous versions:

Historical Returns vs Risk

As of 31/03/2023

Portfolio	Total Annualised Return	Annualised Risk	Sharpe Ratio	Total Return
Balanced FINAL VERSION 23	8.43%	11.01%	0.72	49.89%
Cautious FINAL VERSION 23	7.48%	10.41%	0.67	43.42%
Mod Adv FINAL VERSION 23	10.20%	12.41%	0.79	62.55%
Adv FINAL VERSION 23	10.64%	12.91%	0.79	65.80%

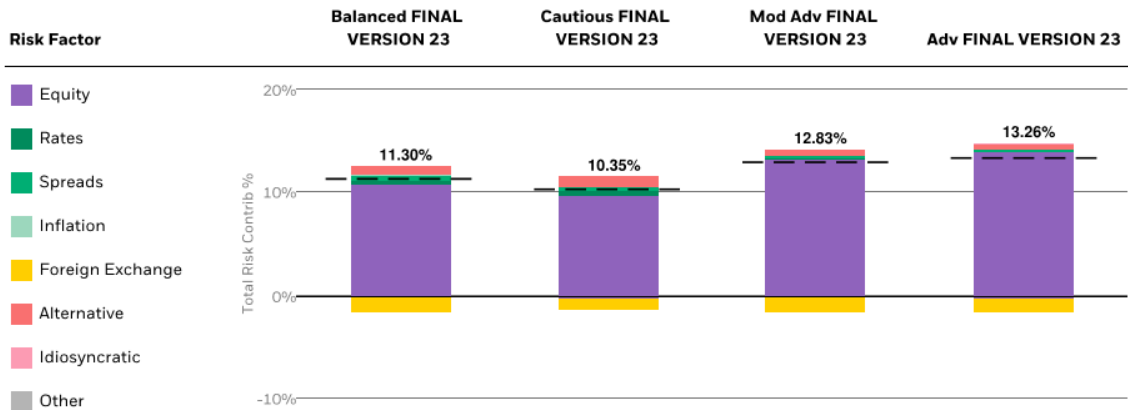
- Balanced FINAL VERSION 23
- Cautious FINAL VERSION 23
- Mod Adv FINAL VERSION 23
- Adv FINAL VERSION 23



Ex-ante Risk

Portfolio	Ex-ante Risk	Beta to MSCI All Country World Gross TR Index
Balanced FINAL VERSION 23	11.30%	0.76
Cautious FINAL VERSION 23	10.35%	0.73
Mod Adv FINAL VERSION 23	12.83%	0.85
Adv FINAL VERSION 23	13.26%	0.88

TOTAL RISK CONTRIBUTION



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The ratio table below is based on the actual portfolios from launch to 30 June 2023:

	Max Drawdown	Max Gain	Max Loss	Negative Periods	Positive Periods	Return	Volatility
Cautious Portfolio	-23.40	14.02	-23.40	305	451	7.56	9.98
Balanced Portfolio	-24.53	15.70	-24.48	311	445	8.31	11.61
Moderately Adventurous Portfolio	-25.05	22.66	-24.35	312	444	8.62	12.84
Adventurous Portfolio	-26.71	22.66	-24.37	310	446	8.80	13.46

SPECIAL NOTES:

- Please note that the holdings can and do change; the figures shown above are illustrative only and are not a guarantee of what might happen in the future.
- The performance reflects fund charges but not the LWM Fees, or platform charges.
- Where an investment is not available for the whole period simulated past performance will be used.
- We aim to rebalance the holdings once a year. This may generate capital gains. Specialist tax advice should be sought where this occurs.
- The fund charges can vary and therefore these are for illustration purposes only.

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BALANCED PORTFOLIO PERFORMANCE – 1 JANUARY 2009 – 30 JUNE 2023

The Portfolio was launched on 1 January 2009. The chart shows the total return up to 30 June 2023.

Pricing Spread: Bid-Bid • Data Frequency: Daily • Currency: Pounds Sterling

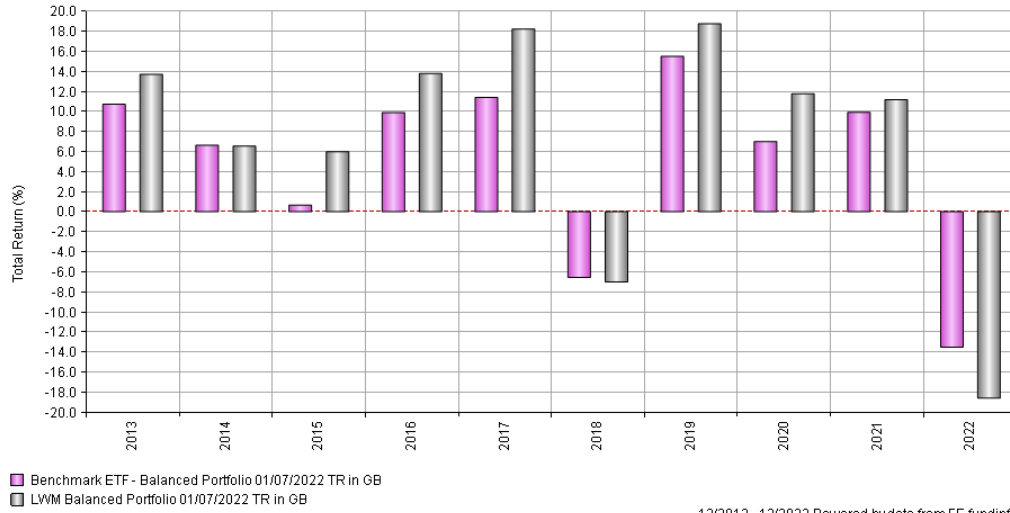


01/01/2009 - 30/06/2023 Data from FE fundinfo2023

	10-year Annualised Return	Total Return Since Launch	Annualised Return Since Launch
Balanced Portfolio	6.08% p.a.	223.81%	8.44% p.a.
LWM Benchmark	4.54% p.a.	128.72%	5.88% p.a.

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Pricing Spread: Bid-Bid • Currency: Pounds Sterling

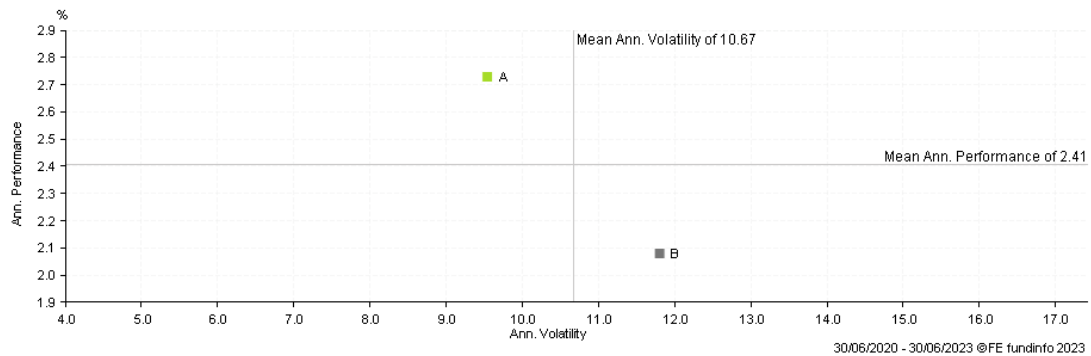


	2019	2020	2021	2022	2023	Since Launch
Balanced Portfolio	18.78%	11.78%	11.18%	-18.61%	0.67%	8.44% p.a.
LWM Benchmark	15.52%	7.01%	9.91%	-13.06%	2.82%	5.88% p.a.

	1 Year to 30/06/19	1 Year to 30/06/20	1 Year to 30/06/21	1 Year to 30/06/22	1 Year to 30/06/23
Balanced Portfolio	1.57%	2.04%	24.66%	-15.40%	0.32%
LWM Benchmark	3.85%	0.77%	18.73%	-10.43%	1.62%

Volatility

Pricing Spread: Bid-Bid • Currency: Pounds Sterling



Key	Name	Annualised Performance	Annualised Volatility
A	Benchmark ETF - Balanced Portfolio TR in GB	2.73	9.54
B	LWM Balanced Portfolio TR in GB	2.08	11.80

BALANCED PORTFOLIO

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Note: RPI is a measure of inflation; for example, in 2021 the Portfolio returned 6.04% after inflation. Cash is a means of demonstrating an upward curve with no stock market volatility.

BENCHMARKS: The key measure for us is to deliver a return of between 6% and 8% over a ten-year period. We provide benchmarks to provide a measure of performance. 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 tradeable and therefore can be invested in.

SPECIAL 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. The total return reflects performance without platform charges and adviser fees 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 platform charges, adviser fees and the effects of taxation, the performance quoted would be reduced.

SUMMARY

Full details of the current holdings of the Balanced Portfolio are available on via our website - <https://lwmconsultants.com/portfolios/lwm-balanced-growth/>

This includes quarterly market updates, performance, holdings, and links to the key information documents (KIIDS).

We rebalance the portfolios once a year and will contact you with details of the proposed changes. You will need to agree to these changes before they are completed.

You can review your risk rating at your annual meeting. However, you can discuss this at any time should circumstances change.

KEY CONTACT INFORMATION

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