

BESPOKE MODERATELY ADVENTUROUS 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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BESPOKE MODERATELY ADVENTUROUS 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 **Bespoke Moderately Adventurous Portfolio**.

BESPOKE MODERATELY ADVENTUROUS PORTFOLIO

	Aim	Benchmark	Time frame	Risk / volatility	Exclusions	Capital at risk
Moderately Adventurous Portfolio	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.	Basket of strategies that track an index (for example, the FTSE 100)	10-years plus	This is best suited for investors wanting greater exposure to UK and international assets but still requiring some exposure to defensive assets. The current weighting UK and international assets is 76.00%	Will not hold investment trusts.	Yes

Please read the important information at the end of this document.

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

BESPOKE MODERATELY ADVENTUROUS PORTFOLIO

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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
Diversified Assets	21.00%	24.00%
Equities		
Europe including UK	19.00%	17.00%
US	14.00%	13.00%
General Global	23.00%	24.00%
Emerging Markets and Asia Including Japan and China	23.00%	22.00%
	100.00%	100.00%

Historical Returns vs Risk

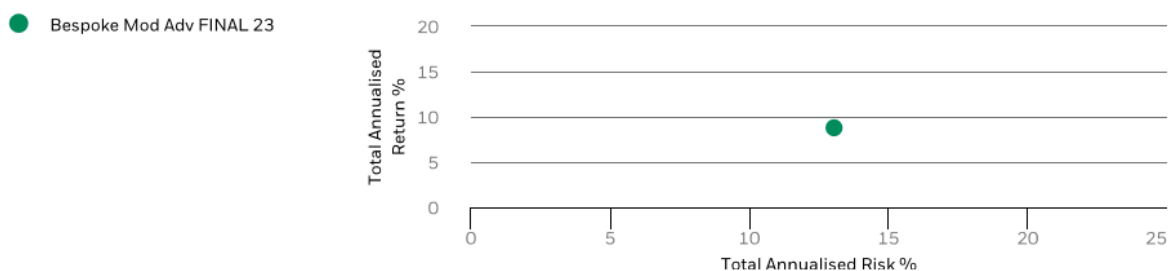
The data below is based on the holdings for the portfolio as of 1 July 2023. It doesn't reflect any of the previous versions. It shows the potential volatility (rapid or unpredictable changes, especially for the worse, in the portfolio value at any given point in time) of the proposed holdings based 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
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Bespoke Mod Adv FINAL 23	8.78%	13.05%	0.65	52.29%
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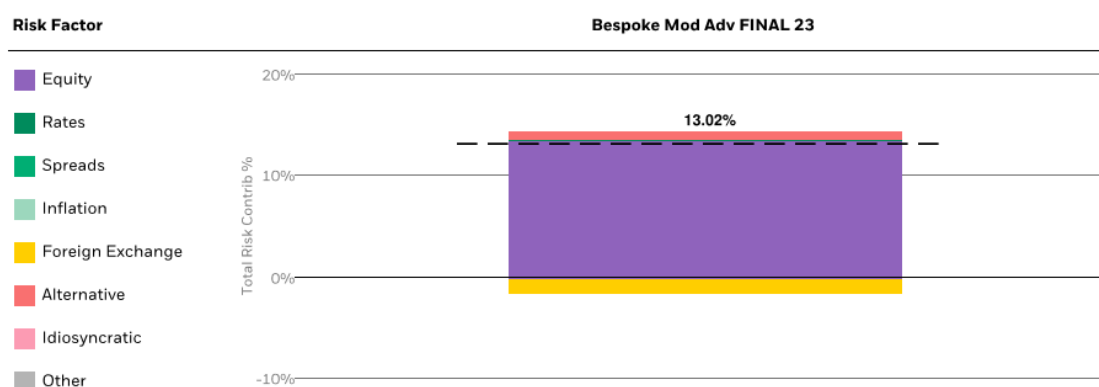
The ex-ante risk is a calculation of future risk.

Ex-ante Risk

Portfolio	Ex-ante Risk	Beta to MSCI All Country World Gross TR Index
Bespoke Mod Adv FINAL 23	13.02%	0.90

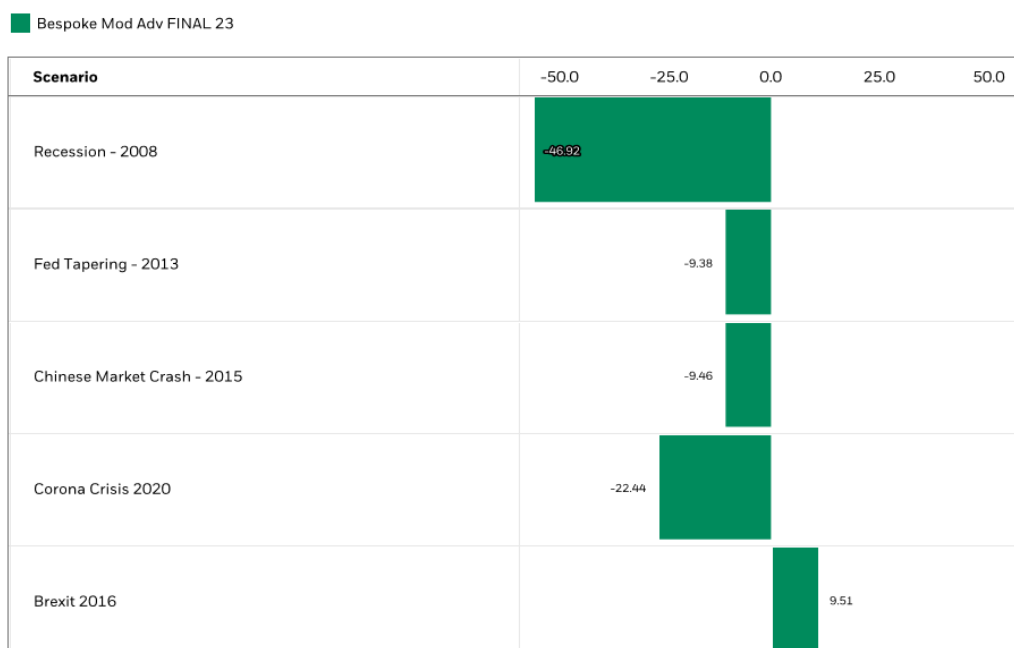
Specific risks such as inflationary risk, counterparty risk and risks arising from a lack of diversification should also be considered. Below we show the total risk contribution.

TOTAL RISK CONTRIBUTION



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.



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

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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
-25.15	15.92	-24.83	129	157	1.84	14.48

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 Bespoke Moderately Adventurous Portfolio - Jan 18	GBP	-2.25	-1.21	3.12	9.97	1.11	0.89		100
Benchmark	Benchmark ETF - Bespoke Moderately Adventurous Portfolio - Jan 18	GBP	1.97	3.18	12.91	21.40	1.10	-		82

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.**

SPECIAL NOTES:

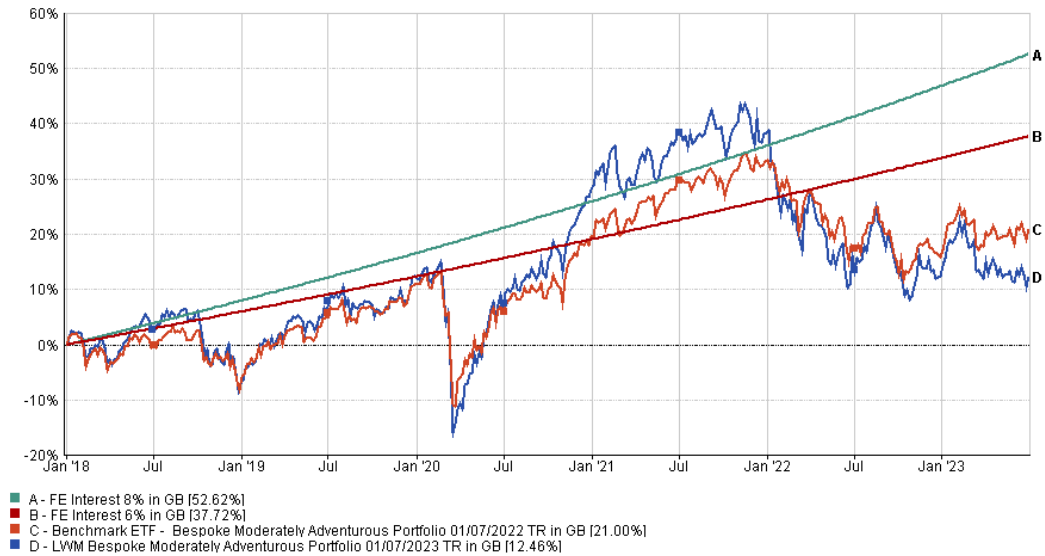
- Please note that the holdings can and do change; the figures shown above are illustrative only and are not a guarantee of what might happen in the future.
- The performance reflects fund charges but not the LWM Fees, or platform charges.
- Where an investment is not available for the whole period simulated 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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BESPOKE MODERATELY ADVENTUROUS PORTFOLIO PERFORMANCE – 1 JANUARY 2018 – 30 JUNE 2023

The Portfolio was launched on 1 January 2018. The chart shows the total return up to 30 June 2023.

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



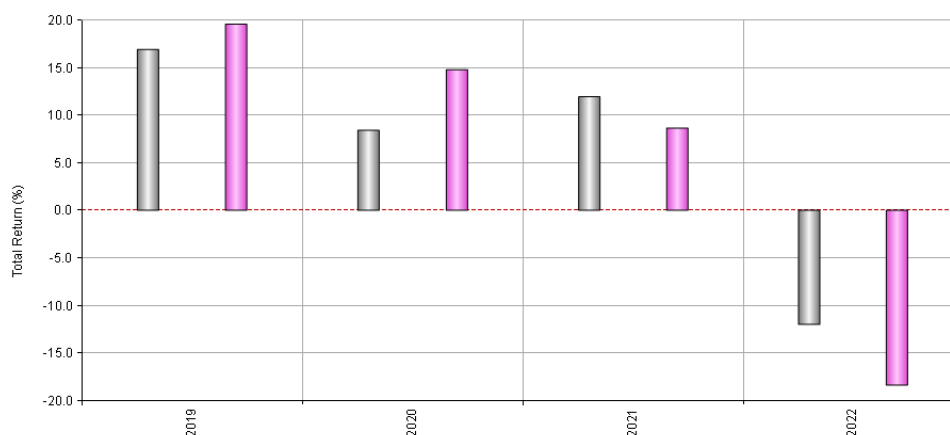
01/01/2018 - 30/06/2023 Data from FEfundinfo2023

	Total Return Since Launch	Annualised Return Since Launch
Bespoke Moderately Adventurous Portfolio	12.46%	2.16% p.a.
LWM Benchmark	21.00%	3.53% p.a.

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Pricing Spread: Bid-Bid • Currency: Pounds Sterling



■ Benchmark ETF - Bespoke Moderately Adventurous Portfolio 01/07/2022 TR in GB
 ■ LWM Bespoke Moderately Adventurous Portfolio 01/07/2022 TR in GB

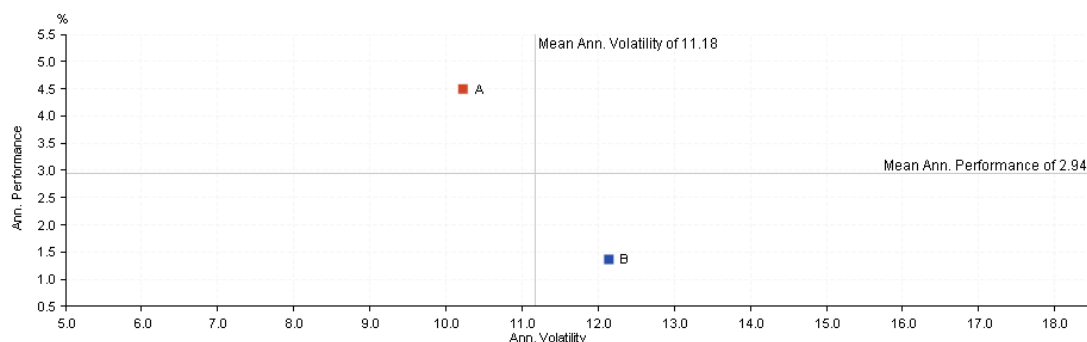
12/2019 - 12/2022 Powered by data from FE fundinfo

	2019	2020	2021	2022	2023	Since Launch
Bespoke Moderately Adventurous Portfolio	19.63%	14.81%	8.67%	-18.41%	-0.72%	2.16% p.a.
LWM Benchmark	16.95%	8.43%	11.96%	-12.02%	3.92%	3.53% 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
Bespoke Moderately Adventurous Portfolio	3.15%	1.50%	28.05%	-18.25%	-0.50%
LWM Benchmark	5.03%	1.04%	21.93%	-9.65%	3.59%

Volatility

Pricing Spread: Bid-Bid • Currency: Pounds Sterling



30/06/2020 - 30/06/2023 ©FE fundinfo 2023

Key	Name	Annualised Performance	Annualised Volatility
A	Benchmark ETF - Bespoke Moderately Adventurous Portfolio TR in GB	4.50	10.22
B	LWM Bespoke Moderately Adventurous Portfolio TR in GB	1.37	12.14

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IMPORTANT INFORMATION

What is the fund split between fixed income, real assets and alternatives, and UK and international assets?

	Fixed Income	Real Assets & Alternatives	UK and International Assets
Bespoke Moderately Adventurous Portfolio	8.00%	16.00%	76.00%

What is the difference between the aim of the strategy and benchmark?

The target or aim is to deliver returns of 6% to 8% p.a. over ten years. This includes the fund charges but not our fees and platform charges.

How do we test these figures?

We follow the BlackRock Capital Market Assumptions <https://www.blackrock.com/institutions/en-zz/insights/charts/capital-market-assumptions>

These outline the long-term asset return expectations.

Would we review the expectations?

Yes, if the market expectations for returns reduced then we would reduce our long-term return profile. We review this quarterly and although the long-term expectations have come down, they are still within the 6% to 8% target.

Do we guarantee a return of 6% to 8% p.a. over a ten-year period?

This is our stated aim. We do not guarantee this.

Why do we have a benchmark?

The benchmark is a measure of performance vs a basket of passive funds. Passive funds follow a particular index. Our fundamental aim is to deliver a return of between 6% and 8% p.a. over a ten-year period. In doing that over the same period we should also outperform this basket.

In the short term there will be periods where passive funds outperform, particularly in periods of extreme market volatility.

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How do we measure performance?

Portfolio Level

We have several touchpoints when monitoring performance:

1. We monitor performance monthly.
2. We have an internal monthly investment risk matrix. Within this we monitor the target return, and compare the performance to a range of discretionary managed portfolios.
3. On a quarterly basis we update the website with performance data and provide updates.
4. From September to February, we carry out a comprehensive review of the portfolios and rebalance on 1 July each year (subject to your approval).

The primary focus of this work is to understand periods of underperformance and adjust where we see appropriate.

As an example, we increased exposure to fixed income (debt) in 2023 to reflect higher interest rates, and a more conducive environment for these types of investments.

Fund Level

As a minimum we look to review all the funds within the portfolios once a year. We write up the notes from these reviews and these are available on the website.

Although we consider longer term performance, we also look at short term performance to understand the reasons for any underperformance or sudden spike in performance. We may change the strategy where we feel that there is a long-term shift in the environment, where we feel the investment will no longer be appropriate, if there are better opportunities, or where there has been a significant change to the operation of the strategy.

As an example, with higher interest rates the availability of cash will naturally be limited meaning companies needing cash to develop will find it harder. We have therefore increased our exposure to “quality” and reduced our exposure to strategies which carry higher risk with more innovative, and cash poor companies.

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Charges

The performance data includes the fund charges but not the platform and LWM fees. Fees are fully disclosed. Below are the fund fees as of 31 August provided by Trustnet.

	Fund fees
Cautious Portfolio	0.74%
Balanced Portfolio	0.80%
Moderately Adventurous Portfolio	0.89%
Adventurous Portfolio	0.90%
Bespoke Moderately Adventurous Portfolio	0.89%
Cautious Positive Impact Portfolio	0.94%
Balanced Positive Impact Portfolio	0.91%
Adventurous Positive Impact Portfolio	0.91%
Income Portfolio	0.99%
Positive Impact Income Portfolio	1.06%

We review our charges within the Consumer Duty Fair Value Assessment. We also disclose under transparency on the website.

Additional information

Full details of the current holdings of the Bespoke Moderately Adventurous Portfolio are available on via our website - <https://lwmconsultants.com/portfolio/bespoke-moderately-adventurous/>

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

Changing risk profile

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

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.

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