

BALANCED POSITIVE IMPACT PORTFOLIO ATTITUDE TO RISK REPORT



LWM Consultants Ltd

The Garden Suite, 23 Westfield Park, Redland, Bristol, BS6 6LT

“Focusing on achieving positive outcomes for the environment and society without sacrificing returns.”



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BALANCED POSITIVE IMPACT 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 it means, and how it applies to your investment strategy.

RISK PROFILE

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

POSITIVE IMPACT PORTFOLIO

AIM

	Aim	Benchmark	Time frame	Risk/Volatility	Exclusions	Capital at risk
Balanced Positive Impact Portfolio	To deliver a return of between 6% and 8% gross over the long term. In a normalised environment, this should be above the higher rate of cash or inflation.	Royal London UK FTSE4 Good Index Fund.	10-years plus	<p>This is best suited for those investors seeking slightly more risk and, at the same time, wanting an exclusionary strategy.</p> <p>It aims to balance defensive assets and traditional UK and international assets.</p> <p>Currently, the portfolio has 60% in UK and International Assets, whereas the Cautious Positive Impact Portfolio has 43%.</p>	Yes	Yes

BALANCED POSITIVE IMPACT PORTFOLIO

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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/>

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 strategies is essential in building a portfolio to meet your financial objectives. Your portfolio is monitored and reviewed continuously to ensure it remains aligned with your risk profile.

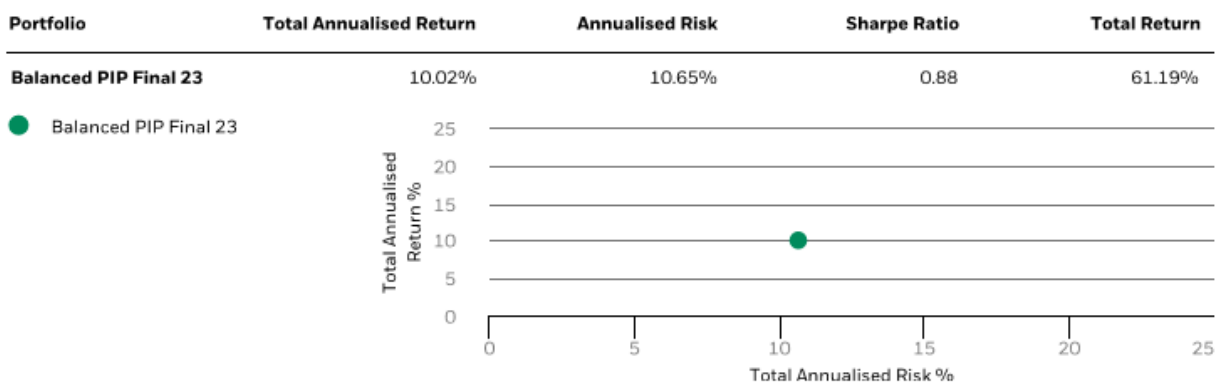
	2022/2023 Asset Allocation	2023/2024 Asset Allocation
Fixed Interest	10.00%	12.00%
Alternative	34.00%	30.00%
Europe, including the UK	16.00%	16.00%
US	6.00%	6.00%
General Global	24.00%	26.00%
Emerging Markets and Asia	10.00%	10.00%

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 proposed holdings' potential volatility (rapid or unpredictable changes, especially for the worse, in the portfolio value at any given time) based on past performance. This is over a five-year timeframe.

Historical Returns vs Risk

As of 31/03/2023



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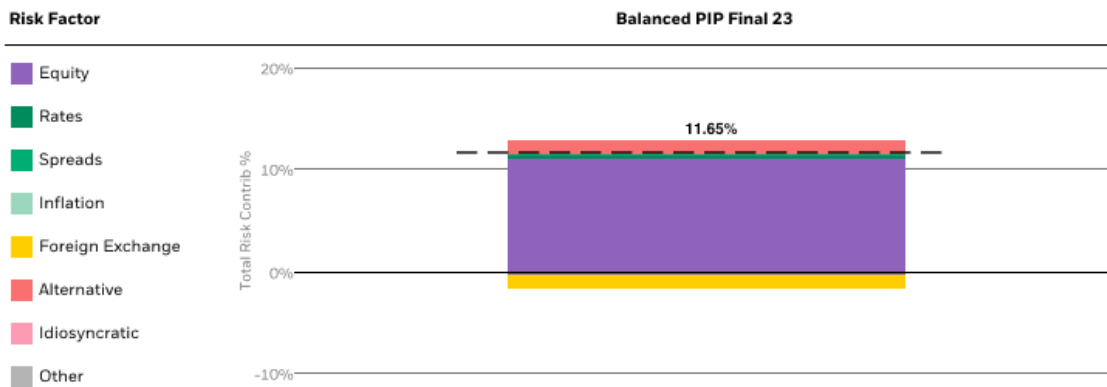
The ex-ante risk is a calculation of future risk.

Ex-ante Risk

Portfolio	Ex-ante Risk	Beta to MSCI All Country World Gross TR Index
Balanced PIP Final 23	11.65%	0.73

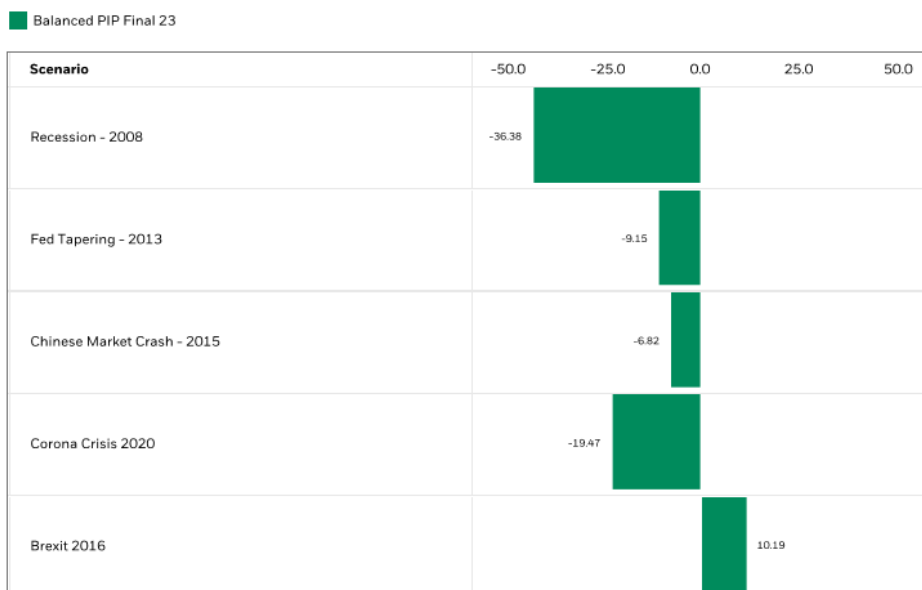
Specific risks such as inflationary risk, counterparty risk and risks arising from a lack of diversification should also be considered. Below, we show the total risk contribution.

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 “risk” data based on the actual portfolio over three years.

Max Gain	Max Loss	Negative Periods	Positive Periods	Return	Volatility
7.95	-9.07	74	82	-3.34	11.64

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 Positive Impact Portfolio - Aug 14	GBP	-4.33	-2.97	-4.90	10.22	2.43	0.91	89
Benchmark	LWM Balanced Positive Impact Portfolio Benchmark - Sep 03	GBP	1.61	14.97	38.31	20.66	3.38	0.25	101

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 and rise. **There is potential for capital loss, mainly where the asset is sold during a down period.**

SNAPSHOT

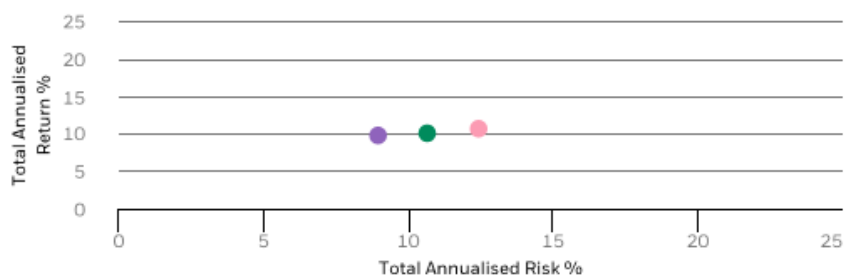
Below, we compare the Balanced Portfolio to the other Portfolios. This is based on the holdings as of 1 July 2023 and does not reflect any previous versions:

Historical Returns vs Risk

As of 31/03/2023

Portfolio	Total Annualised Return	Annualised Risk	Sharpe Ratio	Total Return
Balanced PIP Final 23	10.02%	10.65%	0.88	61.19%
Cautious PIP Final 23	9.95%	9.02%	1.02	60.70%
Adv PIP Final 23	10.79%	12.47%	0.83	66.94%

- Balanced PIP Final 23
- Cautious PIP Final 23
- Adv PIP Final 23

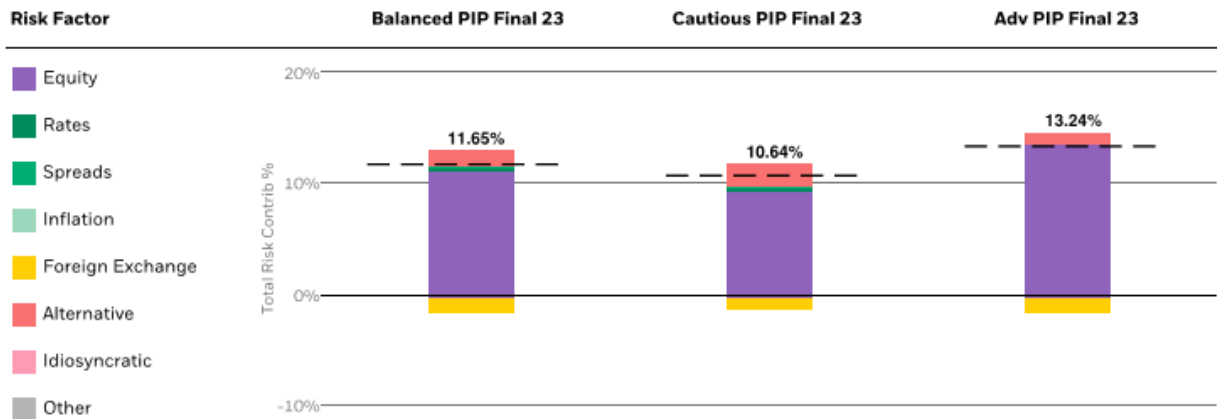


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Ex-ante Risk

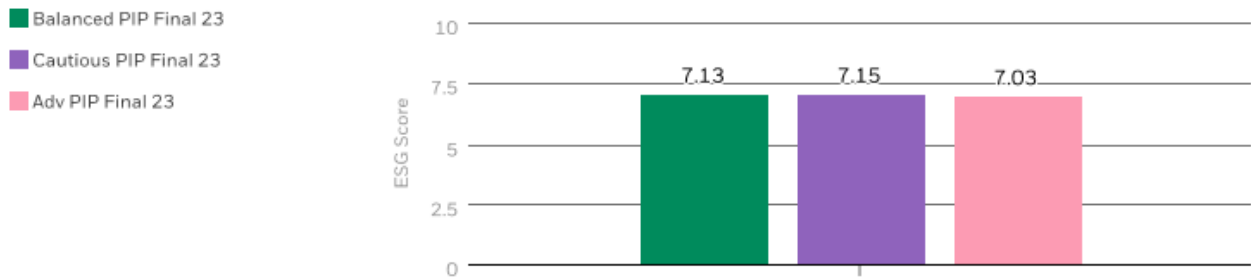
Portfolio	Ex-ante Risk	Beta to MSCI All Country World Gross TR Index
Balanced PIP Final 23	11.65%	0.73
Cautious PIP Final 23	10.64%	0.60
Adv PIP Final 23	13.24%	0.85

TOTAL RISK CONTRIBUTION



MSCI ESG Quality Score

OVERALL QUALITY SCORE

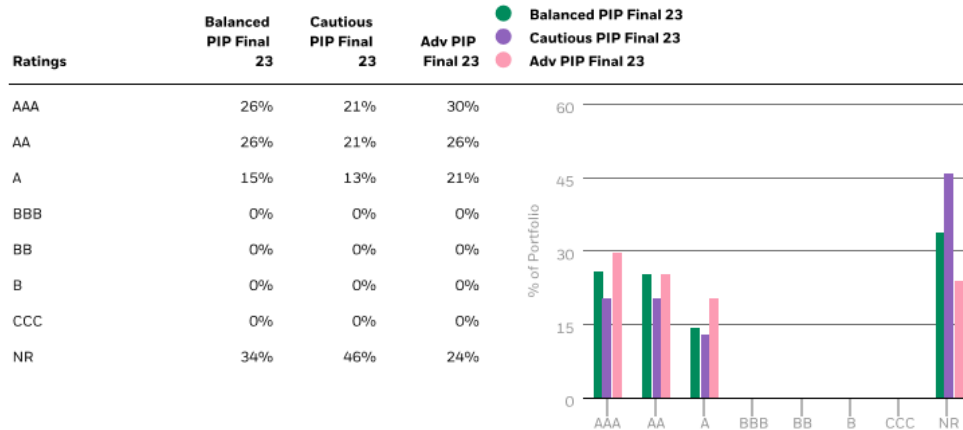


Source: Based on portfolio holdings data. For information only, subject to change. **For explanations about the methodology, refer to the MSCI Fund Ratings page www.msci.com/esg-fund-ratings**. The ratings, metrics, methodologies and scores may differ from those of other providers. Certain information ©2022 MSCI ESG Research LLC. Reproduced with permission; no further distribution.

As of: 31/03/2023

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ESG Rating Distribution



Source: Based on portfolio holdings data. For information only, subject to change. **For explanations about the methodology, refer to the MSCI Fund Ratings page www.msci.com/esg-fund-ratings**. The ratings, metrics, methodologies and scores may differ from those of other providers. Certain information ©2022 MSCI ESG Research LLC. Reproduced with permission; no further distribution. As of 31/12/2021

The ratio table below is based on the actual portfolios over three years to 30 September 2023:

	Max Gain	Max Loss	Negative Periods	Positive Periods	Return	Volatility
Cautious Positive Impact Portfolio	6.95	-9.16	73	83	-4.01	10.61
Balanced Positive Impact Portfolio	7.95	-9.07	74	82	-3.34	11.64
Adventurous Positive Impact Portfolio	9.13	-10.48	71	85	-2.27	12.91

SPECIAL NOTES:

- Please note that the holdings can and do change; the figures shown above are illustrative only and do not guarantee 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.
- Fund charges can vary; therefore, these are for illustration purposes only.

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BALANCED POSITIVE IMPACT PORTFOLIO PERFORMANCE – 1 JANUARY 2009 – 30 SEPTEMBER 2023

The Portfolio was launched on 1 August 2014. The chart shows the total return up to 30 September 2023.

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

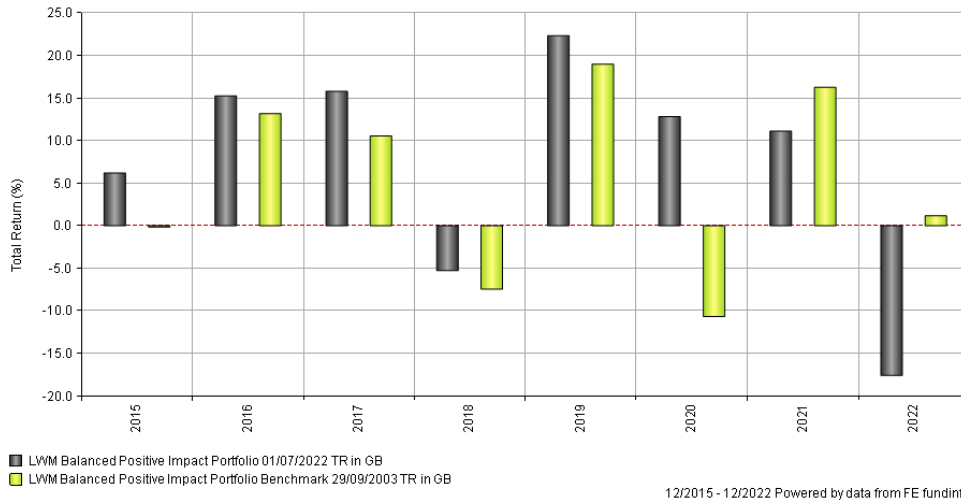


01/08/2014 - 29/09/2023 Data from FE fundinfo2023

	Total Return Since Launch	Annualised Return Since Launch
Balanced Positive Impact Portfolio	72.96%	6.16% p.a.
LWM Benchmark	54.53%	4.86% p.a.

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Pricing Spread: Bid-Bid • Currency: Pounds Sterling

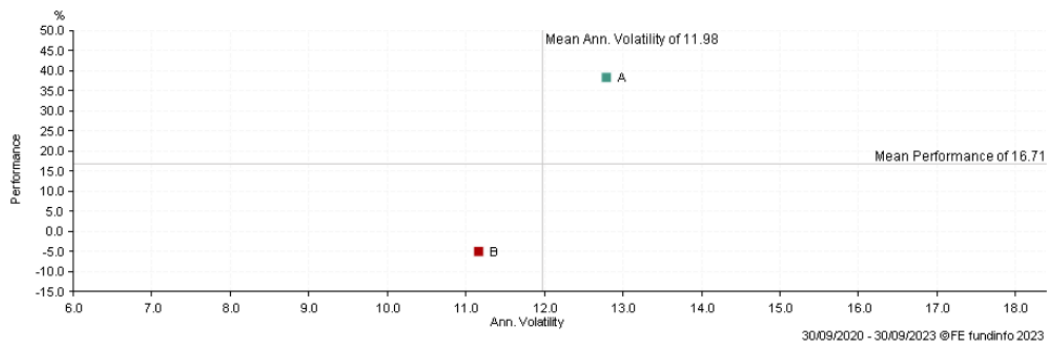


	2019	2020	2021	2022	2023	Since Launch
Balanced Positive Impact Portfolio	22.33%	12.80%	11.09%	-17.60%	-4.01%	6.16% p.a.
LWM Benchmark	18.97%	-10.68%	16.24%	1.15%	5.50%	4.86% p.a.

	1 Year to 30/09/19	1 Year to 30/09/20	1 Year to 30/09/21	1 Year to 30/09/22	1 Year to 30/09/23
Balanced Positive Impact Portfolio	5.19%	9.87%	15.46%	-14.93%	-3.03%
LWM Benchmark	4.98%	-16.74%	23.84%	-2.26%	14.97%

Volatility

Pricing Spread: Bid-Bid • Currency: Pounds Sterling



Key	Name	Performance	Annualised Volatility
A	LWM Balanced Positive Impact Portfolio Benchmark TR in GB	38.31	12.79
B	LWM Balanced Positive Impact Portfolio TR in GB	-4.90	11.16

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IMPORTANT INFORMATION

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

	Fixed Income	Real Assets & Alternatives	UK and International Assets
Cautious Positive Impact Portfolio	16.50%	40.50%	43.00%
Balanced Positive Impact Portfolio	12.00%	30.00%	58.00%
Adventurous Positive Impact Portfolio	0.00%	24.00%	76.00%

What is the difference between the aim of the strategies and the 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. The current return expectations for the portfolios are:

	Return
Cautious Positive Impact Portfolio	7.01% p.a.
Balanced Positive Impact Portfolio	7.05% p.a.
Adventurous Positive Impact Portfolio	7.39% p.a.

Would we review the expectations?

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

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Do we guarantee a 6% to 8% p.a. return over ten years?

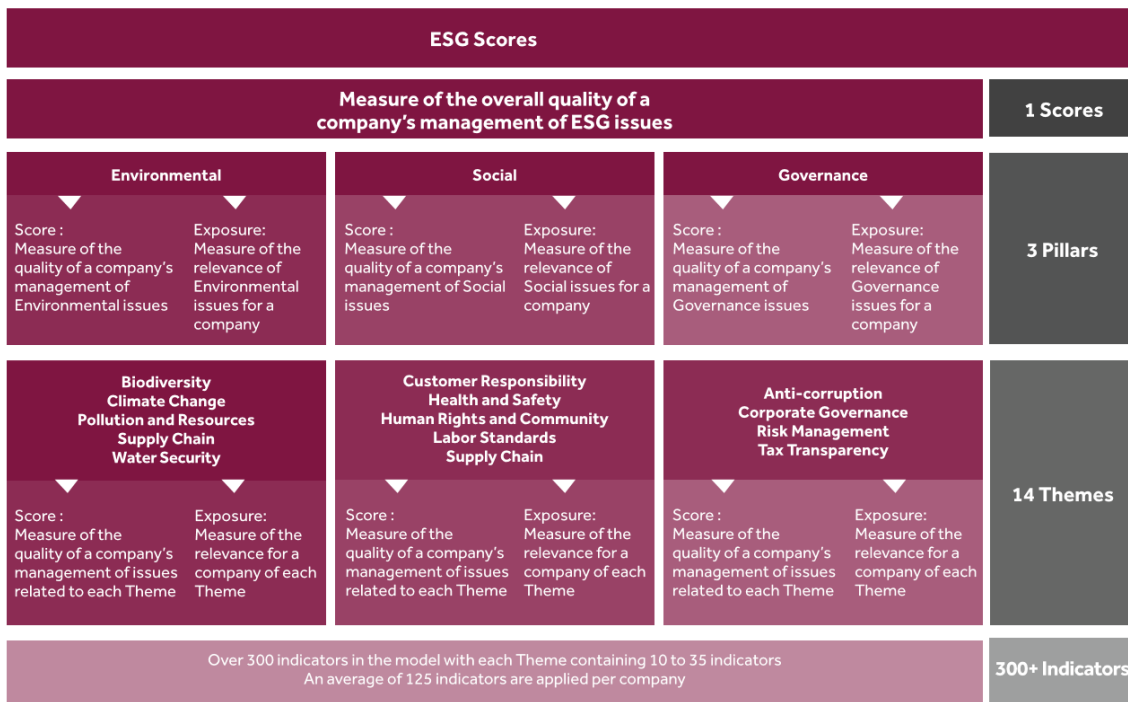
This is our stated aim. We do not guarantee this.

Why do we have a benchmark?

The benchmark is a measure of performance.

We use the Royal London UK FTSE4 Good Index Fund as the benchmark across all the portfolios. We aim to deliver a return of between 6% and 8% p.a. over ten years.

The FTSE4 Good Index can include some fossil fuels, but it is the closest match we can use. Below is the methodology they use.



It does have exclusions:

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Exclude companies based on controversies and business activities

Companies with exposure to “significant controversies” are not eligible for addition to the Index Series, and in the most extreme cases current index constituents will be deleted.

Manufacturers/producers of:

- Tobacco
- Weapons systems
- Controversial weapons (cluster munitions, anti-personnel mines, depleted uranium, chemical/biological weapons and nuclear weapons)
- Coal (ICB® Subsector)

We don't have a ten-year track record on the Balanced Positive Impact Portfolio, and the Cautious and Adventurous Portfolios were only launched in 2020. The table shows performance over three years, five years, and since launch (for the Balanced version, this was 1st August 2014).

	3-years (p.a.)	5-years (p.a.)	Since Launch (p.a.)
Cautious Positive Impact Portfolio	-2.54%	-	-0.61%
Benchmark	11.13%	-	9.85%
Balanced Positive Impact Portfolio	-1.86%	1.95%	6.16%
Benchmark	11.13%	3.76%	4.86%
Adventurous Positive Impact Portfolio	-0.72%	-	1.51%
Benchmark	11.13%	-	9.85%

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. We update the website quarterly with performance data and provide updates.
4. From September to February, we conduct a comprehensive review of the portfolios and rebalance on 1 July each year (subject to your approval).

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

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

Fund Level

At a minimum, we review all the funds within the portfolios once a year. We write up the notes from these reviews which are available on the website.

Although we consider more extended-term performance, we also look at short-term performance to understand the reasons for any underperformance or sudden spike. We may change the strategy where we feel that there is a long-term shift in the environment, where we think 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.

For example, with higher interest rates, the availability of cash will naturally be limited, meaning companies needing money to develop will find it harder. Therefore, we have increased our exposure to “quality” and reduced our exposure to strategies that carry higher risk with more innovative and cash-poor companies.

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 30 September 2023 provided by Trustnet.

	Fund fees	Historic Yield
Cautious Portfolio	0.74%	1.73%
Balanced Portfolio	0.80%	1.30%
Moderately Adventurous Portfolio	0.89%	0.72%
Adventurous Portfolio	0.90%	0.66%
Cautious Positive Impact Portfolio	0.94%	2.99%
Balanced Positive Impact Portfolio	0.91%	2.43%
Adventurous Positive Impact Portfolio	0.91%	1.89%
Income Portfolio	0.99%	4.92%
Positive Impact Income Portfolio	1.06%	4.49%

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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 Cautious Positive Impact Portfolio are available via our website - <https://lwmconsultants.com/portfolios/lwm-ethical/>

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 and rise. The total return reflects performance without platform charges, adviser fees, or the effects of taxation. Still, it is adjusted to reflect all ongoing fund expenses and assumes dividends and capital gains reinvestment. If adjusted for platform charges, adviser fees and the effects of taxation, the performance quoted would be reduced.

KEY CONTACT INFORMATION

Paul Berry paul.berry@lwm-c.com
0117 370 2490

Nicola McKissick Nicola.mckissick@lwm-c.com
0117 370 2493

George Ladds George.ladds@lwm-c.com
0117 370 2494

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