

INCOME PORTFOLIO ATTITUDE TO RISK REPORT



LWM Consultants Ltd

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

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



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INCOME 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 **Income Portfolio**.

INCOME PORTFOLIO

Aim

	Aim	Benchmark	Time frame	Risk/Volatility	Exclusions	Capital at risk
Income Portfolio	To deliver a yield of 3%+ p.a., with growth being secondary.	AFI Balance Index	10-years plus	<p>This is aimed at those clients seeking an income with growth being secondary.</p> <p>It is seen as balanced in achieving the income; it must take slightly more risk and has a higher exposure to investment trusts (traded investment companies).</p> <p>It currently invests in seven investment trusts.</p> <p>It holds 21% in fixed-income assets, 19% in alternatives and the balance in UK and international equities.</p>	No	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/>

INCOME 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 strategies is integral to building a portfolio designed 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	21.00%	21.00%
Alternatives	19.00%	19.00%
Equities		
Europe, including the UK	17.00%	17.00%
US	11.00%	11.00%
General Global	20.00%	20.00%
Emerging Markets and Asia	12.00%	12.00%
	100.00%	100.00%

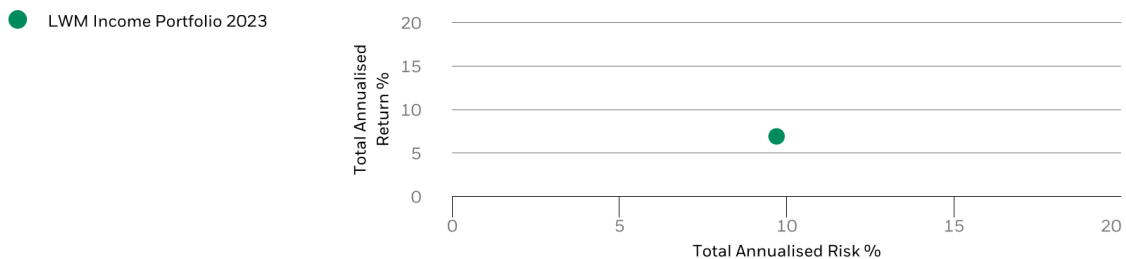
Historical Returns vs Risk

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 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

Portfolio	Total Annualised Return	Annualised Risk	Sharpe Ratio	Total Return
LWM Income Portfolio 2023	6.93%	9.75%	0.66	39.79%



INCOME PORTFOLIO ATTITUDE TO RISK REPORT

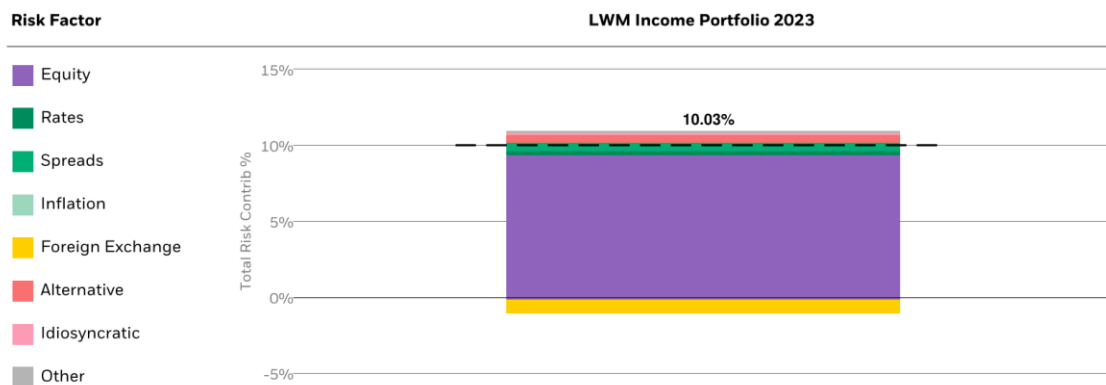
The ex-ante risk is a calculation of future risk.

Ex-ante Risk

Portfolio	Ex-ante Risk	Beta to MSCI All Country World Gross TR Index
LWM Income Portfolio 2023	10.03%	0.67

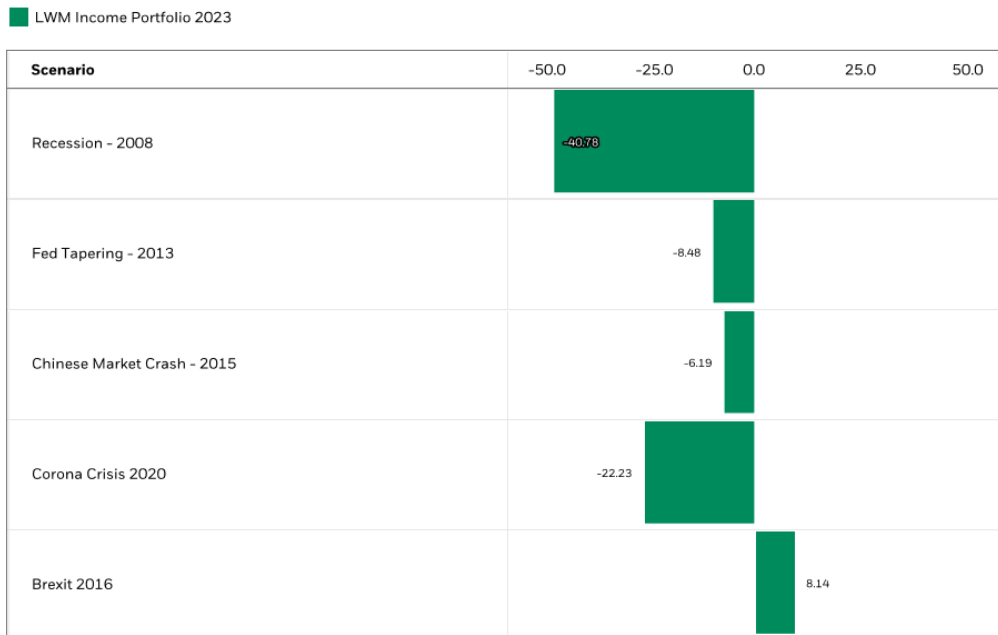
Specific risks such as inflationary risk, counterparty risk and risks arising from a lack of diversification should also be considered. Below, we show the total risk contribution.

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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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 Income Portfolio - Jul 22	GBP	-2.01	2.83	-	-	4.92	0.99	
Benchmark	AFI Balanced - Oct 04	GBP	-0.07	4.80	6.73	10.16	-	-	69

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

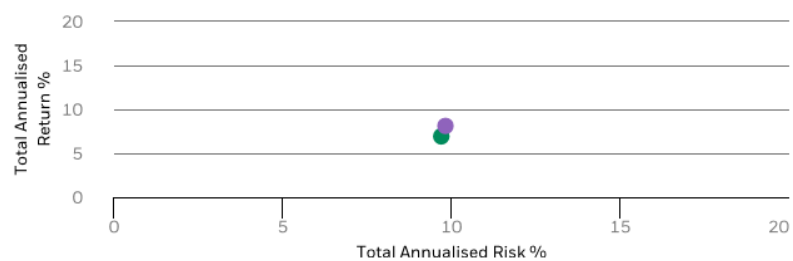
Below, we compare the Income Positive Impact Portfolio to the Income Portfolio. This is based on the holdings as of 1 July 2023:

Historical Returns vs Risk

As of 31/03/2023

Portfolio	Total Annualised Return	Annualised Risk	Sharpe Ratio	Total Return
LWM Income Portfolio 2023	6.93%	9.75%	0.66	39.79%
LWM Income PIP 2023	8.18%	9.85%	0.77	48.17%

- LWM Income Portfolio 2023
- LWM Income PIP 2023

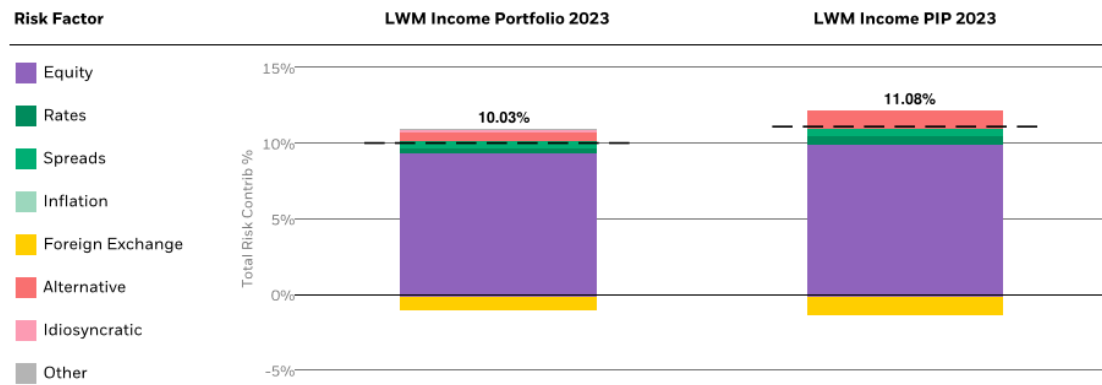


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Ex-ante Risk

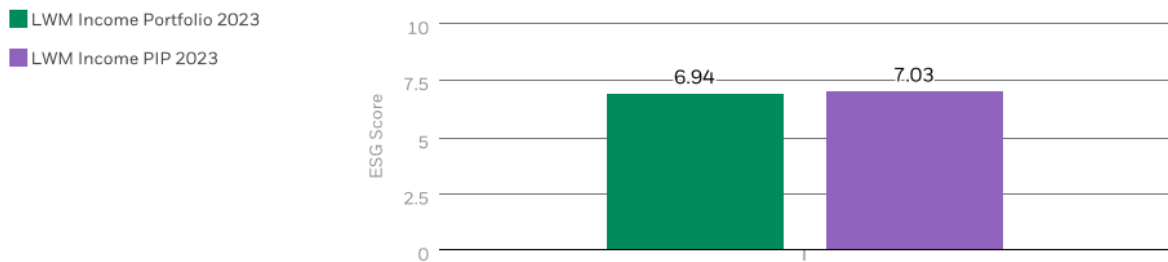
Portfolio	Ex-ante Risk	Beta to MSCI All Country World Gross TR Index
LWM Income Portfolio 2023	10.03%	0.67
LWM Income PIP 2023	11.08%	0.67

TOTAL RISK CONTRIBUTION



MSCI ESG Quality Score

OVERALL QUALITY SCORE

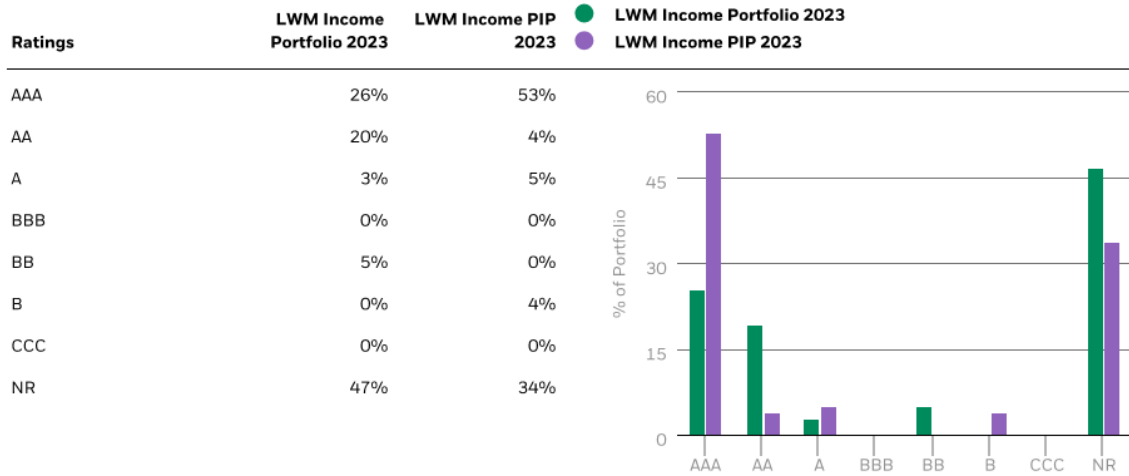


Source: Based on portfolio holdings data. For information only, subject to change. **For explanations about the methodology, refer to the MSCI Fund Ratings page www.msci.com/esg-fund-ratings**. The ratings, metrics, methodologies and scores may differ from those of other providers. Certain information ©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

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 total return, including income.
- 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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INCOME PORTFOLIO PERFORMANCE – 1 July 2022 – 30 SEPTEMBER 2023

The Portfolio was launched on 1 July 2022. The chart shows the total return up to 30 September 2023.

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



01/07/2022 - 29/09/2023 Data from FE.fundinfo2023

	Total Return Since Launch
Income Portfolio	0.79%

Note: Please read the special message at the end of the tables. 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 and rise.

INCOME PORTFOLIO ATTITUDE TO RISK REPORT

IMPORTANT INFORMATION

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

	Fixed Income	Real Assets & Alternatives	UK and International Assets
Income Portfolio	21.00%	19.00%	60.00%
Positive Impact Income Portfolio	20.00%	32.00%	48.00%

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

	Aim	Benchmark	Time frame
Income Portfolio	To deliver a yield of 3%+ p.a., with growth being secondary.	AFI Balance Index	10-years plus
Income Positive Impact Portfolio	To deliver a yield of 2.5%+ p.a., with an element of growth. It can hold up to 20% in non-yielding strategies.	AFI Balance Index	10-years plus

Do we guarantee the target over ten years?

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

Why do we have a benchmark?

These are slightly different to other portfolios in that we target a yield rather than a return. However, we use the AFI Balanced Index as a comparison. This comprises of the recommended portfolios of a panel of UK financial advisers. The portfolios were launched on 1 July 2022.

The first table shows the current yield vs the target yield. The second table is the total return performance over 1-year and since launch.

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	Historic Yield	
Income Portfolio	4.92%	
Target	3.00%	
Positive Impact Income Portfolio	4.49%	
Target	2.50%	
	1-year	Since launch (p.a.)
Income Portfolio	2.75%	0.63%
Benchmark	4.80%	1.98%
Positive Impact Income Portfolio	-1.79%	-4.02%
Benchmark	4.80%	1.98%

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).

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

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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 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%

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 LWM Income Portfolio are available via our website - <https://lwmconsultants.com/portfolio/lwm-income-portfolio/>

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.

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