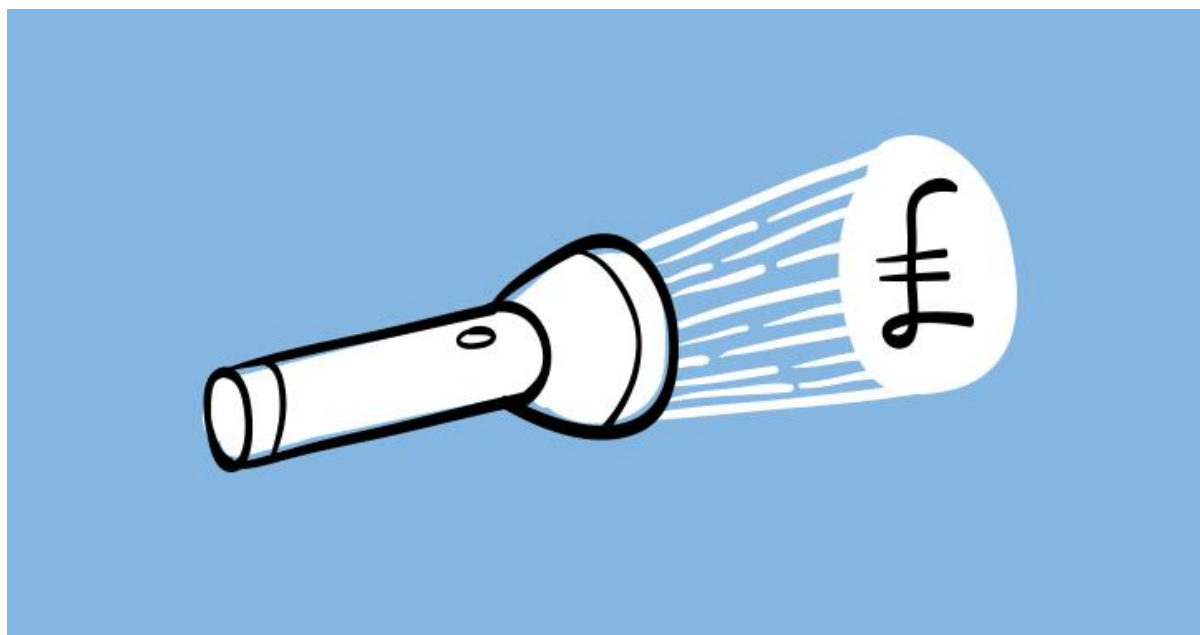


QUARTERLY PORTFOLIO REVIEW – OCTOBER 2017



"Far more money has been lost by investors preparing for corrections, or trying to anticipate corrections, than has been lost in corrections themselves." – Peter Lynch

We are now into the final quarter of the year; the portfolios have delivered between 4.66% and 16.24% this year (before costs). This reflects a slight pull back in July and September. To put this into perspective, last year the portfolios delivered strong returns but the benchmarks outperformed. This year the portfolios are between 40 and 60% ahead of the benchmark. (Remember past performance is no guide to future performance and investments can fall as well as rise).

In terms of the benchmark there was a significant contraction in September; we suspected this would happen proving that over the longer term good active management will outperform the benchmark.

The million-dollar question is where do we go from here? The last quarter delivered positive numbers and it is entirely reasonable to suggest that the next quarter could be positive, pushing the returns higher; certainly for the more equity-based portfolios.

We indicated in the market review that there are many factors to consider, and it is true that a correction could still happen. But for this to occur there must be a catalyst and currently we are not seeing one. We have spoken to fund managers, and are aware that a few are searching for something! As Peter Lynch puts it, we can try to anticipate a correction but actually we don't know when this will be and we are more likely to lose money in trying to do so.

The focus for us is to be mindful that cycles happen, but in all of this it is the process which will protect assets during periods of uncertainty. We can't stop the markets going down but evidence shows that time and time again they go back up.

If our analysis is even partly correct then long term there is still life in the markets, although it is fair to assume that returns moving forward will be lower than what we have seen over the last couple of years.

In summary, globally the macro picture doesn't seem bad. There are challenges but that is a normal part of the global economy. We have a reduced exposure to the UK but we don't tend to make decisions around how we allocate between regions, because it is almost impossible to guess what sector or region will perform best from year to year. Our focus will always remain on finding good long-term investment managers.

George Ladds

October 2017

PORTFOLIO OVERVIEW

Bitesize introduction

Both July and September produced negative returns, but the quarter remained positive delivering returns (before costs) of between 0.42% and 3.79%.

The equity portfolios have performed stronger this year and I will touch on this in the second quarter review below. We are cautiously optimistic that the returns this year (certainly for the equity based portfolios) could be close to those of 2016 unless we have a significant pull back over the coming months.

We are now out and about meeting managers after the summer break; the general outlook globally is positive, but I have yet to find anyone pointing to the positives in the UK economy.

This continues to be a good year for the portfolios and we are significantly outperforming the index. When we next write in January we hope you will be pleased with the end of year figures.

In summary, the portfolios continue to go up and having a couple of negative months is a healthy reminder that markets do go down as well as up!

Second quarter

July was slightly negative for the portfolios, but this was quickly reversed by a strong August and then pegged back by a weak September. The equity element of the portfolios has really performed strongly even in down markets, with the falls in September being lower in the portfolios with greater equity exposure.

Interestingly in September we saw a significant pull back in the benchmarks, which widened the gap with the portfolios; the Adventurous Portfolio especially showing a 60% outperformance.

To expand on the difference in portfolio performance; 63% of funds outperformed the index but those that delivered negative returns included Invesco Perpetual Targeted Return Fund, Standard Life Global Absolute Return Strategy Fund, Jupiter Absolute Return Fund, First State Global Property Securities Fund and Schroder Global Property Securities Fund. All of these are main components of the lower risk portfolios so will have pulled down the performance in the last quarter.

It is worth adding that even with this drag, the portfolios are over 40% ahead of their benchmarks for the year. The equity side has performed significantly better, highlighting the importance of good active fund management. Over the year 87% of funds have outperformed the index, which reflects the significant outperformance against benchmarks.

In summary, the second quarter delivered another positive quarter and we are starting to see the gap between the benchmarks and portfolios widen. We are aware that some funds have underperformed but as a collective the portfolios continue to deliver strong returns.

Third quarter

I think it is becoming increasingly harder to guess what will happen over the coming weeks and months. Last year we actually saw the mythical Santa Rally, and it will be interesting if this repeats or whether the market has run out of steam and just drifts sideways.

A small increase each month could see the Balanced and Adventurous Portfolios return close to 2016's figures. We do expect the more cautious portfolios to return slightly lower figures compared to 2016 because of their lower exposure to equities.

We do expect returns in 2018 to be lower. Over the last two years we have seen returns of between 20% and 49% across the portfolios and we don't think that momentum can continue. But equally there are no obvious signs of a full blown global meltdown. If this does happen we think there is enough fat in the system to protect against any downside.

In terms of funds we are aware that the Standard Life GARS Fund has drifted this year however the Invesco Fund has returned nearly 3%. The introduction of the Threadneedle and Jupiter Funds enables us to spread the risk as funds will perform at different parts of the cycle. We hope to get an idea of how this has worked by the end of June 2018.

In summary, it is difficult to anticipate potential outcomes over the next three months. The markets could drift over the next quarter and even if this happens the portfolios will deliver healthy returns for the year. For 2018 we think it is fair to assume that returns will not be at the same level as 2016 and 2017, but at the moment there are no indications of a global slowdown.

Summary

We can only repeat that diversification is key in this market, we cannot guess which region or regions will perform better from year to year. It is therefore better to focus on the process and good fund managers.

Over the short term we accept that markets can move down but it is over the long term that we focus. In terms of timing, the market evidence shows this does not work and it is better to remain invested than trying to second guess what the market may or may not do. Although some get this right it is more luck than anything else, and over the long-term, evidence shows that being out of the market will leave you worse off.

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% p.a.

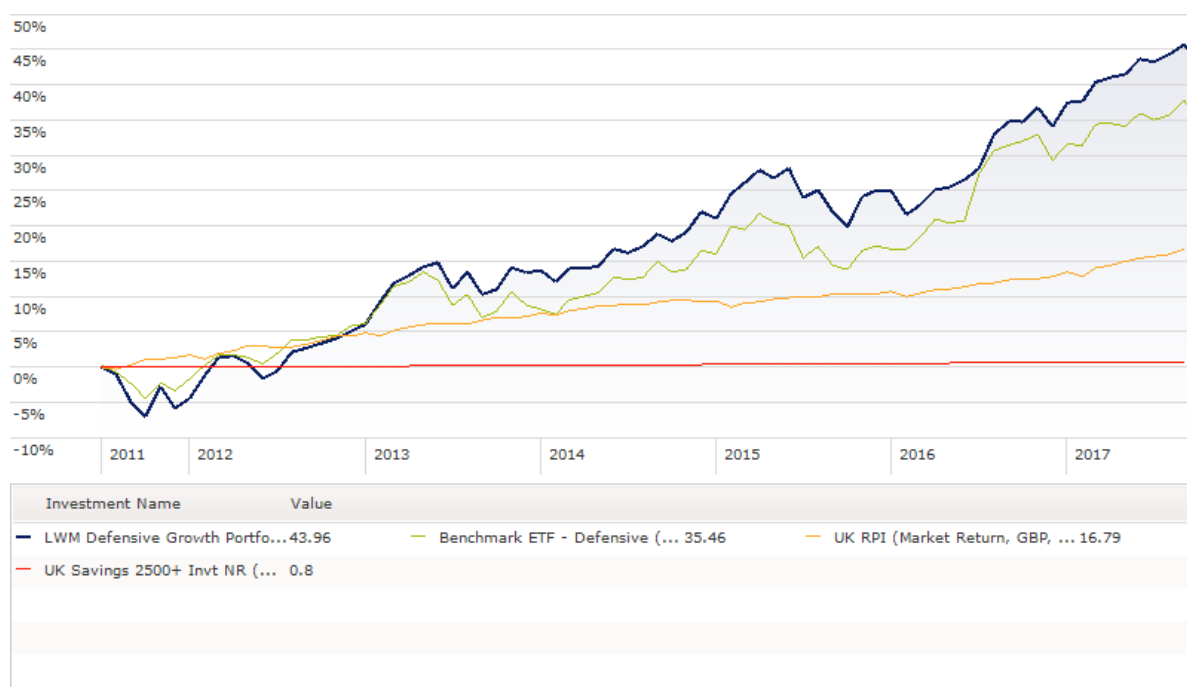
Summary of performance – 1 January 2009 – 30 September 2017

Performance up to 30 September 2017												
	12 months		2 years		3 years		4 years		5 years		Since launch	
	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark
Defensive	6.77%	2.52%	20.06%	18.95%	22.07%	19.38%	29.58%	25.41%	39.19%	29.80%	43.96%	35.46%
Cautious Risk 4	7.39%	2.99%	24.08%	21.91%	27.01%	14.32%	37.14%	21.07%	50.84%	26.61%	152.79%	67.70%
Cautious Risk 5	9.95%	4.34%	26.72%	23.72%	29.28%	20.30%	38.12%	27.09%	52.52%	34.53%	149.04%	78.92%
Balanced	15.62%	7.33%	36.18%	29.97%	40.33%	23.52%	51.19%	30.27%	71.43%	40.53%	177.65%	85.16%
Mod Adventurous	18.51%	9.65%	44.94%	35.59%	44.35%	25.23%	54.75%	31.11%	81.13%	43.31%	188.09%	88.45%
Adventurous	20.38%	11.16%	49.42%	38.98%	48.08%	27.18%	58.82%	33.64%	89.01%	48.20%	197.31%	90.69%
Ethical	14.63%	10.74%	37.62%	25.04%	42.53%	21.06%	-	-	-	-	45.95%	20.19%

Note: Please read special note to tables at the end of the tables. The launch date of the portfolios is 1 January 2009 with the exception of the Defensive Portfolio which is 30 June 2011, and Ethical Portfolio 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

Defensive

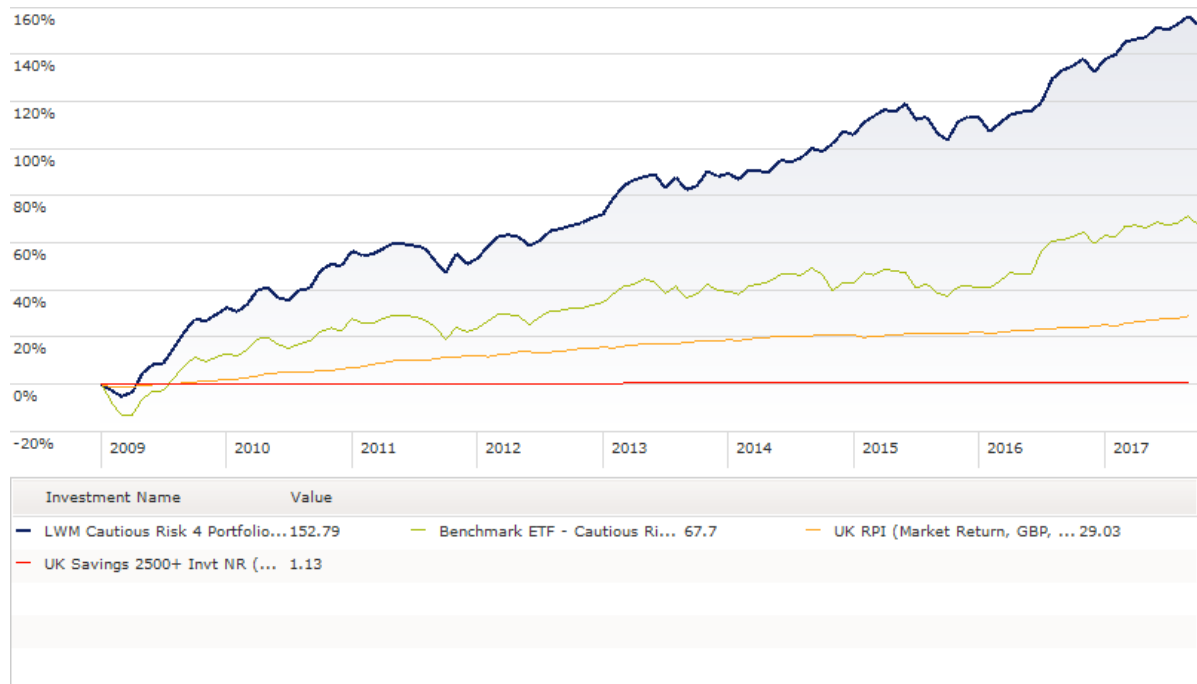


	2012	2013	2014	2015	2016	2017	Since launch
Defensive	11.02%	7.18%	6.50%	3.29%	10.14%	4.66%	6.00% p.a.
Benchmark	8.03%	1.85%	7.22%	0.63%	12.80%	2.83%	4.97% p.a.

	1 Year to 30/09/13	1 Year to 30/09/14	1 Year to 30/09/15	1 Year to 30/09/16	1 Year to 30/09/17
Defensive	7.41%	6.15%	1.68%	12.45%	6.77%
Benchmark	3.50%	5.05%	0.37%	16.02%	2.52%

Note: Please read special note to tables at the end of the tables. The launch date of the Portfolio is 30 June 2011, and performance is up to 30 September 2017. 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.

Cautious Risk 4 (Previously Cautious Income)

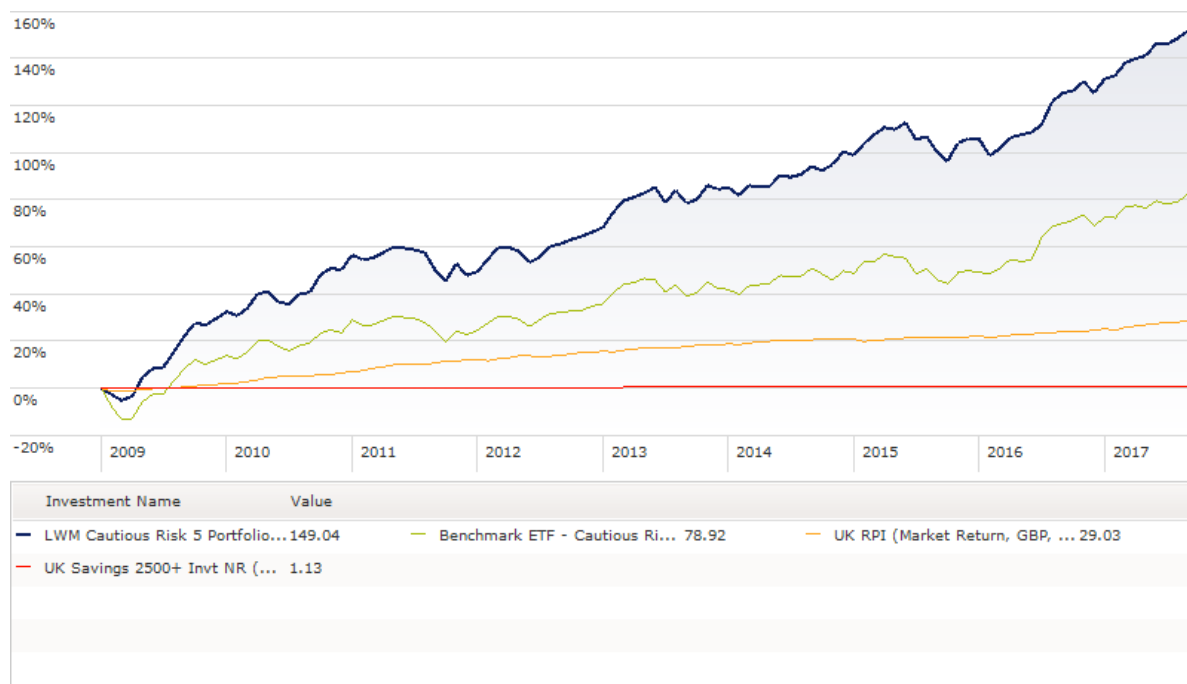


	2012	2013	2014	2015	2016	2017	Since launch
Cautious Risk 4	12.27%	9.97%	8.81%	3.52%	11.73%	7.20%	11.19% p.a.
Benchmark	8.83%	3.48%	2.37%	-1.19%	15.72%	4.42%	6.09% p.a.

	1 Year to 30/09/13	1 Year to 30/09/14	1 Year to 30/09/15	1 Year to 30/09/16	1 Year to 30/09/17
Cautious Risk 4	9.98%	7.98%	2.36%	15.54%	7.39%
Benchmark	4.57%	5.90%	-6.22%	18.36%	2.99%

Note: Please read special note to tables at the end of the tables. The launch date of the Portfolio is 1 January 2009, and performance is up to 30 September 2017. 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.

Cautious Risk 5 (Previously Cautious Growth)

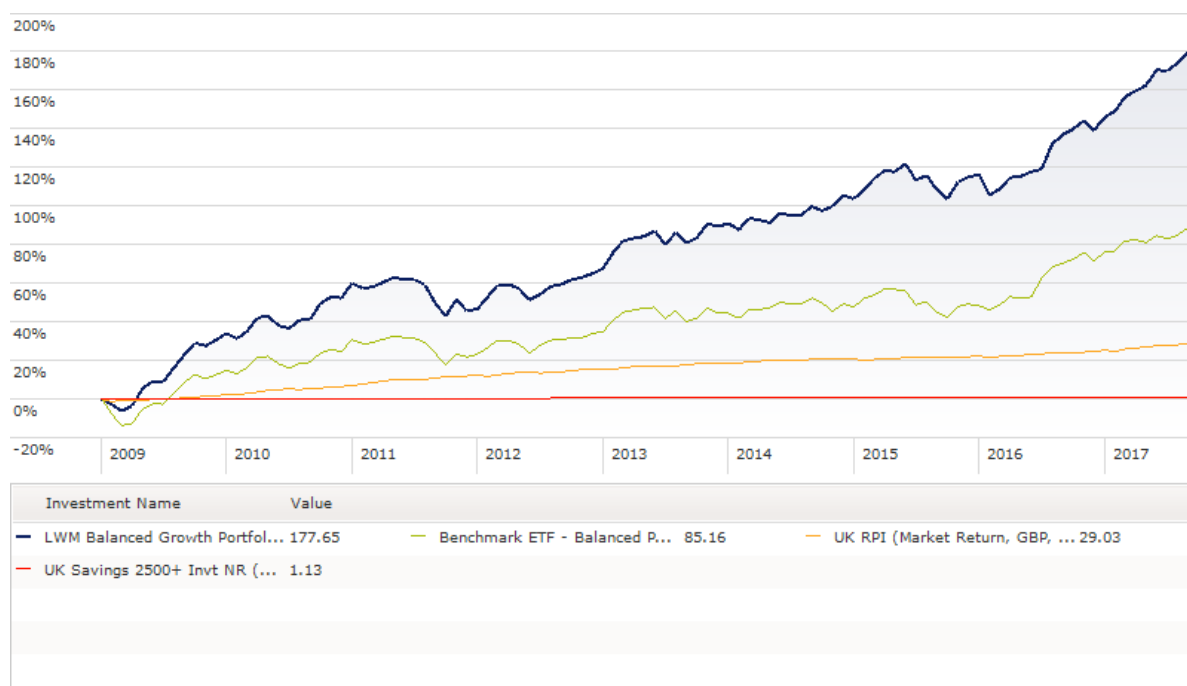


	2012	2013	2014	2015	2016	2017	Since launch
Cautious Risk 5	12.89%	10.00%	7.49%	3.52%	12.42%	7.58%	11.00% p.a.
Benchmark	9.03%	4.50%	4.89%	0.27%	15.70%	3.52%	6.88% p.a.

	1 Year to 30/09/13	1 Year to 30/09/14	1 Year to 30/09/15	1 Year to 30/09/16	1 Year to 30/09/17
Cautious Risk 5	10.43%	6.84%	2.02%	15.25%	9.95%
Benchmark	5.85%	5.64%	-2.76%	18.57%	4.34%

Note: Please read special note to tables at the end of the tables. The launch date of the Portfolio is 1 January 2009, and performance is up to 30 September 2017. 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 Growth

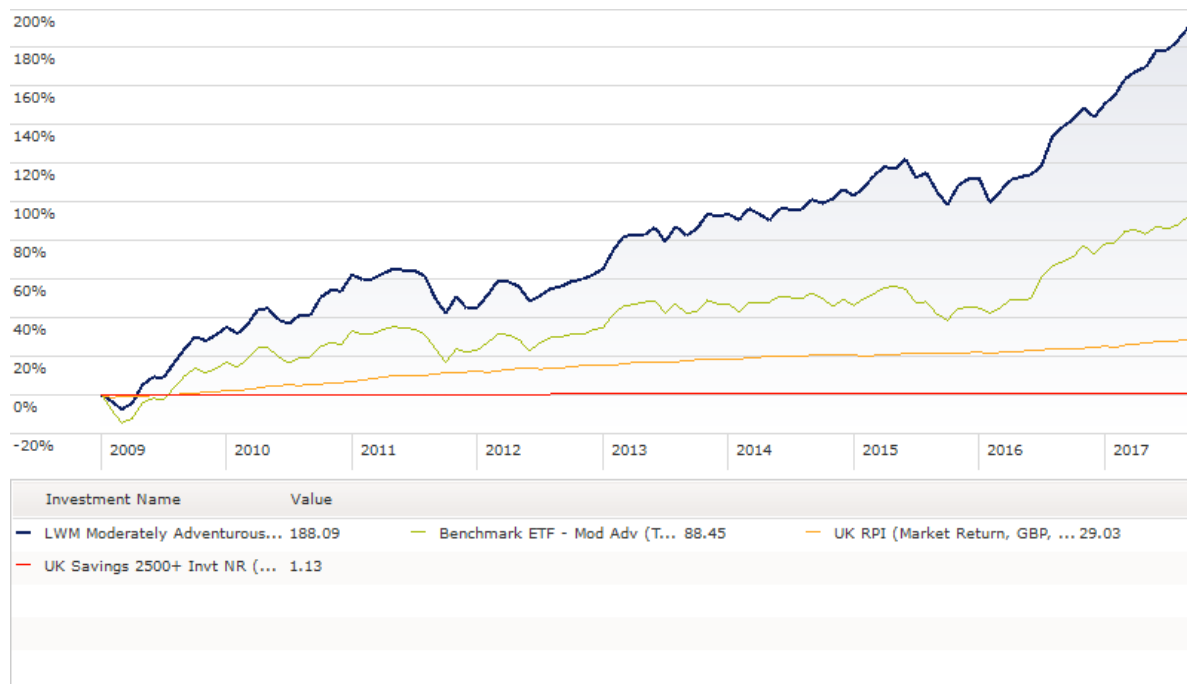


	2012	2013	2014	2015	2016	2017	Since launch
Balanced Growth	14.36%	13.89%	6.71%	6.24%	13.76%	12.76%	12.39% p.a.
Benchmark	9.49%	7.09%	2.23%	0.45%	18.69%	4.93%	7.30% p.a.

	1 Year to 30/09/13	1 Year to 30/09/14	1 Year to 30/09/15	1 Year to 30/09/16	1 Year to 30/09/17
Balanced Growth	13.39%	7.74%	3.04%	17.79%	15.62%
Benchmark	7.88%	5.46%	-4.96%	21.09%	7.33%

Note: Please read special note to tables at the end of tables. The launch date of the is 1 January 2009, and performance is up to 30 September 2017. 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 Growth

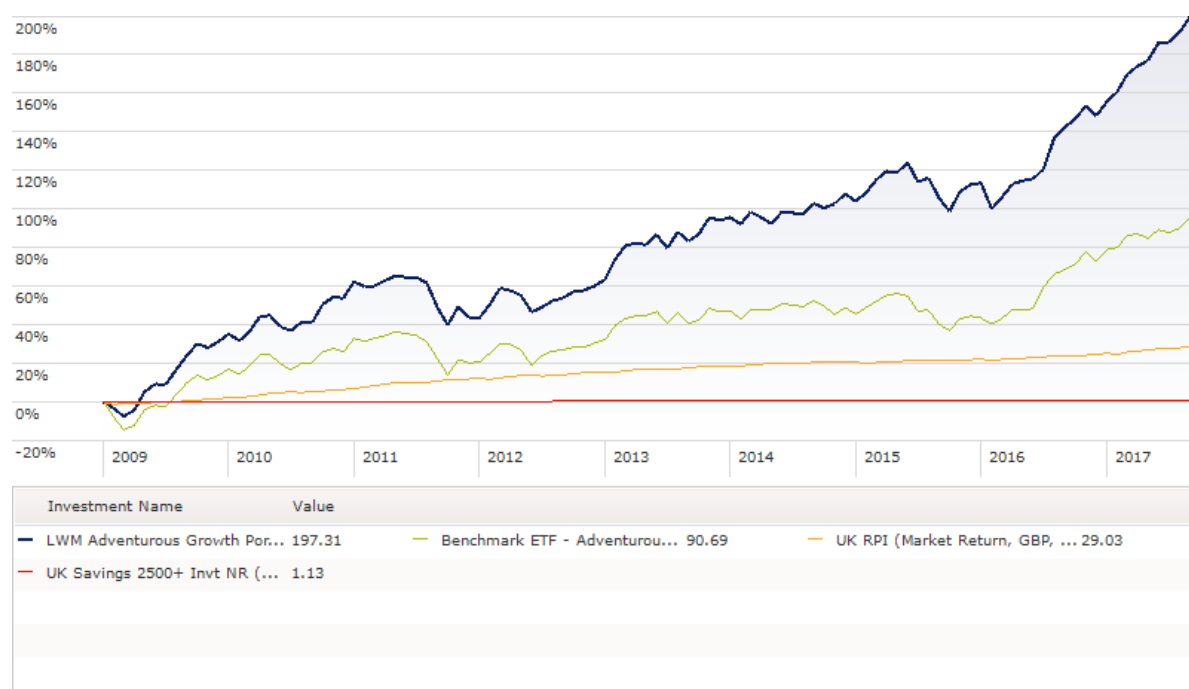


	2012	2013	2014	2015	2016	2017	Since launch
Moderately Adventurous Growth	13.82%	17.19%	4.86%	4.66%	18.06%	14.73%	12.86% p.a.
Benchmark	9.38%	9.12%	-0.46%	-1.02%	22.88%	5.66%	7.51% p.a.

	1 Year to 30/09/13	1 Year to 30/09/14	1 Year to 30/09/15	1 Year to 30/09/16	1 Year to 30/09/17
Moderately Adventurous Growth	17.04%	7.21%	-0.41%	22.31%	18.51%
Benchmark	9.31%	4.69%	-7.64%	23.66%	9.65%

Note: Please read special note to tables at the end of the tables. The launch date of the Portfolio is 1 January 2009, and performance is up to 30 September 2017. 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 Growth

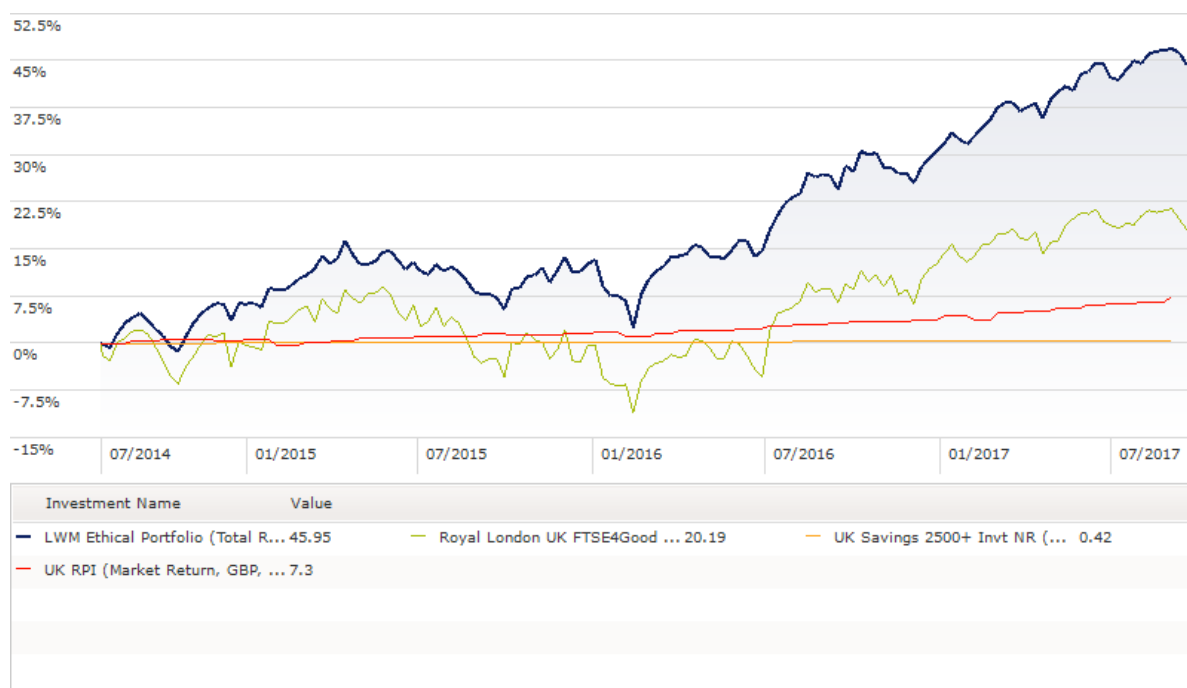


	2012	2013	2014	2015	2016	2017	Since launch
Adventurous Growth	13.88%	19.73%	4.30%	4.69%	19.65%	16.24%	13.27% p.a.
Benchmark	9.72%	11.27%	-1.09%	-1.38%	24.58%	6.51%	7.66% p.a.

	1 Year to 30/09/13	1 Year to 30/09/14	1 Year to 30/09/15	1 Year to 30/09/16	1 Year to 30/09/17
Adventurous Growth	19.00%	7.26%	-0.90%	24.13%	20.38%
Benchmark	10.90%	5.08%	-8.49%	25.03%	11.16%

Note: Please read special note to tables at the end of the tables. The launch date of the Portfolio is 1 January 2009, and performance is up to 30 September 2017. 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.

Ethical Portfolio



	2012	2013	2014	2015	2016	2017	Since launch
Ethical	N/A	N/A	N/A	6.63%	15.51%	11.56%	12.69% p.a.
Benchmark	N/A	N/A	N/A	0.01%	13.27%	6.45%	5.98% p.a.

	1 Year to 30/09/13	1 Year to 30/09/14	1 Year to 30/09/15	1 Year to 30/09/16	1 Year to 30/09/17
Ethical	N/A	N/A	3.57%	20.05%	14.63%
Benchmark	N/A	N/A	-3.19%	12.92%	10.74%

The launch date of the Portfolio is 1 August 2014, and performance is up to 30 September 2017. 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.*

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:

Fixed Interest	Vanguard Global Bond Index Fund
	iShares J.P.Morgan \$ Emerging Mkts Bond
Property	iShares Developed Markets Property Yld
UK	iShares UK Dividend
	Lyxor ETF FTSE All Share
Europe	iShares MSCI Europe Ex UK
	iShares MSCI Eastern Europe Capped ETF
US	iShares MSCI North America
Japan	DB X-Trackers MSCI Japan ETF
Asia	iShares MSCI AC Far East Ex Japan
Emerging Markets	iShares MSCI Emerging Markets (Acc)
	iShares MSCI Frontier 100
Global	iShares MSCI World Dist
Specialist	ETFS All Commodities
	ETFS Agriculture
	iShares Global Infrastructure
	Lyxor ETF MSCI World Health Care
	Royal London UK FTSE4Good Tracker

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