



The Master Portfolio Service for Private Clients Quarterly Fact Sheet (end June 2019)

Growth Portfolio

This is designed for clients looking for capital growth, it invests in a selection of funds focusing on both UK and international markets. Typically, the portfolio has a dominant weighting in equity markets but includes other asset classes such as bonds, hedge funds and commercial property, when appropriate.

Market Commentary 30th June 2019

Investors might look back on the first half of 2019 with a mixture of satisfaction and confusion – satisfaction because portfolios have made strong progress; confusion because safe haven and risk assets have prospered in tandem. Brexit continues to dominate the domestic headlines, and we currently await the result of the final round of the Conservative Party leadership contest between Boris Johnson and Jeremy Hunt. UK equities continue to look superficially cheap, especially on a yield basis.

The US has shown most other equity markets a clean pair of heels this year, mainly thanks to its high proportion of Technology companies. There is a virtuous circle of capital, intellectual property and a vast consumer market available in the US which continues to make it well placed to take advantage of technological advances. For now, it also looks as though the Federal Reserve has put a safety net beneath investors.

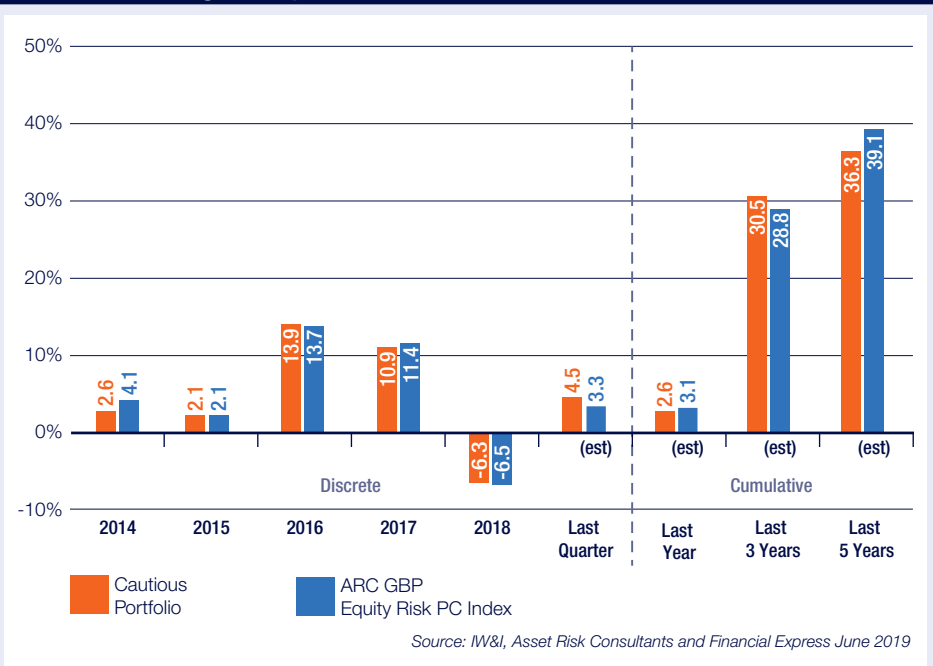
Europe sidestepped a potential landmine in the form of EU Parliamentary elections in May, with extreme, anti-establishment parties failing to make the sort of inroads that were feared. However, pressure remains on the bloc to breathe some life into a still sluggish economy. Despite having been attracted by apparent good value and improving corporate governance, investment in Japan has been frustrating. Happily our preferred managers of Japanese equities continue to extract better returns than those available from the broad market.

Emerging Markets are massively dominated by China, for which this year has been a very mixed bag thanks to trade war threats and a domestic economy that continues to decelerate, even if its growth rate is the envy of the developed world.

Central bank policy shifts were reflected in bond markets, with the US 10-year Treasury yield once again dipping below 2% and the UK 10-year Gilt below 1%. UK Gilts have delivered a total return of 1.31% over the last three months and 4.9% over the last year. Index-Linked Gilts returned 1.74% and 7.96% over the same respective periods.

Investors, both private and professional, have to recognise that we live in times we have never experienced before, especially with reference to the amount of debt that has been created in the world. Even as the current US economic cycle becomes the longest in modern history (dating back to 1854), it will inevitably slip up at some point, and we remain as attuned to the task of protecting capital in a downturn as to maximising returns during the growth phase.

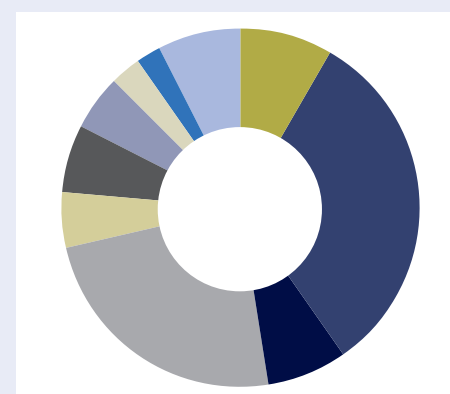
Performance Figures up to 30/06/2019



The MPS performance figures are calculated from the average return of all portfolios from intermediary clients only, on a total return basis, net of all IW&I's charges.

Please remember that past performance is not a reliable guide to the future and that previous periods of favourable performance will not necessarily be repeated in the future.

Asset Allocation



Fixed Interest	8.5%
Equities	82.0%
U.K.	32.0%
Europe	7.0%
U.S.	24.0%
Japan	5.0%
Far East	6.0%
Emerging	5.0%
International	3.0%
Property	2.0%
Hedge/Alternatives	7.5%
Cash	0.0%

Source: Investec Wealth & Investment June 2019

Costs & Charges

AMC: 1.25% (Plus VAT)

Minimum Fee: £500 (Plus VAT)

Transaction costs: £15 per transaction

Estimated Cost of underlying holdings: 0.83%

Estimated Portfolio Charge: 2.33% (inc. VAT on IWI fee)

Estimated Yield: 1.8%

Portfolio Holdings	
Fixed Interest	
UK Fixed Interest Allianz Gilt Yield Fund	Overseas Fixed Interest BNY Mellon Newton International Bond Fund Standard Life Short Dated Global Index Linked Bond Fund Insight Liquid ABS Fund
Equities	
UK Equities Vanguard FTSE 100 Etf Liontrust Special Situations Fund Jupiter UK Special Situations Fund Old Mutual UK Alpha Fund Franklin Templeton UK Smaller Companies Fund	European Equities Henderson European Selected Opportunities Fund L&G European Index Trust
Japanese Equities Man GLG Japan Core Alpha Fund Baillie Gifford Japan Fund	US Equities Polar Capital North America Fund Artemis US Select Fund Schroder US Mid Cap Fund Vanguard S&P 500 ETF
Emerging Market Equities Lazard Emerging Markets Equity Fund Goldman Sachs Emerging Markets Equity Fund	Far East Equities Schroder Asia Pacific IT Vontobel Sustainable Asian Leaders Fund
Commercial Property	Alternative Assets
UK iShares Target UK Real Estate	NB Uncorrelated Strategies Fund Fortem Capital Progressive Growth Fund International Public Partnership IT Gold Bullion Secs 0% Nts

Changes in the 2nd Quarter

During the quarter European and Japanese equities were reduced by 1% and 2% respectively, in favour of the US. UK equities and Alternative Assets were also reduced by 1% with the balance being added to International Equities via the Baillie Gifford Global Alpha Fund. New positions of the Goldman Sachs Emerging Markets Equity Fund and the Vontobel Sustainable Asian Leaders Fund were also added to complement the existing Emerging Markets and Asian holdings. Within European Equities, the Jupiter European Fund was replaced with the low-cost L&G European Index Trust, and the Vanguard S&P 500 ETF was introduced in the US.

Discrete Calendar Year Performance. Percentage change (total return) in sterling terms.

	Discrete Calendar Year Performance. Percentage change (total return) in sterling terms.					Volatility of Portfolio		Drawdown of Portfolio	
	2014	2015	2016	2017	2018	3 Year	5 Year	3 Year	5 Year
Growth Portfolio	2.6	2.1	13.9	10.9	-6.3	8.1	8.2	10.1	10.7
WMA Growth	6.5	3.0	19.2	11.3	-5.4				
IA Flexible Investment	4.9	2.0	13.9	11.2	-6.7				
Investec Benchmark	-	-	-	-	-5.4				

Source: IW&I and Financial Express Asset Risk Consultants June 2019

Important Information

This factsheet has been prepared for information purposes only and does not constitute advice or a personal recommendation.

The MPS performance figures are calculated from the average return of all portfolios from private clients only, on a total return basis, net of all IW&I's charges. You should remember that the value of investments and the income from them can fall as well as rise. Please remember that past performance is not a reliable guide to the future and that previous periods of favourable performance will not necessarily be repeated in the future. We would also refer you, particularly, to the Risk Statement set out in the main Master Portfolio Service brochure. Before proceeding to invest on the basis of this factsheet, you should obtain specific advice on the suitability of the investment in the light of your personal circumstances. The benchmark figures are supplied by Exshare and are on a total return basis. The IA performance numbers are the Investment Association sector averages as provided by FE Analytics. If you would like further information on the new benchmarks, please refer to our 'Managing Your Investments brochure' which has previously been issued to you, or contact your local investment manager.

The composition of the portfolio may not be a true reflection of the benchmarks, which are provided for comparison purposes only.

The data used to calculate the performance figures consists of all of our discretionary managed clients with a portfolio value greater than £250,000 and where there are no embargoed stocks. Both the ARC PCI and the IW&I PCI are calculated on a simple average basis. Classification of portfolios is carried out by ARC using historic risk relative to the risk of global equities. ARC's risk categories may not match the risk and return objectives of all underlying portfolios. All data is net of fees. Average performance data will not necessarily reflect the returns achieved by individual portfolios. The information on which the document is based is deemed to be reliable, but we have not independently verified such information and we do not guarantee its accuracy or completeness. The cumulative ARC figures are finalised to the end of the previous quarter, and are an estimate thereafter.