

Discretionary Management Service – August 2018 Portfolio Performance

Your financial affairs in a safe pair of hands

The Offering

The NLPFM Discretionary Management Service offers a number of different portfolios to clients. The needs of each client are considered independently and different portfolios are selected based on suitability and approach to risk after a discussion directly with the client. The philosophy of NLPFM is that irrespective of which standard portfolio or specially tailored portfolio is used, clients can be assured that their money is looked after with their interests at heart.

The Month in Review

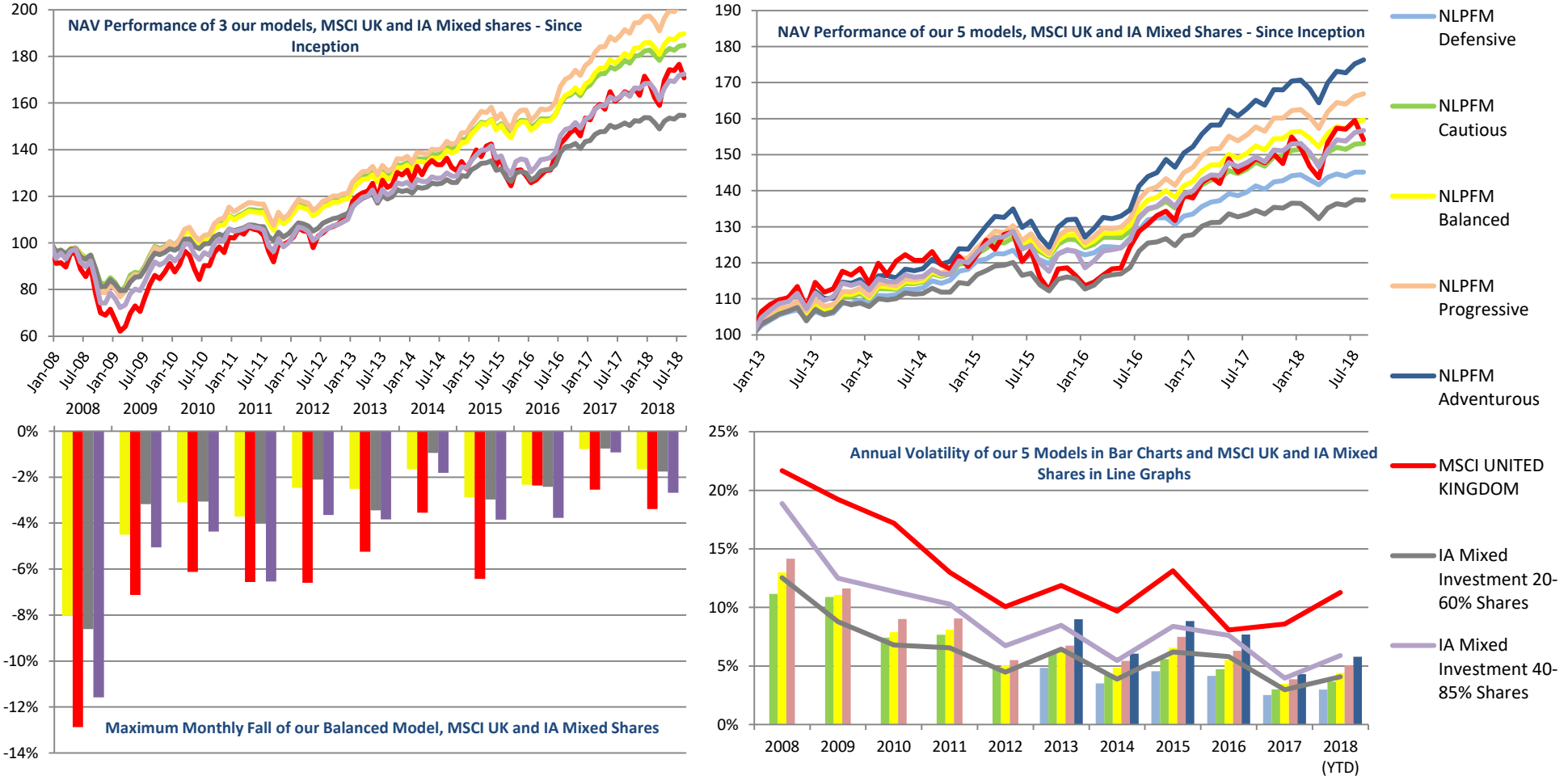
August proved to be a difficult month for risk assets as investors were spooked by an ongoing deterioration in trade talks between the US and some of its largest trading partners. Most major equity markets sold off for the month with the exception of the US, which saw strong economic data and corporate earnings despite global trade concerns and a continuation of the Federal Reserve's policy normalisation. Sterling weakened versus the dollar, yen and euro, which helped soften the blow of a difficult month for the latter two markets. Brexit continues to loom over investors as the deadline for a deal rapidly approaches, as UK equities suffered in a month which also saw the Bank of England hike interest rates to 0.75%. Bond markets were mixed but negative as a whole as tensions in emerging markets and Italy flared, causing bond yields to rise. Our alternatives funds continue to diversify from markets but were a small negative to performance, and property continues to tick over. The MSCI UK Index was down 3.31% whilst the mixed investment sectors were -0.07% and +0.36% for the month. Our portfolios are ahead of their benchmarks and the UK market for the year, and we continue to deliver superior risk adjusted returns.

Performance & Volatility (%)	1 Month Returns	YTD Returns	1 Year Returns	5 Years Returns	10 Years Returns	Volatility Since January 2013	Returns since January 2008	Volatility Since January 2008
NLPFM Defensive	-0.02	0.69	3.39	36.93	N/A	3.83	N/A	N/A
NLPFM Cautious	0.15	1.28	4.32	42.72	107.71	4.64	84.70	7.03
NLPFM Balanced	0.24	2.13	5.49	48.09	117.41	5.25	89.77	7.70
NLPFM Progressive	0.43	2.88	6.68	53.98	135.19	5.86	102.69	8.48
NLPFM Adventurous	0.60	3.46	7.66	59.98	N/A	7.08	N/A	N/A
MSCI UK Index	-3.31	-0.46	4.37	36.74	118.01	10.53	70.79	13.97
Mixed Investment 20-60% Shares	-0.07	0.63	2.93	29.13	74.12	5.06	54.72	6.95
Mixed Investment 40-85% Shares	0.36	2.45	5.89	41.62	105.64	6.81	72.48	10.12

Discretionary Management Service relative performance

January 2008 to August 2018

The graphs below show the performance and volatility of our DMS portfolios against the MSCI UK Index and the IA Mixed Shares Indexes.



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