

# Discretionary Management Service – December 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

December was another difficult month for risk assets, as markets continued to be largely driven by sentiment rather than fundamentals. The US Federal Reserve raised rates for the fourth time of the year whilst Chair Jerome Powell appeared more aggressive in his statement than markets were hoping. Chinese data continued to miss estimates as fears rise of a slowdown in the world's second largest economy, whilst geopolitical risks once again dominated the news, with the ongoing trade war between China and the US and Theresa May's Brexit deal seemingly being no closer to a resolution as Parliament broke up for Christmas. All major equity markets sold off heavily for the month, concluding what was a disappointing year for markets. The majority of fixed income instruments behaved as they should in a risk-off environment and our bond funds were positive on the whole for the month. Our alternative funds also performed well for the month, adding a protective element to the portfolios. Property was a detractor. The MSCI UK Index was down 3.61% whilst the mixed investment sectors were -2.56% and -4.01% for the month. Our portfolios beat their benchmarks and the UK market for the 2018 as we continue to deliver superior risk adjusted returns.

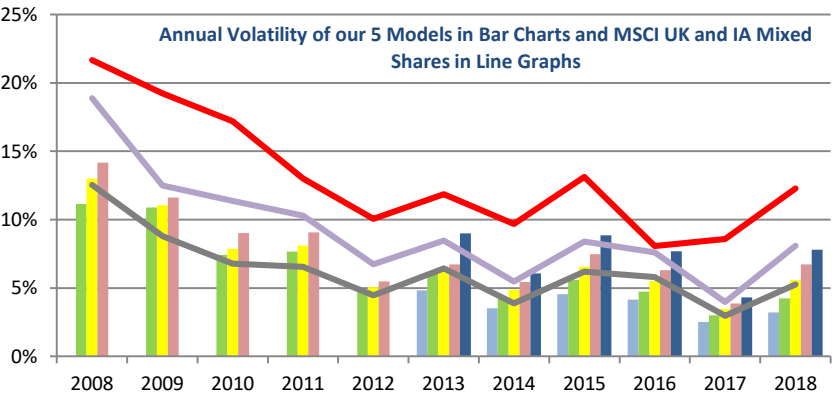
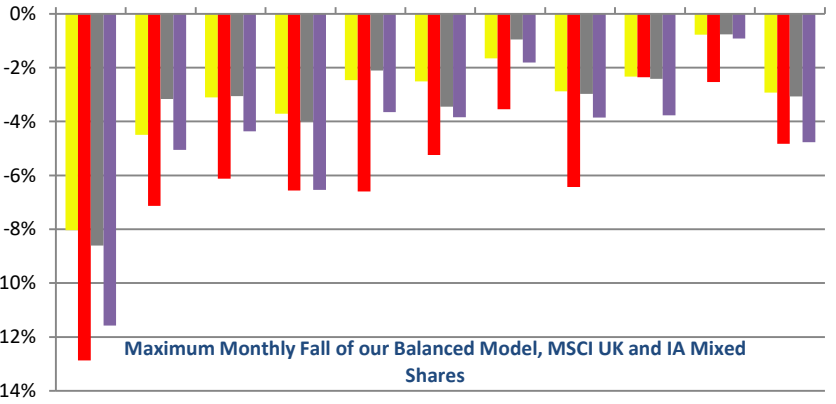
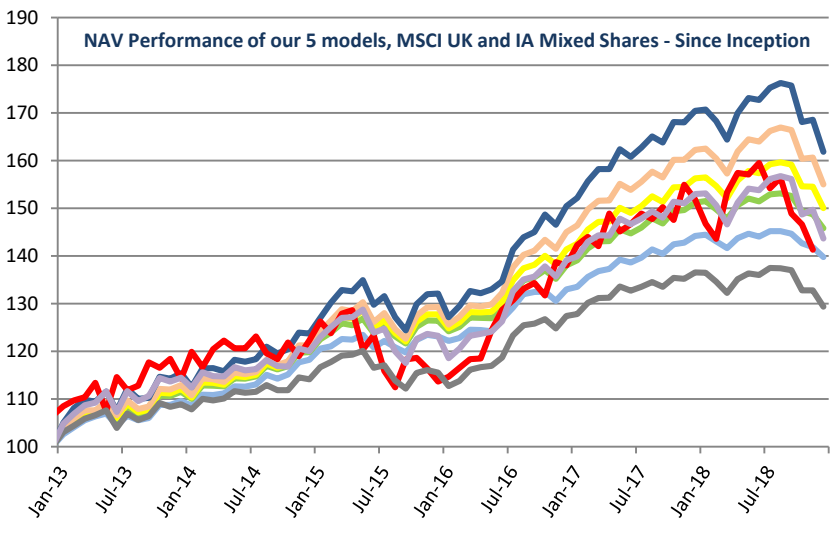
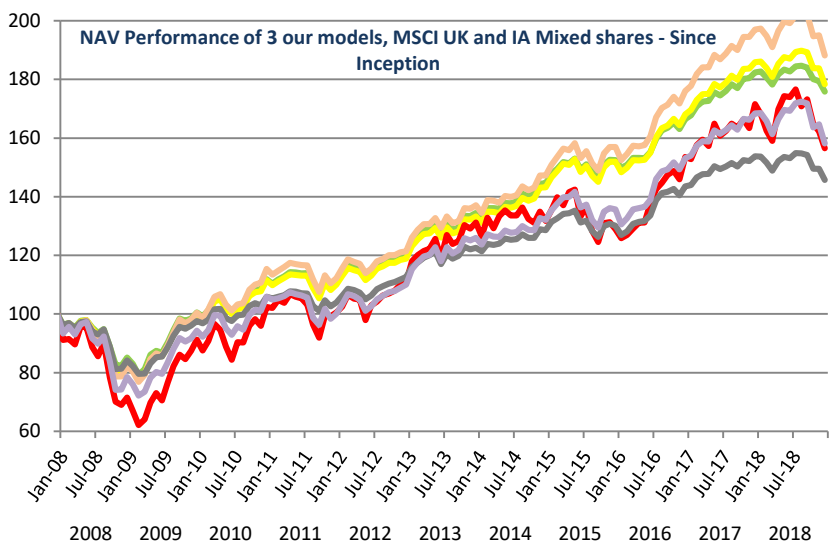
Performance & Volatility (%)	1 Month Returns	YTD Returns	1 Year Returns	5 Years Returns	10 Years Returns	Volatility Since January 2013	Returns since January 2008	Volatility Since January 2008
NLPFM Defensive	-1.45	-3.04	-3.04	27.59	N/A	3.93	N/A	N/A
NLPFM Cautious	-1.97	-3.55	-3.55	30.75	117.84	4.79	75.87	7.02
NLPFM Balanced	-2.93	-4.01	-4.01	33.79	129.24	5.52	78.37	7.72
NLPFM Progressive	-3.52	-4.48	-4.48	37.23	147.85	6.23	88.19	8.54
NLPFM Adventurous	-3.99	-5.02	-5.02	40.26	N/A	7.47	N/A	N/A
MSCI UK Index	-3.61	-8.81	-8.81	19.28	135.25	10.65	56.46	13.92
Mixed Investment 20-60% Shares	-2.56	-5.25	-5.25	18.85	83.95	5.28	45.68	6.97
Mixed Investment 40-85% Shares	-4.01	-6.09	-6.09	25.50	121.96	7.24	58.10	10.18

# Discretionary Management Service relative performance

January 2008 to December 2018

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

- NLPFM Defensive
- NLPFM Cautious
- NLPFM Balanced
- NLPFM Progressive
- NLPFM Adventurous
- MSCI UNITED KINGDOM
- IA Mixed Investment 20-60% Shares
- IA Mixed Investment 40-85% Shares



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