

Discretionary Management Service – May 2020 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.

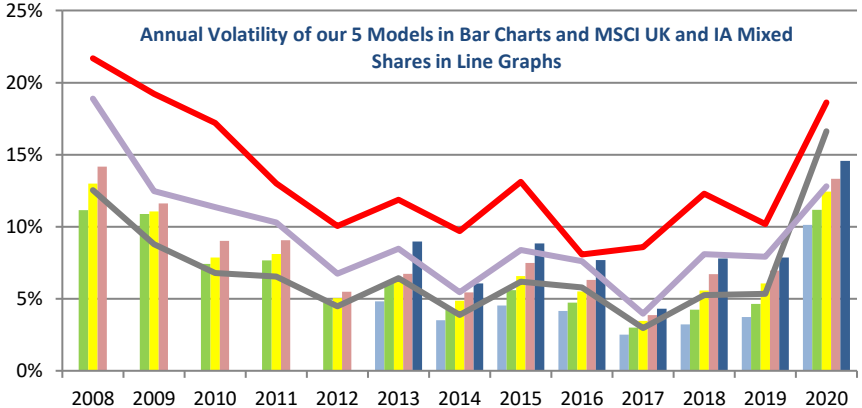
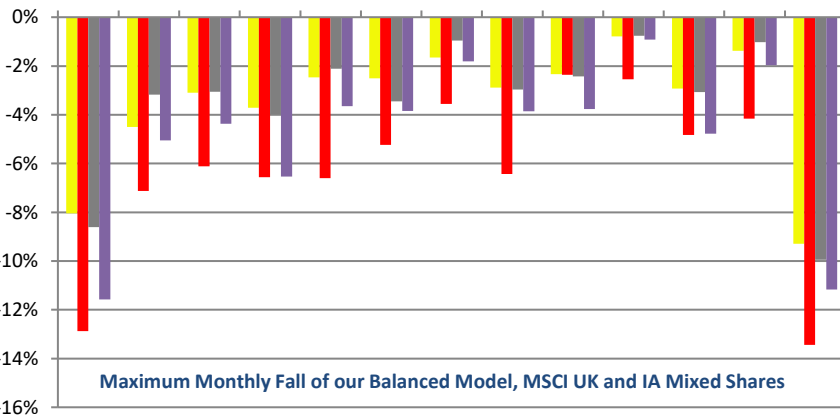
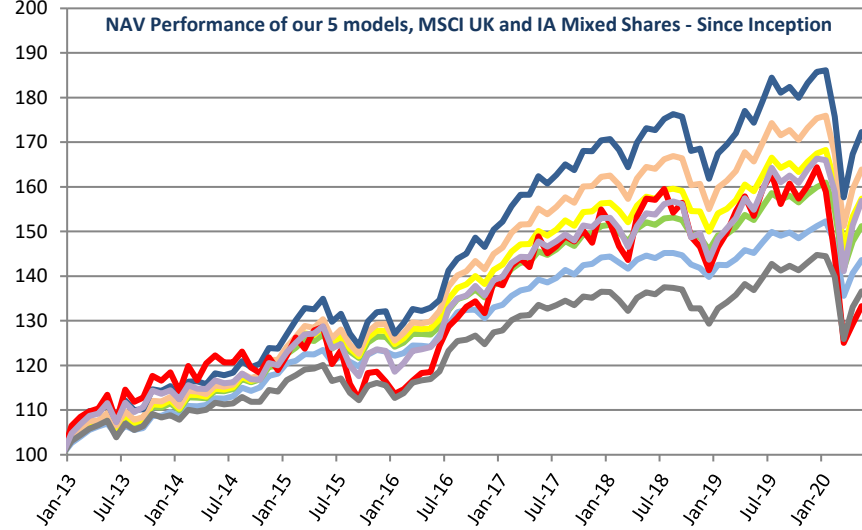
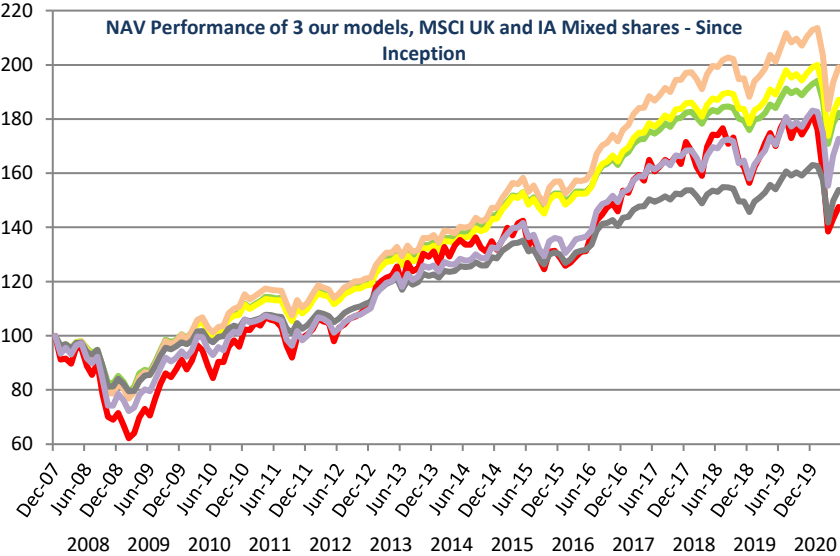
The Month In Review May saw a continuation of the equity market rebound with investors remaining optimistic that the global containment measures introduced are working in bringing the infection numbers down. The focus now switches to how countries will relax the lockdown and how this will effect the economy, although concerns remain over how quickly and sustainably economies can fully reopen. In the US, almost all states are relaxing the lockdown as Donald Trump aims to steer the world's largest economy back on track. US unemployment reached 14.7% for April (the highest level since WWII), and Q2 GDP expected to be much worse than Q1. Corporate earnings contracted by 14% compared to Q1 2019. Market participants have been buoyed by the stimulus provided by central banks globally, but the longer test will be to see which companies can remain solvent for as long as the crisis lasts. The UK saw GDP fall by 2% for the quarter (the biggest fall since 2008), but sentiment has risen on the unprecedented levels of support provided by the Bank of England and the government. The oil price rose significantly from record lows which helped the main UK market, especially towards the end of the month. Risk assets fared the best in May, particularly smaller companies and emerging market debt, but all funds in the Balanced model were positive contributors for the month. The MSCI UK ended up 3.10% for May, with the mixed investment sectors returning 2.68% and 3.62%. Our models, despite being defensively positioned, have mostly kept up on the strong market rebound and continue to deliver superior risk-adjusted returns over the long-term.

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	2.12	-5.02	-1.07	16.32	N/A	5.24	N/A	N/A
NLPFM Cautious	2.29	-5.50	-0.92	19.14	77.52	6.07	82.34	7.38
NLPFM Balanced	2.62	-6.04	-1.03	22.43	83.87	6.89	87.10	8.15
NLPFM Progressive	2.78	-6.52	-1.08	25.78	92.90	7.61	99.04	8.96
NLPFM Adventurous	2.98	-7.23	-1.17	27.69	N/A	8.78	N/A	N/A
NLPFM Sustainability	3.67	-1.90	5.31	N/A	N/A	N/A	N/A	N/A
MSCI UK Index	3.10	-18.95	-13.19	3.63	66.17	12.11	47.59	14.29
Mixed Investment 20-60% Shares	2.68	-5.62	-0.17	13.78	56.04	6.80	53.83	7.56
Mixed Investment 40-85% Shares	3.62	-5.70	1.31	21.85	81.59	8.81	72.66	10.62

Discretionary Management Service relative performance January 2008 to May 2020

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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