

# Discretionary Management Service – December 2021 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.

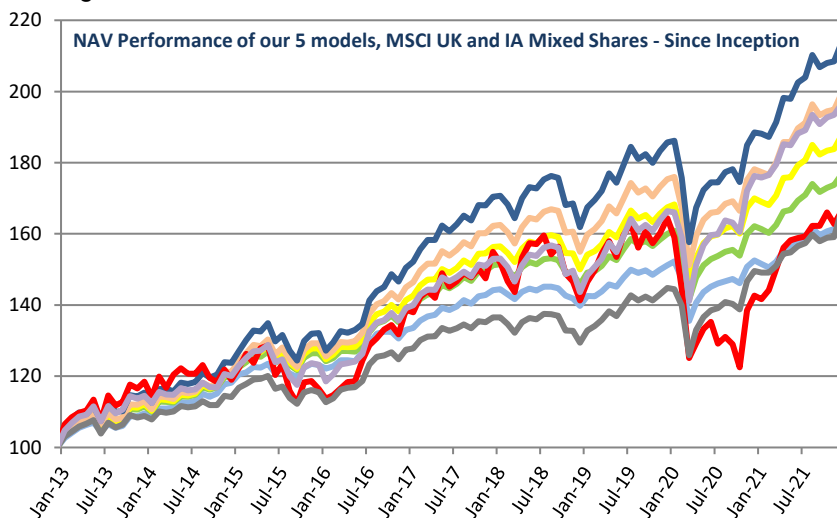
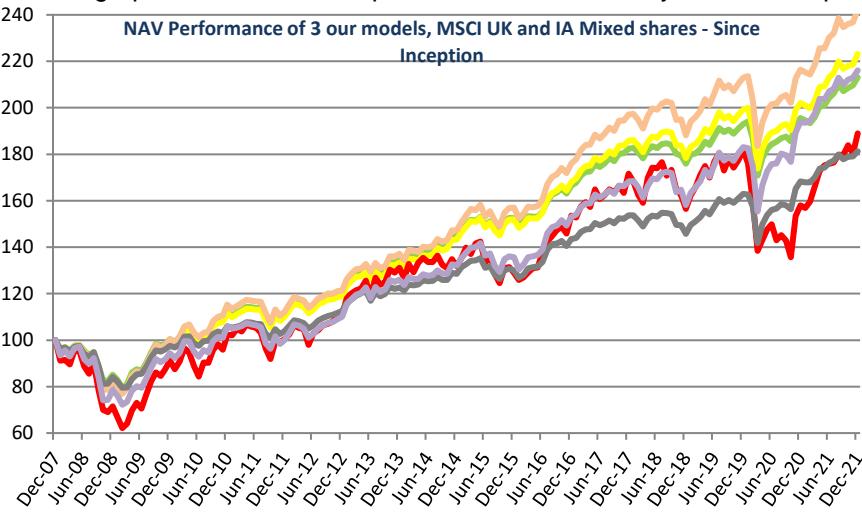
**The Month In Review December** saw markets end the year in strong fashion, shaking off fears over the spread of the Omicron variant after some positive news on the mildness compared to previous variants. This capped another strong year for risk assets, following stellar numbers generated in the second half of 2020. Investors were buoyed by the strong earnings growth coming from corporates, with the prospect of further potential growth in 2022 pushing markets upwards for the month. Developed markets significantly outperformed emerging markets over the month, quarter and year, mostly brought about by the poor performance of China, which was shunned by investors due to concerns over the property market debt crisis and increased intervention by the state. Inflation dominated market movements over the course of the year, and is expected to last through the course of 2022, with central banks now prepared to act in order to bring it back down to target levels. The Bank of England were the first major central bank to hike rates, but policy normalization is expected to come from the Federal Reserve in the US and even the European Central Bank. This expectation of rate hikes and quantitative tightening saw government bonds sell off in December particularly, as short-term yields spiked. As a result our bond funds were mixed but flat over the quarter. Our alternatives were strong performers for the year as a whole and was additive to returns for Q4. Equities drove portfolio returns during 2021 and were up significantly in December. The MSCI UK ended the month +4.81% after a good year for UK equities, whilst the mixed investment sectors added 1.20% and 1.52% over the month. Our portfolios saw good performance for the year and continue to provide strong, 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	1.40	7.26	7.26	23.00	N/A	4.99	N/A	N/A
NLPFM Cautious	1.64	8.92	8.92	27.98	91.31	5.80	113.03	7.10
NLPFM Balanced	2.06	10.38	10.38	32.71	102.81	6.61	123.05	7.87
NLPFM Balanced Growth	2.29	11.89	11.89	37.50	115.81	7.33	142.09	8.67
NLPFM Growth	2.53	13.34	13.34	42.04	N/A	8.42	N/A	N/A
NLPFM Sustainable Balanced	0.93	9.84	9.84	N/A	N/A	N/A	N/A	N/A
MSCI UK Index	4.81	19.59	19.59	23.00	88.01	12.37	88.94	14.21
Mixed Investment 20-60% Shares	1.20	7.65	7.65	26.31	74.42	6.56	81.25	7.35
Mixed Investment 40-85% Shares	1.52	11.42	11.42	41.17	115.95	8.51	116.10	10.28

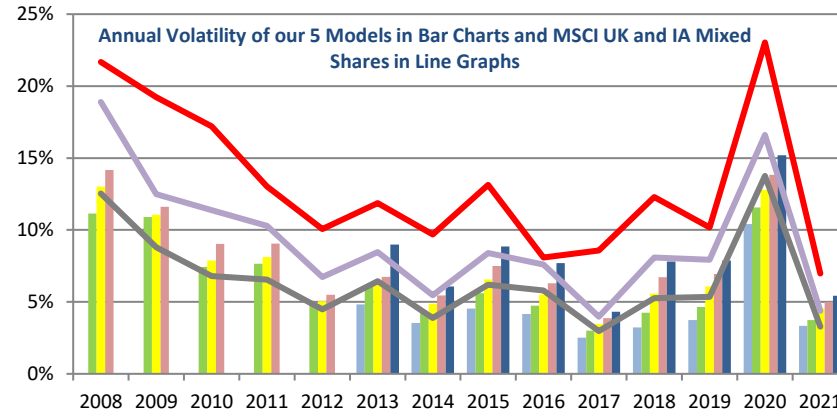
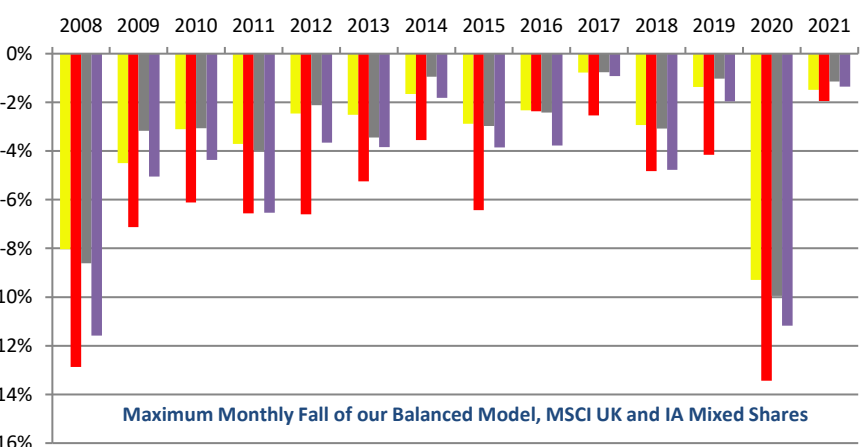
# Discretionary Management Service relative performance

January 2008 to December 2021

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 Balanced Growth
- NLPFM Growth



- MSCI UNITED KINGDOM
- IA Mixed Investment 20-60% Shares
- IA Mixed Investment 40-85% Shares

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