

# Discretionary Management Service – January 2022 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.

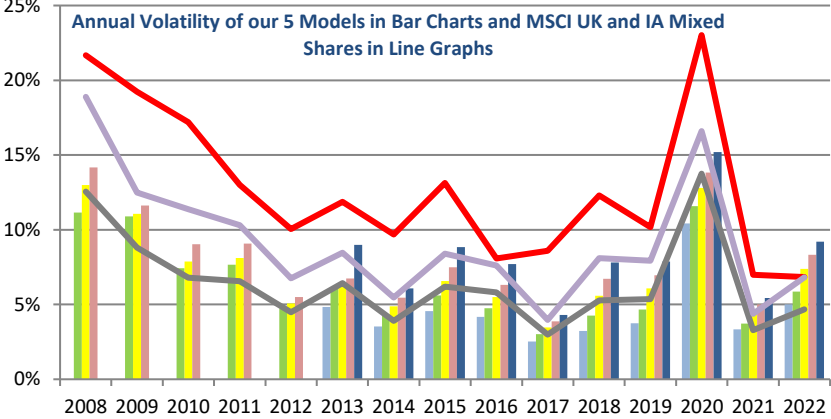
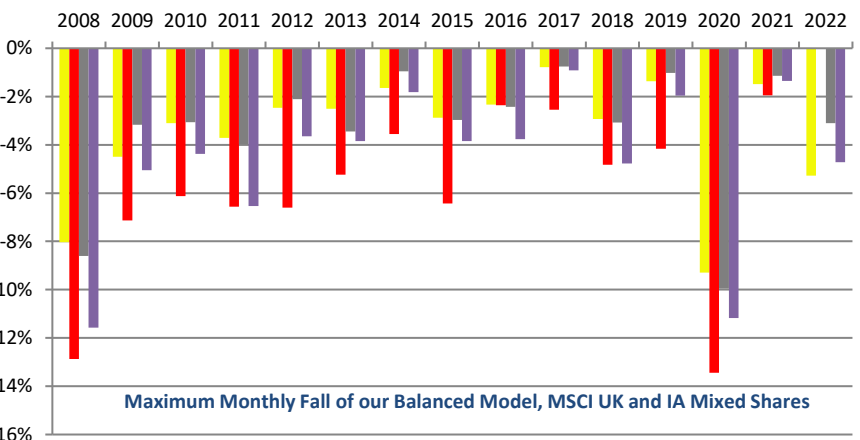
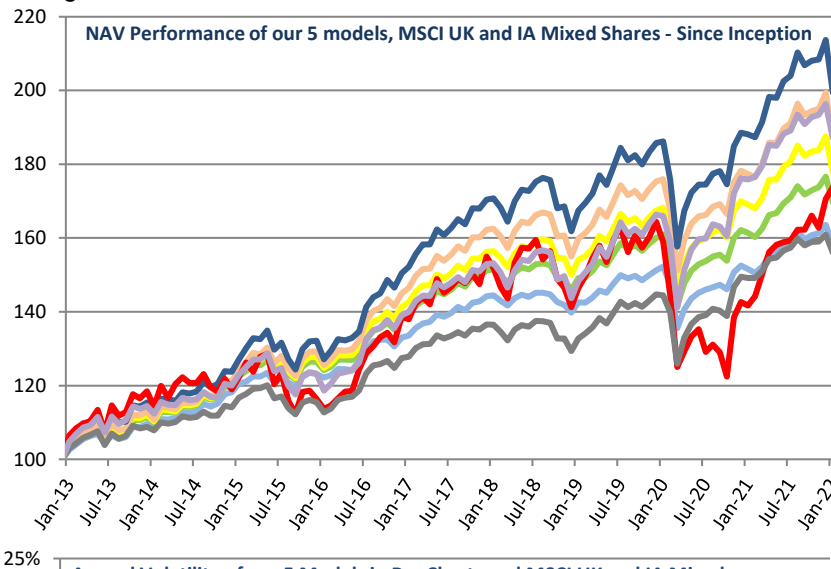
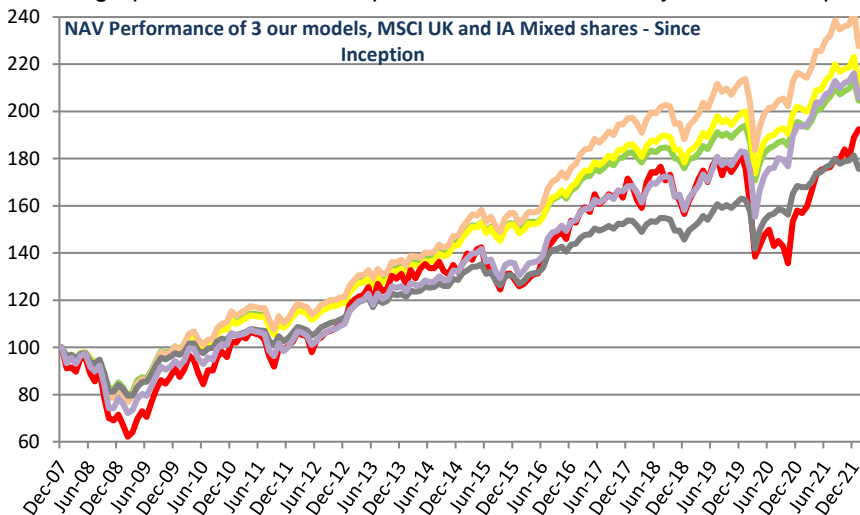
**The Month In Review** January saw markets start the year in disappointing manner as a variety of headwinds caused returns for a multitude of asset classes to slide. The prospects of the United States Federal Reserve raising interest rates to tackle the rising rate of inflation, coupled with escalating geopolitical tensions between Russia and Ukraine proved to be pivotal factors in the decline in global equity returns. The equity sell off was most profound in growth equities trading on heightened valuations as investors mulled over the potential implications tightening monetary policy could have on the future outlook for these stocks. These unwelcome headwinds also affected bonds, with both government and corporate bond yields climbing higher as investors shunned much of this asset class due to inflation figures reaching a 30-year high in developed economies. Conversely Emerging Market equities spearheaded by China had a buoyant month as a result of the People's Bank of China intensifying its loosening monetary policy. Whilst the equity positioning in our portfolios led the negative returns across all of our model portfolios in January, our bond and alternative exposure helped quell the portfolios' drawdown. Our strategic bond funds in particular played a role in this. The MSCI UK had a positive month (+1.86%) due to the notable absence of growth stocks in its composition whilst containing value style financial and energy stocks which characteristically thrive in periods of higher inflation and interest rates. Despite our portfolios underperforming the mixed investment sectors this month, we believe our portfolios are well diversified to weather the potential storms 2022 may continue to conjure. We will continue to make alterations to the portfolios as we see fit 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	-3.35	-3.35	4.29	18.37	N/A	5.13	N/A	N/A
NLPFM Cautious	-4.03	-4.03	5.06	21.88	79.09	5.97	104.45	7.18
NLPFM Balanced	-5.27	-5.27	5.16	24.62	87.04	6.87	111.29	8.00
NLPFM Balanced Growth	-6.00	-6.00	5.70	27.99	96.93	7.62	127.57	8.82
NLPFM Growth	-6.71	-6.71	5.97	30.99	N/A	8.74	N/A	N/A
NLPFM Sustainable Balanced	-6.87	-6.87	2.53	N/A	N/A	N/A	N/A	N/A
MSCI UK Index	1.86	1.86	22.66	25.94	87.82	12.32	92.45	14.17
Mixed Investment 20-60% Shares	-3.10	-3.10	4.59	22.04	65.42	6.64	75.64	7.38
Mixed Investment 40-85% Shares	-4.72	-4.72	6.41	33.71	99.46	8.65	105.90	10.34

# Discretionary Management Service relative performance

## January 2008 to January 2022

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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