

# TRUE POTENTIAL BALANCED + PORTFOLIO

## Portfolio Objective

The objective of the True Potential Balanced + Portfolio is to provide investors with a way to achieve their investment goals. The Portfolio offers exposure to a select group of investment partners and a range of risk profiles (Defensive to Aggressive), whilst remaining within the Balanced risk profile. We review the Portfolio monthly and, if necessary, rebalance to the allocation of styles that we believe offers the best opportunity for growth within the Balanced risk profile. The Portfolio aims to produce a higher risk-adjusted outcome at a lower average cost, compared to an equally-weighted model of Balanced funds.

## Risk Profile: Balanced

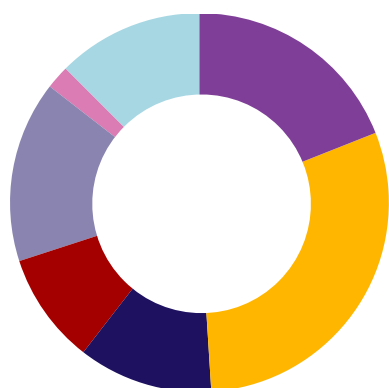
The Balanced Investor may be somewhat concerned with short-term losses and may shift to a more stable option in the event of significant losses. The safeties of investment and return are typically of equal importance to the Balanced Investor.

Ongoing Charge Figure (OCF)\*: 0.82%

There are no entry or exit charges.

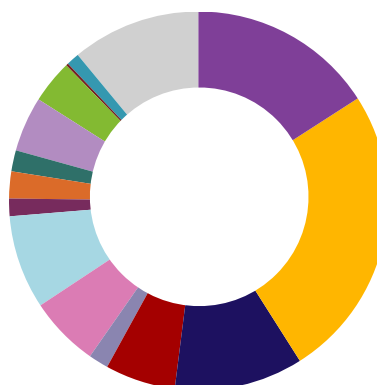
Launch Date: 1st October 2015

## Portfolio Diversification



### Strategy Allocation

● Directly Invested - True Potential Close Growth	<b>19.0%</b>
● Manager of Managers - True Potential SEI Cautious	<b>30.0%</b>
● Risk Based - True Potential Allianz Growth	<b>11.5%</b>
● Actively Passive - True Potential 7IM Aggressive	<b>9.5%</b>
● Adaptive Investment - True Potential UBS Aggressive	<b>15.5%</b>
● Fund of Funds - True Potential Schroders Cautious	<b>2.0%</b>
● Positive Alignment - True Potential Growth Aligned Cautious	<b>12.5%</b>



### Asset Allocation

● UK Equities	<b>15.9%</b>
● North American Equities	<b>25.1%</b>
● European (ex UK) Equities	<b>11.0%</b>
● Japanese Equities	<b>6.0%</b>
● Asia Pacific (ex JPN) Equities	<b>1.7%</b>
● Emerging Markets Equities	<b>6.0%</b>
● Global Bonds	<b>8.0%</b>
● Global Inflation Linked bonds	<b>1.5%</b>
● Emerging Market Bonds	<b>2.3%</b>
● Global High Yield Bonds	<b>1.8%</b>
● UK Gilts	<b>4.7%</b>
● UK Credit	<b>3.7%</b>
● Property	<b>0.2%</b>
● Commodities	<b>1.1%</b>
● Cash	<b>11.0%</b>

Strategy and Asset Allocation are subject to change at any time without notice, are for information purposes only and should not be construed as investment recommendations.

The True Potential Growth Aligned Cautious Fund may be subject to a Share of Growth fee. Please refer to the Fund Prospectus and Key Investor Information Document (KIID) for more information.

\*OCF payable can fluctuate over time as the underlying investments are variable and can change.

## Investment Commentary

The True Potential Balanced + Portfolio returned -3.76% over the month of October with equity markets falling as investors became nervous believing that markets, specifically the US, had advanced too far.

Returns from equities overall were negative with global equities registering a 5.23% loss in Sterling terms. Up until the start of October, the US had been incredibly strong with returns of 14.65% year-to-date in Sterling terms, rising on the back of strong economic and company data. The catalyst for the volatility experienced was investors becoming worried that interest rate rises within the US were starting to bite after eight 0.25% hikes since December 2015. This has then spilt over into other global markets, arguably an overreaction. On a relative basis the UK was one of the best performers with Sterling weakness helping to buoy up returns for the larger multi-national companies in the UK. Within fixed interest, UK Bonds offered up positive returns, bolstering performance and illustrating diversification.

Moving onto individual fund performance, the True Potential Schroders Cautious Fund was the strongest performer benefitting from strong alternative asset selection and a relatively large cash position. The True Potential Growth-Aligned Cautious Fund also benefitted from strong alternative asset selection which helped to mitigate the adverse performance experienced in equity markets throughout October.

Over the month, we added to the True Potential Growth Aligned Cautious Fund, continuing to build up this position. The fund has one of the lowest OCFs within the True Potential range helping to reduce overall cost and has no exposure to both Emerging Market bonds and High Yield bonds, both areas that could come under pressure as we move forward. The proceeds have been taken from the True Potential SEI Cautious Fund. This is the largest position within the Portfolio overall and has been scaled back to help diversify the Portfolio and reduce overall manager concentration. As always, the optimisation factors of risk, cost, expected return and risk-adjusted return remain paramount and we are happy that all are currently optimised.

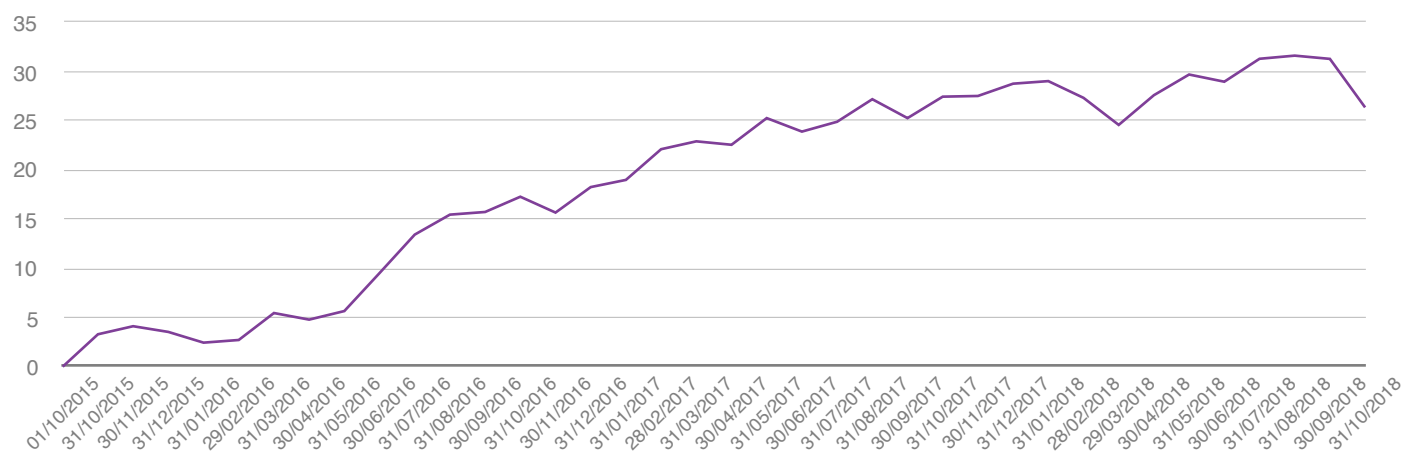
### Performance (As of 31 October 2018)

	1 Month	3 Month	6 Month	1 Year	3 Year	Since Launch
True Potential Balanced + Portfolio	-3.8%	-3.8%	-1.0%	-0.9%	22.3%	26.4%

### Annual Percentage Growth

	Oct 2015 - Oct 2016	Oct 2016 - Oct 2017	Oct 2017 - Oct 2018
True Potential Balanced + Portfolio	13.9%	8.3%	-0.9%

### Cumulative Performance (%)



Source: True Potential Investments, based on net asset value (as of 31 October 2018).

Performance is calculated on a Total Return basis and is net of Portfolio OCF.

With investing, your capital is at risk. Investments can fluctuate and you may get back less than you invest.

Past performance is not a guide to future performance.



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If you are unsure about the information contained within the document, or the suitability of this investment to meet your needs, you should take professional advice.

True Potential Investments LLP is authorised and regulated by the Financial Conduct Authority, FRN 527444.

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A Fund Prospectus and Key Investor Information Document (KIID) for each of the underlying investments listed above are available from

[www.tpllp.com/wealth-strategy-fund-range](http://www.tpllp.com/wealth-strategy-fund-range) or by email to [investmentmanagement@tpllp.com](mailto:investmentmanagement@tpllp.com)