

# 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 full exposure to different manager styles 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.**

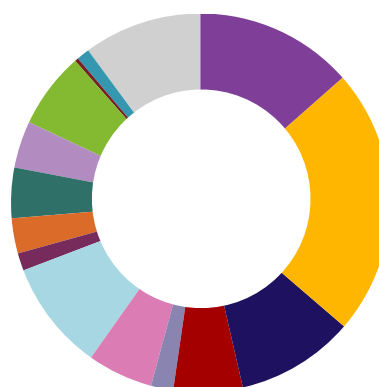
**Launch Date:** 1st October 2015

## Portfolio Diversification



## Strategy Diversification

- Risk Based - True Potential Allianz Balanced
- Directly Invested - True Potential Close Balanced
- Alternative Dynamic - True Potential Goldman Sachs Balanced
- Income Building - True Potential Goldman Sachs Income Builder
- Fund of Funds - True Potential Schroders Balanced
- Manager of Managers - True Potential SEI Balanced
- Actively Passive - True Potential 7IM Balanced
- Adaptive Investment - True Potential UBS Balanced
- Positive Alignment - True Potential Growth Aligned Balanced



## Asset Allocation

10.5%	● UK Equities	13.5%
15.5%	● North American Equities	22.8%
8.5%	● European (ex UK) Equities	10.1%
7.0%	● Japanese Equities	5.9%
3.5%	● Asia Pacific (ex JPN) Equities	1.9%
16.0%	● Emerging Markets Equities	5.6%
11.0%	● Global Bonds	9.4%
16.0%	● Global Inflation Linked bonds	1.5%
12.0%	● Emerging Market Bonds	3.0%
	● Global High Yield Bonds	4.3%
	● UK Gilts	4.0%
	● UK Credit	6.5%
	● Property	0.3%
	● Commodities	1.1%
	● Cash	10.1%

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 Balanced 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 -3.64% 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 positive returns, bolstering performance and illustrating diversification.

Moving onto individual fund performance, the True Potential Schroder Balanced Fund was the strongest performer due to strong alternative asset selection and large cash position. The True Potential Goldman Sachs Income Builder Fund illustrated solid stock picking skills within the high yield bond portion of the fund, all of which helped to mitigate the adverse performance experienced in equity markets throughout October.

Over the month, we made no changes to the Portfolio conscious that the managers have been making some significant changes. SEI have been paring back exposure to the UK at the higher risk end and have introduced a new fund to reduce currency risk and to take advantage of tactical/short term opportunities such as the addition to commodities. Allianz have updated their strategic asset allocation and recently introduced strategies to hedge overseas developed equity exposure up to 60%, which should help to dampen volatility should Sterling appreciate as the Brexit deadline nears. Close Brothers have been paring back exposure to the tech sector in the US, moving towards more value orientated defensive stocks and increasing overall cash levels. 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.

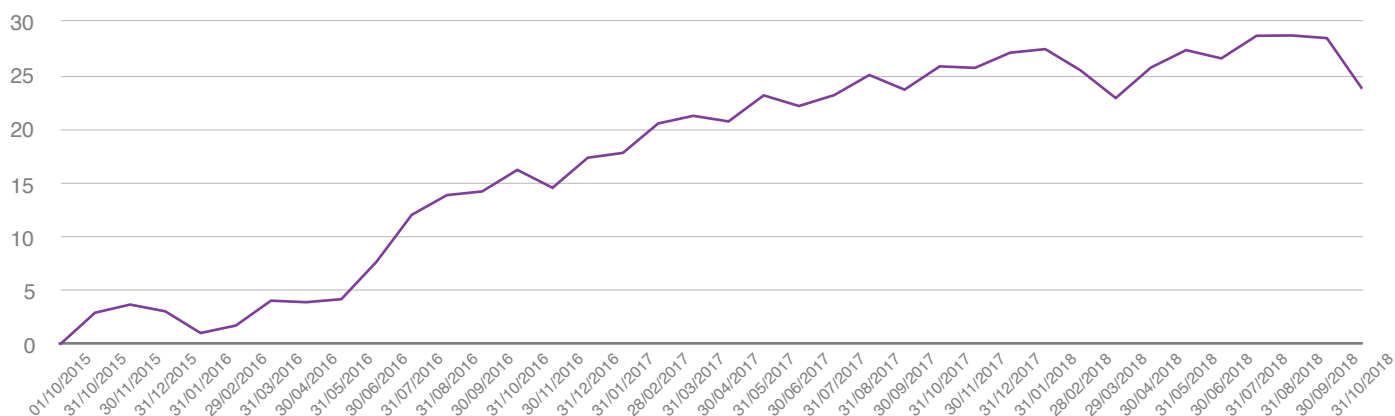
### Performance (As of 31 October 2018)

	1 month	3 month	6 month	1 year	3 Year	Since Launch
True Potential Balanced Portfolio	-3.6%	-3.8%	-1.6%	-1.7%	20.2%	23.7%

### Annual Percentage Growth

	Oct 2015 - Oct 2016	Oct 2016 - Oct 2017	Oct 2017 - Oct 2018
True Potential Balanced Portfolio	13.1%	8.1%	-1.7%

### 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.



Head Office: Gateway West, Newburn Riverside, Newcastle upon Tyne, NE15 8NX

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.

Registered in England and Wales as a Limited Liability Partnership No. OC356027.

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)