

**ROGER CLARK**Senior Fund
Manager**DAVID SMITH**Senior Fund
Manager

This fund offers a one-stop-shop for a combination of leading equity, bond and total return funds. The bond and total return elements should provide some shelter against the higher levels of stock market risk.

- This fund invests in a core list of our favoured equity, bond and total return funds.
- The fund will invest a minimum of 40% and a maximum of 85% in equities.

REVIEW

UK politics remained firmly in the spotlight over the three months to 31 October 2019. The EU granted the UK another Brexit extension, while British voters will be heading to the polls once again before the turn of the year.

Sterling bounced as the likelihood of a no-deal Brexit diminished. This benefited domestically focused UK small and medium-sized companies, and means the FTSE Small Cap and FTSE 250 were two of only a few major stock markets to make a positive return. Most other markets, including the US and emerging markets, made a loss over the period, dampened by weaker currencies and ongoing trade disputes.

The picture was similar in bond markets. While UK government and corporate bonds did fairly well, most global bond markets made a loss for UK investors, again hampered by sterling's strength.

We recently transferred out of Artemis Income, and appointed the same fund's managers to run this part of the portfolio for us. It means the shares they invest in are held directly in the portfolio, instead of us investing in their existing fund. It gives the managers greater flexibility, which we think could improve long-term returns and reduce costs for investors.

OUTLOOK

We invest with managers with a proven ability to invest in outstanding companies. We're cautious about the prospects for bond markets and currently prefer 'strategic' bond funds. They've got the flexibility to seek shelter from potential troubles or quickly take advantage of opportunities when they arise. We also invest in a selection of 'total return' funds, which could offer some shelter during tougher times.

FUND HOLDINGS UPDATE

This portfolio has a holding in LF Woodford Equity Income, which is due to be wound up from January 2020. In the meantime dealing in the LF Woodford Equity Income Fund remains suspended. The HL Multi-Manager Balanced Managed Fund continues to trade as normal. The Woodford fund accounted for 3.8% of this portfolio as at the end of October 2019, compared with 4.5% at the time of the suspension.

Performance since launch (%)

Past performance is not a guide to future returns

Cumulative performance (%)

	1 year	3 year	5 year	10 year	Since launch
Fund (%)	4.5	12.2	40.2	104.2	138.1
Sector Average (%)	8.2	16.9	38.0	95.5	126.4

Year on year performance (%)

	Oct 14–15	Oct 15–16	Oct 16–17	Oct 17–18	Oct 18–19
Fund (%)	8.2	15.4	11.1	-3.4	4.5
Sector Average (%)	4.7	12.7	10.1	-1.8	8.2

Source for all performance data, Lipper IM/Hargreaves Lansdown on a NAV-to-NAV, net income reinvested to 31/10/2019.

Fund information*

Sector	IA Mixed Inv 40-85% Shares
Launch Price	100p
Launch Date	05/01/2001
Fund Size	£1172.5m
Units available	Accumulation
Initial Charge	5%
Initial Saving	Up to 5%
Ongoing Charge (OCF/TER)	1.43%

Top 10 holdings (%)*

Findlay Park American	7.6
Man GLG Japan CoreAlpha	7.1
TM CRUX European Special Situations	6.8
Majedie UK Equity	5.6
Artemis – Adrian Frost	5.4
Baring Europe Select	4.3
M&G Recovery	4.1
First State Asia All-Cap	3.9
Stewart Investors Asia Pacific Leaders	3.9
LF Woodford Equity Income	3.8

*Correct as at 31/10/2019

WHY INVEST IN A HL MULTI-MANAGER FUND?

- Professional management from one of the largest and best-resourced fund research teams in the UK.
- Broad exposure to a range of investment styles in one, convenient fund.
- Our size and scale allows us to negotiate significant discounts from the underlying funds to reduce costs.
- Access to some managers not widely available to the retail market.

Any changes we make within our Multi-Manager funds are not subject to capital gains tax. An investor may only be subject to capital gains tax, once their investment is sold.

INVESTMENT PROCESS

We believe our quantitative analysis is one of the major differentiating factors between ourselves and the rest of the industry. Using in-house generated statistical programs, our team create a forensic analysis of fund managers to understand what lies behind the raw performance numbers. Our fund managers and research analysts use this analysis when conducting face-to-face fund manager interviews. As the UK's leading fund supermarket we benefit from unrivalled access to fund managers meeting several hundred managers a year. The combination of quantitative and qualitative analysis allows us to identify funds we believe have the greatest potential for future outperformance.

We are looking to invest in funds managed by experts with a passion for investment and we want these experienced fund managers to work in a culture that promotes and incentivises strong long-term performance.

RISK SUMMARY

The value of investments and any income can fall, therefore investors could get back less than invested. Neither capital nor income is guaranteed. Investments should be regarded as long-term. Some of the charges and expenses are taken from capital and this increases the chances of the capital value falling. Tax rules can change and the value of any benefits will depend on personal circumstances.

Please note this factsheet is not personal advice and should not be viewed as a promotion of any of the individual underlying funds profiled. Before investing in these funds please read the Key Investor Information documents. Our Multi-Manager funds are for investors who wish to choose their own investments. The selection of the underlying funds does not take into consideration personal circumstances. We offer an advisory service for investors who are unsure whether an investment is suitable for their circumstances.

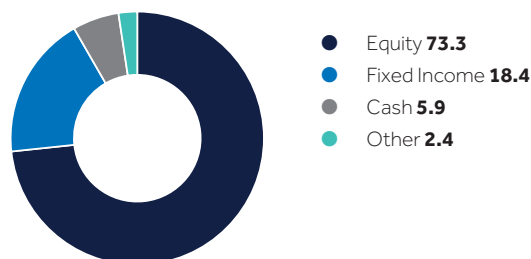
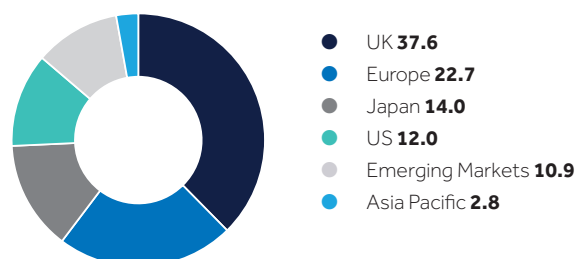
The fund's strategy, and therefore level of risk, can change over time. Economic factors such as interest rates, inflation and supply and demand can affect all investments.

Emerging markets are generally less well regulated than the UK and it can sometimes be difficult to buy and sell investments in these areas. Political and economic instability are more likely, making these funds higher risk than those investing in more regulated and developed markets.

This fund invests in smaller companies, which are more volatile and sometimes more difficult to trade than larger companies.

This fund is permitted to use derivatives such as warrants, options and futures for 'Efficient Portfolio Management' (EPM). They can be used to effectively take a position (or reduce an existing position) in an investment, allowing positions to be altered more quickly and cost-effectively than dealing directly. The use of these instruments can, under certain circumstances, increase volatility and risk.

Past performance is not a guide to future returns, and investments could face additional risks if the manager moves into different investment areas. Please contact us for copies of the Key Investor Information documents provided by the underlying investments, these documents may specify scenarios which could result in a fall in their value.

Asset allocation (%) †**Geographical equity allocation (%) †**

†Correct as at 31/10/2019.

Please note figures may not add up to 100% due to rounding.