

**LEE GARDHOUSE**Chief Investment
Officer**ELLEN POWLEY**Fund
Manager

This fund offers a one-stop-shop of all our favourite Equity Income fund managers. It offers the potential for income, growth or a combination of the two from investing predominantly in the UK stock market.

This fund invests in a core list of our favoured UK Equity Income funds and will invest a minimum of 80% in UK equities. Up to 20% can be invested outside UK equities with the aim to increase income and or capital growth. The fund will be invested to meet our aim to deliver a yield in excess of 110% of the yield on the FTSE All Share Index.

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 it was announced British voters will head 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.

JOHCM UK Equity Income, which is biased to this area of the market, performed well. This is encouraging to see after the fund went through a tougher patch, and we feel this highlights the importance of maintaining a diversified portfolio. We also think the UK is one of the few places left with the potential to pay an inflation-beating income, from well-established companies that have been unfairly dismissed by many investors.

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 think UK equity income funds offer good yields and our combination of more traditional income managers, such as those at Artemis, and more adventurous choices, such as the Marlborough Multi

Cap Income Fund, have the potential to deliver excellent long-term returns. We're particularly proud of the portfolio's track record of generating an attractive income – the income paid has risen in 15 of the 16 years since launch, although income levels aren't guaranteed.

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 Income & Growth Fund continues to trade as normal, and will continue to receive and pay out dividends from the Woodford fund during its suspension. The Woodford fund accounted for 11.2% of this portfolio as at the end of October 2019, compared with 12.8% at the time of the suspension.

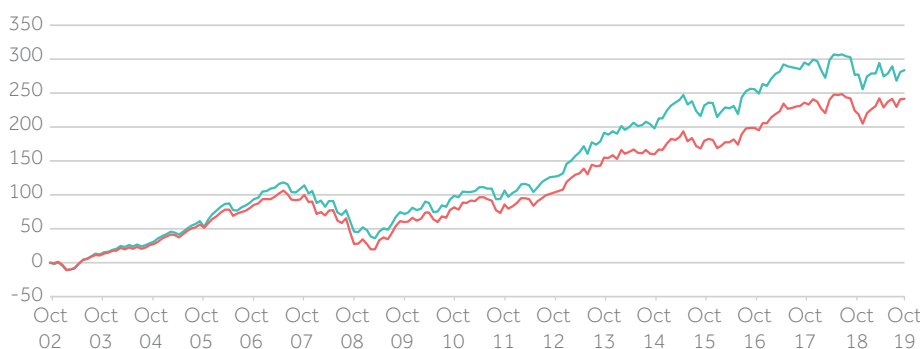
Fund information*

Sector	IA UK Equity Inc
Launch Price	50p
Launch Date	18/10/2002
Fund Size	£2693.4m
Units available	Income & Accumulation
Yield (variable and not a reliable indicator of future performance)	5.12%
Income Frequency	Monthly
Dividend Payment Dates	Last working day each month
Ex-dividend Dates	First working day each month
Initial Charge	5%
Initial Saving	Up to 5%
Ongoing Charge (OCF/TER)	1.27%

Top 10 holdings (%)*

Artemis – Adrian Frost	17.4
JO Hambro UK Equity Income	17.2
Jupiter – Ben Whitmore	17.1
Columbia Threadneedle – Richard Colwell	11.3
LF Woodford Equity Income	11.2
Marlborough Multi Cap Income	11.0
Aviva – Chris Murphy	4.5
Majedie UK Income	4.2
Jupiter Asian Income	3.9
BNY Mellon Global Income	1.9

*Correct as at 31/10/2019

Performance since launch (%)● Fund **+283.7%** ● Sector **+241.3%****Past performance is not a guide to future returns****Cumulative performance (%)**

	1 year	3 year	5 year	10 year	Since launch
Fund (%)	1.9	8.0	28.7	123.4	283.7
Sector Average (%)	5.4	14.4	31.4	113.1	241.3

Year on year performance (%)

	Oct 14–15	Oct 15–16	Oct 16–17	Oct 17–18	Oct 18–19
Fund (%)	11.2	7.1	11.1	-4.6	1.9
Sector Average (%)	7.6	6.8	12.6	-3.6	5.4

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

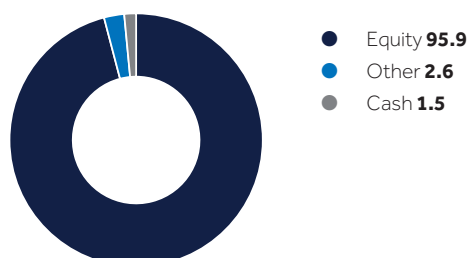
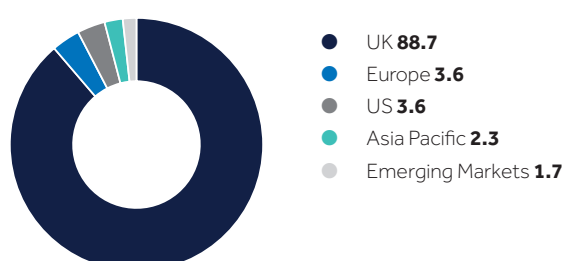
The fund's strategy, and therefore level of risk, can change over time. Economic factors such as interest rates, inflation and supply and demand can affect all investments.

This fund takes part or all of the annual charge from capital rather than the income generated, increasing the potential for the capital value of the investment to be eroded.

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.