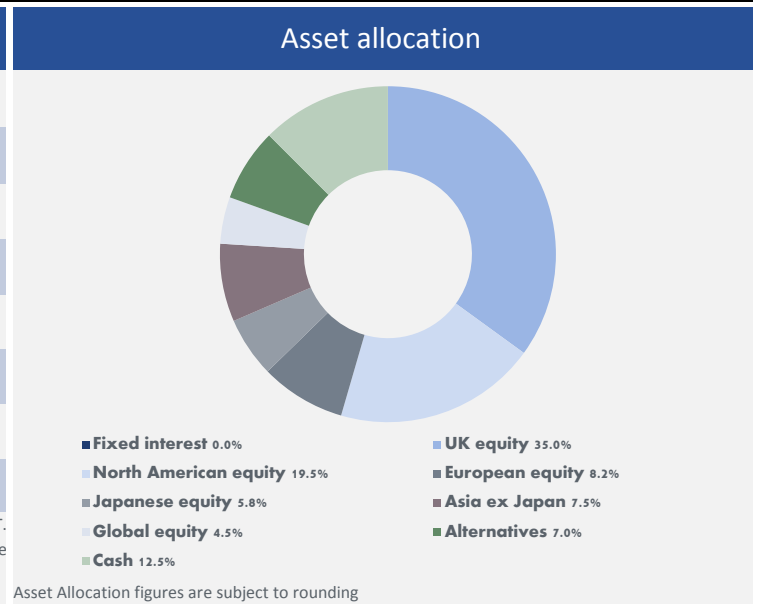


Investment objective:

Investors into the Adventurous model seek long term capital growth and are willing to accept significant fluctuations in their capital value and are less concerned at the prospect of losses. Approximately 85% of overall assets would be invested in equities although this may fluctuate between 70% and 100% over the investable period, typically a minimum of 12 years.

Key facts	
Portfolio benchmark	WMA Growth Index
Estimated annual yield	1.38%
Annual management fee	0.30% (plus VAT)
Lead portfolio manager	James Horniman
Wrapper availability	ISA/SIPP/GIA/Bond
Minimum investment	£1,000
Expected Total Expense (TER)*	1.16%
Asset types	Collectives

*The Total Expense Ratio (TER) includes the annual management fee levied by JH&P including VAT. This assumes an annual turnover level of 25%. Other costs and charges may arise in relation to the service that are not levied by JH&P.



Manager commentary

Bull markets are said to climb a wall of worry, and with this one now approaching its tenth birthday, the wall became steeper in 2018. Markets are a highly sensitive barometer of the aggregate investor mood: prices reflect the future expectations of growth and income. At this point in the cycle, when investors are feeling jittery, troubling news can easily encourage dramatic repricing of those expectations. There was certainly plenty of that in 2018.

Trade wars and accompanying rhetoric have dominated sentiment for much of the year and it is difficult to ignore the fractures between the US and China. Trump is trying to win favour with blue collar workers and exhibit US strength with his threat of tariffs. He appears to be trying to halt China's otherwise inexorable rise to global dominance, while securing a better deal for the US to address the trade imbalance and protect intellectual property. It looks like the US has the upper hand, given half of US imports are components used by US-based producers, so imposing tariffs on China simply makes American goods more expensive and reduces the country's competitiveness. There is, however, a danger of this tariff dispute escalating beyond the point where companies can circumnavigate the problems. That would pose a serious risk to global trade and act as a brake on global economic growth. It might be the shock that triggers the end of the bull market.

Looking at the macro-economic picture, we are still in the phase of unwinding quantitative easing – this is unprecedented territory. The US market has performed very well in 2018, giving credence to the Federal Reserve and its rate-raising agenda. Low unemployment has led to a spike in wage inflation, which will feed through to prices at some point. Earlier this year, the Chair of the Federal Reserve, Jerome Powell, had suggested that interest rates were set to rise significantly higher. He moderated this guidance substantially in November on the back of weaker US housebuilding activity and lower-than-expected inflation forecasts. They may now be only a little below 'neutral', which should reassure markets – change is coming but it should be gradual.

Brexit continues to be a source of concern. A no deal scenario, and the extension of uncertainty for businesses, could be seriously damaging for the economy and possibly open the door to a Labour government. The UK can kick the can again, but a more extended transition phase increases the possibility that a Brexit deal fails to win parliamentary approval and also makes the UK an even more uncertain proposition for inward investment.

There remains the possibility of another referendum. The UK may end up revoking Article 50 and staying in the EU. With the country continuing to be so divided on Brexit, it is hard to be enthusiastic about any of the options.

Looking ahead there are good reasons for not being overly defensive: bull markets do not die of old age; economic conditions are healthy; US growth is still high; IPO activity is muted, suggesting that public equity markets are not overvaluing assets; and investor inflows have also been muted. This does not feel like a market that is overheating.

We have held more cash in the second half of 2018 than ever, and we enter 2019 in cautious mode, but we are ready to take opportunities that might emerge if we feel that markets are over-reacting to events. As ever, our priority is seeking to maintain client wealth.

Portfolio managers : James Horniman & Rosie Bullard



James joined James Hambro & Partners in 2013 and has been named in the Spears 'Top 50' list of high net worth wealth managers for the past four years. He started his investment career in 1993 at Morgan Grenfell Asset Management before joining HSBC Investment Management to work as a Director and Team Leader in UK Private Clients. In 2007 he joined UBS Wealth Management, where he managed assets worth more than £500m.

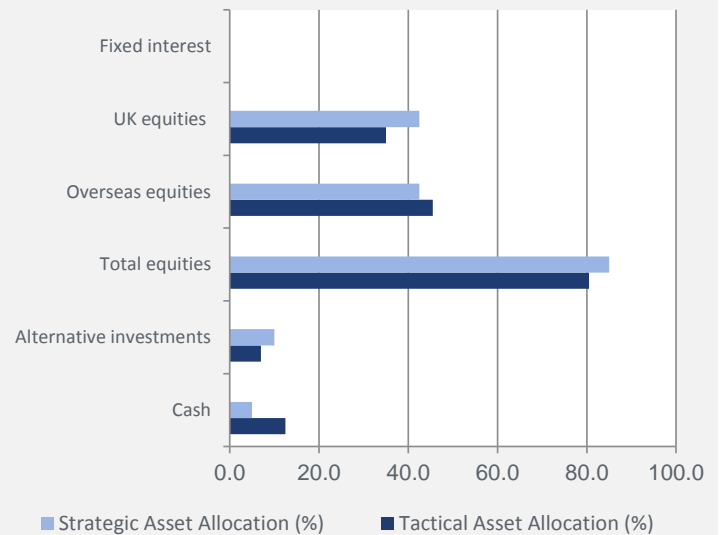


Rosie manages portfolios for private individuals, trusts and charities. She joined James Hambro & Partners in 2013, having previously worked at HSBC Investments and UBS Wealth Management, and in 2017 was named in the PAM 'Top 40 Under 40' list of private asset managers. She is a Chartered Financial Analyst (CFA) Charterholder and a Chartered Member of the Chartered Institute for Securities and Investment. Rosie is part of the Financial Intermediary team and is also part of our Investment team.

Top 10 holdings

Artemis UK Select I Acc	8.5%
AXA Framlington UK Mid-Cap Z Acc	7.5%
JOHCM UK Equity Income Y Acc	7.5%
Polar Capital Global Technology Gross I Inc	7.0%
JPM US Equity Income C Acc	6.5%
CF Miton UK Multi Cap Income B Inc	6.0%
Polar Capital North American Fund	6.0%
T Rowe Japanese Equity Fund C Acc	5.8%
Troy Trojan Income Fund O Acc	5.5%
Henderson UK Absolute Return I Acc	5.5%

Tactical allocation v. strategic allocation



Figures subject to rounding

Important information

Past performance is not a reliable indicator of future results. The value of an investment and the income from it may go down as well as up and investors may not get back the amount originally invested. This may be partly the result of exchange rate fluctuations in investments which have an exposure to foreign currencies. The portfolio may invest parts of its assets in other funds for which investment decisions are made independently of the portfolio manager. Fluctuations in interest rates may affect the value of your investment. The levels of taxation and reliefs may change and the value of tax reliefs depends on individual circumstances.

The information contained in this document is meant for information purposes only and based on a model portfolio which may at times differ from actual holdings. While we have taken care to ensure that the sources of information are reliable we cannot guarantee accuracy. Holdings and asset allocations are based on the model and were accurate on the date of publication. Nothing in this document constitutes advice. The suitability of the portfolio will depend on an individual's personal circumstances. Where we have expressed views and opinions, these are subject to change.

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