

# True Potential Cautious Portfolio

## Portfolio Objective

The objective of the True Potential Cautious Portfolio is to provide investors with a way to achieve their investment goals. The Portfolio offers full exposure to different manager styles within the Cautious 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 Cautious risk profile. The Portfolio aims to produce a higher risk-adjusted outcome at a lower average cost, compared to an equally-weighted model of Cautious funds.

## Risk Profile: Cautious

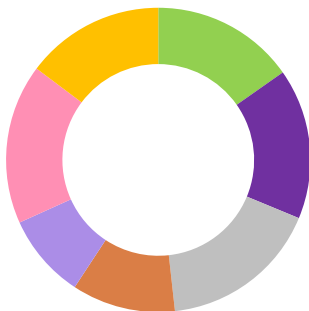
The Cautious Investor may be sensitive to short-term losses. A Cautious Investor's potential aversion to losses could compel them to shift into a more stable investment if significant short-term losses occur. Analysing the risk-return choices available, a Cautious Investor is usually willing to accept somewhat lower returns in order to assure greater safety of his or her investment.

Ongoing Charge Figure (OCF)\*: 0.80%

There are no entry or exit charges.

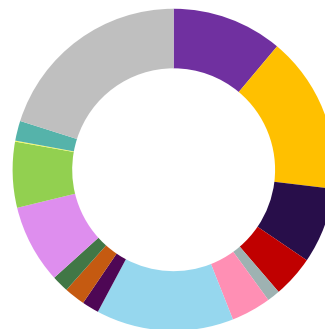
Launch Date: 1st October 2015

## Portfolio Diversification



### Strategy Allocation

Manager of Managers - True Potential SEI Cautious	15.25%
Actively Passive - True Potential 7IM Cautious	16.00%
Directly Invested - True Potential Close Brothers Cautious	17.00%
Risk-Based - True Potential Allianz RiskMaster Cautious	11.00%
Fund of Funds - True Potential Schroders Cautious	9.00%
Adaptive Investment - True Potential UBS Cautious	17.00%
Positive Alignment - True Potential Growth-Aligned Cautious	14.75%



### Asset Allocation

UK Equities	11.1%
North American Equities	15.8%
European (ex UK) Equities	7.6%
Japanese Equities	4.2%
Asia Pacific (ex JPN) Equities	1.3%
Emerging Markets Equities	4.0%
Global Bonds	13.8%
Global Inflation Linked bonds	1.7%
Emerging Market Bonds	2.1%
Global High Yield Bonds	1.7%
UK Gilts	7.9%
UK Credit	6.6%
Property	0.1%
Commodities	2.0%
Cash	20.1%

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 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 Cautious Portfolio returned -2.3% over the month of December.

Over the period, bond markets performed strongly offering genuine diversification with higher quality and government paper faring the best as investors looked to de-risk their overall positioning. Equity markets were weak, with global equities falling 6.9%, led by the US with the quarter point rise in interest rates coming at a time when market participants are becoming more nervous around economic growth. Within equity markets, Asia and Emerging Markets relatively showed the best returns, with investors taking advantage of good valuations.

Moving onto the individual fund performance, the True Potential Schroder Cautious Fund relatively performed well with their alternative assets offering diversified returns.

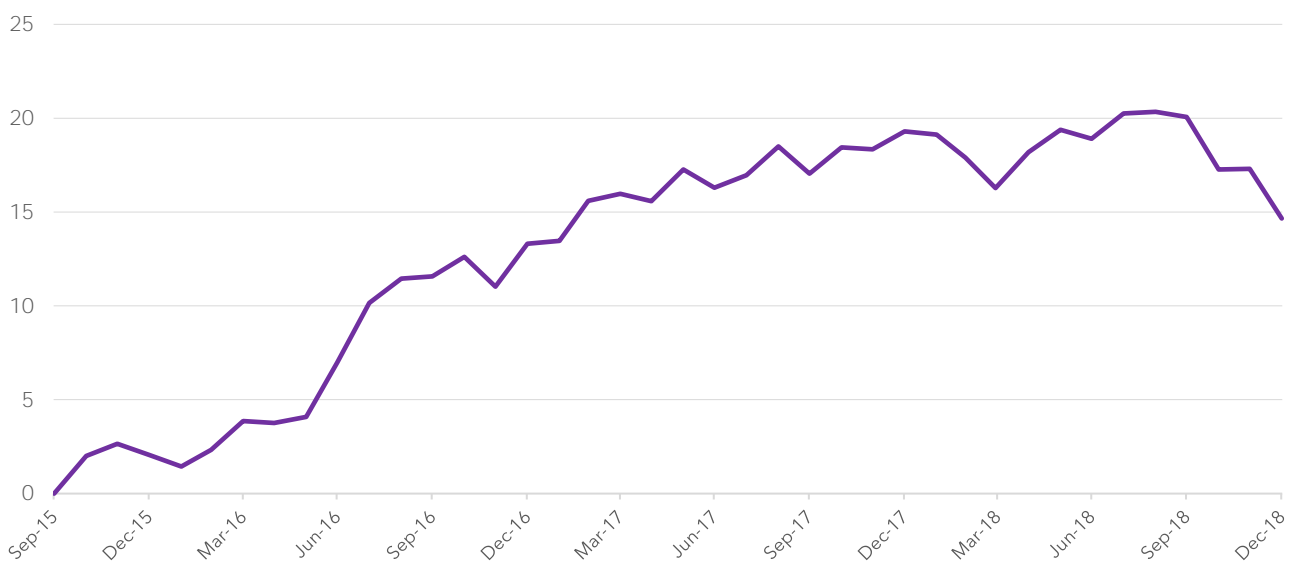
Over the month, no changes have been made to the Portfolio.

The True Potential Cautious Portfolio remains optimised across all factors being risk, cost, expected return and risk-adjusted return.

Performance (As of 31 December 2018)						
	1 Month	3 Month	6 Month	1 Year	3 Year	Since Launch
True Potential Cautious Portfolio	-2.3%	-4.5%	-3.6%	-3.9%	12.4%	14.7%

Annual Percentage Growth			
	Dec 2015 - Dec 2016	Dec 2016 - Dec 2017	Dec 2017 - Dec 2018
True Potential Cautious Portfolio	11.0%	5.3%	-3.9%

Cumulative Performance (%)



Source: True Potential Investments, based on net asset value (as of 31 December 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 in value and you may get back less than you invest. Past performance is not a guide to future performance. This factsheet is not personal financial advice.

A Fund Prospectus and Key Investor Information Document (KIID) for each of the underlying investments listed above are available from [www.tpilp.com/wealth-strategy-fund-range](http://www.tpilp.com/wealth-strategy-fund-range) or by email to [investmentmanagement@tpilp.com](mailto:investmentmanagement@tpilp.com).

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

True Potential Investments LLP is authorised and regulated by the Financial Conduct Authority, FRN 527555. [www.fca.org.uk](http://www.fca.org.uk)  
Registered in England and Wales and a Limited Liability Partnership No. OC356027.