

# True Potential Defensive Portfolio

## Portfolio Objective

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

## Risk Profile: Defensive

The Defensive Investor may be very sensitive to short-term losses. A Defensive Investor's potential aversion to short-term losses could compel them to sell their investment and hold a zero risk investment instead if losses occur. Defensive Investors would possibly accept lower long-term return in exchange for smaller and less frequent changes in portfolio value. Analysing the risk-return choices available, a Defensive Investor is usually willing to accept a lower return in order to assure the safety of his or her investment.

Ongoing Charge Figure (OCF)\*: 0.70%

There are no entry or exit charges.

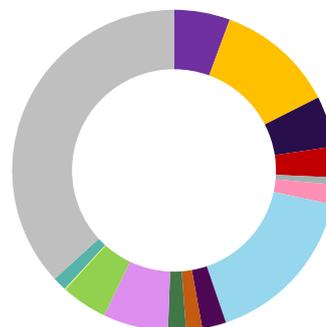
Launch Date: 1st October 2015

## Portfolio Diversification



## Strategy Allocation

● Manager of Managers - True Potential SEI Defensive	24.00%
● Actively Passive - True Potential 7IM Defensive	22.00%
● Adaptive Investment - True Potential UBS Defensive	28.00%
● Positive Alignment - True Potential Growth-Aligned Defensive	26.00%



## Asset Allocation

● UK Equities	5.6%
● North American Equities	11.9%
● European (ex UK) Equities	5.1%
● Japanese Equities	3.1%
● Asia Pacific (ex JPN) Equities	0.7%
● Emerging Markets Equities	2.0%
● Global Bonds	16.4%
● Global Inflation Linked bonds	2.4%
● Emerging Market Bonds	1.6%
● Global High Yield Bonds	1.8%
● UK Gilts	6.5%
● UK Credit	4.6%
● Property	0.1%
● Commodities	1.4%
● Cash	36.8%

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 Defensive Portfolio returned -1.3% 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 7IM Defensive Fund relatively performed well with their larger bond weighting offering diversification and boosting return.

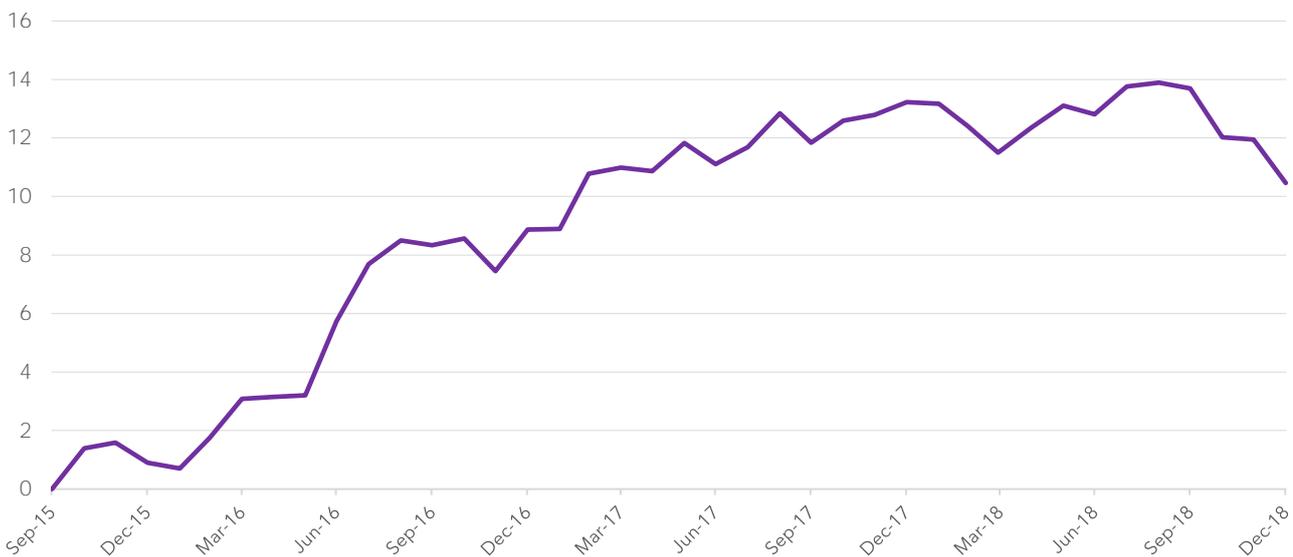
Over the month, no changes have been made to the Portfolio.

The True Potential Defensive 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 Defensive Portfolio	-1.3%	-2.8%	-2.1%	-2.4%	9.5%	10.5%

Annual Percentage Growth			
	Dec 2015 - Dec 2016	Dec 2016 - Dec 2017	Dec 2017 - Dec 2018
True Potential Defensive Portfolio	7.9%	4.0%	-2.4%

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).

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