

# 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.

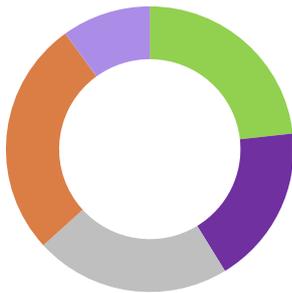
**Ongoing Charge Figure (OCF)\*:** 0.71%

There are no entry or exit charges.

**Launch Date:** 1st October 2015

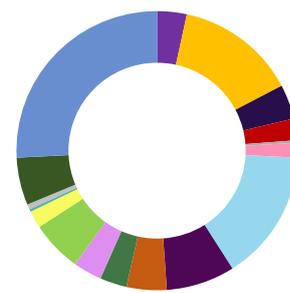
**AuA:**  
Portfolio Size: £259m

## Portfolio Diversification



## Strategy Allocation

● Manager of Managers - True Potential SEI Defensive	23.25%
● Actively Passive - True Potential 7IM Defensive	18.00%
● Adaptive Investment - True Potential UBS Defensive	22.00%
● Positive Alignment - True Potential Growth-Aligned Defensive	26.75%
● Thematic Investing - True Potential Pictet Defensive	10.00%



## Asset Allocation

● UK Stocks	3.4%
● US Stocks	13.9%
● European Stocks ex UK	4.0%
● Japanese Stocks	2.5%
● Asia Pacific Stocks ex Japan	0.3%
● Emerging Market Stocks	1.7%
● Global Treasury Bonds	15.2%
● Global Corporate Bonds	7.9%
● Global Inflation Linked Bonds	4.6%
● Emerging Market Bonds	3.1%
● Global High Yield Bonds	3.3%
● UK Government Bonds	5.9%
● UK Corporate Bonds	2.0%
● Global REITS / Property	0.3%
● Gold	0.6%
● Alternatives	5.5%
● Cash and Cash Equivalents	25.8%

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 +0.60% in February 2024, net of OCF.

February was a positive month for equity markets, with market participants encouraged by resilient economic data and corporate earnings. The US equity market was positive, albeit returns were narrowly led by the technology, consumer discretionary and industrial sectors. A rebound in Chinese stock market returns was also supportive for global portfolios, influenced by several policy decisions from the Chinese government to moderate equity market short selling and volatility, but also encouraged by decisions to lower the 5-year loan prime rate (a benchmark for mortgage rates) and strong activity levels over the Lunar New Year holiday period. High-yield corporate bonds also benefitted however Government bonds and high-grade credit markets were negative over the month, as yields moved higher with investors pushing expectations for interest rate cuts further out after stronger-than-expected US inflation data. This also led to a strengthening of the US dollar on an international trade-weighted basis.

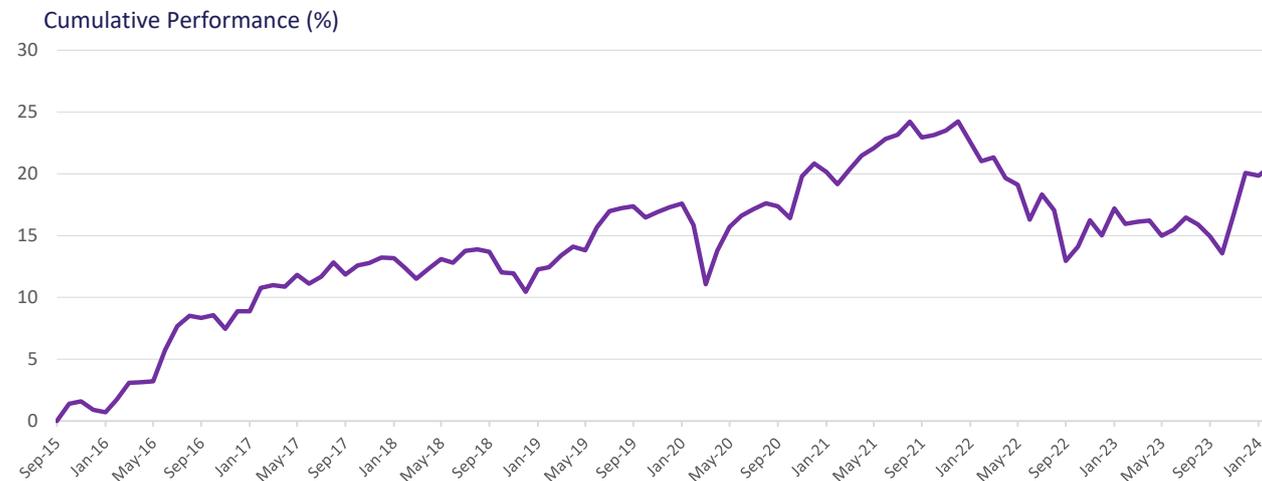
The best performing funds in the portfolio were True Potential UBS and Pictet Defensive, benefitting from their larger allocation to US equities and lower allocations to government bonds. The True Potential 7IM Defensive fund was the poorest performing fund. The fund having the largest allocation to government bonds in the portfolio was a headwind to performance, as well as within equities, being positioned in favour of the UK, with the lowest US exposure.

Over the period, no changes were made to manager allocations, however it is important to note that this is an active decision, with the team believing current positioning is optimal. Over the month, managers have made changes to their individual fund allocations. In aggregate, these include increasing exposure to corporate bonds, both investment grade and high yield, funded from government bonds.

For further information please subscribe to our daily Morning Markets videos and Weekly Round Up. This can be found on the following link <http://www.youtube.com/user/TruePotentialLLP>.

Performance (As of 29/02/2024)							
	1 Month	3 Month	6 Month	1 Year	3 Year	5 Year	Since Launch
True Potential Defensive Portfolio	0.6%	3.3%	4.0%	4.0%	1.2%	7.2%	20.6%

Annual Percentage Growth							
	Feb 18 - Feb 19	Feb 19 - Feb 20	Feb 20 - Feb 21	Feb 21 - Feb 22	Feb 22 - Feb 23	Feb 23 - Feb 24	
True Potential Defensive Portfolio	0.0%	3.0%	2.9%	1.6%	-4.2%	4.0%	



Source: True Potential Investments, based on net asset value (as of 29/02/2024).

Performance is calculated on a Total Return basis and is net of Portfolio OCF.

### Important Information

A Fund Prospectus and Key Investor Information Document (KIID) for each of the underlying investments listed above are available from [www.truepotential.co.uk/fund-administration/#fund-documents](http://www.truepotential.co.uk/fund-administration/#fund-documents) or by email to [investmentmanagement@tpllp.com](mailto:investmentmanagement@tpllp.com).

**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.**

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 527444. [www.fca.org.uk](http://www.fca.org.uk)  
Registered in England and Wales and a Limited Liability Partnership No. OC356027.