



HEARTWOOD DEFENSIVE MODEL

30 June 2017

INVESTMENT OBJECTIVE

The Heartwood Defensive Model will aim to deliver a total return (the combination of income and growth of capital) with an emphasis on the preservation of capital, through investments in a diversified range of asset types.

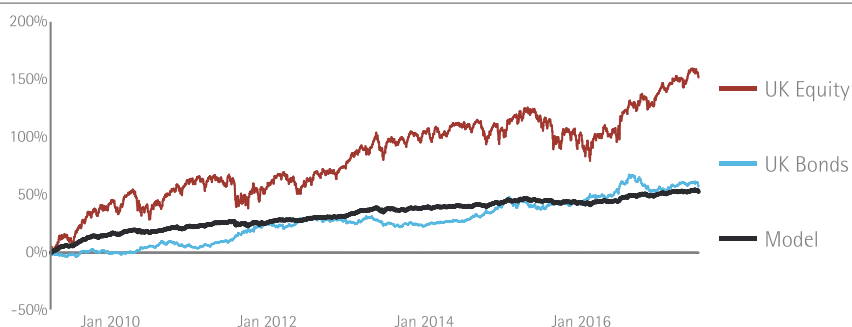
INVESTMENT STYLE

Investing across a wide range of asset classes globally is the best way to build a diversified portfolio that aims to achieve a specific return for a given risk appetite. We use strategic asset allocation to find the right long-term mix of assets to achieve a target return and tactical asset allocation to adjust the portfolio to suit shorter term market conditions.

MODEL DETAILS

Model manager	David Absolon
Launch date	31 March 2009
Funds under management	£9.6m
Historic yield (net)	0.92%
Model currency	Sterling
Model charges (annualised)	Heartwood management charge: 1.00% + VAT Third party fees and charges: 0.41% Ongoing charges figure: 1.41%

INVESTMENT PERFORMANCE

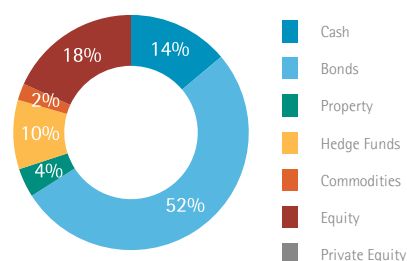


Trailing performance to 30 Jun 2017				Discrete annual performance			
	Model	UK Equity	UK Bonds		Model	UK Equity	UK Bonds
1 Mth	-0.7%	-2.5%	-2.1%	12 Mths to 30-Jun-17	4.2%	16.7%	-1.0%
3 Mths	-0.1%	0.8%	-1.4%	12 Mths to 30-Jun-16	1.5%	3.4%	14.2%
6 Mths	1.2%	4.7%	0.3%	12 Mths to 30-Jun-15	3.1%	-0.2%	9.3%
1 Yr	4.2%	16.7%	-1.0%	12 Mths to 30-Jun-14	2.7%	12.3%	2.5%
3 Yrs	9.0%	20.5%	23.5%	12 Mths to 30-Jun-13	5.9%	15.7%	-2.5%
5 Yrs	18.6%	56.5%	23.4%				
Since Inc	52.8%	151.8%	57.4%				
YTD	1.2%	4.7%	0.3%				

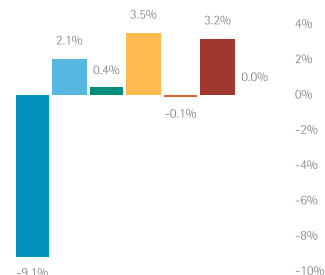
UK Equity represented by MSCI United Kingdom, UK Bonds represented by BoA Merrill Lynch UK Gilts. Past performance is not a reliable indicator of future performance.

ASSET ALLOCATION SUMMARY

Current Asset Allocation

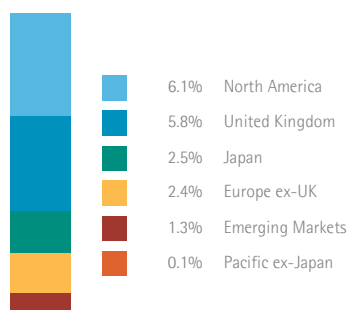


Tactical Allocation versus Central Position

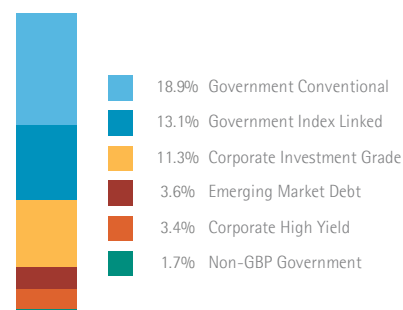


ASSET ALLOCATION BREAKDOWN

Current Equity Exposure



Current Bond Exposure





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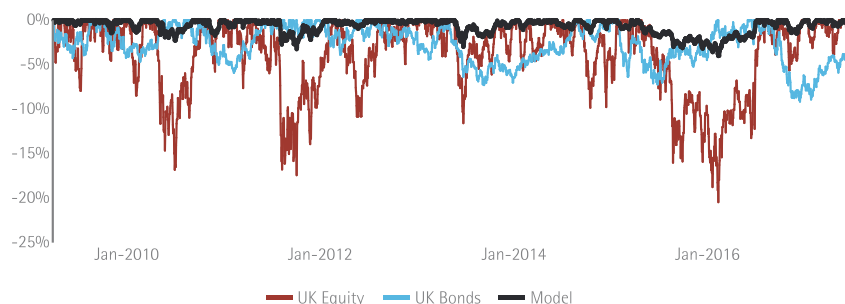
RISK DATA

Annual volatility	3.1 %
Maximum drawdown	-4.0 %
Sharpe ratio	1.54

TOP 10 HOLDINGS

1	7.4%	UK Treasury Stock 0.5% 2022
2	6.2%	Cash - (GBP)
3	5.8%	UK Treasury Stock 1.75% 2022
4	5.7%	UK Treasury Index-Linked Gilt 0.125% 2026
5	5.4%	iShares £ Corporate Bond 0-5yr
6	5.1%	iShares £ Ultrashort Bond
7	4.7%	UK Treasury Stock 1.5% 2026
8	4.6%	Aurum ISIS - R
9	4.2%	UK Treasury Index-Linked Gilt 0.125% 2024
10	4.0%	Heartwood Alternatives Fund A

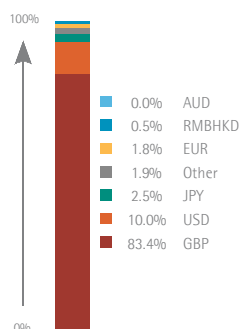
HISTORIC DRAWDOWN PROFILE



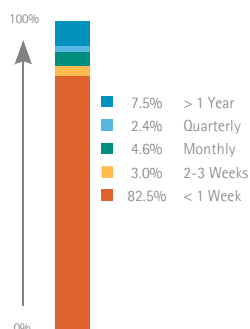
Drawdown is the peak-to-trough decline in portfolio value (expressed as a percentage between peak and trough), from when the fall begins to a new peak being reached. It illustrates the potential losses a portfolio could suffer during periods of financial market stress.

MODEL EXPOSURE

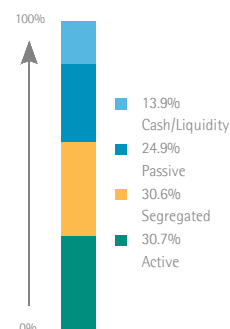
Currency Exposure



Liquidity Exposure



Active vs Passive Exposure



IMPORTANT INFORMATION

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between currencies may cause investment values or income to rise or fall. The portfolios may invest in funds which have limited liquidity, or which individually have a relatively high risk profile and/or be unregulated by the Financial Conduct Authority (FCA). While we aim to follow a disciplined model portfolio approach, any individual portfolio is unlikely to be identical to that of the relevant model portfolio as a result of individual circumstances such as (but not limited to) time of commencement of the portfolio, the precise mandate/risk profile and tax considerations. This document has been issued by Heartwood Investment Management.

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