



# Fund Factsheet

IFSL Sinfonia Risk Targeted Fund Range

IFSL Sinfonia OEIC Portfolios

Performance to 31<sup>st</sup> October 2018



Investment Commentary

**Market Overview**

Despite rallying during the month's last trading session, equity markets still ended October with their steepest monthly drop since May 2012. The MSCI AC World index (expressed in USD terms) fell by 7.6%, seriously cutting into its year-to-date performance, which is now down by 5.6%. After falling by 8.8% in October, emerging markets are now down by 17.5% over the year to date (USD terms). These shifts were driven by one concern on top of another. Just as the month got started, upward pressure on US bond yields triggered a marked fall in equities, as the Fed Chairman's especially optimistic outlook on the US economic situation raised fears of a faster-than-expected run-up in US bond yields. Tech stocks, broadly defined (i.e. including internet and e-commerce giants) then gave up a large proportion of their previous strong year-to-date gains, and implied volatility on equities rose. In the run-up to the 6 November US mid-term elections, which could see the Democrats take back the House of Representatives, President Trump reinforced some protectionist statements, all the while maintaining some doubt over the state of negotiations with China.

Eurozone equities and the euro itself were driven down by a combination of disappointing growth and worrying political newsflow, although the Eurostoxx 50 (-3.9%) performed relatively better due to the currency depreciation. Negotiations between the UK and the European Union appeared to be at a stalemate, while key issues remained unresolved despite several high-level meetings and summits. Although an utter failure to reach an agreement looks unlikely, the balance of power within the British Conservative party is making Theresa May's job difficult. Italy was the cause of the most challenging political obstacles. The FTSE 100 suffered in the period, falling over 5% during the month.

After the Italian government announced in late September that its projected fiscal deficit for 2019 would amount to 2.4% of GDP, the European Commission notified the Minister of Finance, Giovanni Tria, that this was an "unprecedented" breach of the rules of the Growth and Stability Pact. Although both sides

insisted that talks had not been broken off, this issue kept the financial markets on edge throughout most of the month.

In early October, the US bond market suffered a big drop, which saw the 10-year T-Note yield surge from 3.06% at end-September to almost 3.25% on 5 October, a high since May 2011. This came on the heels of the release of the September jobs report, which revealed a 50-year low in the unemployment rate. Investors honed in on the Fed Chairman's especially optimistic view of the economy while Jerome Powell's enthusiasm over the "remarkably positive" outlook for the economy stoked expectations of more hawkish increases in key rates. In a rather circular feedback fashion these rising bond yields pushed down equity prices, which, in turn, triggered a flight to safety, which eased the pressure on bonds.

In currency markets the most meaningful moves were the US dollar's gains vs. most G10 currencies. The EUR/USD pairing fell from 1.16 at the end of September to 1.1318 at the end of October (a low since mid-August), amounting to a 2.7% gain by the dollar and reflecting the euro's dip in reaction to Italian budget uncertainties. The dollar also gained vs. sterling (+2.3%), which was hit by the lack of visibility on Brexit negotiations with the European Union, and vs. commodity-driven currencies.

In the UK behind a lot of Brexit discussions and newsflow, which remain highly dominant, we have a backdrop of mixed messages from the macro data front. On the one hand after a relatively buoyant summer led by good weather and World Cup fever, retail sales released in October for the previous month declined by 0.8% following in the footsteps of a stalling UK growth path. Yet on the other hand if we look towards the labour market as a driver of inflation, we see unemployment down to levels not experienced since the 1970's and with a tight labour market should come inflation, yet if we strip out the energy impact and look towards the core measure of inflation, if anything this is slowing. With the macro picture combining with a very cloudy political outlook, we will look to be a little more opportunistic in our tactical trading while in the midst of these conflicting elements.

## Portfolio Updates

### Sinfonia Adventurous Growth

Having slightly reduced risk in the portfolio during September, with the closure of our Emerging and Japan overweights (the former versus US large cap equities) we took advantage of the market correction in October to add back some equity exposure at lower levels. In this latest move we have introduced a Parvest Global Equity fund to add some stock selection into the global asset allocation mix. Clearly the large drawdown in equity markets had a significant impact on the portfolio profile this month, with all our holdings in this area taking a blow. However, one of the key factors this month has been the US Dollar strength, which has cushioned some of the negative international equity losses this month for us as Sterling investors. We maintain some hedging of the US equity positions in particular, looking for some kind of Brexit resolution that should be mildly GBP positive. We added a new position into the portfolio this month with Sequoia Economic Infrastructure Debt in the alternatives space; this is a rather unique fund that invests primarily in floating-rate debt of global infrastructure assets (eg ports, power generation, toll roads etc). The high quality, attractive yield and stable return of this investment, in an environment of strong infrastructure expenditure requirements make this a compelling longer-term investment for our portfolio.

### Sinfonia Balanced Managed

Having slightly reduced risk in the portfolio during September, with the closure of our Emerging and Japan overweights (the former versus US large cap equities) we took advantage of the market correction in October to add back some equity exposure at lower levels. In this latest move we have introduced a Parvest Global Equity fund to add some stock selection into the global asset allocation mix. Clearly the large drawdown in equity markets had a significant impact on the portfolio profile this month, with all our holdings in this area taking a blow. However, one of the key factors this month has been the US Dollar strength, which has cushioned some of the negative international equity losses this month for us as Sterling investors. We maintain some hedging of the US equity positions in particular, looking for some kind of Brexit resolution that should be mildly GBP positive. In fixed income we added some duration back into the portfolio early in the month as UK Yields broke year to date highs. This increase in the UK Gilts holdings was beneficial as 10-year yields moved in by nearly 0.3% from this high over the final three weeks of the month, with bonds rallying as risk assets sold off. In October a new position was added into the portfolio with Sequoia Economic Infrastructure Debt in the alternatives space; this is a rather unique fund that invests primarily in floating-rate debt of global infrastructure assets (eg ports, power generation, toll roads etc). The high quality, attractive yield and stable return of this investment, in an environment of strong infrastructure expenditure requirements make this a compelling longer-term investment for our portfolio.

### Sinfonia Income and Growth

Having slightly reduced risk in the portfolio during September, with the closure of our Emerging and Japan overweights (the former versus US large cap equities) we took advantage of the market correction in October to add back some equity exposure at lower levels. In this latest move we have introduced a Parvest Global Equity fund to add some stock selection into the global asset allocation mix. Clearly the large drawdown in equity markets had a significant impact on the portfolio profile this month, with all our holdings in this area taking a blow. However, one of the key factors this month has been the US Dollar strength, which has cushioned some of the negative international equity losses this month for us as Sterling investors. We maintain some hedging of the US equity positions in particular, looking for some kind of Brexit resolution that should be mildly GBP positive. In fixed income we added some duration back into the portfolio early in the month as UK Yields broke year to date highs. This increase in the UK Gilts holdings was beneficial as 10-year yields moved in by nearly 0.3% from this high over the final three weeks of the month, with bonds rallying as risk assets sold off. In October a new position was added into the portfolio with Sequoia Economic Infrastructure Debt in the alternatives space; this is a rather unique fund that invests primarily in floating-rate debt of global infrastructure assets (eg ports, power generation, toll roads etc). The high quality, attractive yield and stable return of this investment, in an environment of strong infrastructure expenditure requirements make this a compelling longer-term investment for our portfolio.

### Sinfonia Cautious Managed

Having slightly reduced risk in the portfolio during September, with the closure of our Emerging and Japan overweights (the former versus US large cap equities) we took advantage of the market correction in October to add back some equity exposure at lower levels. In this latest move we have introduced a Parvest Global Equity fund to add some stock selection into the global asset allocation mix. Clearly the large drawdown in equity markets had a significant impact on the portfolio profile this month, with all our holdings in this area taking a blow. However, one of the key factors this month has been the US Dollar strength, which has cushioned some of the negative international equity losses this month for us as Sterling investors. We maintain some hedging of the US equity positions in particular, looking for some kind of Brexit resolution that should be mildly GBP positive. In fixed income we added some duration back into the portfolio early in the month as UK Yields broke year to date highs. This increase in the UK Gilts holdings was beneficial as 10-year yields moved in by nearly 0.3% from this high over the final three weeks of the month, with bonds rallying as risk assets sold off. In October a new position was added into the portfolio with Sequoia Economic Infrastructure Debt in the alternatives space; this is a rather unique fund that invests primarily in floating-rate debt of global infrastructure assets (eg ports, power generation, toll roads etc). The high quality, attractive yield and stable return of this investment, in an environment of strong infrastructure expenditure requirements make this a compelling longer-term investment for our portfolio.

### Sinfonia Income

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## IFSL Sinfonia Income Portfolio

October 2018

### Investment Objective

To provide regular income with some potential for capital growth over the long-term.

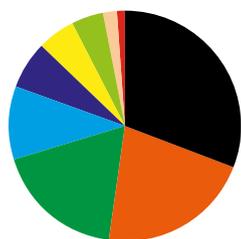
The investment objective will be achieved by investing in a diversified portfolio of equities, fixed interest securities, warrants and money market instruments primarily through investment in a portfolio of collective investment schemes. The Sub-Fund will typically be invested in a global portfolio of assets with a focus on UK assets.

This fund will be invested in a portfolio that is considered to be mainly low and medium risk investments over the long-term.

### Fund Facts

<b>Fund Type</b>	Fund of Funds
<b>Fund Value</b>	£10.1m
<b>Currency</b>	GBP
<b>Minimum investment</b>	£1000 lump sum, £25 per month
<b>Deal closing time</b>	12.00 noon (UK)
<b>Daily valuation point</b>	12.00 noon (UK)
<b>Launch date</b>	16 June 2008
<b>Unit Type</b>	Accumulation & Income
<b>Sponsor</b>	Sinfonia Asset Management Ltd
<b>Investment Manager</b>	BNP Paribas Investment Partners UK Ltd
<b>ACD</b>	Investment Fund Services Ltd
<b>Yield</b>	1.13% (last 12 months up to 31st October 2018)
<b>OCF (share class A)</b>	1.12% (includes AMC of 0.65%)
<b>XD Date</b>	1 Apr / 1 Oct
<b>Payment date</b>	31 May / 30 Nov

### Tactical Asset Allocation



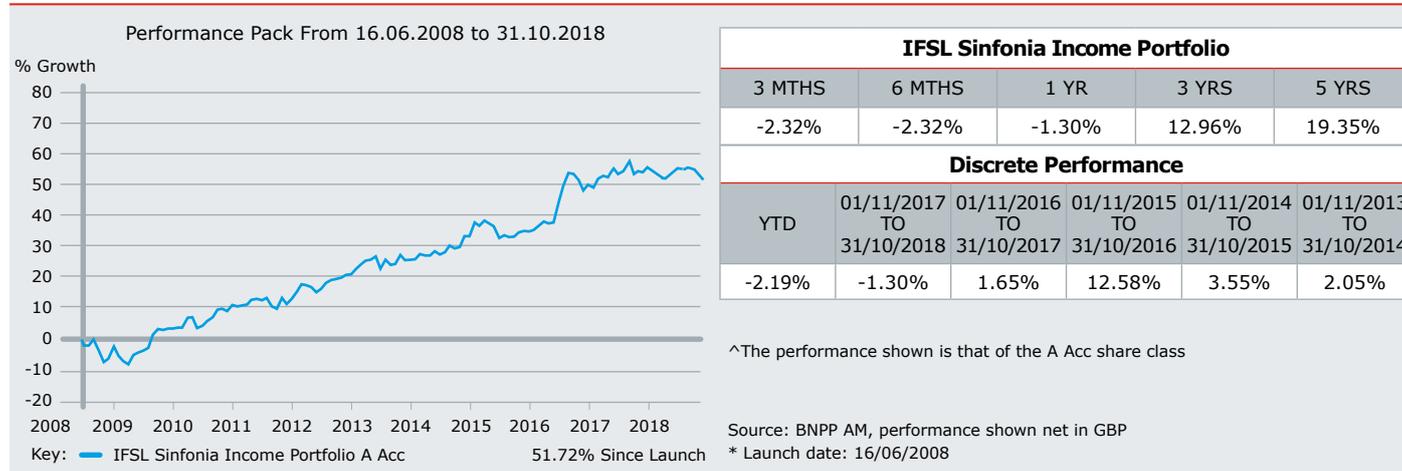
UK Government Bonds	31.04%
UK Corporate Bonds	21.21%
Global Bonds	18.09%
UK Equities	10.39%
Cash & Money Market	6.51%
European Equities	5.39%
US Equities	4.38%
Emerging Markets Equities	1.99%
Absolute Return	1.00%

\*Figures may not total to 100% due to rounding.

### Top 5 holdings

BlackRock UK Credit Screened Fund	17.17%
Legal & General All Stocks Gilt Index Trust	14.44%
Vanguard UK Government Bond UCITS ETF	12.73%
Parvest Bond World X Cap	9.73%
Amundi Funds - Bond Global Aggregate	8.59%
<b>TOTAL</b>	<b>62.67%</b>

### Performance as at 31.10.2018



**Risk Warning** – Past performance is not a guide to the future performance. Investments can go down as well as up and investors may not get back the amount originally invested. This can be as a result of market movements and exchange rates between currencies. The Fund may invest in fixed interest funds, which are subject to market and credit risk and will be impacted by interest rates. The Fund's underlying investments may include emerging markets which may be less liquid and more volatile than more developed markets.

**Important Information** – Copies of the Prospectus and Key Investor Information Documents are available from [www.ifslfunds.com](http://www.ifslfunds.com) or can be requested as a paper copy by calling 0808 178 9322 or writing to IFSL Sinfonia, Marlborough House, 59 Chorley New Road, Bolton BL1 4QP.

## IFSL Sinfonia Cautious Managed Portfolio

October 2018

### Investment Objective

To provide long-term returns, by a combination of both capital growth and income generation.

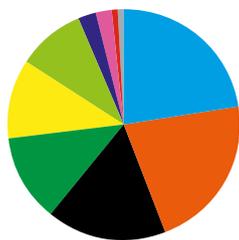
The investment objective will be achieved by investing in a diversified portfolio of equities, fixed interest securities, warrants and money market instruments primarily through investment in a portfolio of collective investment schemes. The Sub-Fund will typically be invested in a global portfolio of assets with a focus on UK assets.

This fund will be invested in a portfolio that is considered mainly medium risk investments with the intention of generating long-term returns.

### Fund Facts

<b>Fund Type</b>	Fund of Funds
<b>Fund Value</b>	£33.3m
<b>Currency</b>	GBP
<b>Minimum investment</b>	£1000 lump sum, £25 per month
<b>Deal closing time</b>	12.00 noon (UK)
<b>Daily valuation point</b>	12.00 noon (UK)
<b>Launch date</b>	16 June 2008
<b>Unit Type</b>	Accumulation
<b>Sponsor</b>	Sinfonia Asset Management Ltd
<b>Investment Manager</b>	BNP Paribas Investment Partners UK Ltd
<b>ACD</b>	Investment Fund Services Ltd
<b>Yield</b>	1.07% (last 12 months up to 31st October 2018)
<b>OCF (share class A)</b>	1.00% (includes AMC of 0.65%)
<b>XD Date</b>	1 Apr / 1 Oct
<b>Payment date</b>	31 May / 30 Nov

### Tactical Asset Allocation



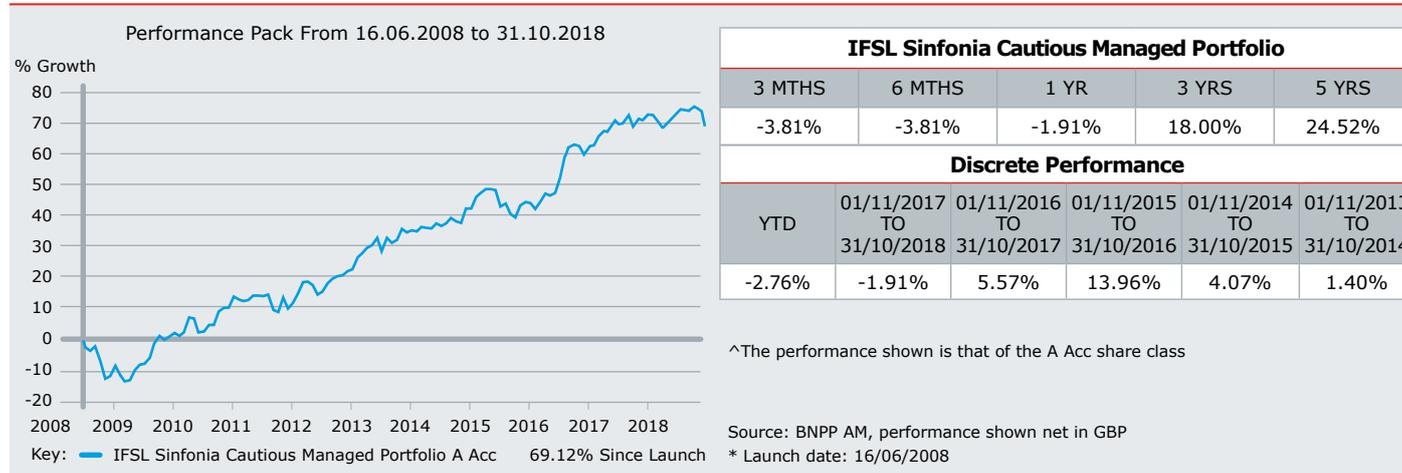
UK Equities	22.58%
UK Corporate Bonds	21.61%
UK Government Bonds	16.88%
Global Bonds	12.25%
European Equities	11.02%
US Equities	9.37%
Cash & Money Market	2.61%
Emerging Markets Equities	2.09%
Absolute Return	0.81%
Japan Equities	0.78%

\*Figures may not total to 100% due to rounding.

### Top 5 holdings

BlackRock UK Credit Screened Fund	18.95%
Legal & General All Stocks Gilt Index Trust	13.19%
JPMorgan Fund ICVC - UK Active Index Plus	12.29%
Legal & General UK Index Trust	7.79%
Parvest Equity Best Selection Europe Ex-UK	5.79%
<b>TOTAL</b>	<b>58.02%</b>

### Performance as at 31.10.2018



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## IFSL Sinfonia Income & Growth Portfolio

October 2018

### Investment Objective

To provide income and capital growth for investors over the long-term.

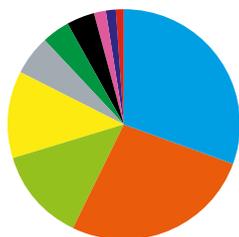
The investment objective will be achieved by investing in a diversified portfolio of equities, fixed interest securities, warrants and money market instruments primarily through investment in a portfolio of collective investment schemes. The Sub-Fund will typically be invested in a global portfolio of assets with a focus on UK assets.

This fund will be invested in a portfolio that is considered to be mainly medium and high risk investments with the intention of generating long term returns.

### Fund Facts

<b>Fund Type</b>	Fund of Funds
<b>Fund Value</b>	£30.7m
<b>Currency</b>	GBP
<b>Minimum investment</b>	£1000 lump sum, £25 per month
<b>Deal closing time</b>	12.00 noon (UK)
<b>Daily valuation point</b>	12.00 noon (UK)
<b>Launch date</b>	16 June 2008
<b>Unit Type</b>	Accumulation & Income
<b>Sponsor</b>	Sinfonia Asset Management Ltd
<b>Investment Manager</b>	BNP Paribas Investment Partners UK Ltd
<b>ACD</b>	Investment Fund Services Ltd
<b>Yield</b>	1.54% (last 12 months up to 31st October 2018)
<b>OCF (share class A)</b>	1.03% (includes AMC of 0.65%)
<b>XD Date</b>	1 Apr / 1 Oct
<b>Payment date</b>	31 May / 30 Nov

### Tactical Asset Allocation



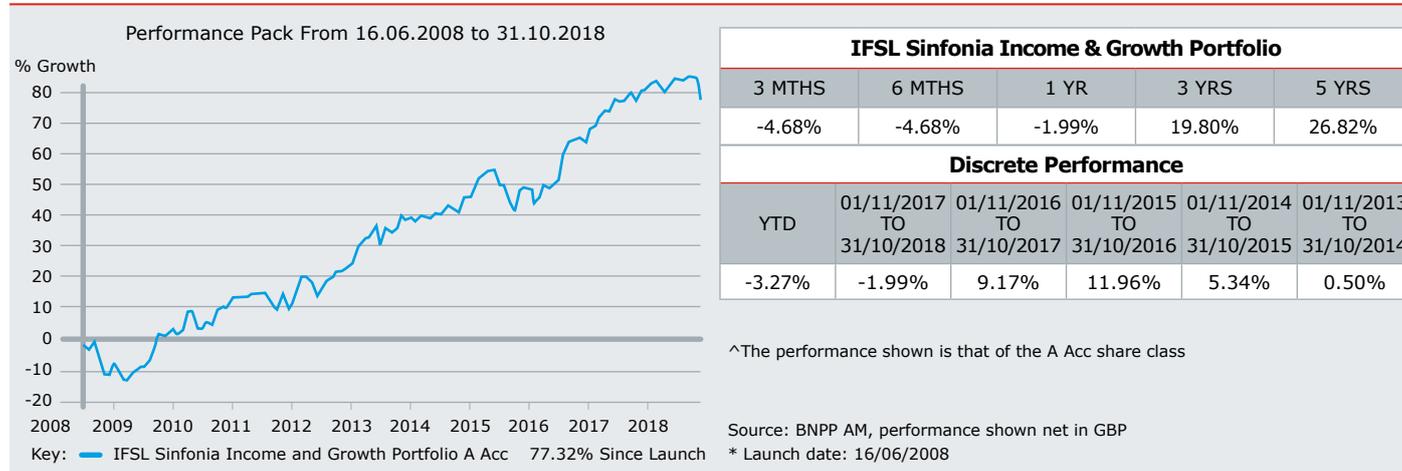
UK Equities	30.64%
UK Corporate Bonds	26.78%
US Equities	13.07%
European Equities	12.09%
Japan Equities	5.57%
Global Bonds	4.04%
UK Government Bonds	3.72%
Emerging Markets Equities	1.85%
Cash & Money Market	1.37%
Absolute Return	0.87%

\*Figures may not total to 100% due to rounding.

### Top 5 holdings

BlackRock UK Credit Screened Fund	18.53%
JPMorgan Fund ICVC - UK Active Index Plus	16.41%
Legal & General UK Index Trust	11.40%
iShares GBP Corporate Bond 0-5yr UCITS ETF	7.65%
Parvest Equity Best Selection Europe Ex-UK	5.96%
<b>TOTAL</b>	<b>59.95%</b>

### Performance as at 31.10.2018



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## IFSL Sinfonia Balanced Managed Portfolio

October 2018

### Investment Objective

To provide medium to long-term capital growth.

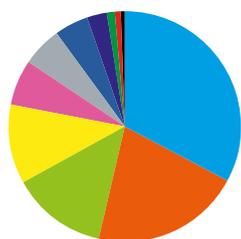
The Sub-Fund's investment objective will be achieved by investing in a diversified portfolio of fixed interest securities and equities, as well as warrants, and money market instruments, primarily through investment in a portfolio of collective investment schemes. The Sub-Fund will typically be invested in a global portfolio of assets but may focus on UK and European assets.

This fund will be invested in a portfolio that is considered to be mainly medium to high risk investments over the long-term.

### Fund Facts

<b>Fund Type</b>	Fund of Funds
<b>Fund Value</b>	£37.9m
<b>Currency</b>	GBP
<b>Minimum investment</b>	£1000 lump sum, £25 per month
<b>Deal closing time</b>	12.00 noon (UK)
<b>Daily valuation point</b>	12.00 noon (UK)
<b>Launch date</b>	16 June 2008
<b>Unit Type</b>	Accumulation
<b>Sponsor</b>	Sinfonia Asset Management Ltd
<b>Investment Manager</b>	BNP Paribas Investment Partners UK Ltd
<b>ACD</b>	Investment Fund Services Ltd
<b>Yield</b>	1.02% (last 12 months up to 31st October 2018)
<b>OCF (share class A)</b>	1.03% (includes AMC of 0.65%)
<b>XD Date</b>	1 Apr / 1 Oct
<b>Payment date</b>	31 May / 30 Nov

### Tactical Asset Allocation



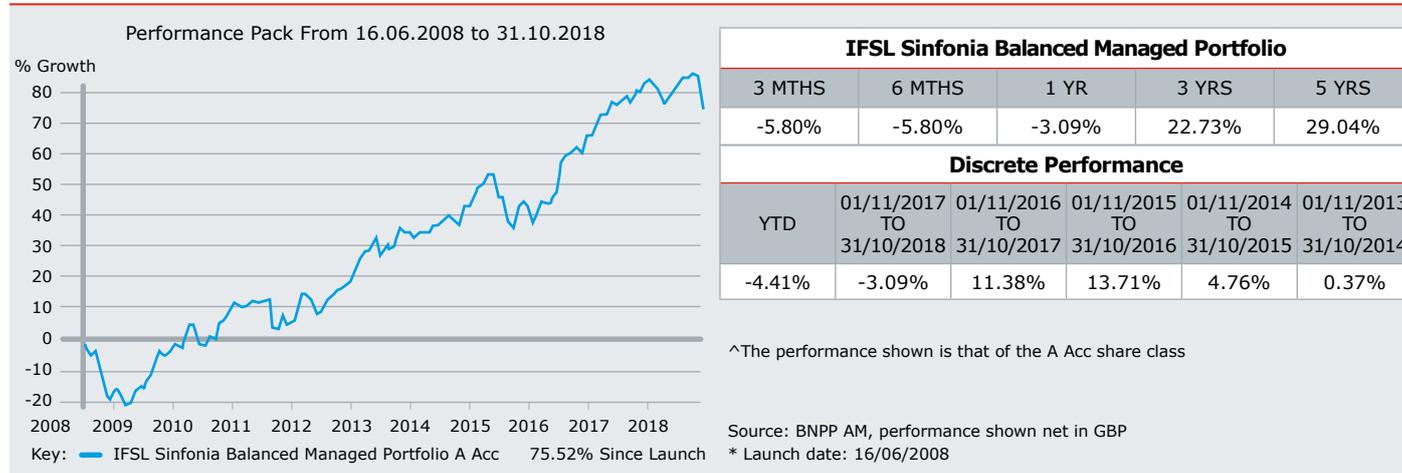
UK Equities	33.05%
UK Corporate Bonds	20.72%
US Equities	13.32%
European Equities	11.11%
Emerging Markets Equities	6.43%
Japan Equities	5.56%
Asian Equities ex Japan	4.68%
Cash & Money Market	2.76%
Global Bonds	1.03%
Absolute Return	0.97%
UK Government Bonds	0.36%

\*Figures may not total to 100% due to rounding.

### Top 5 holdings

BlackRock UK Credit Screened Fund	18.03%
JPMorgan Fund ICVC - UK Active Index Plus	16.97%
Legal & General UK Index Trust	12.80%
Parvest Equity Best Selection Europe Ex-UK	6.45%
BNP PARIBAS EASY S&P 500 UCITS ETF	4.41%
<b>TOTAL</b>	<b>58.65%</b>

### Performance as at 31.10.2018



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## IFSL Sinfonia Adventurous Growth Portfolio

October 2018

### Investment Objective

To provide long-term capital growth.

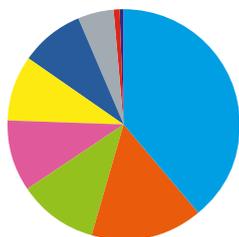
The Sub-Fund's investment objective will be achieved by investing in a diversified portfolio of fixed interest securities and equities, as well as warrants, and money market instruments, through investment in a portfolio of collective investment schemes. The Sub-Fund will typically be invested in a global portfolio of assets but may also focus on UK assets.

This fund will be invested in a portfolio that is considered to be mainly medium to high risk investments over the long-term.

### Fund Facts

<b>Fund Type</b>	Fund of Funds
<b>Fund Value</b>	£17.5m
<b>Currency</b>	GBP
<b>Minimum investment</b>	£1000 lump sum, £25 per month
<b>Deal closing time</b>	12.00 noon (UK)
<b>Daily valuation point</b>	12.00 noon (UK)
<b>Launch date</b>	16 June 2008
<b>Unit Type</b>	Accumulation
<b>Sponsor</b>	Sinfonia Asset Management Ltd
<b>Investment Manager</b>	BNP Paribas Investment Partners UK Ltd
<b>ACD</b>	Investment Fund Services Ltd
<b>Yield</b>	0.88% (last 12 months up to 31st October 2018)
<b>OCF (share class A)</b>	1.13% (includes AMC of 0.65%)
<b>XD Date</b>	1 Apr / 1 Oct
<b>Payment date</b>	31 May / 30 Nov

### Tactical Asset Allocation



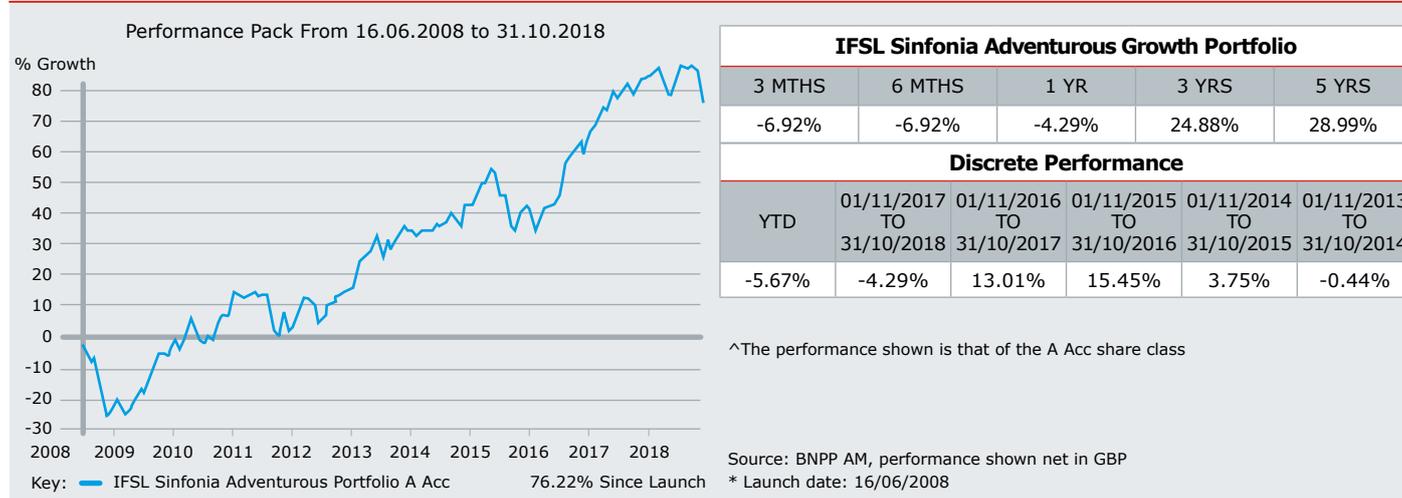
UK Equities	39.10%
UK Corporate Bonds	15.59%
US Equities	11.09%
Emerging Markets Equities	9.94%
European Equities	9.12%
Asian Equities ex Japan	8.80%
Japan Equities	5.00%
Absolute Return	1.04%
Cash & Money Market	0.31%

\*Figures may not total to 100% due to rounding.

### Top 5 holdings

JPMorgan Fund ICVC - UK Active Index Plus	18.58%
Legal & General UK Index Trust	16.60%
BlackRock UK Credit Screened Fund	15.16%
Parvest Equity Pacific ex-Japan	5.74%
Parvest Equity Best Selection Europe Ex-UK	5.03%
<b>TOTAL</b>	<b>61.12%</b>

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## Investment Management Team

### BNP Paribas Asset Management Ltd

The Multi-Asset Solutions, part of BNP Paribas Asset Management manage the selected funds in the IFSL Sinfonia portfolios on a day-to-day basis, taking into account the prevailing market conditions and have an extremely robust and comprehensive process for selecting the funds in the portfolios giving investors in the IFSL Sinfonia OEIC access to specialist investment managers that may not be available to the retail investor.

Multi-Asset Solutions is the dedicated asset allocation capability within BNP Paribas Asset Management, offering an extensive range of tailored multi-asset solutions for institutional and retail clients. The team has been in place since 2002 and has developed a strong expertise in both strategic and tactical asset allocation. The team comprises of 50 investment professionals located across Europe, the US and Asia and runs over £50bn of assets (31/12/2016).

Multi-Asset Solutions works with FundQuest, the fund selection specialist of BNP Paribas Asset Management. FundQuest has a team of 28 professionals located in Paris, London and Singapore, proposing funds selection around the world and Model Portfolio activity.

As a totally independent and unbiased organisation Multi-Asset Solutions have access to the widest range of research and resources available enabling investments to be chosen that are appropriate to meet the objectives of the Portfolios.

## Investment Opportunities

OEIC	ISA
ISA TRANSFERS	SIPP
PENSION	BONDS

## Providers and Platforms

The IFSL Sinfonia OEIC portfolios are available via a wide range of platforms and providers for ISAs, OEICs, SIPPs, pensions and onshore and offshore bonds.

For full details of where the funds are available please visit our website:

[www.sinfonia.com](http://www.sinfonia.com)



## Natural Income

The income generated for the IFSL Sinfonia Income Portfolio and IFSL Sinfonia Income & Growth Portfolios is based on natural income whereby distributions are generated by the underlying assets of the fund. This can include dividends from equities or interest from fixed interest holdings.

Quarterly or bi-annual income distributions can vary due to the synchronisation of the underlying fund distributions. E.g. if the underlying fund pays half year dividends on 31st March then that income will be paid in the following quarter's distributions for the IFSL Portfolios.

### Important Information

Past performance is not a guide to the future performance. Investments can go down as well as up and investors may not get back the amount originally invested. This can be as a result of market movements and exchange rates between currencies. The Fund may invest in fixed interest funds, which are subject to market and credit risk and will be impacted by interest rates. The Fund's underlying investments may include emerging markets which may be less liquid and more volatile than more developed markets.

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### To contact Sinfonia

For more information visit our website at [www.ifslfunds.com](http://www.ifslfunds.com)

To invest in IFSL Sinfonia OEIC Portfolios please contact your financial adviser.

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## Asset Class Returns

# Wondering which asset class to invest in for the best returns? Good luck!

An asset class is a broad group of securities or investments that have similar financial characteristics, such as gilts or equities. The chart below shows the best performing to worst performing asset class each year. No single asset class is a consistent winner which is why having a blend of assets is so important.

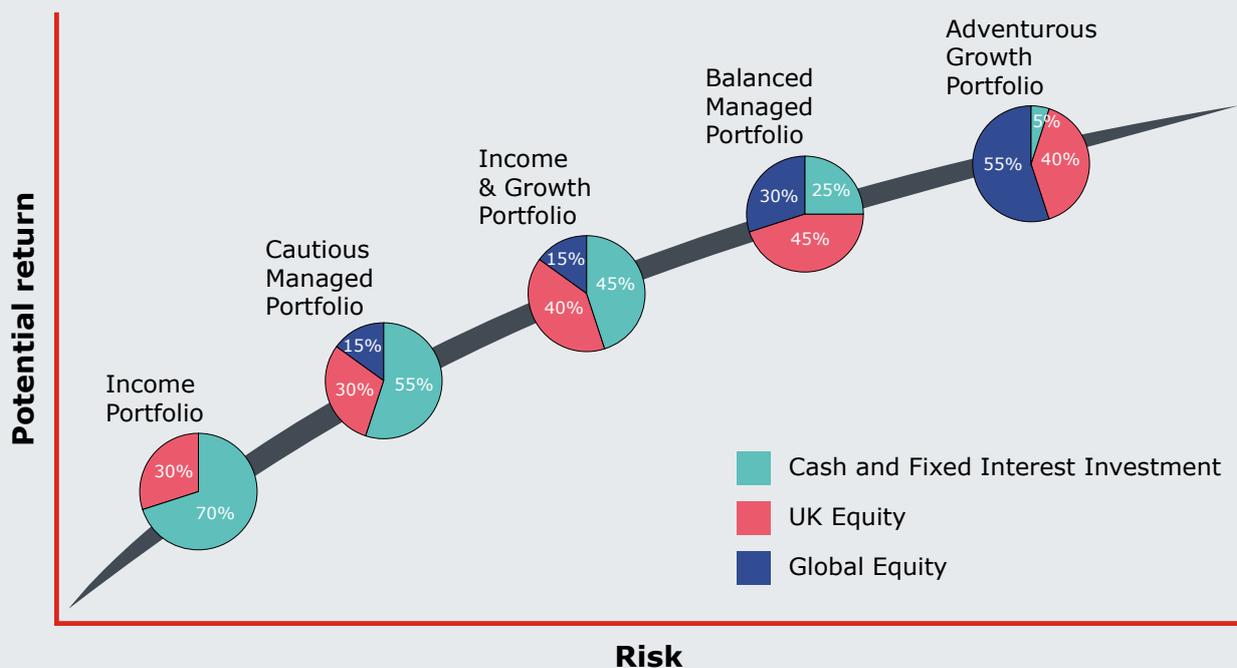
		January – December							
		2009	2010	2011	2012	2013	2014	2015	2016
Performance	BEST	Emerging Market Equity 58.93%	Asian Equity 23.38%	UK Gilts 9.92%	Asian Equity 16.99%	USA Equity 29.34%	USA Equity 19.7%	Japan Equity 15.91%	Emerging Market Equity 32.63%
		Asian Equity 53.2%	Emerging Market Equity 22.61%	UK Corporate Bonds 5.88%	European Equity 15.85%	European Equity 26.54%	UK Corporate Bonds 12.58%	USA Equity 6.52%	USA Equity 32.28%
		UK Equity 27.59%	Japan Equity 19.06%	USA Equity 2.11%	UK Corporate Bonds 15.78%	Japan Equity 24.8%	Asian Equity 11.32%	European Equity 4.29%	Asian Equity 25.77%
		European Equity 17%	USA Equity 18.38%	Cash 0.49%	Emerging Market Equity 13.03%	UK Equity 18.43%	UK Gilts 6.36%	UK Gilts 0.85%	Japan Equity 22.12%
		UK Corporate Bonds 15.35%	UK Equity 12.17%	UK Equity -1.84%	USA Equity 10.27%	UK Corporate Bonds 1.76%	Emerging Market Equity 3.9%	UK Corporate Bonds 0.53%	European Equity 20.88%
		USA Equity 12.41%	UK Corporate Bonds 8.76%	Japan Equity -13.69%	UK Equity 10.19%	Asian Equity 1.16%	Japan Equity 1.95%	Cash 0.44%	UK Equity 19.16%
		UK Gilts 1.78%	UK Gilts 6.47%	Asian Equity -16.69%	Japan Equity 3.43%	Cash 0.3%	UK Equity 0.5%	UK Equity -2.21%	UK Corporate Bonds 11.9%
		Cash 0.55%	Cash 0.5%	European Equity -17.03%	UK Gilts 2.66%	UK Gilts -2.56%	Cash 0.38%	Asian Equity -3.91%	UK Gilts 4.56%
	WORST	Japan Equity -5.4%	European Equity -1.24%	Emerging Market Equity -17.82%	Cash 0.31%	Emerging Market Equity -4.41%	European Equity -2.69%	Emerging Market Equity -9.99%	Cash 0.33%

## Asset Class Returns

# Diversification reduces risk

**Predicting market movements over the long-term is impossible. It is very rare for a single asset class to outperform another consistently. That's why it makes sense to invest in a wide range of different assets rather than try to predict short-term market movements. Over time, a diversified portfolio could smooth your overall return, giving you a more balanced and consistent outcome compared to a single asset portfolio.**

Your financial adviser can help you decide which IFSL Sinfonia portfolio best suits your personal circumstances, time horizon, capacity for loss and attitude to risk. Each portfolio invests in a wide range of assets and is managed to a set level of risk. Because the portfolios are risk targeted, they will always stay at the same level of risk.



### Risk Warning

Past performance is not a guide to the future performance. The value of an investment and income are not guaranteed and can in fact fall as well as rise as a result of market fluctuations. You may not get back the original amount invested.

Investments in stocks and shares do not have the same degree of capital security which is afforded with a deposit account. The levels and basis of taxation are subject to change and their value depends on the individual circumstances of the investor. Copies of the Prospectus and Key Investor Information Documents are available from [www.ifslfunds.com](http://www.ifslfunds.com) or can be requested as a paper copy by calling 0808 178 9322 or by writing to IFSL, Marlborough House, 59 Chorley New Road, Bolton, BL1 4QP.

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