

# 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 exposure to a select group of investment partners and a range of risk profiles (Defensive to Aggressive), whilst remaining 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.

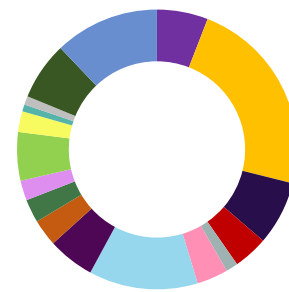
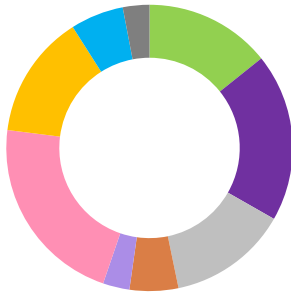
**Ongoing Charge Figure (OCF)\*:** 0.77%

There are no entry or exit charges.

**Launch Date:** 1st October 2015

**AuA:**  
Portfolio Size: £1,568m

## Portfolio Diversification



## Strategy Allocation

Adaptive Investment - True Potential UBS Growth	14.25%
Manager of Managers - True Potential SEI Defensive	19.00%
Directly Invested - True Potential Close Brothers Balanced	13.50%
Fund of Funds - True Potential Schroder Balanced	5.50%
Actively Passive - True Potential 7IM Defensive	3.00%
Positive Alignment - True Potential Growth-Aligned Defensive	21.75%
Risk-Based - True Potential Allianz Balanced	14.00%
Alternative Dynamic - True Potential Goldman Sachs Balanced	6.00%
Thematic Investing - True Potential Pictet Balanced	3.00%

## Asset Allocation

UK Stocks	5.9%
US Stocks	23.0%
European Stocks ex UK	7.4%
Japanese Stocks	4.0%
Asia Pacific Stocks ex Japan	1.4%
Emerging Market Stocks	3.6%
Global Treasury Bonds	12.6%
Global Corporate Bonds	5.4%
Global Inflation Linked Bonds	3.1%
Emerging Market Bonds	2.7%
Global High Yield Bonds	2.3%
UK Government Bonds	5.6%
UK Corporate Bonds	2.4%
Global REITS / Property	0.8%
Gold	1.0%
Alternatives	6.7%
Cash and Cash Equivalents	12.1%

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 +3.37% in December 2023, net of Portfolio OCF.

We experienced the second consecutive month of strong asset market returns to close out the calendar year. The key drivers of returns were further signs of falling inflation across developed markets, which gave investors greater optimism Central Banks have reached peak interest rates and have scope to reduce rates through 2024. The magnitude of cuts expected in 2024 increased over December. Whilst Central Bankers aimed to manage these market expectations, recognising inflation across the UK, Europe and US is running ahead of target (2.0%), a more dovish tone was stuck by the US Federal Reserve.

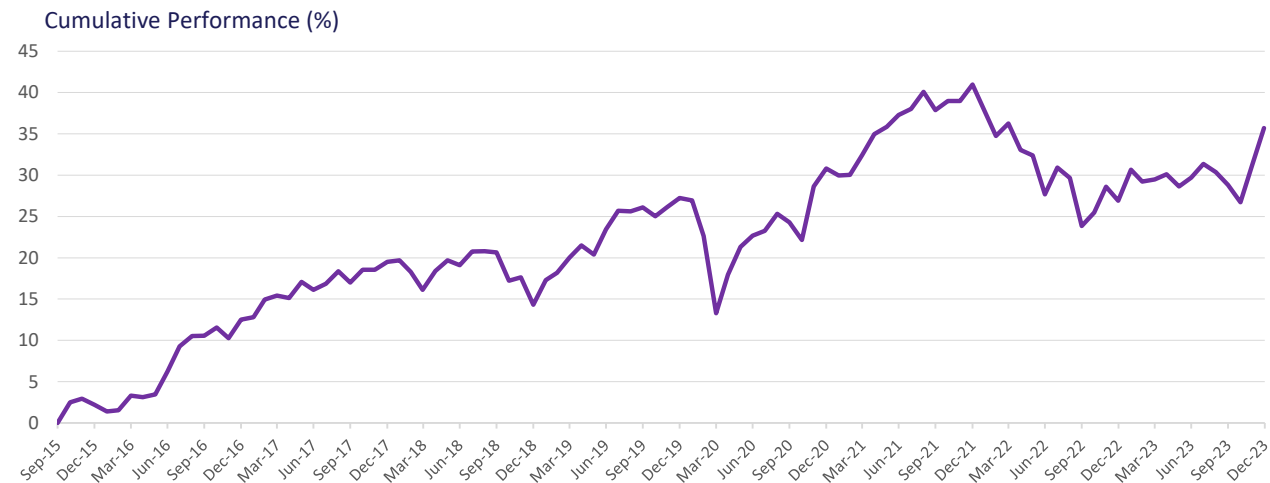
Within the portfolio, stronger performing funds included True Potential UBS Growth, benefitting from a larger allocation to equities, including the mix of factors within that allocation helping capture the breadth of market returns. From a fixed income perspective, the UBS fund also benefitted from its allocation to longer dated US government bonds.

Over the period, no changes were made to the Portfolio manager allocations after agreement that the allocations are optimally positioned in line with our longer-term market outlook. However changes have been made at the underlying fund level. Examples include additions to European equities, where lower valuations are seen as attractive, as well as additions to UK Gilts and lower quality corporate bonds globally, to access the high yields on offer where managers have moved less cautious on the economic environment.

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 31/12/2023)							
	1 Month	3 Month	6 Month	1 Year	3 Year	5 Year	Since Launch
True Potential Cautious + Portfolio	3.4%	5.3%	4.6%	6.9%	3.8%	18.7%	35.7%

Annual Percentage Growth						
	Dec 17 - Dec 18	Dec 18 - Dec 19	Dec 19 - Dec 20	Dec 20 - Dec 21	Dec 21 - Dec 22	Dec 22 - Dec 23
True Potential Cautious + Portfolio	-4.4%	11.3%	2.8%	7.8%	-10.0%	6.9%



Source: True Potential Investments, based on net asset value (as of 31/12/2023).

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.**

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