Quarterly Investment Update

Q3 | 2018

Aisa Professional


7000
6724
52.19
-67
-54
6500
6000

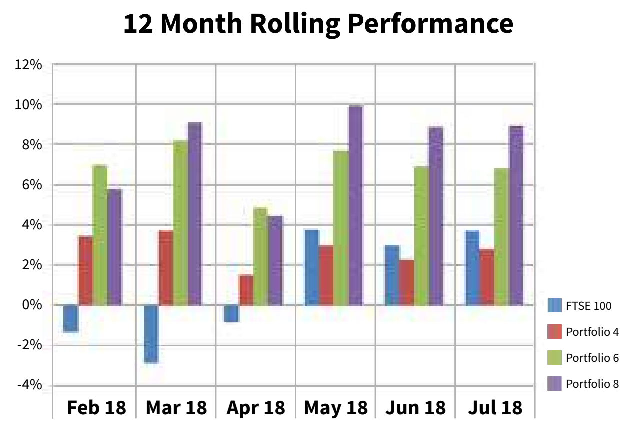
Executive Summary

Market Summary

- The FTSE 100 has seen the return of volatility over the last 12 months up to 13th July 2018, with a low of 6888.70 and a high of 7877.50. Over this period a FTSE 100 Tracker was up 3.73%, where the Dow Jones was up 15.62% over the same period.
- Over the period of 14th April – 13th July 2018, the FTSE 100 was up 5.47%.
- By the end of 2017 the size of UK GDP is 2,622,434 Millions of US Dollars. This puts the UK as the 5th largest in the world behind the US, China, Japan and Germany respectively.

Investment Portfolios

- From 14th April – 13th July 2018 our growth risk 7 and 8 portfolios have outperformed the FTSE 100 whilst taking less risk with lower volatility.
- Of our portfolios, risk 5 and above have outperformed a FTSE 100 tracker for a 12 month rolling period to May, June and July 18.
- Over these 12 month periods all of our portfolios have seen a positive return. They have performed well due to tactical asset allocation decisions the committee has made in the past whilst retaining the appropriate risk and volatility. We continue to do this.
- For the 12 month period to May, June and July 18, portfolio 8 more than doubled the performance of a FTSE 100 tracker.
- Income portfolios continue to hit targets for yield and performance.



How we work

- Funds are selected using criteria in our governance document. The funds are allocated using our strategic plan and which asset classes we feel should be considered over the coming 12 months and longer.
- Our strategic plan is largely decided by our informed view on the economies of the world and individual sectors. We obtain our information by meeting with fund managers and reviewing economic publications.
- By meeting and listening to investment companies, we are able to have constructive conversations on the committee. The committee will take a collective view rather than any individual view.

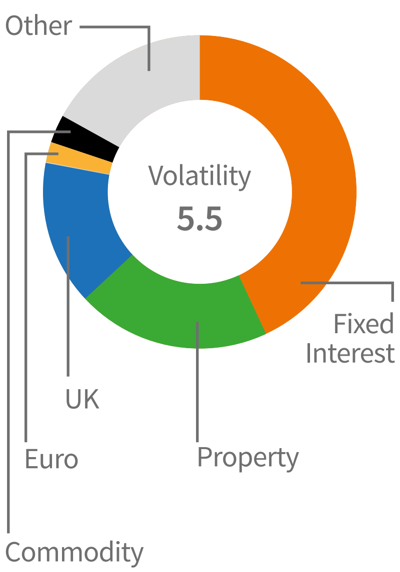
Aisa's Investment Portfolios

The graphs below show typical holdings in our following risk portfolios. They are not designed to represent the day to day current holdings which may change due to volatility in markets and the investment team quarterly reviews. Potential gain/loss on a portfolio over any short period 3 months, 6 months, 1 year is demonstrated by volatility listed inside the portfolio and shows how much you could lose or gain by being invested typically. However, actual gains or losses can be higher than this and there is no guarantee on performance. They are designed to demonstrate the concept of loss and risk and returns linked to different risk portfolios. The committee will take a collective view rather than any individual view.

Portfolio 3

Target Return

4.60%

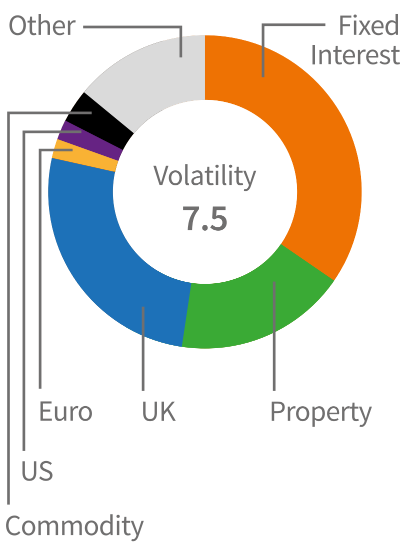


- Fixed Interest 43.1%
- Property 20.6%
- UK Equities 14.9%
- Euro Equities 2.0%
- US Equities 0%
- Asia Equities 0%
- Emerging Markets 0%
- Japan Equities 0%
- Commodity 3.0%
- Other 16.4%

Portfolio 4

Target Return

5.70%

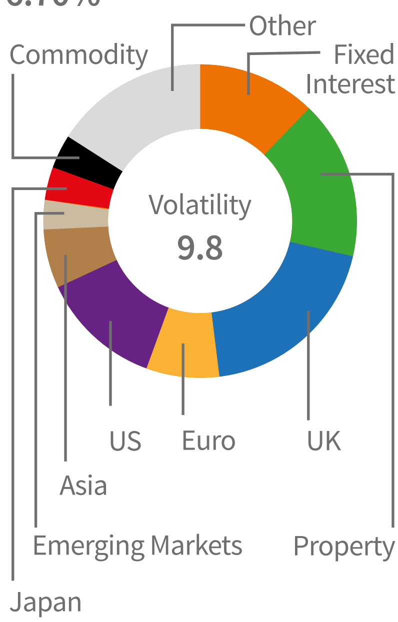


- Fixed Interest 34.6%
- Property 17.91%
- UK Equities 26.1%
- Euro Equities 2.0%
- US Equities 2.0%
- Asia Equities 0%
- Emerging Markets 0%
- Japan Equities 0%
- Commodity 3.5%
- Other 13.9%

Portfolio 5

Target Return

6.70%



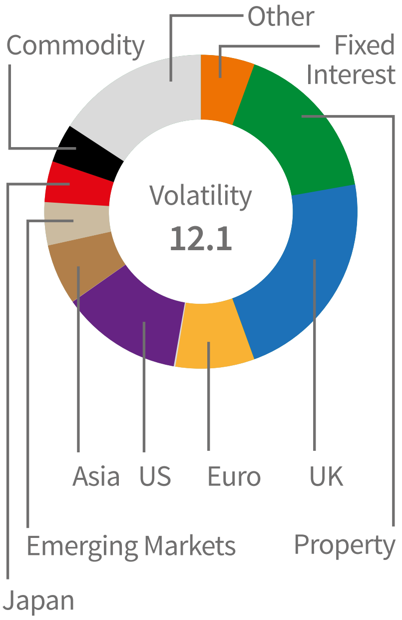
- Fixed Interest 12.2%
- Property 16.4%
- UK Equities 19.4%
- Euro Equities 7.5%
- US Equities 12.5%
- Asia Equities 6.0%
- Emerging Markets 3.1%
- Japan Equities 3.3%
- Commodity 3.5%
- Other 16.1%

Volatility: Refers to the amount of uncertainty or risk about the size of changes in a security's value. A higher volatility means that a security's value can potentially be spread out over a larger range of values. This means that the price of the security can change dramatically over a short time period in either direction. A lower volatility means that a security's value does not fluctuate dramatically, but changes in value at a steady pace over a period of time.

Portfolio 6

Target Return

7.80%

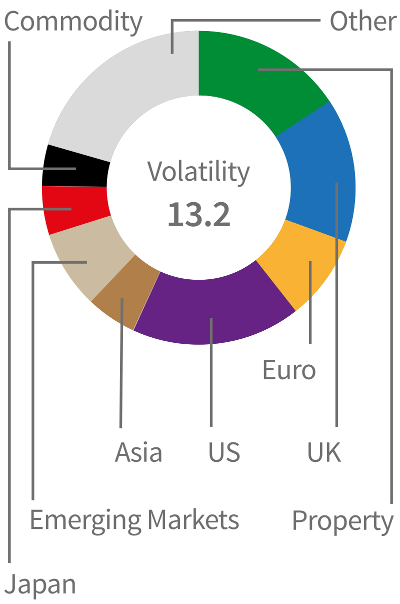


- Fixed Interest 5.6%
- Property 16.7%
- UK Equities 22.3%
- Euro Equities 8.4%
- US Equities 12.4%
- Asia Equities 6.3%
- Emerging Markets 4.5%
- Japan Equities 4.2%
- Commodity 4.0%
- Other 15.6%

Portfolio 7

Target Return

8.80%

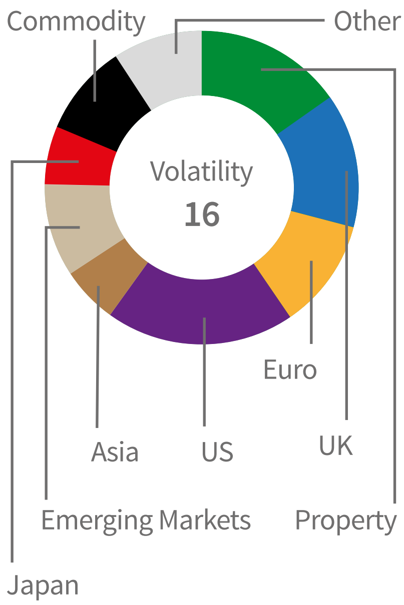


- Fixed Interest 0%
- Property 15.7%
- UK Equities 14.9%
- Euro Equities 8.8%
- US Equities 15.9%
- Asia Equities 5.2%
- Emerging Markets 7.9%
- Japan Equities 5.0%
- Commodity 4.3%
- Other 21.9%

Portfolio 8

Target Return

9.90%



- Fixed Interest 0%
- Property 15.2%
- UK Equities 13.9%
- Euro Equities 11.4%
- US Equities 19.4%
- Asia Equities 5.9%
- Emerging Markets 9.6%
- Japan Equities 6.0%
- Commodity 9.5%
- Other 9.1%

Aisa Team (AIT) Committee Meeting

Dated: 18th April 2018

Attendees: John Reid (Chairman)
James Pearcy-Caldwell (Member of Board and Compliance)
Geordie Bulmer (Member of Board)
Helen Burggraf (Guest)

Secretary: James Dunford (Secretary)

1 Review of previous minutes and sign off

After agreement, the minutes of 18th April 2018 were signed as correct by the Chair.

Actions outstanding at previous meeting, and outcomes:

- contacted clients who were affected by the fund change(s) in their portfolio(s)

2 General strategy *(internal eyes only - not for publication)*

3 Aisa Comment & Presentations

a) Aisa Comment

Do you care about what “experts” tell you? Do you find it fascinating how news channels, newspapers and economists fit the narrative after the fact around why something has happened with economies?

If you have been reading the news, then you know the narrative has been relentless and simple. Trump and Brexit are bad, and therefore the outcome is bad. Data will have been provided to you to support that fact.

WHAT YOU ARE LED TO BELIEVE

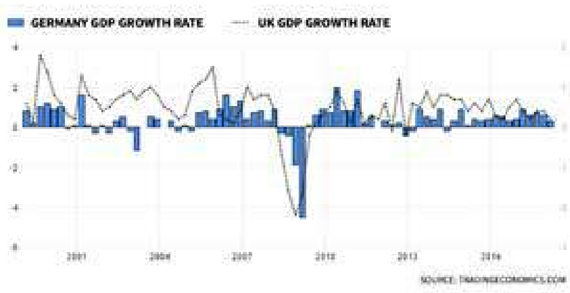
You will know that the EU is outperforming in some areas and now growing strongly, and you have been told that the UK has been the slowest growing economy in the G7 for some time (Due to Brexit of course). The FED (the US central bank) has an expanding balance sheet whereas the EU is under tight control, and fiscally disciplined because the Germans are in control.

The last paragraph is at least what you are being led to believe.

YOU SHOULD BE PREPARED FOR A SHOCK – THE FACTS

In 2015, France’s economy was forecast to overtake that of the UK and some economists had it listed as a larger economy.

FACT: By the end of 2017 the size of France GDP is 2,582,501 Millions of US Dollars, whereas the UK is 2,622,434 Millions of US Dollars. France has become the 7th largest economy in the world whilst the UK has grown to be the 5th largest. Some of this of course currency movements, but even that was not what was predicted.

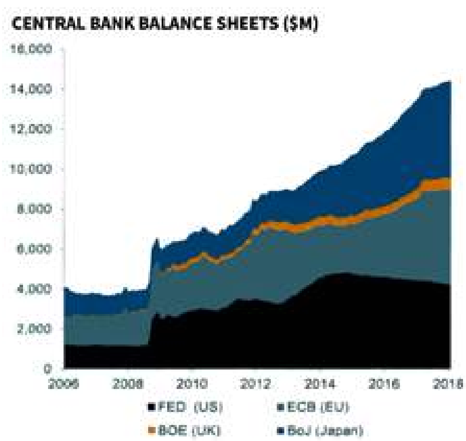


FACT: Between 1999 and the end of 2017 the UK economy grew by approximately 42.3%. The German economy grew by around half of that. Yes, the UK economy is not such a slouch after all and there is a graph on the left showing that.

What about growth in the US – well it is taking off as a result of Trump economics (we acknowledge the risks when making that statement).

You are constantly reminded of the Eurozone tightly controlled fiscal discipline. You are led to believe that they are more careful when borrowing and lending money then the US and the UK.

Well on the right is the information on the Central Bank Balance Sheets ($m). We would point out that the devaluation of sterling against other currencies is taken into account but actually, even then, it demonstrates a UK which is showing fiscal control.



The US has not only stopped Quantitative Easing (QE) but it is also paying down its debt pile. Despite this the US economy is growing strongly.

The UK has also stopped QE but is not paying down its debt pile as rapidly. So let's compare the UK and the USA against the EU (Eurozone effectively) for fiscal responsibility in 2017 and 2018?

Well, the same graph shows massive expansion on the Central Balance Sheet in the EU, meaning what? In the last 4 years the Eurozone has increased their QE by more than 50% and at the same time overtaken the US!!

The Eurozone is flooding their markets with cheap money, meaning asset price inflation and growth are being funded through printing money.

Indeed, the direct correlation between QE, borrowing and interest rates means that it is hardly surprising that the EU is currently growing faster than the UK who is currently being fiscally responsible! Indeed, the UK is increasing interest rates and still growing fairly strongly. The dream of the economists a few years ago.

BREXIT, TRUMP AND GERMAN PRUDENCE

The IMF report issued on the 29 June 2018 explains the outcome of a Hard Brexit. It explains that the UK will go into recession and it will cost the UK around 102,275 million US Dollars. However, the EU will also go into recession and it will cost the EU around 229,623 million US Dollars.

Yes, you have read that correctly. The EU will be worse hit than the UK by more than double.

However, you will have heard on the news the argument put forward is that the pain will be shared in the EU in some kind of even distribution, meaning it impacts "them" for less than "us".

The IMF report states the opposite. Certain countries will be badly hit, such as Ireland, Belgium, Holland, Denmark, Czech Republic and Sweden.

The IMF reports that Germany may not be affected as badly as the countries listed. The reality is with the UK having left and no longer contributing to the EU in a No Deal scenario, so Germany would have to pick up the slack for much of the Eurozone. The Eurozone is looking to stop its own QE and follow the cycle already in place in the UK and the USA.

At a time when Germany is coming under pressure internally and externally financially, how much flexibility has it got? Will Germany focus on NATO spending, on EU subsidies after Brexit, will it focus on the Italians and Greeks funding? Will Germany prefer to focus on its internal problems, its own borders, the possible end of the Schengen zone, or will it force Poland and Hungary to comply with EU directives?

Germany is the powerhouse of the Eurozone, and any one event listed in the last paragraph is manageable. Perhaps even two of these events. What is your view on all of them happening in the next 2 or so years? If the Eurozone stops flooding the market with cheap money what will happen?

However, the UK and the EU are in different cycles of the economy. The UK may be growing slightly slower than many for a short period (obviously not France as already explained) but it is currently stopping borrowing and raising interest rates. If the UK goes into recession, what happens to the EU with its stability in numbers?

Everyone talks about the impact of Brexit as a game changer only for the UK. It is not. It is a game changer for the EU, and certain countries would be hit in a way that has not been appreciated up until the IMF report.

Some countries cannot accept a No Deal scenario even if that is the political outcome that Brussels, France and Barnier would like to deliver. France is surprisingly unaffected by a No Deal Brexit and can play hardball. Does France think like Germany and put the common good of all against their personal interests?

Indeed, it is my belief that a "No Deal" Brexit could lead to wrecking the stability of the EU. Due to the uneven nature of the impact on different countries, the protectionism and self-serving opportunism of some countries, and the financial chaos that would ensue, there will be catastrophic results.

Further, the irony is that the EU would be more dependent on the UK and the US in terms of finance in the event of a No Deal, but that debate is for another day.

As for the US, they are positioned to actually be the winner. Lower taxes, less red tape, and a general positive outlook means that it will only gain in the longer term whatever the outcome of Brexit. The US is a powerhouse.

Whilst Trump and Brexit are mere short term blips that will be viewed in economics in 30 years the same way we now view the blips at the end of the 1980's, the same will not be said of the outcome to the EU project.

CONCLUSION – WHERE LONG TERM INVESTMENTS SHOULD GO

The US and the UK are looking to raise interest rates and that means the asset appreciation that we have seen over the last 10 years will go into reverse or at least stall, which means that economies will be driven again by evolution, by evolvement, by spirit and by technology. The fleet of mind will win over those who believe that protectionism is the way forward.

Trump may espouse protectionism, but for him it is a means to an end, and the US generally does not normally have that state of mind. Whereas the EU has spent decades building more protectionism; it could be argued that is the only way Brussels thinks.

Brexit is merely a catalyst to where the EU is already going. The future investment strategy is the US, Asian economies, technology and services. Re-moaners cover your ears, as one of the only current EU countries who benefit from these areas is the UK, which is largely driven by services and technology. Indeed, second in the world only to the USA.

b) The first presentation was from Vincent McEntegart on the Kames Diversified Monthly Income Fund

Kames views.

2017 was a good year for markets with many people seeing good returns. In January 2017 Donald Trump was inaugurated, this led to the opinion that with Trumps policies and his America first agenda that we will see a strong US Dollar with poor results from emerging markets. However what we actually saw was a weak US Dollar and emerging markets performing well.

The Diversified fund returned 10% after fee for 2017.

At the end of January 2018 we saw the return of volatility and this has made it more of a challenge for funds to see a positive return for the year to date. With The Kames Diversified fund seeing a negative return for the 2018 to the end of June 2018. With this uncertainty in the markets, Kames have tilted on the edge of caution.

The Kames Diversified fund aims to deliver 7%-8% per annum total return and 5% per annum income which is paid monthly. They aim to do this with half to two thirds equity market risk. The outcomes the fund has achieved since inception (fund launched February 2014) are; a total return 7.3% per annum, income of 5.3% per annum and this is with 48% of equity market risk. Kames believe that they can continue to meet their objectives.

The Kames Diversified fund has around 200 holdings with a breakdown, as of 31st May 2018, of;

- Cash 6.8%
- Investment Grade Bonds 12.7%
- Sub-Investment Grade Bonds 19.9%
- Global Equity Income 21.9%
- High Dividend Equity 9.7%
- Specialist Income 14.5%
- Listed Property 14.5%

The Central Bank balance sheets of US (FED), EU (ECB), UK (BoE) and Japan (BoJ) at the time of the financial crisis 2008 had a total of roughly $4,000,000,000, however now they have a total of roughly $14,000,000,000.

c) The second presentation we had was from Karen Fox on the Kames Property income Fund

The fund launched March 2014 and focuses on UK commercial property.

After the Brexit referendum vote was announced many fund managers suspended their property funds, which meant many investors could not access their cash held in the funds. Kames did not suspend the property income fund, this was because prior to the vote Kames had 33% liquidity. The property fund has a target of 20% liquidity by due to the downside risk of the referendum they increased their liquidity. The fund has a relatively small lot size of £3m - £20m. The fund has achieved a 5.5% income per annum and has achieved a total return of 18.9% over 3 years.

Over recent years there has neem an increase in the use of ecommerce and people buying online and less people buying on the high street. However Kames believe that they are still opportunities on properties on the high street. They will look for places that will still have demand irrespective of ecommerce. We have seen many foreign investors buying up property in the UK. People are looking at property as a strong provider of income and the fund aims to produce an income irrespective of the growth of the fund.

The breakdown of the fund, as at 30th June 2018, is as follows:

- Office 46.7%
- Retail 23.6%
- Leisure 12.7%
- Retail Warehouses 6.8%
- Other 5.9%
- Industrial 4.3%

This is spread across the following areas:

- South East 21.2%
- North West 19.3%
- Yorkshire/Humberside 14.4%
- South West 11.4%
- Scotland 10.2%
- North East 7.7%
- West Midlands 4.6%
- Wales 4.5%
- London 3.1%
- East Midlands 2.2%
- East/East Anglia 1.4%

d) The final presentation was from Ryan Smith on Kames Ethical and Sustainable investment

Kames were one of the first providers of ethical funds, they first launched an ethical fund back in 1989, this would have been under SEAM at the time. As they were one of the first providers of ethical funds and they believe this to be one of their strong points, Kames are well known for their Ethical stance. In 2017 Kames were named the Best Ethical Investment Group at the Sustainable investment Awards.

Kames currently have four ethical and sustainable funds, these are;

- Kames Ethical Equity Fund
- Kames Ethical Cautious Managed Fund
- Kames Ethical Corporate Bond Fund
- Kames Global Sustainable Equity Fund

Kames are trying to push their ethical and sustainability stance externally, this is done through producing articles and they have even created cartoon drawings on ethical standpoints to try and meet a wider audience.

All the investments held within Kames' ethical funds will have gone through a screening process to see if they are acceptable to go invest into from an ethical standpoint. This process is as follows;

Third party Screening (this is done by EIRIS) where they look at;

- Human rights
- Environment
- Gambling
- Nuclear Power
- Pornography
- Tobacco
- Military
- Genetically Modified

If an investment passes this stage they will be screened in-house by Kames, where they look at;

- Human rights
- Environment
- Political Donations
- Banks
- Animal Welfare

Once they have passed both the third party screening and the in-house screening Kames will then continue to monitor the investments to ensure they meet the ESG demands. This creates a list of acceptable ethical funds that the fund managers can choose from.

Once a company has made itself into one of the funds they will be constantly monitored to ensure they continue to meet the ethical and sustainable standards. Kames will attend and vote at company AGM's and try to get the company to focus on its ethical standpoint.

A recent addition to the Kames Ethical Cautious Managed Fund is the Thames Tideway (Also known as London's super sewer). The Thames Tideway was added to the fund in November 2017. Tideway will transfer sewage waste away from the River Thames and has become the largest corporate issuer of green bonds in Sterling.

4a) Geographical & Sector Outlook

The FTSE 100 has seen the return of volatility over the last 12 months, with a low of 6888.70 and a high of 7877.50. Over the period of 14th April 2018 – 13th July 2018, the FTSE 100 was up 5.47%. Our growth risk 7 and 8 portfolios have outperformed the FTSE 100 over the same period taking less risk with lower volatility. Portfolios 5 and above have outperformed the FTSE 100 over 12 months which is consistent with past results.

The US market has also seen the return of volatility over the last 12 months. Over the last year the Dow Jones Index has gone up 15.62%.

MONITOR: Our ongoing review of asset classes & where the AIT would collectively invest:

Medium Term Stance		Tactical Funds	
	Very Heavy		
Credit	Heavy	Developed Asia Equities Investment Grade Corporate Bonds Emerging Market $ Debt	Gold US Equities Japanese Equities
Property Equities Cash	Neutral	Emerging Market Local Debt High Yield Corporate Bonds UK Inflation-linked Debt Global Commodities	UK Equities US, European and Asian Real Estate Emerging Market Equities Japanese Bonds
	Light	UK Gilts US Dollar FX UK Real Estate Cash	European Equities European Bonds Euro FX Yen and Sterling FX
Government Bonds	Very Light	US Treasuries	

- **Equity** – We are negative on Europe. This is due to the possibility of a no Brexit deal and the impact it will have across Europe. The IMF have said that if there is a no Brexit deal then by 2030 GDP will fall by as much as 1.5% across the remaining states. Due to our feelings on Europe we have decided to come out of a Europe based fund in one of our model portfolios. We are Neutral towards UK. Positive towards US and Japan. We are neutral on China and Emerging Markets connected with China. Neutral towards South East Asia and other Emerging Markets.
- **Equity Income** – Positive.
- **Property (UK Residential)** – Negative.
- **Property (UK Commercial)** – Negative.
- **Property (Global)** – Positive.
- **Bonds (Gilts)** – Negative.
- **Bonds (Strategic)** – Neutral.
- **Bonds (Corporate)** – Positive on not heavily indebted and investment grade only bonds.
- **Cash** – Negative, although some National Savings products could be considered.
- **Commodities** – Neutral, can be useful hedge over the medium term.

4b) Plus Service *(only applies to those clients signed up)*

No additional change for our plus clients – retain same fund strategy as main portfolios.

5a) Fund review for all portfolios *Actual Performonce of our clients colour co-ordinated as follows:*

Growth Portfolios

Including Charges / After Charges

Aisa Portfolio	Risk Grade	3 mths	12 mths	24 mths	36 mths	48 mths	60 mths
Defensive (26)	3	1.57% 1.17%	3.95% 2.31%	12.67% 9.02%	14.57% 9.12%	19.95% 12.28%	26.04% 13.95%
Cautious (40)	4	2.90% 2.49%	4.45% 2.80%	14.21% 10.61%	16.68% 11.27%	23.65% 15.95%	29.42% 19.69%
Balanced (69)	5	5.42% 5.01%	7.86% 6.21%	21.17% 17.33%	31.36% 25.24%	40.56% 31.75%	43.32% 32.88%
Growth (70)	6	5.22% 4.82%	8.46% 6.80%	23.14% 19.14%	33.67% 27.18%	48.15% 38.26%	51.62% 39.69%
Speculative (78)	7	5.52% 5.11%	9.29% 7.61%	24.26% 20.35%	35.81% 29.50%	52.48% 42.75%	57.80% 46.06%
Aggressive (92)	8	6.42% 6.05%	10.28% 8.72%	22.07% 18.27%	34.66% 28.67%	46.23% 37.61%	51.00% 40.72%

Important Note

Our portfolio past performance is linked to actual clients who hold these portfolios. For this quarterly review we have decided to include past performance for 60 months.

We have included the portfolios past performance for 60 months because we now have that information for the majority of our portfolios.

Please note that clients may receive slightly different performance to this as the charges taken into account within the portfolios are based on the value of two clients averaged. As charges vary linked to the value of investment held then, the charges and fees you pay will determine the actual return you obtain.

Growth+ Portfolios

■ Including Charges ■ After Charges

Aisa Portfolio	Risk Grade	3 mths	12 mths	24 mths	36 mths	48 mths	60 mths
Cautious (40)	4	2.62% 2.22%	3.91% 2.31%	11.75% 8.43%	13.69% 8.73%	18.49% 10.76%	22.57% 13.24%
Balanced (68)	5	4.18% 3.82%	6.41% 4.93%	16.07% 13.39%	26.96% 22.08%	35.01% 27.78%	36.70% 27.97%
Growth (73)	6	4.09% 3.69%	6.73% 5.08%	20.00% 16.50%	28.13% 22.52%	41.16% 32.64%	47.10% 36.45%
Speculative (78)	7	5.10% 4.72%	8.15% 6.67%	20.10% 17.04%	31.45% 26.22%	45.66% 37.56%	49.26% 39.73%

Income Portfolios

■ Including Charges ■ After Charges

Aisa Portfolio	Risk Grade	Yield	3 mths	12 mths	24 mths	36 mths	48 mths	60 mths
Cautious (41)	4	4.33%	2.06% 1.69%	4.36% 2.86%	17.51% 14.07%	17.62% 12.64%	23.94% 16.84%	N/A
Balanced (61)	5	4.03%	4.49% 4.09%	6.57% 4.95%	21.80% 18.06%	23.61% 18.26%	31.63% 24.06%	33.41% 24.57%
Growth (68)	6	3.81%	4.92% 4.52%	5.88% 4.26%	21.90% 18.14%	25.02% 19.63%	31.28% 23.78%	34.88% 25.76%

It has been agreed by the committee that all the income portfolios must produce a yield of more than the average standard daily saving rate (annualised) plus 1%. Current yields are higher than 3.8%.

5b) 12-Month Rolling Performance

We have analysed the actual performance of three of our model portfolios over the last two years, on a rolling 12-month basis. In the table below, next to each month, we have shown the performance for the last 12 months, i.e. January 2017 to January 2018, February 2017 to February 2018 and so on.

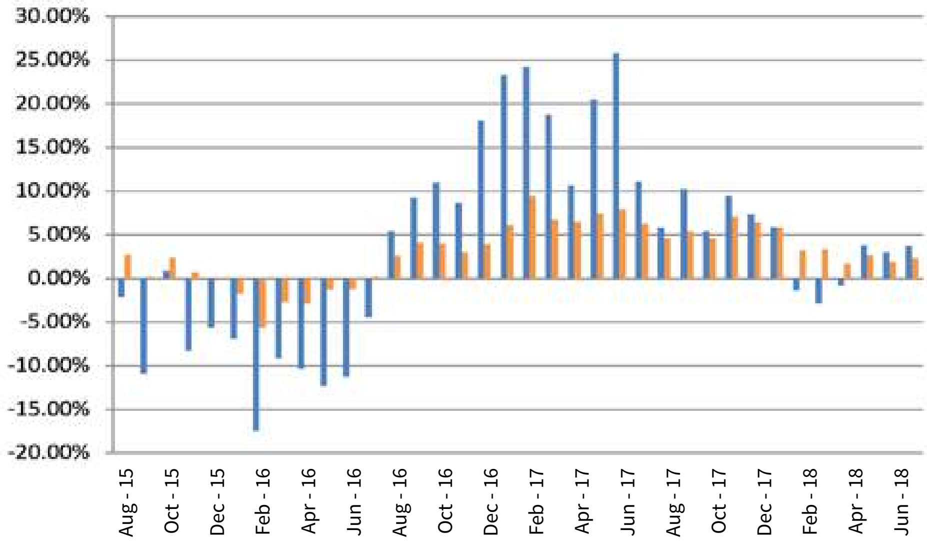
Of our portfolios, risk 5 and above have outperformed a FTSE 100 tracker for a 12 month rolling period to May 18, June 18 and July 18. Over these 12 month rolling periods all of our portfolios have seen a positive return. For the 12 month rolling period to May 18, June 18 and July portfolio 8 more than doubled the performance of a FTSE 100 tracker.

Month	FTSE 100	Portfolio 3	Portfolio 4	Portfolio 5	Portfolio 6	Portfolio 7	Portfolio 8
Aug-15	-2.13%	2.72%	3.40%	4.72%	7.90%	8.60%	5.04%
Sep-15	-10.90%	0.18%	-0.40%	-0.30%	1.70%	1.90%	-2.90%
Oct-15	0.91%	2.35%	4.00%	5.84%	8.70%	8.90%	5.15%
Nov-15	-8.30%	0.72%	1.30%	1.65%	3.70%	2.60%	1.26%
Dec-15	-5.69%	-0.22%	0.00%	0.08%	1.20%	0.30%	-3.61%
Jan-16	-6.89%	-1.77%	-2.10%	-3.13%	-2.20%	-3.40%	-7.22%
Feb-16	-17.47%	-5.64%	-7.90%	-9.53%	-8.80%	-10.30%	-13.62%
Mar-16	-9.18%	-2.74%	-3.64%	-3.49%	-2.63%	-3.89%	-6.55%
Apr-16	-10.37%	-2.93%	-4.47%	-3.54%	-3.22%	-4.28%	-6.68%
May-16	-12.33%	-1.29%	-2.29%	-0.70%	0.55%	-1.47%	-3.80%
Jun-16	-11.23%	-1.23%	-2.29%	0.50%	0.66%	0.56%	-1.09%
Jul-16	-4.43%	0.05%	0.88%	6.80%	7.61%	8.14%	9.15%
Aug-16	5.41%	2.64%	4.41%	10.86%	11.67%	12.43%	14.30%
Sep-16	9.26%	4.11%	6.19%	11.58%	12.90%	13.22%	16.09%
Oct-16	10.96%	3.99%	6.21%	12.73%	15.02%	16.22%	18.53%
Nov-16	8.66%	2.97%	4.10%	8.49%	10.40%	10.50%	15.31%
Dec-16	18.07%	3.95%	5.40%	10.71%	11.40%	11.90%	16.18%
Jan-17	23.27%	6.14%	8.10%	15.15%	15.93%	16.50%	21.14%
Feb-17	24.23%	9.42%	13.40%	23.13%	24.12%	25.37%	30.31%
Mar-17	18.73%	6.72%	9.50%	16.07%	17.17%	17.83%	19.99%
Apr-17	10.65%	6.48%	8.40%	13.09%	13.90%	13.90%	15.67%
May-17	20.49%	7.45%	10.12%	15.58%	17.38%	17.69%	19.73%
Jun-17	25.82%	7.93%	10.95%	16.77%	17.83%	18.51%	21.25%
Jul-17	11.06%	6.28%	7.80%	10.01%	11.01%	11.42%	8.33%
Aug-17	5.77%	4.68%	5.39%	6.90%	7.62%	7.56%	4.68%
Sep-17	10.27%	5.44%	6.94%	11.11%	11.74%	12.97%	10.73%
Oct-17	5.40%	4.63%	5.36%	7.77%	8.19%	8.72%	6.21%
Nov-17	9.51%	7.07%	9.80%	15.00%	14.65%	16.95%	13.19%
Dec-17	7.35%	6.42%	8.73%	13.61%	13.97%	16.27%	12.67%
Jan-18	5.83%	5.75%	7.11%	11.17%	11.13%	13.53%	10.82%
Feb-18	-1.34%	3.23%	3.42%	5.98%	6.96%	8.74%	5.78%
Mar-18	-2.89%	3.38%	3.72%	7.68%	8.21%	10.74%	9.09%
Apr-18	-0.83%	1.66%	1.53%	3.68%	4.86%	6.05%	4.44%
May-18	3.77%	2.65%	2.97%	6.93%	7.68%	9.16%	9.94%
Jun-18	2.98%	1.91%	2.26%	6.09%	6.89%	7.91%	8.86%
Jul-18	3.73%	2.31%	2.80%	6.21%	6.80%	7.61%	8.92%
Average	**3.84%**	**2.98%**	**3.92%**	**7.37%**	**8.41%**	**8.87%**	**8.26%**

Aisa Portfolio 3

FTSE 100

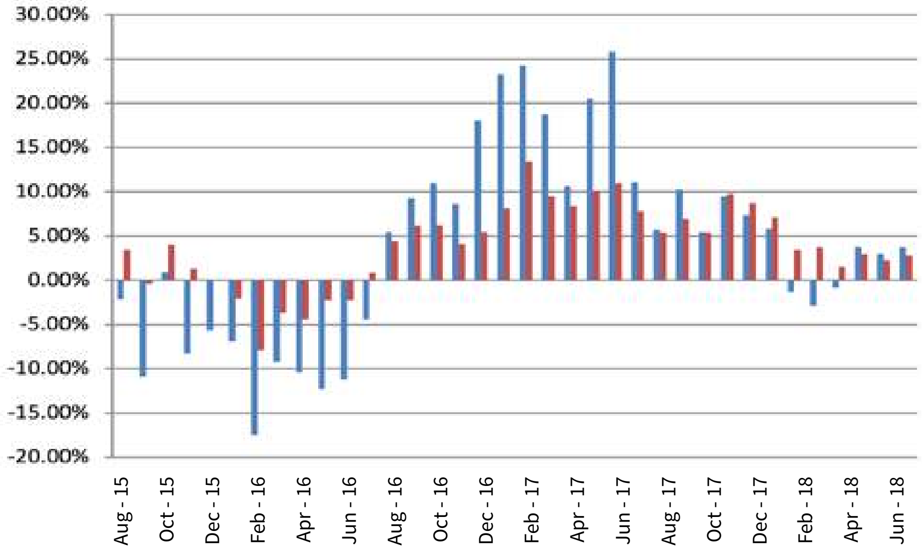
Aisa Portfolio 3



Aisa Portfolio 4

FTSE 100

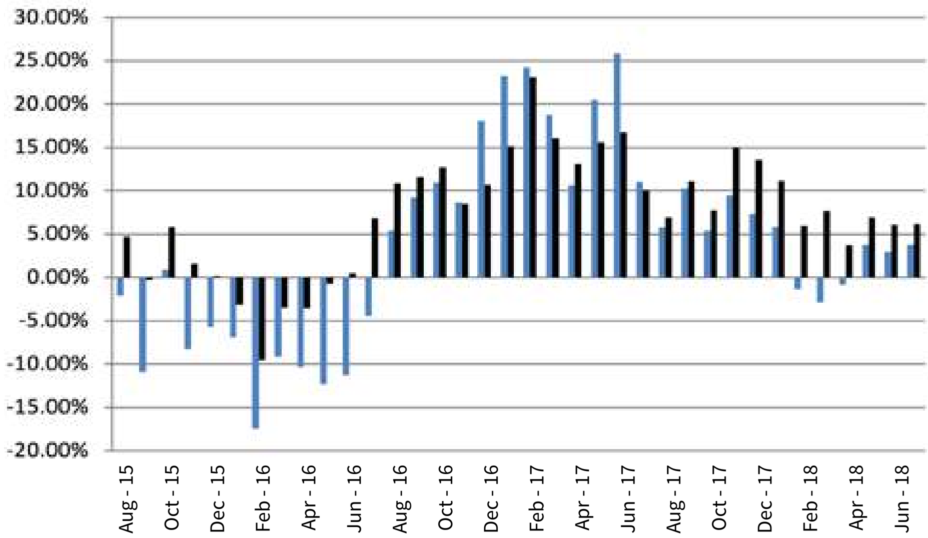
Aisa Portfolio 4



Aisa Portfolio 5

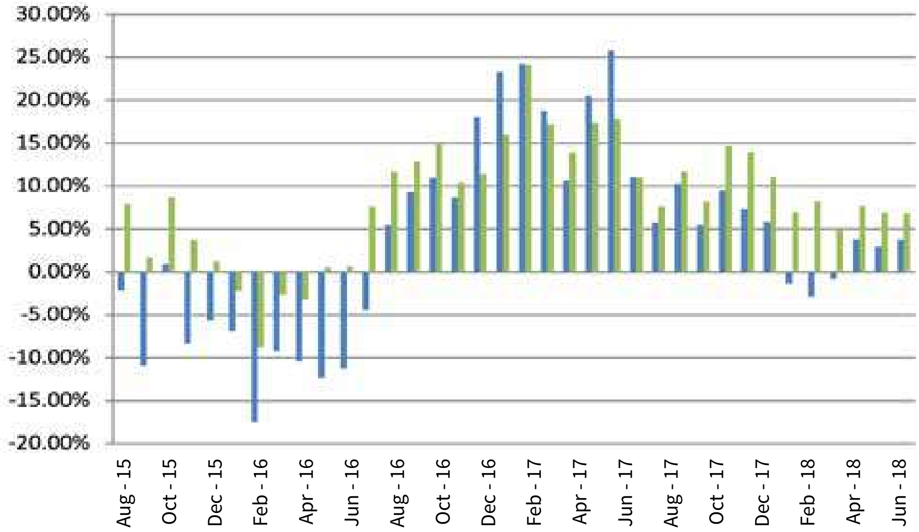
FTSE 100

Aisa Portfolio 5



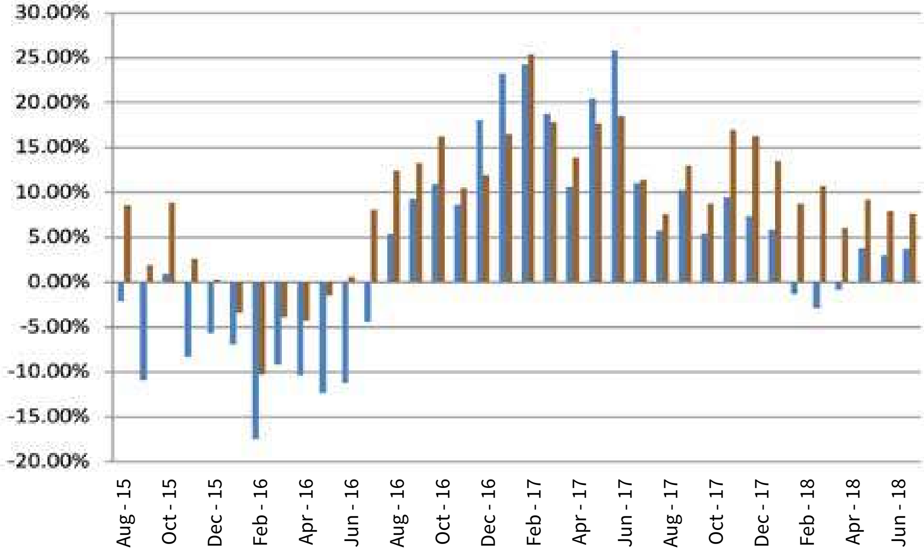
Aisa Portfolio 6

FTSE 100
Aisa Portfolio 6



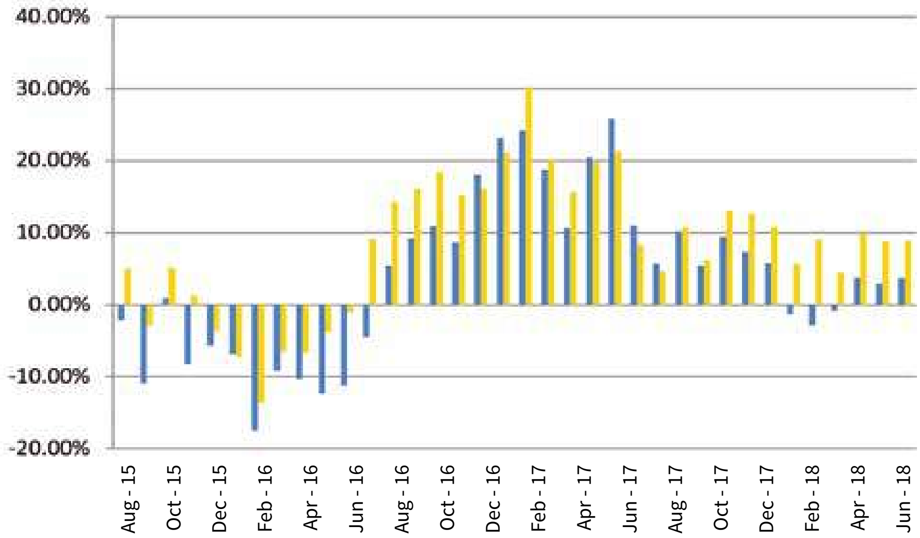
Aisa Portfolio 7

FTSE 100
Aisa Portfolio 7



Aisa Portfolio 8

FTSE 100
Aisa Portfolio 8



6 Quarterly timetabled asset/product discussions

The product discussions for this quarter were VCT/EIS, Investment Trusts and DFM's. VCT/EIS were updated by JR, these are now higher risk, especially for the elderly, however can still be used for IHT purposes. Investment Trusts were updated by JPC, IT's can often be heavily geared. IT's can be accepted on platforms that we currently use. DFM's were updated by GB, last year GB recommended Rowan Dartington, however they have just received a lot of business from St James Place and GB is concerned with the level of servicing our client would receive. GB is therefore meeting with Charles Stanley and Vestra in this coming August to hear there propositions. All information is to be updated into our Governance document centrally held at our main office.

7 AOB

The Investment Team are considering making a client facing booklet which informs how the Investment Team operate.

The FCA has recently made an announcement that they will allow firms passporting into the UK to continue for up to three years after March 2019. However, the EU are insisting that passporting rights from the UK will finish on March 2019 unless a deal is agreed.

The European Commission has instructed EEA states to contact companies, who currently exercise their passporting rights from the UK, and ask them what their intentions are post Brexit. We have been contacted but not replied as there is no legal basis to this request.

Reference Material utilised in this meeting:

Analytics – review of funds.
Aisa Performance data.
Aisa Governance Document.
Ascentric presentations.

8 Next Meeting

Next meeting will be held on 24th October 2018.

9 Actions Outstanding

Action: **Contact clients who are affected by any fund change(s) in their portfolio(s).**
Action: **James to update the Governance Document with quarterly research.**
Review: **Those funds on quarterly watch.**
Review: **Monitor funds in growth portfolios.**

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Signed by Chairman


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