

NorthStar Ethical Income Portfolio

August 2019

Key Information

Portfolio Type
Income & growth

Inception Date
01.01.15

Current Holdings
11

FE Risk Score
56

Current Yield
2.80%

Targeted Average Annual Return¹
5-6%

Passive/Active Split
18/82

Indicative Risk Level
5/10

Benchmark¹
IA Mixed Investment 20-60% Shares

Portfolio Charges

At NorthStar, we're committed to providing clear and simple charges for our investment portfolios. We believe in total transparency so you'll always know what you will pay.

The charges for the NorthStar Ethical Income Portfolio are:

Weighted Annual Fund Charge
0.67%

Annual Platform Charge²
0.40%

Annual NorthStar Charge
0.80%

Total Annual Charge
1.87%

Investment Objective

The NorthStar Ethical Income Portfolio is suitable for investors who are seeking to invest 'ethically' and require a balance between income and security. The portfolio is constructed using a broad range of ethically screened income-producing assets including equities, fixed interest, property and cash. Ethical investments typically exclude companies who produce goods such as tobacco, arms, gambling, animal testing and similar activities. The diversification within the portfolio will help investors to be somewhat insulated from the worst short-term market fluctuations. Equity content will usually be around 65% meaning the downside risk of the portfolio may be higher than a number of alternative portfolios in the NorthStar range.

Due to the nature of underlying holdings, investment in this portfolio should be seen as a long-term strategy. Risk aspects include inflation risk, capital risk, shortfall risk, and exchange rate risk. The portfolio targets a yield in excess of 3% plus capital growth in excess of 2-3% per annum over a rolling 5-year period and is benchmarked against the IA Mixed Investment 20-60% Shares sector average. Values may fall as well as rise and investors may not get back the amount originally invested.

Portfolio Performance

Performance of the NorthStar Ethical Income Portfolio to August 2019:



	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
NorthStar Ethical Income Portfolio	3.3%	9.0%	5.8%	23.2%	-	37.2%
Benchmark: IA Mixed Investment 20-60% Shares	3.3%	7.4%	3.8%	15.5%	-	24.2%
Relative Performance	0.0%	1.6%	2.0%	7.7%	-	13.0%

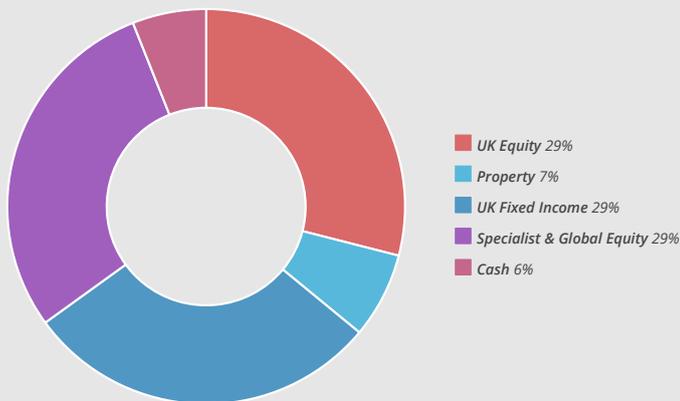
¹ Over a rolling 5-year period. Targeted average annual return is based on the average long-term returns of applicable asset classes and is in no way guaranteed.

² Typical annual platform charges will not exceed 0.4%. This will depend on the platform used and amount invested.

FE Risk Score is a measure of volatility relative to the FTSE 100 index, which always has a score of 100. Investments more volatile than the FTSE 100 have a score above 100 and vice versa giving a reliable indication of relative risk. Cash has a risk score of zero. Performance data shown are on a bid-to-bid basis, with income reinvested and do not take into account platform or advisory charges. Figures may include performance data for discounted 'super clean' funds where these are available. Such funds may not be available on all platforms. Performance data rounded to the nearest 0.1% so small rounding errors may occur. Data correct as at 01.08.19. Source: FE. The value of investments and the income from them can fluctuate and investors may not get back the full amount invested. Past performance is not necessarily a guide to future performance. The tax treatment of investments depends on individual circumstances and is subject to changes in tax legislation. Figures are provided for illustrative purposes only and their accuracy cannot be guaranteed. Information provided should not be relied upon in isolation when making investment decisions and does not constitute advice or an offer to purchase any investment or product. Please contact us for more information on our range of portfolios.

Asset Allocation

Current asset allocation of the NorthStar Ethical Income Portfolio:



Constituent Funds

UK Equity	29%
Jupiter Responsible Income	23%
Legal & General Ethical	6%
Property	7%
Janus Henderson UK Property	5%
iShares Global Property Securities Equity Index	2%
UK Fixed Income	29%
Rathbone Ethical Bond	15%
Royal London Ethical Bond	9%
Kames Ethical Corporate Bond	5%
Specialist & Global Equity	29%
BMO Responsible Global Equity	11%
Vanguard SRI Global Stock	10%
Stewart Investors Worldwide Sustainability	8%
Cash	6%
Royal London Short Term Money Market	6%

Portfolio Commentary

In the past six months, global investment markets have generally shrugged off fears of a US-China trade war and the impact of Brexit. Most equity markets provided investors with very strong returns, with confidence returning and new all-time market highs recorded around the world. Overseas investments were boosted by the continued fall in the value of Sterling as the new UK government looked to ramp up pressure on the EU and prepare for a 'no deal' Brexit.

Elsewhere, the big stories have all concerned the US. Despite a seemingly strong economy, concerns over future growth prospects saw the Federal Reserve cut interest rates for the first time in a decade. The ongoing trade dispute with China is also a concern and is likely to dampen global trade, economic growth and market returns if no resolution is found in the coming months.

Benefitting from the surge in global markets, the NorthStar Ethical Income Portfolio recorded growth of 9% during the six months since the last investment review. This performance saw it finish the period ahead of the benchmark which was up by 7.4%. The best performing fund in the portfolio was BMO Responsible Global Equity, with a return of over 21% over the past six months. At the other end of the spectrum was Royal London Short Term Money Market, recording growth of just 0.4% over this period. The portfolio income yield now stands at 2.80%, slightly below the target level.

As we look ahead to the second half of 2019 and into 2020, it is clear there are a number of very real risks on the horizon - primarily surrounding Brexit and the US administration's trade and economic policies. There are many crucial decisions to get right over the year ahead. How these issues are handled by policymakers is likely to have a major impact on both economic growth and market returns over this period. Investors should be braced for continued volatility but also remember that there remains plenty of scope for further returns should these issues be handled in a timely and satisfactory way. As ever, the key will be to ensure investments remain diversified and to avoid focussing on short-term news flow and market movements.

About NorthStar Wealth Management

Smarter Financial Planning for the Digital Age.

At NorthStar, we bring a fresh perspective and innovative approach to wealth management. Our team of chartered financial planners combine their expertise with the latest technology to provide the highest quality independent financial planning and advice. We help our clients take control of their money, grow their wealth, protect their lifestyle and plan for a more certain future.

Contact NorthStar Wealth Management

Freephone: 0800 6906 247 | Email: info@nswm.co.uk | Website: nswm.co.uk | Skype: nswmuk | Twitter: @ns_wm
Address: Ocean Village Innovation Centre, Ocean Way, Southampton, Hampshire, SO14 3JZ

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