

**Shepherds  
Friendly**

Your modern mutual

# Investment Update

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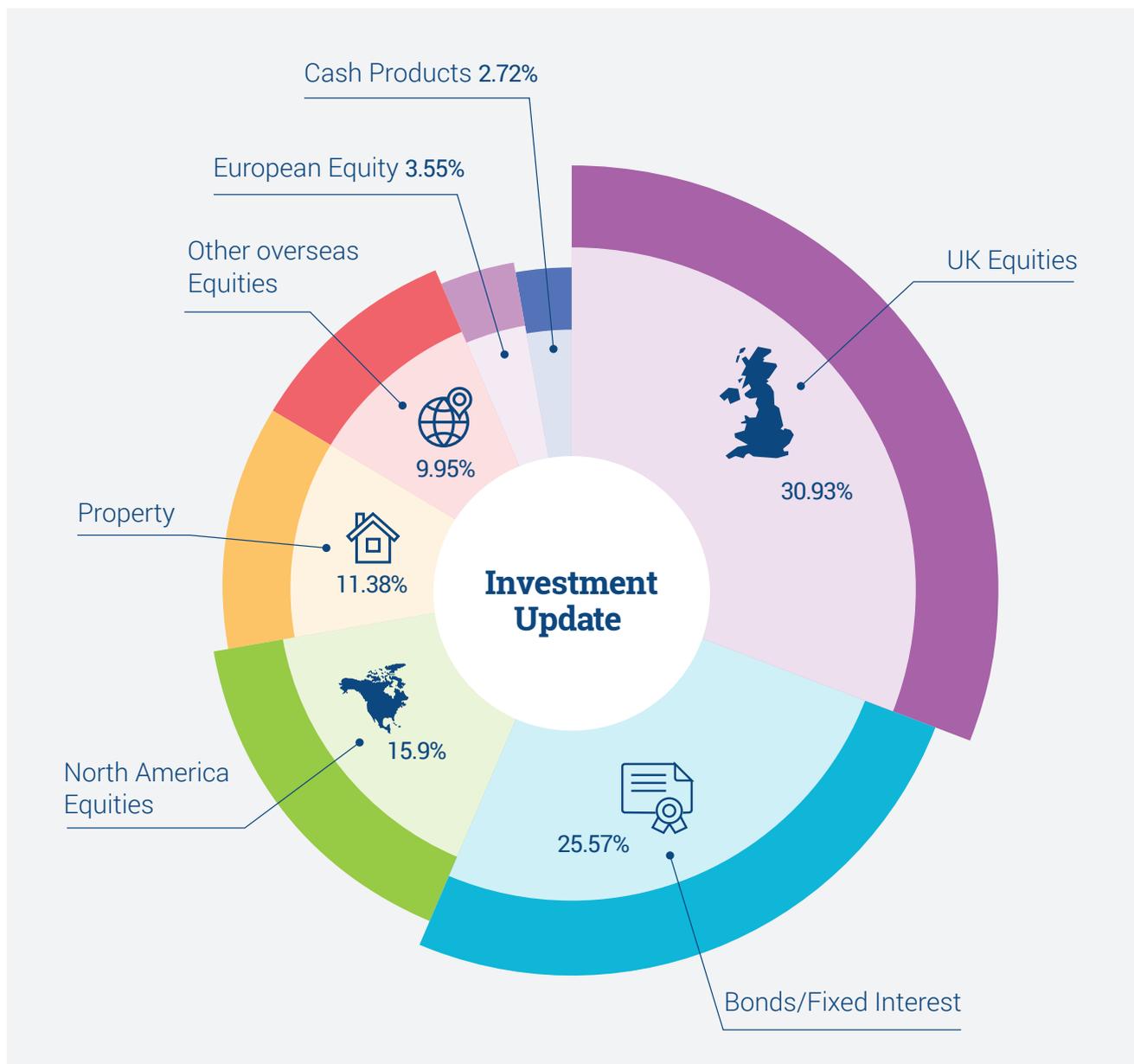
**from Company Secretary,  
Tim Robertson**

June 2018

[www.shepherdsfriendly.co.uk](http://www.shepherdsfriendly.co.uk)

# Investment Update

The Shepherds Friendly with-profits fund holds a mix of assets including gilts, bonds, equities, property and cash. The aim of the With Profits Fund is to reduce investment risk by spreading investments over different asset classes. The asset allocation mix as at 30th June 2018 can be seen below:



The Shepherds Friendly with-profits fund is considered a low to medium risk investment and we aim to provide smoothed investment returns over the long term by varying the weightings in each of the asset classes.

# Fund Performance

We have in the first six months of 2018 seen volatility return to financial markets after a significant period of calm markets and strong performance. From mid June we have seen the FTSE 100 fall by -1% and the MSCI World Index by -1.35%.

With market uncertainty the Society continues to retain a strategy for quality assets across diversified geographical regions, and I am pleased to report that we have seen the portfolio outperform the benchmark in Quarter 2 by +2.49%, this reversing a slight underperformance in Quarter 1.

As we move into the second half of 2018 the Society continues to take a positive view for the medium term on investments, with most major economies continuing to expand. We believe it is crucial to maintain strategic positioning, trying not to be swayed too much by short-term market fads and fears.

NB: Further detail as to how we manage the With-Profits fund and members' benefits is given in the Principles and Practices of Financial Management

<https://www.shepherdsfriendly.co.uk/your-mutual/about-us/principles-and-practices-of-financial-management>