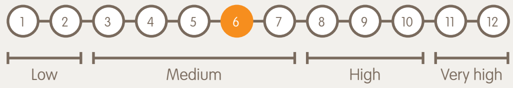
nucleus

IMX g6

Allocation to growth assets



Objective

IMX grow 6 is made up of a selection of investment funds to achieve investment growth. The main types of investment asset classes included are equity and bonds.

It will usually hold 40%-70% in growth assets although the amount held in these assets may move outside this range depending on changes in economic conditions.

Typical clients

This portfolio is suited to you if you're targeting a medium level of return. You're likely to have a preference for a degree of predictability of future returns but with a tolerance and capacity to accept reasonable investment losses in the short and medium term.

You'll be comfortable about the portfolio holding being diverse, including a sizeable proportion in higher risk investments.

Always remember investment returns aren't guaranteed. The value of an investment can go down as well as up and may be less than the amount paid in.

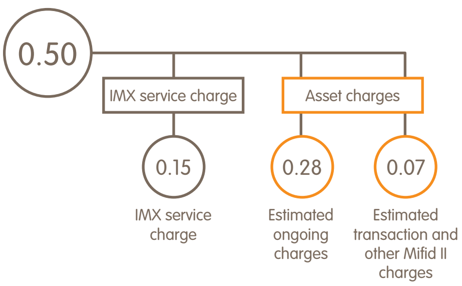
Key facts

Growth assets at factsheet date	51.5%
Estimated long-term* annual volatility	9.6%
Estimated long-term* annual return	3.4%
Rebalancing frequency	Quarterly
Launch date	31/07/2020

*10-years

Portfolio charges

Total annual charge (%)

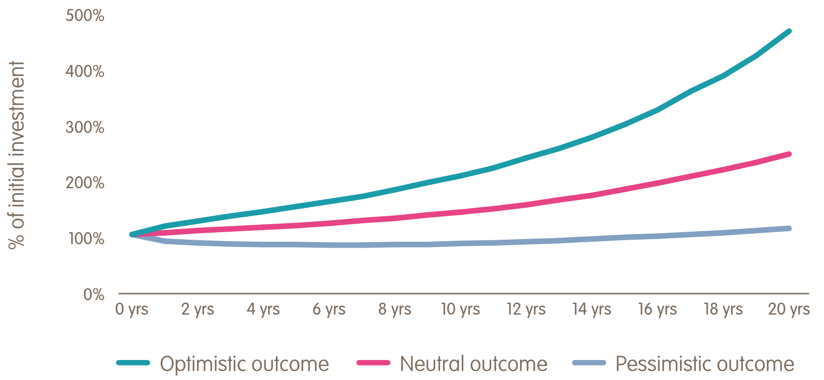


Estimated portfolio outcomes

To help you understand the nature of this portfolio, we provide estimated projections which reflect the aggregate risk and return characteristics of the allocations in the portfolio.

Estimated portfolio size in different future scenarios

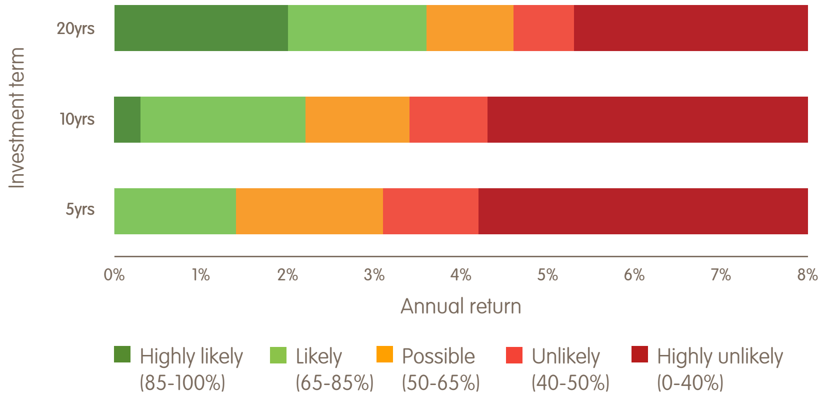
This chart gives an indication of the spread in potential outcomes if good (optimistic), average (neutral), or poor (pessimistic) performance is experienced.



	5yrs	10yrs	15yrs	20yrs
Optimistic	150%	205%	297%	464%
Neutral	116%	140%	181%	244%
Pessimistic	82%	84%	95%	111%

Likelihood of achieving annual return

This chart estimates the likelihood of achieving annual returns (how often the annual return is achieved or exceeded in projected scenarios). We show this for three investment terms and five different ranges of likelihood.



	5yrs	10yrs	20yrs
Highly likely (85%)	0.0%	0.3%	2.0%
Likely (65%)	1.4%	2.2%	3.6%
Possible (50%)	3.1%	3.4%	4.6%

For more information on each section please see page three

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Market commentary Q3 2020

Introduction and economic background

Despite a return of volatility in September, equity markets rose in Q3 as economic and earnings data did better than expected (albeit still lower than usual).

Gross Domestic Product ("GDP") will likely show record-breaking growth for many countries in Q3, following Q2's record-breaking drops. However, while some data indicates a continued recovery in the major advanced economies, it suggests that the pace of improvement slowed significantly towards the end of Q3. Furthermore, market forecasts suggest it may be several years before most major advanced economies regain pre-pandemic levels of output.

Asset classes

Equities

The rebound in equity markets continued at the start of Q3 2020, driven partly by better than expected company earnings in US and China and ongoing commitment from central banks to support economies. However, political uncertainty and a resurgence of COVID-19 infections saw many stock markets fall in September. Overall, global equity markets produced a positive return of 7% in local terms over the quarter.

Investment grade bonds

UK government bond prices fell over the quarter. The largest falls were at the longest maturities with the over 15 year government bond index returning -2.5% over the quarter. UK investment-grade corporate bonds performed better with A rated bonds returning 1.4% over the quarter.

Alternative Credit

Given the positive market environment over the quarter and the greater economic sensitivity of alternative credit, this asset class outperformed UK investment-grade corporate bonds. Although "defaults" rose (mainly driven by the troubled US energy and retail sectors), expectations for further defaults eased over the quarter as government support has allowed companies to raise new finance, bolstering their ability to navigate the downturn.

Property

In direct property, the retail sector has experienced the largest declines, with smaller falls in the office and industrial sectors. Although the contributing sectors have been similar, listed property and property related shares performed much stronger than direct property. The FTSE 350 Real Estate index, is estimated to have returned -2.4% over the quarter.

Outlook

Sentiment has improved dramatically from where we were at the end of Q1/early Q2. Nevertheless, the outlook for corporate earnings and defaults remains uncertain and a degree of caution is appropriate.

Provided by our investment partner, Hymans Robertson LLP.

Portfolio past performance

We will include past performance once the portfolio has accrued a full year of performance.

Asset classes in the portfolio

Equity	**48.5%**
Emerging market equity	15.0%
Developed market equity	20.1%
Global multi-factor equity	13.4%
Property	**3.0%**
Property	3.0%
Bonds	**46.5%**
Alternative credit	27.0%
Investment grade credit	19.5%
Operational cash	**2.0%**

For more information on each section please see page three

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Notes and further information

Key facts

Estimated long-term annual return and volatility

Estimated return and volatility figures are annual, based on the holdings at the factsheet date – measured by Hymans Roberston's Economic Scenario Service (ESS) as at 30 September 2020 – and will vary with changing market conditions. The return estimate is the median 10-year annualised return and the volatility is the average estimated annual volatility over 10 years. The figures represent estimates net of portfolio charges.

Estimated portfolio outcomes

Assumptions for projections are based on Hymans Robertson's ESS which simulates 5000 different economic outcomes. The projections in the factsheet are based on the portfolio asset allocation at the factsheet date and economic conditions as at 30 September 2020 and represent outcomes net of portfolio charges. Performance projections are not a reliable indicator of future performance and are illustrative only.

Estimated portfolio size in different future scenarios

The scenarios included are:

- 'Pessimistic' – the average of the worst 10% of projected outcomes i.e. the average outcome in 1 in 10 projected future scenarios.
- 'Neutral' – the median outcome.
- 'Optimistic' – the upper 10% outcome i.e. outcome experienced in 1 in 10 projected future scenarios.

Likelihood of achieving annual return

This chart estimates the likelihood of achieving annual returns (how often the annual return is achieved or exceeded in projected scenarios). We show this for three investment terms and five different ranges of likelihood. The likelihood is shown in ranges of:

- Highly likely: 85-100%
- Likely: 65-85%
- Possible: 50-65%
- Unlikely: 40-50%
- Highly unlikely: 0-40%

Portfolio charges

IMX service charge

The IMX annual charge for the management of the portfolio.

Asset charges

The total ongoing charge of the funds in the portfolio. In addition, we include the total transaction and other Mifid II charges expected to be incurred in the funds in the portfolio.

Allocation to growth assets

Growth assets are higher risk asset classes (such as equity and property) which are expected to provide higher returns over the long-term. The portfolio objective details the range of growth assets the portfolio allocates to. The growth assets allocation scale indicates the proportion allocated to growth assets in relation to the other IMX portfolios.

The portfolios are also classified from low to very high, based on the portfolio's growth assets allocation range minimum and maximum figures:

- Very low: minimum and maximum both below 25%
- Low: minimum below 25% and maximum between 25-50%
- Medium: minimum between 25-50% and maximum between 50-75%
- High: minimum between 50-75% and maximum over 75%
- Very high: minimum and maximum both above 75%

tellmemore@nucleusfinancial.com @nucleuswrap imx.nucleusfinancial.com

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