



The Estate Capital Investment Portfolios

14th Edition : Winter – Spring 2011

ESTATE  CAPITAL

Chartered Financial Advisers

Investment Management : Employee Benefits : Independent Financial Advisers : Retirement Planning : Estate Planning



Wise Investment

The growth of personal assets through wise investment is the basis of financial security. The choice and selection of appropriate investments is our strength. We pride ourselves in the monitoring and analysis of the UK's most successful investment managers.

Estate Capital provides choice, flexibility and access to wide ranging investment strategies. We conduct our own in house research so that each of the funds that we recommend has been personally reviewed. We offer a distinct investment service that has a proven attraction to clients and professionals.

The Estate Capital Investment Portfolios are researched and published bi-annually. It is from these selections that we build our successful investment, trust fund and pension fund portfolios.

Our research process is designed to identify investment funds that are continually successful rather than those where long term performance is a result of one or two year speculative performance.

Investment Portfolios

The Estate Capital Investment Portfolios offer five model investment strategies aimed at medium to long term investors who seek capital growth and income from a portfolio of leading investment funds. The portfolios can be used in full or as a core holding in a broader bespoke portfolio.

The portfolios offer access to highly rated leading investment fund managers who have in the past provided above average returns. The individual funds that make up our diversified portfolios are selected upon the quality of the fund manager and the consistency of past performance.

Investment Diversity

There is a wide range of asset classes across global markets available to investors. Our Portfolios bring together a diversity of equities, fixed interest securities, currencies, natural resources, precious metals and property. The global balance of investment across differing asset classes is a primary driver of portfolio return and enhanced security.

Passive Portfolios

In addition to our active investment portfolios, we offer a range of passive portfolios. Passive funds replicate the stockholdings of an underlying index, such as the FTSE 100. Since these funds track the composition and performance of the underlying index, there are low levels of human involvement and so the funds have a lower total expense ratio.

Defensive Growth
Conservative Growth
Income and Growth
Balanced Growth
Speculative Growth



Risk Related Returns

An important decision to make when constructing a suitable investment portfolio is the level of risk you are prepared to accept. Risk is an unavoidable feature of all investment. As investment takes place amid uncertainty, investors need to account of risk in their search for capital growth.

Once the acceptable level of market risk has been decided, the optimal mix of assets for a given risk profile can be identified. This is asset allocation.

Asset Allocation

It is commonly agreed from established research that asset allocation provides for more than 90% of total return for a managed investment portfolio. Asset allocation is the unquestionable driver of portfolio performance. It is more important than fund selection or market timing.

In order to reduce overall risk, a portfolio should seek to diversify its holdings across various types of investments, alternative areas of business and differing parts of the world economy. Individual ups and downs are cancelled out within a sufficiently diversified portfolio therefore reducing risk and driving return.

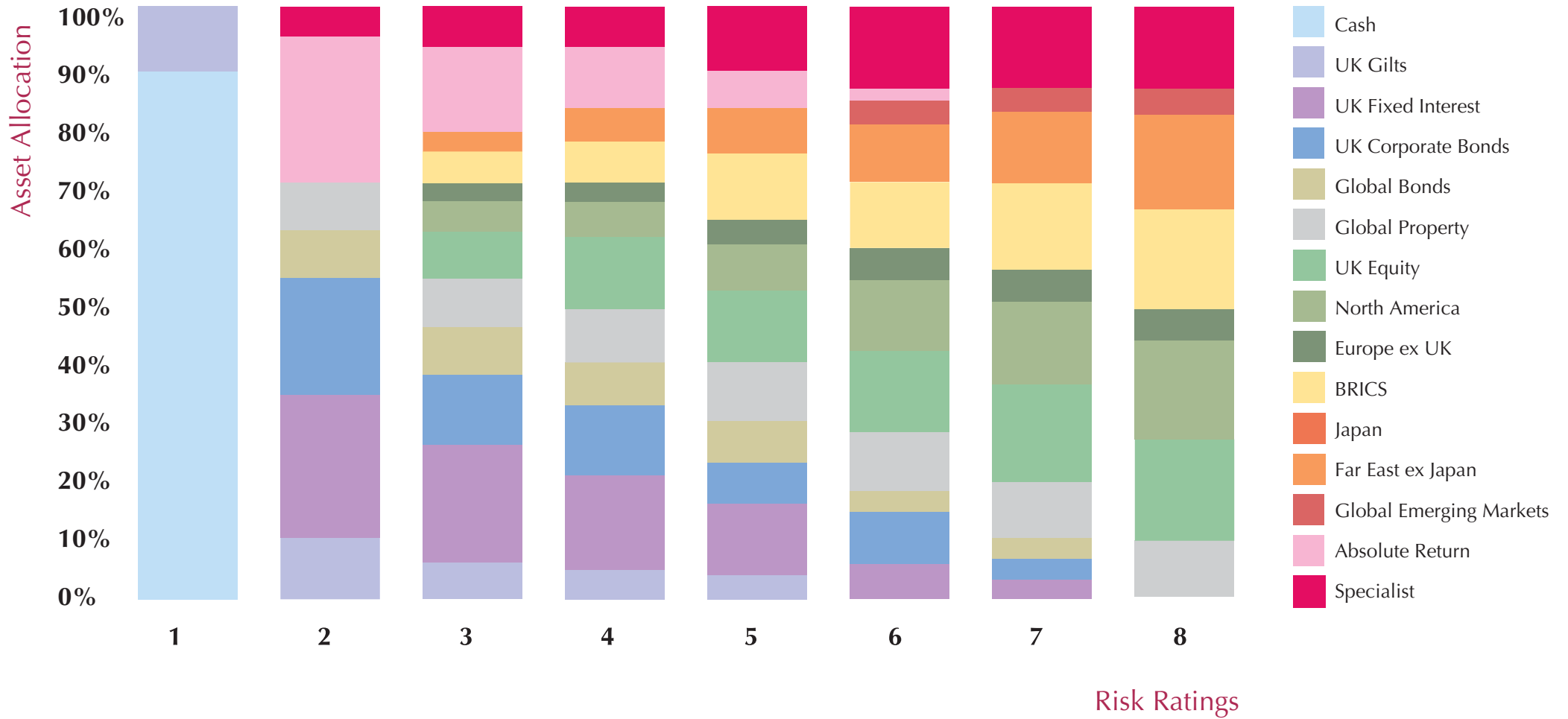


Risk Related Asset Allocation

It is for these reasons that we have built our own risk related asset allocation graph to identify efficient portfolios. The Asset Allocation Graph identifies a suitable split of diversified assets for each risk tolerance.

The graph gives our current risk related asset allocation for a growth investor. The asset allocations are for risk levels 1 to 8, with 1 being the most cautious and 8 being the most speculative. These asset allocations are reviewed periodically and are subject to change.

Risk Related Asset Allocation



Investment Management

The quality of fund management will have significant influence upon likely future returns. We filter the entire listing of UK retail investment funds by preferring funds that are rated AA by OBSR and Morningstar, the respected fund rating agencies. We may accept an A rated fund to provide a required market exposure.

OBSR Fund Management Ratings

The OBSR fund ratings are determined following in depth qualitative and quantitative analysis with the emphasis upon strength of investment process, continuity of personnel, investment style, past performance and risk adjusted returns.

AAA Rating – This is the highest award. It is given to funds which demonstrate very powerful investment processes and disciplines and is an indication of ‘exceptional’.

AA Rating – Using the same methodology this is an indication of ‘very good’.

A Rating – Again using the same methodology this is an indication of ‘good’.

Source: OBSR website.



Morningstar Fund Management Ratings

The Morningstar Fund Management Ratings are based on the evaluation of historical performance, volatility and portfolio construction as well as management, corporate status and investment process, the factors that contribute to long term performance. Only the top 20% of funds in each asset class pass the initial Morningstar performance screening.

AAA Rating – The fund demonstrates the ‘highest standards’ of quality in its sector based upon its investment process and management’s consistency of performance as compared to funds with similar objectives.

AA Rating – The fund demonstrates ‘very high standards’ of quality in its sector.

A Rating – The fund demonstrates ‘high standards’ of quality in its sector.

Source: Morningstar website, Money Management.

Investment Performance

Consistent performance figures do not lie and quality fund management will express itself in above average and top quartile returns. We therefore point score quartile performance over 3 months, 1 year, 2 years and 3 years, with a weighting to recent performance. We also point score 5 year and 10 year actual average growth rates to reward long term consistent performance.

Quartile rankings are based on discrete performance over the specified measured period to month of publication on a sell to sell income reinvested basis. Fund yields are based upon the gross dividend prediction of the fund manager.

Source: Money Management, December 2010.

Morningstar Fund Performance

The Morningstar Star Rating is calculated using a funds monthly performance relative to its sector average for the past 36 months. The average and volatility of the 36 months is used to calculate a funds star rating.

- 5 ***** - Funds in the top 10% of the sector.
- 4 **** - Funds between 10 - 32.5% of the sector.
- 3 *** - Funds between 32.5 - 67.5% of the sector.
- 2 ** - Funds between 67.5 - 90% of the sector.
- 1 * - Funds in the bottom 10% of the sector.

Source: Morningstar website.

Fund Selection

The combined points score from several past quartile performance, actual average growth rates, current yield and fund management confidence factors from leading fund rating agencies will provide us with an overall merit rating. Each fund which passes through our initial screening process will receive a point score on our "Purchase List". The highest scoring funds are then usually but not exclusively selected into our portfolios.

Risk rated returns

All selected investment funds and investment portfolios are given a risk rating from 1 to 8 in order to match fund selection to attitude to risk and reward.

The value of capital and income arising from an investment is not guaranteed. Stock and unit prices may go up as well as down and an investor may not get back the amount originally invested.



The Estate Capital Investment Portfolios Purchase List

Group	Fund Name	Sector	Yield	3M Quartile Points	1Y Quartile Points	2Y Quartile Points	S&P Star Rating Points	3Y Quartile Points	5Y AGR Points	10Y AGR Points	M Star Rating Points	OBSR Rating Points	Total Score	Notes	Risk Rating
Schroder	US Mid Cap	American Growth	0	3	4	4	5	4	9			AAA	81	Select	9
Threadneedle	American	American Growth	0	4	3	4	4	3	5.4	-1.5	A	AA	67		10
Threadneedle	American Select	American Growth	0	3	1	4	3	2	5	-2.1	AA	AA	56		10
UBS	US Equity	American Growth	0	1	2	3	2	2	1.5		AA	AA	52		10
Neptune	US Opportunities	American Growth	0	4	1	4	5	4	9.7			A	50	Select	9
JP Morgan	US	American Growth	0.1	2	2	3	3	3	3.6	-1.8		AA	47		10
Investec	American	American Growth	0.5	1	1	4	3	1	3.8			AA	41		10
Legg Mason	US Equity	American Growth	0	3	1	3	1	1	-6.5		A	AA	38		10
Martin Currie	North American	American Growth	0	1	1	3						AA	31		10
Schroder	US Smaller Companies	American Smaller Companies	0	1	2	3	4	3	9.1	7.4		AAA	70	Select	10
Legg Mason	US Smaller Companies	American Smaller Companies	0	2	2	4	3	3	7.7		AA	AA	64		10
Aberdeen	Emerging Markets	Emerging Markets	0.4	3	4	3	5	4	22.4	17.8	AA	AA	112	Select	9
First State	Global Emerging Market Leaders	Emerging Markets	0.4	2	3	1	5	4	19.9		AA	AAA	92		7
Gartmore	Emerging Market Opportunities	Emerging Markets	0.1	4	2	1	2	1	15	12.3		AA	74		10
JP Morgan	New Europe	Emerging Markets	0.1	4	4	4	3	1	15.8	18.3		A	84	Select	10
Jupiter	Emerging European Opportunities	Emerging Markets	0	2	3	1	3	2	9.3		A	AA	61		10
Threadneedle	Latin America	Latin America	0.5	4	3	3	4	3	23.2	19			80	Select	10
Invesco Perpetual	Latin America	Latin America	0.8	4	3	3	3	2	22.2	17.7			77		10
Neptune	Russia and Greater Russia	Russia	0	2	3	3	4	3	19.2				50	Select	10
First State	India Subcontinent	India	0	4	3	3	5	4				A	49	Select	8
Allianz RCM	BRIC Stars	BRICs	0	3	2	3	1	2				A	35	Select	9
Jupiter	India	India	0	3	2	4						A	33		8
Jupiter	European	European Growth	0.4	4	4	4	4	4	12.7	8.2		AAA	96	Select	10
Jupiter	European Special Situations	European Growth	0.9	3	3	4	4	2	10.2	7.9	AA	AA	84		10
Henderson	European Growth	European Growth	1.3	4	4	3	4	1	10			AAA	83		9
Fidelity	European Opportunities	European Growth	0.1	4	4	4	3	1	8.2	5	A	AA	78		10
Barings	European Growth	European Growth	1	4	3	2	2	2	7.2	1.4	A	AA	69		10
Schroder	European Alpha Plus	European Growth	0.8	2	4	2	4	4	9.4			AA	67		9
Neptune	European Opportunities	European Growth	1.4	1	2	4	5	4	12.6			AA	61		6
Artemis	European Growth	European Growth	1.5	4	3	1	1	1	1.5			AA	55		10
Henderson	European Special Situations	European Growth	0	4	4							AA	52		8
Cazenove	European	European Growth	1.7	1	1	2	3	4	9.1	1.7		AA	51		9
Barings	Europe Select Trust	European Smaller Companies	0.4	4	3	4	4	3	14	10.3	AA	A	83	Select	9
JP Morgan	European Smaller Companies	European Smaller Companies	0.8	3	3	2	3	1	8.4	6		AA	66		10
Fidelity	South East Asia	Far East	0.2	4	3	4	4	2	22.8	13	AA	AA	103	Select	9
Aberdeen	Asia Pacific	Far East	0.6	2	4	1	5	4	17.9	15	AA	AA	100	Select	8
Investec	Asia	Far East	0.7	4	4	2	3	2	19.7	11		AA	91		8
First State	Asia Pacific Leaders	Far East	0.9	1	2	1	5	4	19.7		AAA	AAA	90		8
Aberdeen	Asia Pacific & Japan	Far East	0.5	2	4	2	5	4	13.1	11		AA	82		8
Veritas	Asian	Far East	0.7	3	1	2	5	4	22			AAA	78		10

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Group	Fund Name	Sector	Yield	3M Quartile Points	1Y Quartile Points	2Y Quartile Points	S&P Star Rating Points	3Y Quartile Points	5Y AGR Points	10Y AGR Points	M Star Rating Points	OBSR Rating Points	Total Score	Notes	Risk Rating
FFirst State	Greater China Growth	China	0.8	1	4	2	5	4	24.9		AAA	AAA	106	Select	7
Gartmore	China Opportunities	China	0.4	4	3	1	3	3	25.9	15.8	A	A	92		9
Jupiter	China	China	0	3	3	4	3	1			A	A	47		10
GLG	Japan Core Alpha	Japan	0.7	1	4	4	5	2	5.9	0.9	AAA	AAA	87		6
Schroder	Tokyo	Japan	0.1	3	3	3	5	3	-0.3	0.2		AA	55		6
M&G	Global Basics	Global Growth	0	4	4	4	4	2	11.8		AA	AAA	94	Select	10
Neptune	Global Equity	Global Growth	0.4	4	4	3	3	1	11.3			AAA	81	Select	8
Veritas	Global Income	Global Income	4.7	2	3	4	5	4	11.1			AA	75	Select	8
Threadneedle	Global Select	Global Growth	0.1	3	3	2	4	3	6.5	2.7	AA	AA	72		9
Veritas	Global Focus	Global Growth	2	2	3	4	5	4	12			AA	70		10
M&G	Global Leaders	Global Growth	1.9	4	2	4	3	1	5.7		AA	AA	70		9
Fidelity	Wealth Builder	Global Growth	0.5	3	3	2	4	2	5.4	3.7		AA	62		8
Fidelity	Money Builder Global	Global Growth	0	3	3	3	4	2	4.7	3.2		AA	61		8
Artemis	Global Growth	Global Growth	0.7	4	4	1	1	1	4	-3.4		AA	57		10
Investec	Global Free Enterprise	Global Growth	0.9	3	2	2	4	1	4.2	5.4		AA	57		10
Thames River	Global Boutiques	Global Growth	0	2	2	3		3			AAA	AA	57		7
Jupiter	Ecology	Global Growth	0.4	1	3	3	3	2	7.7	0.1		AA	55		7
SVM	Global Opportunities	Global Growth	0	4	1	1	1	1				AA	40		4
First State	Global Property Securities	Property Shares	3.1	4	4	2	4	3				A	57	Select	9
Schroder	Global Property Securities	Property Shares	0.6	3	3	4	3	3				A	45		9
Black Rock	Gold & General	Specialist	0	1	1	2	4	3	25.3	28.2	AAA	AAA	116	Select	10
JP Morgan	Natural Resources	Specialist	0	4	4	4	4	2	19.2	23.8		AA	105	Select	10
First State	Global Resources	Specialist	0	4	4	2	4	2	18.8		AA	AA	89		10
Jupiter	Financial Opportunities	Specialist	0	2	1	4	5	4	10.1	11.8	AAA	AA	81	Select	8
AXA Framlington	Health	Specialist	0	3	4	3	2	1	3.7	-2.5		AA	56		8
Investec	Global Energy	Specialist	1.3	2	2	3	3	4	7.5			AA	56		8
Sarasin	AgriSar	Specialist	0.5	4	4	4						A	47	Select	8
Newton	Real Return	Absolute Target Return	4	2	3	3	5	4	10.4		AAA	A	76	Select	5
Standard Life	Global Absolute Return Strategies	Absolute Target Return	0.7	1	4	4					A	A	43	Select	2
Blackrock	UK Absolute Alpha	Absolute Target Return	0	2	2	2		4			AA	A	42		2
Cazenove	UK Absolute Target	Absolute Target Return	0	4	1	1					AA	A	38		3

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Invesco Perpetual	Corporate Bond	UK Corporate Bond	4.9	4	4	4	5	3	6.6	7.6	AAA	AAA	113	Select	2
Fidelity	Money Builder Income	UK Corporate Bond	4.4	3	3	3	5	3	5.4	6.5	AAA	AAA	101		2
Old Mutual	Corporate Bond	UK Corporate Bond	4.9	4	4	4	2	1	3.7	6.2	AA	AA	89		3
M&G	Corporate Bond	UK Corporate Bond	4.3	1	3	4	5	4	7	6.8	AAA	AA	88		1
M&G	Strategic Corporate Bond	UK Corporate Bond	4	2	3	4	5	4	8.8		AAA	AA	86	Select	2
Royal London	Corporate Bond	UK Corporate Bond	5.4	2	4	2	4	2	4.1	6.2		AAA	85		3
AEGON	Sterling Corporate Bond	UK Corporate Bond	4.7	4	4	4	3	4	3.4	6.2		AA	82		2
Standard Life	Corporate Bond	UK Corporate Bond	4.3	4	2	1	3	3	3.4	5.3	A	AA	71		3
AEGON	Ethical Corporate Bond	UK Corporate Bond	4.5	3	3	2	2	2	2.9	3.3		AA	65		3
AEGON	Investment Grade Bond	UK Corporate Bond	4.5	2	3	4	3	1				AA	58		2
Old Mutual	Global Strategic Bond	Global Fixed Interest	2.6	2	4	4	5	3	11.5	9.2	AA	A	84	Select	3
Threadneedle	Emerging Market Bond	Global Fixed Interest	6.8	1	2	3	4	3	12.3	11.5	A	A	75		3
Investec	Emerging Market Debt	Global Fixed Interest	6.8	4	4	4	5	2				A	67	Select	4
Invesco Perpetual	Global Bond	Global Fixed Interest	2.2	1	3	4	4	2	7.9	7.8	A	A	63		3
Templeton	Global Total Return Bond	Global Fixed Interest	5.8	1	4	2					AA	A	57		5
AEGON	High Yield Bond	UK High Yield	7.9	4	4	4	4	1	8.2			AA	85	Select	4
Legal & General	High Income	UK High Yield	7.3	3	4	3	3	2	5.8			AA	77		4
Baillie Gifford	High Yield Bond	UK High Yield	5.5	4	4	4	4	1	9.5			A	72	Select	4
Henderson	High Yield Monthly Income	UK High Yield	6.4	2	4	3	2	1	5			AA	70		3
Henderson	Fixed Interest Monthly Income	UK Fixed Income	7.2	2	2	2	2	2	4.5	5.9		AA	67		3
Invesco Perpetual	Monthly Income Plus	UK Fixed Income	6.9	4	4	4	5	2	8.8	9.4	AA	AAA	115	Select	4
Henderson	Preference & Bond	UK Fixed Interest	7.8	2	4	4	3	2	4.6	6.2	A	AAA	96		4
Artemis	High Income	UK Fixed Income	7.2	4	4	4	4	1	5.3	8.6		AA	89	Select	3
Henderson	Strategic Bond	UK Fixed Interest	7.8	3	1	2	4	4	7.1	7.6	AA	AA	84	Select	4
Legal & General	Dynamic Bond	UK Fixed Income	5.5	3	4	4	5	3			AA	AA	82		3
M&G	Optimal Income	UK Fixed Income	4.5	2	3	4	5	4			AAA	AA	78		2
Artemis	Strategic Bond	UK Fixed Income	4.7	4	4	4	4	1	5.9			AA	76	Select	3
AXA Framlington	Managed Income	UK Fixed Income	6.5	4	4	3	2	1	3.3			AA	74		3
AEGON	Strategic Bond	UK Fixed Income	4.3	3	1	3	3	3	6.4			AA	58		2
M&G	Index linked Bond	Index linked Gilt	1.1	1	4	3	3	4	5.9	5.6			47	Select	1
Royal London	UK Government Bond Trust	Gilt	6	2	4	4	5	3	6.1	6		AA	82	Select	1
M&G	Gilt and Fixed Interest Income	Gilt	2.8	2	4	4	5	4	5.7	5.4	AAA	A	81		1
Allianz PIMCO	Gilt Yield	Gilt	2.9	4	4	3	5	4	6.4	5.8			62		1

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Ilvesco Perpetual	High Income	UK Equity Income	4.3	3	3	1	5	4	7.9	9.7	AAA	AAA	105	Select	4
Ilvesco Perpetual	Income	UK Equity Income	4.4	2	3	1	5	4	7.7	9.6	AAA	AAA	102	Select	4
Jupiter	Income	UK Equity Income	4.5	2	1	2	3	3	3.8	6.2	AAA	AAA	83		7
Standard Life	Equity High Income	UK Equity Income	3.8	2	1	2	4	3	5.2	5.8	AAA	AA	74	Select	10
Neptune	Income	UK Equity Income	5.1	3	3	3	4	3	6.8			AA	71		8
AXA Framlington	Equity Income	UK Equity Income	4.1	4	2	2	2	1	-0.4	2.7		AA	58		6
Psigma	Income	UK Equity Income	4.9	2	2	3	2	2				AA	53		6
AXA Framlington	Monthly Income	UK Equity Income	3.9	2	2	2	1	1	-2.5	0.4		AA	46		4
Artemis	Income	UK Equity Income										AAA	30		6
Black Rock	UK Special Situations	UK Growth	1	4	4	3	5	2	8.9	8.6	AA	AAA	102	Select	10
M&G	Recovery	UK Growth	1	2	1	4	5	3	10.3	7.5	AAA	AAA	88		9
Rensburg	UK Mid Cap Growth	UK Growth	1.1	3	4	4	5	2	14.6	9.4		AA	86		10
Old Mutual	UK Select Mid Cap Trust	UK Growth	0.5	4	4	4	5	2	11.9		AA	AA	86	Select	10
AXA Framlington	Select Opportunities	UK Growth	1	4	4	4	4	3	8.7			AAA	84	Select	8
Schroder	UK Alpha Plus	UK Growth	0.6	2	4	4	4	1	9.9			AAA	76		10
AEGON	Ethical Equity	UK Growth	1.1	4	4	2	3	3	8.1	4.2		AA	75		8
Black Rock	UK	UK Growth	1.9	1	1	3	2	2	4.9	4.1	AAA	AAA	73		9
Investec	UK Special Situations	UK Growth	2.8	1	1	4	4	4	7.3	6.8		AAA	70		7
Jupiter	UK Growth	UK Growth	1.1	1	3	4	3	1	7.3	3.7	AA	AA	69		10
Rensburg	UK Select Growth	UK Growth	1.7	4	2	3	3	2	5.1			AAA	69		9
Fidelity	Special Situations	UK Growth	0	1	1	4	4	4	7.4	10.3	AA	AA	68		9
Standard Life	UK Equity Growth	UK Growth	1.7	2	1	3	3	2	6	3.9	AAA	AA	67		10
Black Rock	UK Dynamic	UK Growth	1.4	1	1	4	2	2	5.6	4.7	AAA	AA	64		9
Schroder	UK Mid 250	UK Growth	0.8	3	2	4	3	1	5.4	8.5		AA	63		10
Artemis	Special Situations	UK Growth	1.3	1	3	1	1	1	1.3	0.4		AAA	55		8
AEGON	UK Opportunities	UK Growth	1	2	2	4	3	2				AA	47		10
Ignis	Cartesian UK Opportunities	UK Growth	1.7	1	1	1	2	3			A	AA	42		7
Standard Life	UK Smaller Companies	UK Smaller Companies	0.6	3	4	2	5	4	15.9	9.3	AAA	AAA	111	Select	6
Old Mutual	UK Select Smaller Companies	UK Smaller Companies	0.1	2	3	3	4	3	12.4		AAA	AAA	89		9
Schroder	UK Smaller Companies	UK Smaller Companies	0.8	4	3	2	3	2	5.9	5.4		AA	67		7
JP Morgan	UK Smaller Companies	UK Smaller Companies	0.9	3	2	3	3	1	5.9	4.2		AA	58		10
Artemis	UK Smaller Companies	UK Smaller Companies	0.3	1	2	1	2	1	1.2	5.1		AAA	54		5

The Estate Capital Investment Portfolios

Defensive Growth

Conservative Growth

Income and Growth

Balanced Growth

Speculative Growth

ESTATE  CAPITAL

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