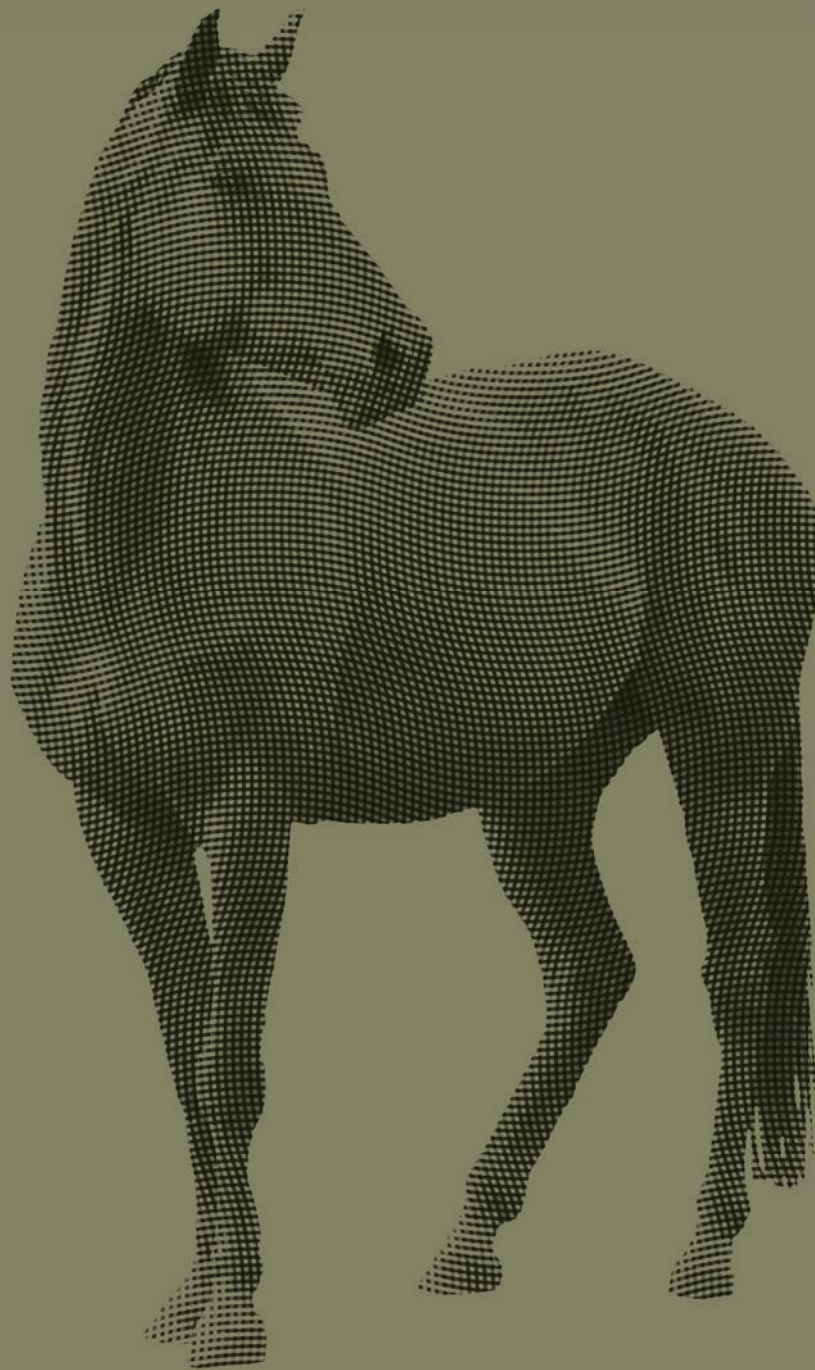


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RISK

5



## **Balanced Investor**

*You are aiming for higher long term returns & accept some sustained periods of poorer performance. You accept the risk of a greater than moderate loss.*

*Potential return of 25.81%  
& potential loss of -15.65%*

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# BALANCED BETA PORTFOLIO

EDITION 27 July 2017

The Balanced Beta Portfolio is a passive growth strategy. It is aimed at medium to long term investors who are seeking above average capital growth from a balanced portfolio of mainly equity investments.

The chosen investment funds can invest in UK and overseas equities, commercial property, cash and fixed interest securities. Passive funds replicate the stockholdings of an underlying index. 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.

The Balanced Beta Portfolio performance is benchmarked against the average performance of the IA Mixed Investment 20%–60% sector and has a risk rating and investor profile of 5 out of 10. The Balanced Beta Portfolio is the Estate Capital default portfolio for regular pension contributions.

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## RISK

Potential return of 25.81%  
& potential loss of -15.65%.

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## ACTIVE

Managed daily by our personally  
selected fund managers.

27%

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## EQUITY

Held in risk to drive growth, vs  
the stability of bonds & property.

51%

## Risk

### Prospective Risk Level



### Historic Risk Level



A **risk level 5** investor should be prepared to accept annual returns somewhere **within the range of a -15.65% loss and a 25.81% gain** — returns within this range would be expected 95% of the time. It should be remembered that there is a 5% chance that **risk level 5** portfolios will experience an annual return outside this range — this means an investor may experience **losses greater than -15.65% or gains greater than 25.81%** at some point(s) during their investment in one year.

It is important to remember the figures are not intended to be and should not be taken as a projection of the likely returns from the portfolio risk levels. This is intended to support the risk discussion between an adviser and a client following the completion of a risk profile questionnaire. They show the implied volatility and mean expected return of risk levels 1 to 10 to two standard deviations in one year (ie all returns are expected to be between these extremes in 95 years out of 100; this is often described as a 95% confidence level). The figures shown are the expected arithmetic average returns and the ranges assume that returns are based on a log normal distribution. Figures are shown net of tax and underlying manager fees.

## Range of Returns

### Upper Return

**25.81%**

In 95 years out of 100, this is the highest expected level of return for a given level of risk. There is a 2.5% chance that returns could fall outside the upper return figure in one year.

### Average of All Returns

**5.08%**

This is the average of all possible returns within a risk level in one year.

### Lower Return

**-15.65%**

In 95 years out of 100, this is the lowest expected level of return for a given level of risk. There is a 2.5% chance that returns could fall outside the lower return figure in one year.

## Asset Allocation

	Money Markets	Fixed Interest	Property	UK Equity	US Equity	European Equity	Asian Equity	Japan Equity	Global Equity	Other Assets
Balanced Beta	25%	13%	10%	16%	9%	7%	15%	3%	2%	0%
Benchmark IA Mixed Investment 20%-60%	8%	36%	2%	17%	5%	4%	3%	0%	9%	16%
Difference Portfolio vs Benchmark	17%	-23%	8%	-1%	4%	3%	12%	3%	-7%	-16%

## Cumulative Performance Chart

KEY    — Balanced Beta    — Benchmark    ● Automated Switch



Powered by data from FE

Cumulative performance chart shows % growth from 05/06/2012 to 02/06/2017 calculated using bid prices with income re-invested into the fund net of tax. The cumulative performance chart shows how the portfolio has performed against the benchmark taking into account the changing composition of the portfolio over the period of time shown.

## Cumulative Performance: % Growth to 02/06/2017

	6 months %	1 year %	2 years %	3 years %	5 years %
Balanced Beta	10.48	19.63	17.71	29.50	59.45
Benchmark IA Mixed Investment 20%-60%	7.88	14.13	11.94	20.04	43.20
Difference Portfolio vs Benchmark	2.60	5.50	5.77	9.46	16.25

## Discrete Performance to Month End Shown: % Growth to 02/06/2017

	31/05/17	31/05/16	31/05/15	31/05/14	31/05/13
Balanced Beta	19.82	-2.87	10.77	3.50	19.44
Benchmark IA Mixed Investment 20%-60%	14.20	-2.46	7.61	3.51	15.28
Difference Portfolio vs Benchmark	5.62	-0.41	3.16	-0.01	4.16

## Individual Fund's Performance To 02/06/2017

## Cumulative Performance: % Growth

<i>Fund</i>	<i>% Holding</i>	<i>Fund Manager</i>	<i>6 months %</i>	<i>1 year %</i>	<i>2 years %</i>	<i>3 years %</i>	<i>5 years %</i>
AXA Framlington Managed Income	2%	George Luckraft	6.48	12.77	12.69	19.49	60.47
BlackRock Cash	21%	Bea Rodriguez	0.04	0.13	0.38	0.63	1.09
BlackRock Continental Euro Equity Tracker	6%	Kieran Doyle	27.02	35.78	31.40	37.89	125.37
BlackRock Emerging Markets Equity Tracker	3%	Kieran Doyle	15.02	40.63	22.76	36.73	-
BlackRock Global Property Securities Tracker	2%	Kieran Doyle	7.45	17.26	27.07	-	-
BlackRock Japan Equity Tracker	3%	Kieran Doyle	9.81	35.11	29.80	63.42	107.64
BlackRock UK Gilts All Stock Tracker	2%	Panayotis Ferendinos	4.36	5.68	12.79	22.80	19.66
Fidelity Emerging Asia	2%	Dhananjay Phadnis	17.47	40.72	31.48	71.28	100.71
First State Global Listed Infrastructure	2%	Peter Meany	18.91	32.78	44.10	65.14	126.79
GAM Star Credit Opportunities	4%	Anthony Smouha	8.94	14.66	17.60	29.51	89.79
Henderson China Opportunities	1%	Charlie Awdry	17.53	49.28	28.87	80.54	124.82
Henderson UK Property PAIF Feeder	4%	Marcus Langlands Pearse	3.50	2.04	3.35	15.24	36.62
HSBC American Index	3%	HSBC Global Asset Mgmt	9.75	32.12	40.87	72.60	140.08
HSBC FTSE 100 Index	4%	HSBC Global Asset Mgmt	15.64	26.47	18.00	23.16	71.09
HSBC FTSE 250 Index	4%	HSBC Global Asset Mgmt	16.82	20.45	15.24	33.76	116.67
Jupiter India	1%	Avinash Vazirani	21.81	50.37	57.45	104.86	162.42
Kames Property Income	2%	David Wise	3.63	2.01	9.56	19.52	-
L&G All Stocks Index Linked Gilt	4%	LGIM Fund Mgmt Team	7.25	21.15	24.21	42.68	48.73
L&G Pacific Index	7%	LGIM Fund Mgmt Team	14.13	40.96	33.25	39.84	71.97
L&G UK Index	8%	LGIM Fund Mgmt Team	15.28	25.40	17.41	24.98	77.90
L&G US Index	3%	LGIM Fund Mgmt Team	9.75	32.76	41.47	71.70	143.49
Royal London Sterling Extra Yield Bond	2%	Eric Holt	10.77	17.53	18.26	23.45	70.62
Threadneedle UK Property	5%	Gerry Frewin	8.81	6.71	8.81	24.46	35.91
Vanguard FTSE Developed World ex UK Eq Indx	3%	Europe Equity Index Team	12.96	33.58	37.04	59.65	126.51
Veritas Asian	2%	Ezra Sun	18.90	37.57	37.66	71.82	129.55

## Performance Ratios Over 3 Years

<i>Volatility</i>	<i>Alpha</i>	<i>Beta</i>	<i>Sharpe</i>	<i>Information Ratio</i>	<i>Weighted Average TER</i>	<i>Max Loss</i>	<i>Max Gain</i>	<i>Negative Periods</i>	<i>Positive Periods</i>
6.17	1.94	1.09	0.87	1.03	0.38	-4.15	12.05	11	25



*Maximise your returns with  
a level of risk you're entirely  
comfortable with*

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