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BALANCED HIGHER INCOME  
PORTFOLIO

EDITION 27 July 2017

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RISK

6



ESTATE  CAPITAL

## **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 29.69%  
& potential loss of -18.51%*

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# BALANCED HIGHER INCOME PORTFOLIO

EDITION 27 July 2017

The Balanced Higher Income Portfolio is a value style strategy. It is aimed at medium to long term investors who are seeking a sustainable level of high income within a balanced portfolio along with a genuine prospect of income and capital growth.

The chosen investment funds can invest in UK and overseas equities, commercial property, cash and fixed interest securities. They are actively managed by leading fund managers to maximise total return whilst maintaining control of risk.

The Balanced Higher Income Portfolio performance is benchmarked against the average performance of the IA Investment 20%–60% sector. The Balanced Higher Income Portfolio has a risk rating and investor profile of 6 out of 10.

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## RISK

Potential return of 29.69%  
& potential loss of -18.51%.

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## ACTIVE

Managed daily by our personally  
selected fund managers.

72%

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## EQUITY

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

52%

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## YIELD

Income from assets either  
distributed or reinvested.

3.09%

## Risk

### Prospective Risk Level



A **risk level 6** investor should be prepared to accept annual returns somewhere **within the range of a -18.51% loss and a 29.69% 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 6** portfolios will experience an annual return outside this range — this means an investor may experience **losses greater than -18.51% or gains greater than 29.69%** 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

**29.69%**

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

**5.59%**

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

### Lower Return

**-18.51%**

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 Higher Income	24%	15%	8%	31%	7%	6%	8%	0%	1%	0%
Benchmark IA Mixed Investment 20%-60%	8%	36%	2%	17%	5%	4%	3%	0%	9%	16%
Difference Portfolio v Benchmark	16%	-21%	6%	14%	2%	2%	5%	0%	-8%	-16%

## Cumulative Performance Chart

KEY Balanced Higher Income Benchmark ● Automated Switch



Powered by data from FE

Cumulative performance chart shows % growth from 02.06.2016 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 %
<span style="color: #E67E22;">Balanced Higher Income</span>	11.08	17.99	-	-	-
Benchmark IA Mixed Investment 20%-60%	7.88	14.13	11.94	20.04	43.20
Difference Portfolio vs Benchmark	3.20	3.86	-	-	-

## 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
<span style="color: #E67E22;">Balanced Higer Income</span>	17.56	-	-	-	-
Benchmark IA Mixed Investment 20%-60%	14.20	-2.46	7.61	3.51	15.28
Difference Portfolio vs Benchmark	3.36				

## 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	4%	George Luckraft	6.48	12.77	12.69	19.49	60.47
BlackRock Cash	2%	Bea Rodriguez	0.04	0.13	0.38	0.63	1.09
BlackRock Continental European Income	5%	Alice Gaskell	26.56	26.33	35.08	43.83	150.27
BlackRock UK Gilts All Stock Tracker	1%	Panayotis Ferendinos	4.36	5.68	12.79	22.80	19.66
CF Woodford Equity Income	4%	Neil Woodford	13.92	15.53	15.97	39.65	-
First State Global Listed Infrastructure	2%	Peter Meany	18.91	32.78	44.10	65.14	126.79
Franklin UK Equity Income	9%	Colin Morton	16.59	24.75	23.09	35.09	102.75
GAM Star Credit Opportunities	4%	Anthony Smouha	8.94	14.66	17.60	29.51	89.79
Henderson UK Property PAIF Feeder	3%	Marcus Langlands Pearse	3.50	2.04	3.35	15.24	36.62
HSBC American Index	4%	HSBC Global Asset Mgmt Team	9.75	32.12	40.87	72.60	140.08
Kames Property Income	3%	David Wise	3.63	2.01	9.56	19.52	-
L&G All Stocks Index Linked Gilt	3%	LGIM Fund Mgmt Team	7.25	21.15	24.21	42.68	48.73
Newton Global Income	3%	Nick Clay	14.27	27.97	44.74	60.24	110.01
Royal London Sterling Extra Yield Bond	4%	Eric Holt	10.77	17.53	18.26	23.45	70.62
Royal London UK Equity Income	9%	Martin Cholwill	17.20	25.38	21.42	33.88	122.92
Schroder Asian Income	8%	Richard Sennitt	12.94	37.12	32.60	47.57	86.93
Threadneedle UK Property	5%	Gerry Frewin	8.81	6.71	8.81	24.46	35.91
Troy Trojan Income	9%	Francis Brooke	15.72	17.56	20.66	36.81	90.92

## Performance Ratios Over 1 Year

<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>
4.78	3.14	0.99	2.94	2.25	0.66	-1.38	9.13	2	10



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

Financial Advice & Wealth Management



7 Uplands Crescent  
Swansea  
SA2 0PA

Phone: 01792 477763  
Email: [mail@estatecapital.co.uk](mailto:mail@estatecapital.co.uk)  
[www.estatecapital.co.uk](http://www.estatecapital.co.uk)

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