
BALANCED HIGHER INCOME
PORTFOLIO

EDITION 28 January 2018

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 25.81%
& potential loss of -15.63%*

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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.

RISK

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6

ACTIVE

Managed daily by our personally
selected fund managers.

77%

EQUITY

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

52%

YIELD

Income from assets either
distributed or reinvested.

2.98%

FEEES

The weighted total expense
ratio for this portfolio.

0.71%

Risk

Prospective Risk Level



Historic Risk Level



A **risk level 6** investor should be prepared to accept annual returns somewhere **within the range of a -15.63% 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 6** portfolios will experience an annual return outside this range — this means an investor may experience **losses greater than -15.63% 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

5.09%

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

Lower Return

-15.63%

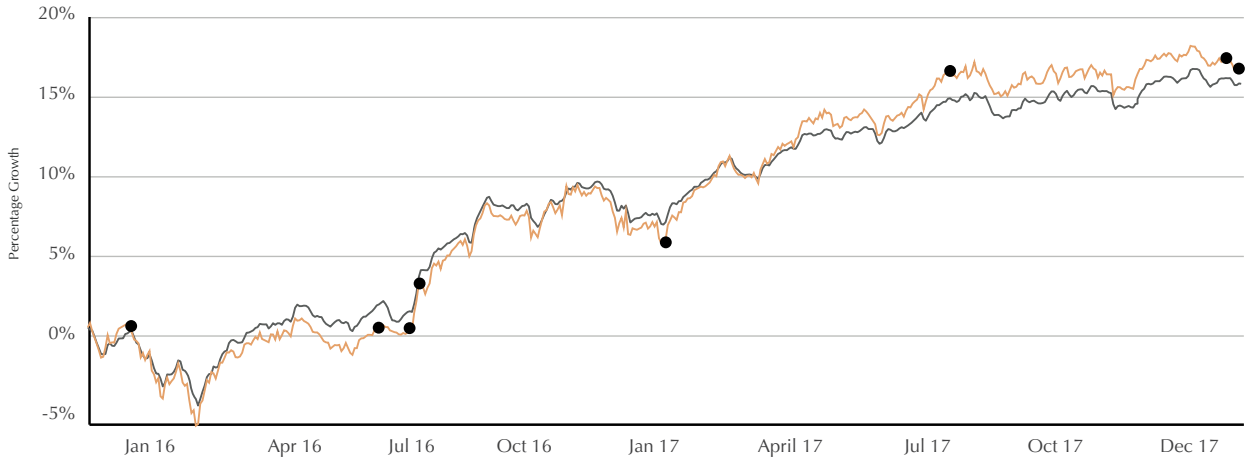
In 95 years out of 100, this is the lowest expected level of return for a given level of risk. There is a 2.5% chance that returns could fall outside the lower return figure in one year.

Asset Allocation

| | Money Markets | Fixed Interest | Property | UK Equity | US Equity | European Equity | Asian Equity | Japan Equity | Global Equity | Other Assets |
|--|---------------|----------------|----------|-----------|-----------|-----------------|--------------|--------------|---------------|--------------|
| Balanced Higher Income | 23% | 16% | 8% | 26% | 5% | 6% | 10% | 0% | 1% | 5% |
| Benchmark IA Mixed Investment 20%-60% | 8% | 35% | 2% | 16% | 5% | 4% | 4% | 0% | 11% | 15% |
| Difference Portfolio v Benchmark | 15% | -19% | 6% | 10% | 0% | 2% | 6% | 0% | -10% | -10% |

Cumulative Performance Chart

KEY Balanced Higher Income Benchmark ● Automated Switch



Powered by data from FE

Cumulative performance chart shows % growth from 06.12.2015 to 06.12.2017 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 06/12/2017

| | 6 months % | 1 year % | 2 years % | 3 years % | 5 years % |
|---|------------|----------|-----------|-----------|-----------|
| Balanced Higher Income | 0.44 | 10.89 | 17.46 | - | - |
| Benchmark IA Mixed Investment 20%-60% | 0.95 | 8.70 | 16.40 | 17.75 | 36.10 |
| Difference Portfolio vs Benchmark | -0.51 | 2.19 | 1.06 | - | - |

Discrete Performance to Month End Shown: % Growth to 06/12/2017

| | 30/11/17 | 30/11/16 | 30/11/15 | 30/11/14 | 30/11/13 |
|---|----------|----------|----------|----------|----------|
| Balanced Higher Income | 9.89 | 6.40 | - | - | - |
| Benchmark IA Mixed Investment 20%-60% | 8.27 | 7.47 | 1.37 | 5.73 | 9.43 |
| Difference Portfolio vs Benchmark | 1.62 | -1.07 | | | |

Individual Fund's Performance To 06/12/2017

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> |
|---|------------------|---------------------------|-------------------|-----------------|------------------|------------------|------------------|
| BlackRock Cash | 20.00% | Bea Rodriguez | -0.50 | -0.40 | -0.10 | -0.50 | -0.50 |
| BlackRock Continental European Income | 5.00% | Alice Gaskell | 2.60 | 27.29 | 36.35 | 47.50 | 109.76 |
| Franklin UK Equity Income | 7.00% | Colin Morton | -1.09 | 13.77 | 24.78 | 29.48 | 73.14 |
| GAM Star Credit Opportunities | 4.00% | Anthony Smouha | 5.82 | 15.42 | 25.52 | 32.52 | 73.57 |
| Henderson UK Absolute Return | 5.00% | Ben Wallace | 0.55 | 3.37 | 5.35 | 12.59 | 40.28 |
| Henderson UK Property PAIF Feeder | 3.00% | Marcus Langlands | 4.03 | 7.58 | 3.34 | 12.22 | 34.03 |
| JPM US Equity Income | 4.00% | Jonathan Simon | 6.37 | 12.29 | 48.56 | 50.15 | 130.02 |
| Kames Property Income | 4.00% | David Wise | 3.18 | 6.64 | 8.95 | 18.46 | - |
| L&G All Stocks Index Linked Gilt | 3.00% | LGIM Index Fund Mgmt Team | -1.01 | 4.59 | 24.29 | 26.13 | 50.59 |
| Marlborough MultiCap Income | 6.00% | Siddarth Chand Lall | 3.42 | 18.58 | 12.55 | 27.86 | 95.25 |
| Newton Global Income | 3.00% | Nick Clay | -0.06 | 13.48 | 44.66 | 51.11 | 91.38 |
| Royal London Short Duration Gbl High Yield Bond | 2.00% | Azhar Hussain | 0.70 | 2.64 | 6.60 | 11.35 | - |
| Royal London Sterling Extra Yield Bond | 4.00% | Eric Holt | 4.64 | 16.04 | 24.75 | 27.45 | 57.65 |
| Royal London UK Equity Income | 6.00% | Martin Cholwill | -1.25 | 13.61 | 20.83 | 26.11 | 85.66 |
| Schroder Asian Income | 7.00% | Richard Sennitt | 3.21 | 14.66 | 45.85 | 39.20 | 53.46 |
| Schroder Asian Income Maximiser | 3.00% | Richard Sennitt | 3.71 | 17.22 | 50.96 | 44.64 | 69.72 |
| Threadneedle High Yield Bond | 4.00% | Barrie Whitman | 1.97 | 7.61 | 12.49 | 15.39 | 31.18 |
| Threadneedle UK Equity Income | 7.00% | Richard Colwell | -4.29 | 11.44 | 20.14 | 23.97 | 72.87 |
| Threadneedle UK Property | 3.00% | Don Jordison | 2.83 | 11.79 | 6.78 | 16.99 | 41.05 |

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> |
|-------------------|--------------|-------------|---------------|--------------------------|-----------------------------|-----------------|-----------------|-------------------------|-------------------------|
| 4.12 | 0.09 | 1.18 | 1.55 | 1.18 | 0.71 | -0.80 | 6.47 | 4 | 8 |

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

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