

---

BALANCED INCOME  
PORTFOLIO

EDITION 25 July 2016

---

RISK

4



ESTATE  CAPITAL

## Cautious to Balanced Investor

*You don't seek risky investments  
but don't avoid them either.*

*Your aim is a longer term return.*

*You accept modest yet frequent  
fluctuations in value and the  
risk of a moderate loss.*

*Potential return of 22.37%  
& maximum loss of -12.44%*

---

# BALANCED INCOME PORTFOLIO

EDITION 25 July 2016

The Balanced Income Portfolio is a value style strategy. It is aimed at medium to long term investors who are seeking a sustainable level of income within a balanced portfolio along with a genuine prospect of income & 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 Income Portfolio performance is benchmarked against the average performance of the IA Mixed Investment 20%–60% sector. The Balanced Income Portfolio has a risk rating and investor profile of 4 out of 10.

---

## RISK

Potential return of 22.37%  
& potential loss of -12.44%.

4

---

## ACTIVE

Managed daily by our personally  
selected fund managers.

87%

---

## EQUITY

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

41%

---

## YIELD

Income from assets either  
distributed or reinvested.

3.69%

---

## Risk

### Prospective Risk Level



### Historic Risk Level



A **risk level 4** investor should be prepared to accept annual returns somewhere **within the range of a -12.44% loss and a 22.37% 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 4** portfolios will experience an annual return outside this range — this means an investor may experience **losses greater than -12.44% or gains greater than 22.37%** at some point(s) during their investment in one year.

---

## Range of Returns

### Upper Return

**22.37%**

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

**4.97%**

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

---

### Lower Return

**-12.44%**

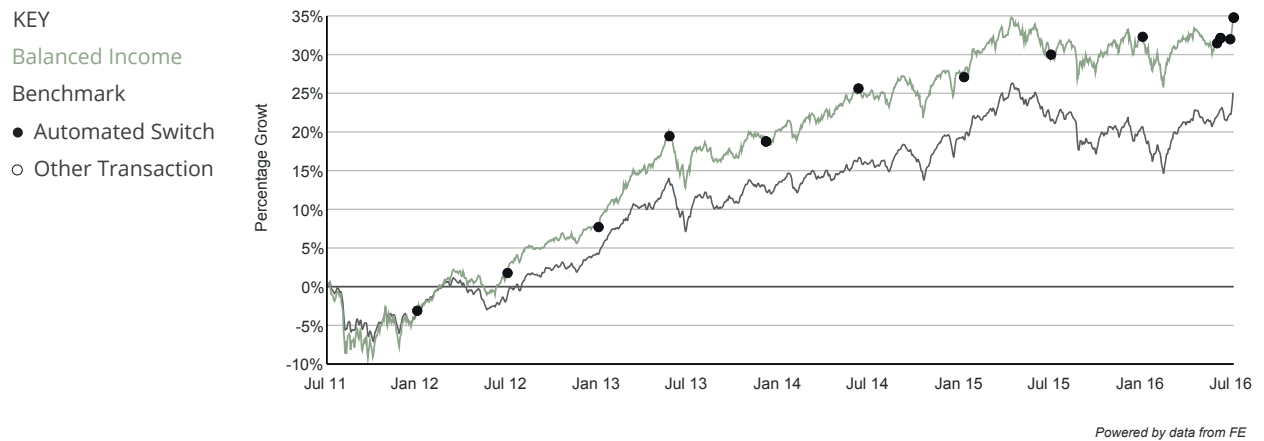
In 95 years out of 100, this is the lowest expected level of return for a given level of risk. There is a 2.5% chance that returns could fall outside the lower return figure in one year.

---

## Asset Allocation

	<i>Risk /10</i>	<i>Money Markets</i>	<i>Fixed Interest</i>	<i>Property</i>	<i>UK Equity</i>	<i>US Equity</i>	<i>European Equity</i>	<i>Asian Equity</i>	<i>Japan Equity</i>	<i>Global Equity</i>	<i>Other Assets</i>
Balanced Income	4	13%	32%	13%	21%	8%	6%	6%	0%	1%	0%
Benchmark	4	7%	38%	3%	16%	5%	4%	3%	0%	11%	13%

## Cumulative Performance Chart



Cumulative performance chart shows % growth from 04.07.2011 to 01.07.2016 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 01/07/2016

	6 months %	1 year %	2 years %	3 years %	5 years %
Balanced Income	1.88	3.68	8.01	17.19	35.38
Benchmark Mixed Investment 20%-60%	3.63	3.01	7.87	14.94	25.44
Difference Portfolio vs Benchmark	-1.75	0.67	0.14	2.25	9.72

## Discrete Performance to Month End Shown: % Growth to 01/07/2016

	30/06/16	30/06/15	30/06/14	30/06/13	30/06/12
Balanced Income	3.13	3.79	8.61	12.92	2.91
Benchmark Mixed Investment 20%-60%	1.85	4.86	6.84	10.09	-0.77

## Performance Ratios Over 3 Years

Risk Rating	Volatility	Alpha	Beta	Sharpe	Information Ratio	Weighted Average TER	Max Loss	Max Gain	Negative Periods	Positive Periods
4	4.80	1.12	0.89	0.34	0.37	0.73	-3.28	5.00	13	23

## Individual Fund's Performance To 01/07/2016

## 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	11%	Bea Rodriguez	0.13	0.25	0.5	0.67	1.31
BlackRock Continental European Income	4%	Alice Gaskell	7.56	15.74	20.18	40.38	72.55
CF Woodford Equity Income	5%	Neil Woodford	-2.63	3.45	21.62	-	-
GAM Star Credit Opportunities	7%	Anthony Smouha	2.03	2.82	10.2	30.38	-
Henderson Fixed Interest Monthly Income	7%	John Pattullo	2.49	3.84	-	-	-
Henderson UK Property PAIF Feeder	5%	Marcus Langlands Pearse	-7.14	-3.31	7.98	19.86	29.83
Invesco Perpetual UK Strategic Income	6%	Mark Barnett	-1.12	0.73	11.38	30.99	74.7
JPM US Equity Income	5%	Clare Hart	16.79	23.09	40.55	51.12	107.5
Newton Global Income	4%	Nick Clay	21.04	32.94	41.11	49.39	82.33
Royal London Short Duration Gbl High Yield Bond	6%	Azhar Hussain	2.11	3.43	6.77	14.52	-
Royal London Sterling Credit	7%	Paola Binns	6.55	7.57	14.13	23.82	-
Royal London UK Equity Income	7%	Martin Cholwill	2.53	4.66	12.21	35.17	75.57
Schroder Asian Income	5%	Richard Sennitt	15.28	10.53	19.06	22.43	48.89
Somerset Emerging Markets Dividend Growth	2%	Edward Lam	17.31	6.51	14.26	13.54	27.34
Threadneedle High Yield Bond	6%	Barrie Whitman	2.84	1.73	3.96	15.02	29
Threadneedle UK Property	9%	Don Jordison	-3.24	1.44	15.03	27.06	28.71
Unicorn UK Income	4%	Fraser Mackersie	-12.92	-10.39	-2.59	17.55	-

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.



*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)

ESTATE  CAPITAL

Authorised and Regulated by the Financial Conduct Authority