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BALANCED INCOME  
PORTFOLIO

EDITION 30 December 2018

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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 22.24%  
& potential loss of -12.66%*

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# BALANCED INCOME PORTFOLIO

EDITION 30 December 2018

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

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## RISK

Potential return of 22.24%  
& potential loss of -12.66%.

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## ACTIVE

Managed daily by our personally  
selected fund managers.

78%

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## EQUITY

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

41%

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## YIELD

Income from assets either  
distributed or reinvested.

3.16%

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## FEE S

The weighted total cost  
for the portfolio including  
management, trading &  
research costs.

0.81%

## 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 -12.66% loss and a 22.24% 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 -12.66% or gains greater than 22.24%** 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 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

**22.24%**

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

**4.79%**

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

### Lower Return

**-12.66%**

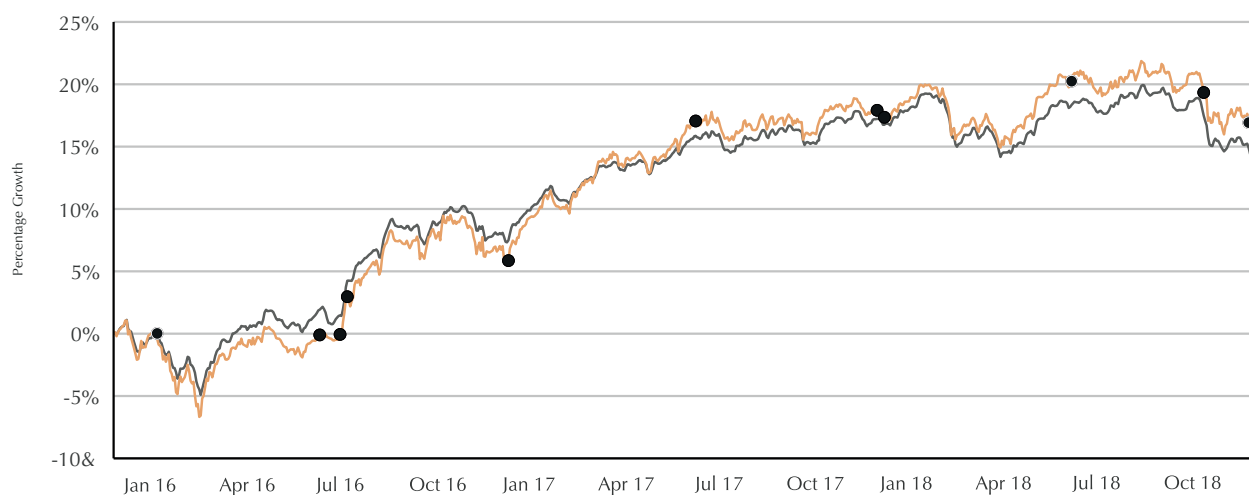
In 95 years out of 100, this is the lowest expected level of return for a given level of risk. There is a 2.5% chance that returns could fall outside the lower return figure in one year.

## Asset Allocation

	Money Markets	Fixed Interest	Property	UK Equity	US Equity	European Equity	Asian Equity	Japan Equity	Global Equity	Other Assets
Balanced Income	25%	27%	7%	22%	7%	3%	5%	3%	1%	0%
Benchmark IA Mixed Investment 20%-60%	7%	37%	3%	15%	5%	4%	3%	0%	12%	14%
Difference Portfolio v Benchmark	18%	-10%	4%	7%	2%	-1%	2%	3%	-11%	-14%

## Cumulative Performance Chart

KEY Balanced Income Benchmark ● Automated Switch



Powered by data from FE

Cumulative performance chart shows % growth from 21.11.2015 to 21.11.2018 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 21/11/2018

	6 months %	1 year %	2 years %	3 years %	5 years %
<span style="color: #E67E22;">Balanced Income</span>	<span style="color: #E67E22;">-3.27</span>	<span style="color: #E67E22;">-0.90</span>	<span style="color: #E67E22;">9.46</span>	<span style="color: #E67E22;">16.75</span>	-
Benchmark IA Mixed Investment 20%-60%	-3.43	-2.14	6.09	14.40	22.09
Difference Portfolio vs Benchmark	0.16	1.24	3.37	2.35	-

## Discrete Performance to Month End Shown: % Growth to 21/11/2018

	31/10/18	31/10/17	31/10/16	31/10/15	31/10/14
<span style="color: #E67E22;">Balanced Income</span>	<span style="color: #E67E22;">-0.62</span>	<span style="color: #E67E22;">8.99</span>	<span style="color: #E67E22;">8.91</span>	-	-
Benchmark IA Mixed Investment 20%-60%	-1.74	6.84	9.71	3.27	2.58
Difference Portfolio vs Benchmark	1.12	2.14	-0.80	-	-

## Individual Fund's Performance To 21/11/2018

## 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>
Aberdeen Select European High Yield Bond	2.00%	Euro HY and Global Leverage Loans Team	-3.14	-2.26	5.23	10.64	21.33
BlackRock Cash	22.00%	Matt Clay	0.30	0.41	-	-	-
BlackRock Continental European Income	2.00%	Andreas Zoellinger	-6.90	-8.26	15.41	27.14	48.11
Franklin UK Equity Income	6.00%	Colin Morton, Ben Russon & Mark Hall	-9.08	-2.66	10.61	22.17	41.24
Janus Henderson UK Property PAIF Feeder	4.00%	Marcus Langlands Pearse & Ainslie McLennan	-2.51	6.80	14.53	10.35	34.64
JPM US Equity Income	4.00%	Jonathan Simon & Clare Hart	6.38	9.76	18.81	58.41	93.66
Jupiter Japan Income	3.00%	Dan Carter	-9.91	-2.57	12.45	40.86	68.10
Neptune Income	6.00%	Robiin Geffen	-6.59	0.22	14.43	27.66	36.73
Newton Global Income	4.00%	Nick Clay	4.40	4.50	15.92	50.33	74.12
Royal London Short Duration Gbl High Yield Bond	8.00%	Azhar Hussain & Stephen Tapley	0.60	1.06	3.89	7.97	16.41
Royal London Sterling Extra Yield Bond	5.00%	Eric Holt	1.02	2.83	18.99	28.39	44.05
Schroder Asian Income	5.00%	Richard Sennitt	-6.44	-4.14	15.20	47.73	56.73
Schroder High Yield Opportunities	5.00%	Daniel Pearson	-2.40	-0.86	10.10	19.11	34.24
Schroder Income	6.00%	Kevin Murphy & Nick Kirrage	-6.83	7.63	19.02	38.31	43.68
Threadneedle High Yield Bond	5.00%	Barrie Whitman & David Backhouse	-0.87	-0.31	7.70	11.93	21.10
Threadneedle UK Equity Income	6.00%	Richard Colwell	-6.03	0.28	12.05	20.71	38.75
Threadneedle UK Property	4.00%	Gerry Frewin	1.67	5.11	17.49	11.85	42.05
TwentyFour Dynamic Bond	3.00%	Gary Kirk, Eoin Walsh, Mark Holman & Robert Arnold	-1.49	-1.15	8.64	10.30	23.26

## 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>
5.10	0.67	1.03	0.42	0.68	0.81	-3.61	9.13	14	22



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

Financial Advice & Wealth Management



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