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BALANCED INCOME  
PORTFOLIO

EDITION 31 June 2019

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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 26.03%  
& potential loss of -15.72%*

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# BALANCED INCOME PORTFOLIO

EDITION 31 June 2019

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 26.03%  
& potential loss of -15.72%.

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## ACTIVE

Managed daily by our personally  
selected fund managers.

82%

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## EQUITY

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

46%

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## YIELD

Income from assets either  
distributed or reinvested.

3.43%

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## FEEES

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

0.78%

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## 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 -15.72% loss and a 26.03% 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 -15.72% or gains greater than 26.03%** 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.

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## Range of Returns

### Upper Return

**26.03%**

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.

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### Average of All Returns

**5.16%**

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

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### Lower Return

**-15.72%**

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.

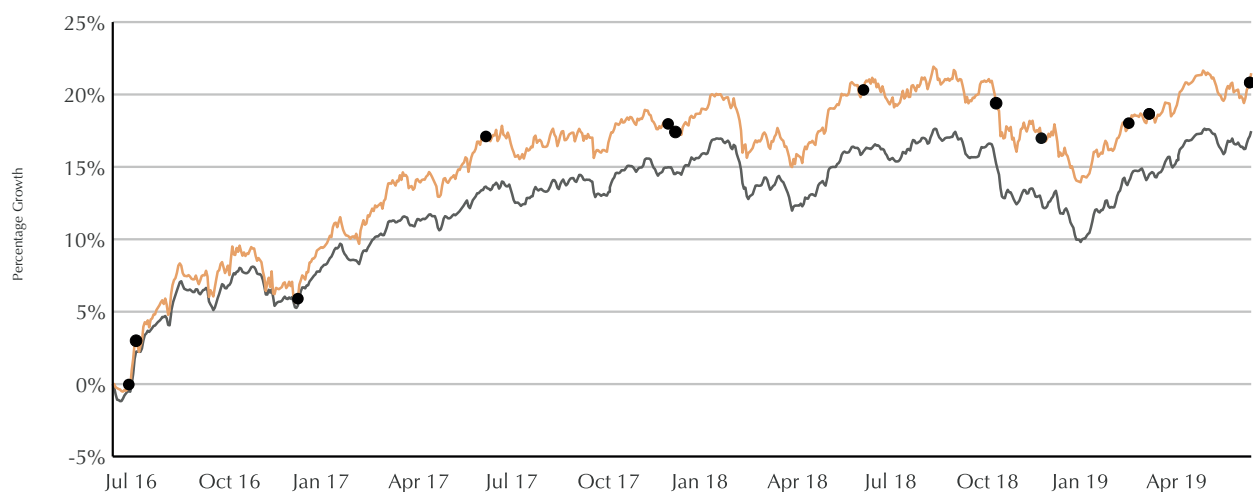
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## Asset Allocation

	Money Markets	Fixed Interest	Property	UK Equity	US Equity	European Equity	Asian Equity	Japan Equity	Global Equity	Other Assets
Balanced Income	12%	34%	8%	20%	11%	2%	8%	3%	2%	0%
Benchmark IA Mixed Investment 20%-60%	9%	37%	2%	15%	6%	4%	2%	1%	12%	12%
Difference Portfolio v Benchmark	3%	-3%	6%	5%	5%	-2%	6%	2%	-10%	-12%

## Cumulative Performance Chart

KEY      **Balanced Income**      Benchmark      • Automated Switch



Cumulative performance chart shows % growth from 10.06.2016 to 10.06.2019 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 10/06/2019

	6 months %	1 year %	2 years %	3 years %	5 years %
<b>Balanced Income</b>	4.93	0.60	3.80	21.47	-
Benchmark IA Mixed Investment 20%-60%	5.08	1.07	3.52	17.47	23.73
Difference Portfolio vs Benchmark	-0.15	-0.47	0.28	4.00	-

## Discrete Performance to Month End Shown: % Growth to 10/06/2019

	31/05/19	31/05/18	31/05/17	31/05/16	31/05/15
<b>Balanced Income</b>	-0.33	2.72	17.57	-	-
Benchmark IA Mixed Investment 20%-60%	0.41	2.22	14.20	-2.46	7.61
Difference Portfolio vs Benchmark	-0.74	0.50	3.37	-	-

## Individual Fund's Performance To 10/06/2019

## 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 US Short Duration High Yield Bond	1.00%	Carl Whitbeck	3.27	3.21	3.57	7.68	11.38
BlackRock Cash	10.00%	Matt Clay	0.14	0.22	0.26	0.31	0.43
BNY Mellon Global Income	7.00%	Nick Clay	11.52	15.63	16.41	47.66	84.94
Fidelity Asian Dividend	6.00%	Jochen Breuer	13.65	11.98	21.42	65.13	87.27
Franklin UK Equity Income	5.00%	Colin Morton, Ben Russon, Mark Hall	12.50	1.58	6.53	32.50	42.51
iShares Global Property Securities Equity Index	8.00%	Kieran Doyle	8.66	14.96	15.34	34.44	-
Janus Henderson Fixed Interest Monthly Income	6.00%	John Pattullo, Jenna Barnard, Nicholas Ware	8.05	7.77	8.09	17.33	26.11
Janus Henderson Strategic Bond	2.00%	John Pattullo, Jenna Barnard	6.35	6.46	6.19	12.67	20.11
JPM Emerging Markets Income	3.00%	Omar Negyal, Amit Mehta, Jeffrey Roskell	10.43	7.74	11.37	52.57	43.31
JPM US Equity Income	7.00%	Jonathan Simon, Clare Hart	8.78	13.27	22.27	57.03	100.18
Jupiter Japan Income	3.00%	Dan Carter	6.61	-4.90	13.75	47.81	94.76
M&G Emerging Market Bond	1.00%	Claudia Calich, Charles De Quinsonas	10.86	13.36	8.39	35.84	63.67
M&G Global Macro Bond	3.00%	Jim Leaviss, Claudia Calich	5.22	9.86	5.19	20.33	39.97
Neptune Income	5.00%	Robin Geffen	10.14	1.33	12.44	39.04	46.25
Royal London Short Duration Credit	3.00%	Paola Binns	3.35	3.42	5.34	11.35	18.83
Royal London Short Duration Gbl High Yield Bond	7.00%	Azhar Hussain, Stephen Tapley	2.57	3.01	4.30	7.86	15.58
Royal London Sterling Extra Yield Bond	5.00%	Eric Holt	4.30	4.83	11.92	30.80	37.92
Royal London UK Equity Income	5.00%	Martin Chowill	11.24	-2.02	3.73	29.15	35.96
Threadneedle High Yield Bond	6.00%	Barrie Whitman, David Backhouse	6.00	4.34	6.39	15.28	20.72
Threadneedle UK Equity Income	5.00%	Richard Cowell	6.46	-3.90	-1.13	23.71	29.74
MI TwentyFour Dynamic Bond	2.00%	Gary Kirk, Eion Walsh, Mark Holman, Felipe Villarroel	4.75	2.99	5.65	15.55	18.37

## 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>
5.15	0.93	0.99	0.56	0.80	0.78	-5.63	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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