
CONSERVATIVE INCOME EDITION 32 December 2019
PORTFOLIO

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 21.36%
& potential loss of -13.47%*

CONSERVATIVE INCOME PORTFOLIO

EDITION 32 December 2019

The Conservative 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 cautious to 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 Conservative Income Portfolio performance is benchmarked against the average performance of the IA Mixed Investment 20%–60% sector. The Conservative Income Portfolio has a risk rating and investor profile of 4 out of 10.

RISK

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& potential loss of -13.47%.

4

ACTIVE

Managed daily by our personally
selected fund managers.

72%

EQUITY

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

38%

YIELD

Income from assets either
distributed or reinvested.

2.96%

FEEES

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

0.67%

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 -13.47% loss and a 21.36% 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 -13.47% or gains greater than 21.36%** 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

21.36%

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

3.94%

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

Lower Return

-13.47%

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
Conservative Income	15%	40%	7%	22%	5%	2%	6%	2%	1%	0%
Benchmark IA Mixed Investment 20%-60%	8%	37%	2%	14%	5%	4%	3%	0%	13%	14%
Difference Portfolio v Benchmark	7%	3%	5%	8%	0%	-2%	3%	2%	-12%	-14%

Cumulative Performance Chart

KEY Conservative Income Benchmark • Automated Switch



Powered by data from FE

Cumulative performance chart shows % growth from 25.11.2014 to 22.11.2019 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 22/11/2019

	6 months %	1 year %	2 years %	3 years %	5 years %
Conservative Income	3.10	6.59	5.51	15.29	25.79
Benchmark IA Mixed Investment 20%-60%	3.18	7.61	5.03	13.94	24.82
Difference Portfolio vs Benchmark	-0.08	-1.02	0.48	1.35	0.97

Discrete Performance to Month End Shown: % Growth to 22/11/2019

	31/10/19	31/10/18	31/10/17	31/10/16	31/10/15
Conservative Income	5.54	-0.49	8.32	7.03	4.36
Benchmark IA Mixed Investment 20%-60%	6.42	-1.74	6.84	9.71	3.27
Difference Portfolio v Benchmark	-0.88	1.25	1.48	-2.68	1.09

Individual Fund's Performance To 22/11/2019

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>
Artemis Strategic Bond	4.00%	Alex Ralph & James Forster	3.19	7.21	5.47	14.41	25.10
AXA US Short Duration High Yield Bond	2.00%	Carl Whitbeck	1.42	4.65	4.49	7.49	13.08
Baillie Gifford Japan Income Growth	2.00%	Matthew Brett & Karen See	9.32	10.90	11.79	33.88	-
Fidelity Global Dividend	4.00%	Daniel Roberts	5.64	16.33	20.54	33.21	72.23
Franklin UK Equity Income	7.00%	Colin Morton, Ben Russon & Mark Hall	3.77	12.64	9.55	24.21	45.37
iShares Global Property Securities Equity Index	7.00%	Keiran Doyle	3.05	14.88	18.46	27.15	61.12
Janus Henderson Fixed Interest Monthly Income	5.00%	John Pattullo , Jenna Barard & Nicholas Ware	5.85	12.83	9.34	20.98	32.00
Janus Henderson Strategic Bond	6.00%	John Pattullo & Jenna Barnard	4.97	10.77	8.32	15.67	23.64
JPM Emerging Markets Income	2.00%	Omar Negyal, Amit Mehta & Jeffrey Roskell	5.38	14.39	9.21	30.07	42.47
JPM US Equity Income	4.00%	Clare Hart, Andrew Brandon & Dave Silberman	5.94	14.36	24.34	34.91	86.05
M&G Global Macro Bond	2.00%	Jim Leaviss	3.20	6.39	1.57	5.16	-
Royal London Short Duration Credit	1.00%	Paola Binns	2.69	5.57	6.40	11.95	19.08
Royal London Short Duration Gbl High Yield Bond	8.00%	Azhar Hussain & Stephen Tapley	1.48	3.81	5.02	7.93	16.82
Royal London Short Term Money Market	13.00%	Craig Inches & Tony Cole	0.35	0.74	1.26	1.47	1.91
Royal London UK Equity Income	7.00%	Martin Cholwill	3.93	10.10	7.88	21.49	40.16
Schroder Asian Income	5.00%	Richard Sennitt	1.95	11.07	5.56	27.01	57.15
Threadneedle High Yield Bond	6.00%	Barrie Whitman & David Backhouse	3.43	7.90	7.71	16.37	25.21
Threadneedle UK Equity Income	7.00%	Richard Colwell	6.13	8.95	8.34	20.81	37.85
Vanguard Global Bond Index	2.00%	Global Fixed Income Team	3.94	8.58	6.60	9.18	15.59
Vanguard UK Government Bond Index	4.00%	Global Fixed Income Team	4.77	10.34	9.75	13.16	27.45
Vanguard US Government Bond Index	2.00%	Global Fixed Income Team	3.67	7.82	-	-	-

Performance Ratios Over 3 Years

<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>
4.52	0.92	0.91	0.20	0.62	0.67	-5.08	7.92	14	22

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

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