DEFENSIVE
PORTFOLIO

EDITION 28 January 2018

RISK

2

ESTATE CAPITAL

Defensive Investor

You prefer to take a small amount of risk to achieve modest or relatively stable returns. You accept there may be some short term fluctuations in value.

Potential return of 11.53% & potential loss of -5.51%

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The Defensive Portfolio is a blended style strategy. It is aimed at medium to long term investors who are seeking a cautious investment that has a genuine prospect of capital growth above cash based investments.

The chosen investment funds can invest in fixed interest securities, commercial property, cash, UK and overseas equities and alternative assets. They are actively managed by leading fund managers to maximise total return whilst maintaining control of risk.

The Defensive Portfolio performance is benchmarked against the average performance of the IA Mixed Investment 0%–35% sector and has a risk rating and investor profile of 2 out of 10.

RISK

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2

ACTIVE

Managed daily by our personally selected fund managers.

54%

EQUITY

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

29%

FEES

The weighted total expense ratio for this portfolio.

0.62%

Risk

Prospective Risk Level

1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10

Historic Risk Level

1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10

A **risk level 2** investor should be prepared to accept annual returns somewhere **within the range of a -5.51% loss and a 11.53% 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 2** portfolios will experience an annual return outside this range — this means an investor may experience **losses greater than -5.51% or gains greater than 11.53%** 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.

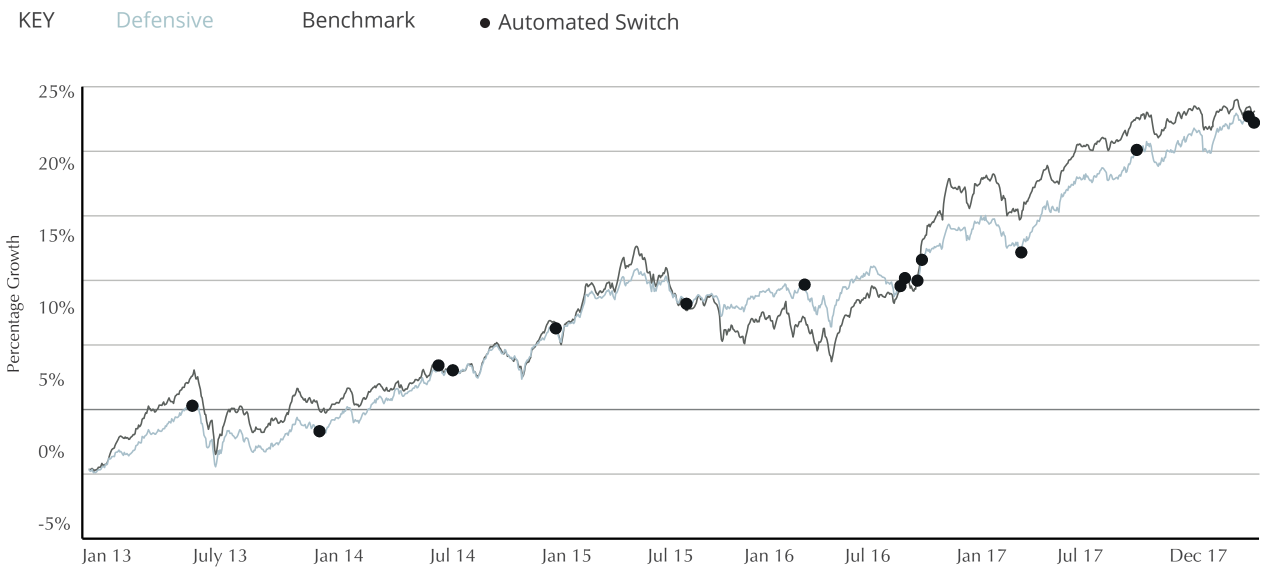
Range of Returns

Upper Return	11.53%	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	3.01%	This is the average of all possible returns within a risk level in one year.
Lower Return	-5.51%	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*
Defensive	44%	16%	10%	5%	8%	5%	5%	0%	0%	7%
Benchmark IA Mixed Investment 0%-35%	11%	51%	2%	8%	4%	3%	2%	0%	7%	12%
Difference Portfolio v Benchmark	33%	-35%	8%	-3%	4%	2%	3%	0%	-7%	-5%

Cumulative Performance Chart



Powered by data from FE

Cumulative performance chart shows % growth from 07/12/2012 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 %*
Defensive	1.51	7.60	10.05	12.41	23.60
Benchmark IA Mixed Investment 0%-35%	0.39	6.12	12.29	12.90	24.37
Difference Portfolio vs Benchmark	1.12	1.48	-2.24	-0.49	-0.77

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*
Defensive	6.77	2.64	2.49	6.52	3.00
Benchmark IA Mixed Investment 0%-35%	5.59	6.02	0.75	5.18	4.86
Difference Portfolio v Benchmark	1.18	-3.38	1.74	1.34	-1.86

Individual Fund's Performance To 06/12/2017

Cumulative Performance: % Growth

Fund	*% Holding*	*Fund Manager*	*6 months %*	*1 year %*	*2 years %*	*3 years %*	*5 years %*
BlackRock Cash	41.00%	Bea Rodriguez	-0.50	-0.40	-0.10	-0.50	-0.50
BlackRock European Dynamic	4.00%	Alister Hibbert	5.19	32.68	45.29	57.99	-
CF Lindsell Train Global Equity	1.50%	Michael Lindsell	3.04	24.53	33.53	43.96	111.25
CF Lindsell Train UK Equity	2.00%	Nick Train	-1.23	17.11	52.81	50.51	107.78
First State Global Listed Infrastructure	3.00%	Peter Meany	4.28	29.59	61.15	78.96	174.88
Fundsmith Equity	1.50%	Terry Smith	5.82	15.42	25.52	32.52	73.57
GAM Star Credit Opportunities	4.00%	Anthony Smouha	0.55	3.37	5.35	12.59	40.28
Henderson UK Absolute Return	5.00%	Ben Wallance	4.03	7.58	3.34	12.22	34.03
Henderson UK Property PAIF Feeder	5.00%	Marcus Langlands	1.52	7.51	14.22	17.44	32.54
Kames Investment Grade Bond	3.00%	Euan McNeil	-1.01	4.59	24.29	26.13	50.59
L&G All Stocks Index Linked Gilt	5.00%	LGIM Index Fund Mgmt Team	6.40	31.63	58.41	83.15	163.76
Lindsell Train Japanese Equity	1.00%	Michael Lindsell	11.69	34.46	32.54	63.50	180.98
Old Mutual Gbl Equity Absolute Returns	2.00%	Ian Heslop	7.62	7.71	11.01	14.55	44.21
Old Mutual North American Equity	4.00%	Ian Heslop	5.72	17.51	55.96	66.42	181.66
Old Mutual UK Mid Cap	2.00%	Richard Watts	3.33	26.76	37.37	68.42	152.43
Polar Capital Global Insurance	1.50%	Alex Foster	5.28	11.50	43.16	64.91	142.45
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	2.50%	Eric Holt	4.64	16.04	24.75	27.45	57.65
Threadneedle UK Property	7.00%	Don Jordison	2.83	11.79	6.78	16.99	41.05
Veritas Asian	3.00%	Ezra Sun	11.05	33.17	65.13	74.92	118.76

Performance Ratios Over 3 Years

Volatility	*Alpha*	*Beta*	*Sharpe*	*Information Ratio*	*Weighted Average TER*	*Max Loss*	*Max Gain*	*Negative Periods*	*Positive-Periods*
2.85	1.26	0.65	0.16	-0.08	0.62	-1.81	3.82	12	24

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
www.estatecapital.co.uk

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