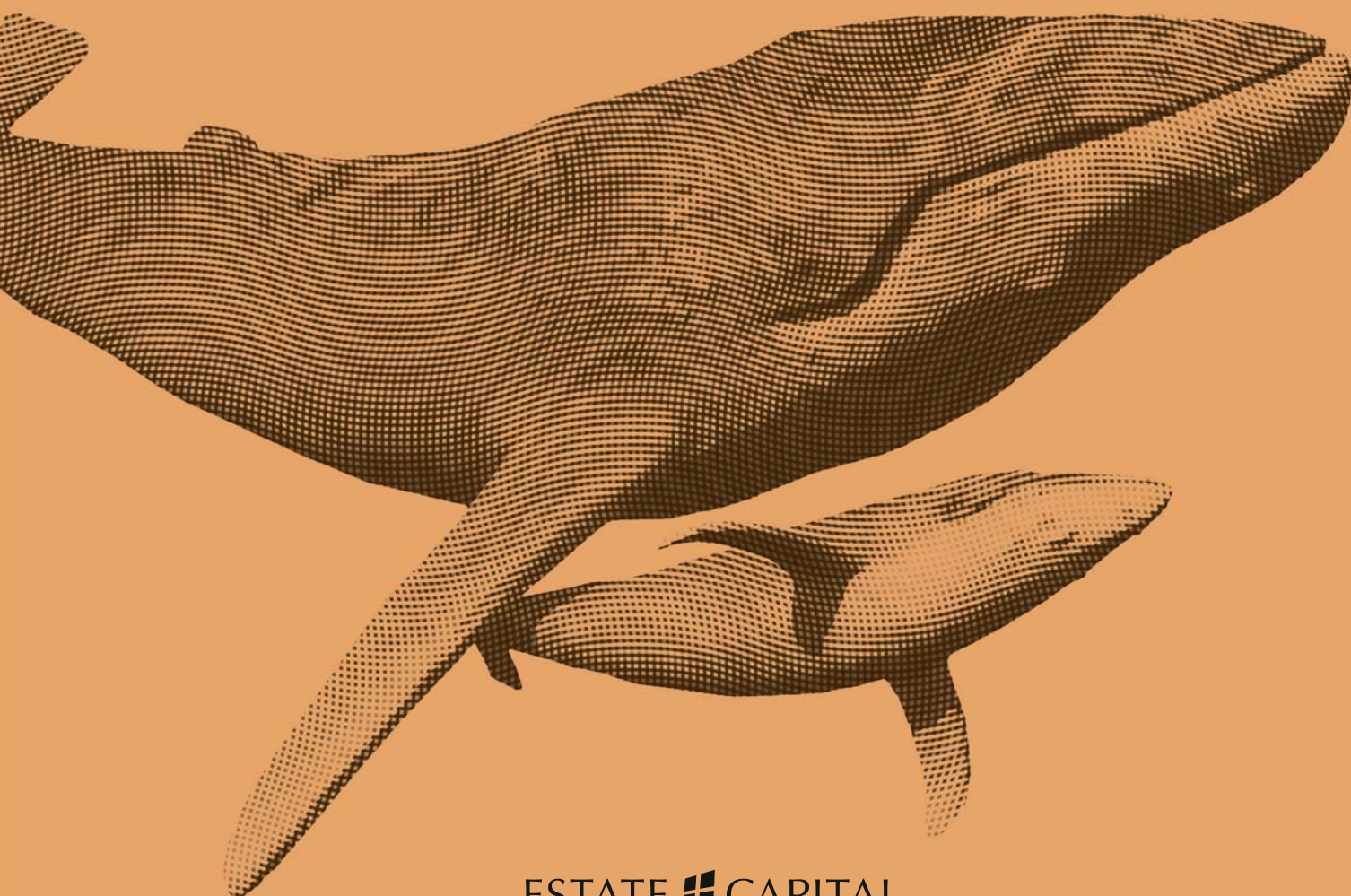


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RISK

6



## **Balanced Investor**

*You are aiming for higher long term returns and accept significant fluctuations in value. You accept the risk of a greater than moderate loss.*

*Potential return of 29.75%  
& potential loss of -18.41%*

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# BALANCED ALPHA PORTFOLIO

EDITION 28 January 2018

The Balanced Alpha Portfolio is a growth style strategy. It is aimed at medium to long term investors who are seeking above average capital growth from a balanced portfolio of mainly equity investments.

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

The Balanced Alpha Portfolio performance is benchmarked against the average performance of the IA Mixed Investment 40%–85% sector and has a risk rating and investor profile of 6 out of 10.

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## RISK

Potential return of 29.75%  
& potential loss of -18.41%.

6

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## ACTIVE

Managed daily by our personally  
selected fund managers.

76%

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## EQUITY

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

58%

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## FEEES

The weighted total expense  
ratio for this portfolio.

0.74%

## Risk

### Prospective Risk Level



### Historic Risk Level



A **risk level 6** investor should be prepared to accept annual returns somewhere **within the range of a -18.41% loss and a 29.75% gain** — returns within this range would be expected 95% of the time. It should be remembered that there is a 5% chance that a **risk level 6** portfolios will experience an annual return outside this range — this means an investor may experience **losses greater than -18.41% or gains greater than 29.75%** 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

**29.75%**

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

**5.67%**

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

### Lower Return

**-18.41%**

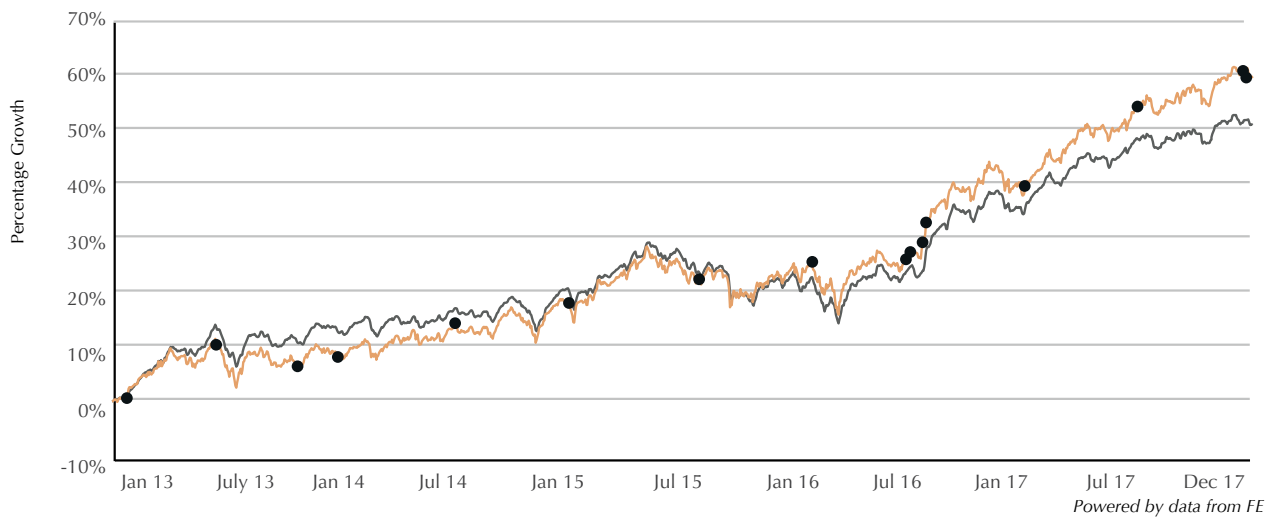
In 95 years out of 100, this is the lowest expected level of return for a given level of risk. There is a 2.5% chance that returns could fall outside the lower return figure in one year.

## Asset Allocation

	Money Markets	Fixed Interest	Property	UK Equity	US Equity	European Equity	Asian Equity	Japan Equity	Global Equity	Other Assets
Balanced Alpha	22%	12%	7%	8%	15%	9%	15%	4%	0%	8%
Benchmark IA Mixed Investment 40%-85%	6%	18%	2%	22%	11%	7%	6%	0%	15%	13%
Difference Portfolio v Benchmark	16%	-6%	5%	-14%	4%	2%	9%	4%	-15%	-5%

## Cumulative Performance Chart

KEY Balanced Alpha Benchmark ● Automated Switch



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 %
<span style="color: #E67E22;">Balanced Alpha</span>	<span style="color: #E67E22;">3.57</span>	<span style="color: #E67E22;">15.34</span>	<span style="color: #E67E22;">28.80</span>	<span style="color: #E67E22;">34.14</span>	<span style="color: #E67E22;">59.42</span>
Benchmark IA Mixed Investment 40%-85%	1.75	12.05	22.51	24.76	50.71
Difference Portfolio vs Benchmark	1.82	3.29	6.29	9.38	8.71

## 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
<span style="color: #E67E22;">Balanced Alpha</span>	<span style="color: #E67E22;">13.78</span>	<span style="color: #E67E22;">12.52</span>	<span style="color: #E67E22;">4.81</span>	<span style="color: #E67E22;">8.76</span>	<span style="color: #E67E22;">9.41</span>
Benchmark IA Mixed Investment 40%-85%	11.48	10.13	2.15	5.97	14.11
Difference Portfolio v Benchmark	2.30	2.39	2.66	2.79	-4.70

## Individual Fund's Performance To 06/12/2017

## 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>
Baillie Gifford American	3.00%	Gary Robinson	4.74	26.03	57.42	76.30	154.24
BlackRock Cash	19.00%	Bea Rodriguez	-0.50	-0.40	-0.10	-0.50	-0.50
BlackRock European Dynamic	5.00%	Alister Hibbert	5.19	32.68	45.29	57.99	-
CF Lindsell Train Global Equity	3.00%	Michael Lindsell	3.04	24.53	33.53	43.96	111.25
CF Lindsell Train UK Equity	4.00%	Nick Train	6.70	25.90	58.61	56.46	94.90
Fidelity Emerging Asia	4.00%	Dhananjay Phadnis	-1.23	17.11	52.81	50.51	107.78
First State Global Listed Infrastructure	2.00%	Peter Meany	2.75	26.90	48.10	62.13	111.65
FP Crux European Special Situations	2.00%	Richard Pease	4.28	29.59	61.15	78.96	174.88
Fundsmith Equity	3.00%	Terry Smith	5.82	15.42	25.52	32.52	73.57
GAM Star Credit Opportunities	4.00%	Anthony Smouha	13.72	34.64	68.04	74.80	140.14
Henderson China Opportunities	3.00%	Charlie Awdry	0.55	3.37	5.35	12.59	40.28
Henderson UK Absolute Return	5.00%	Ben Wallace	4.03	7.58	3.34	12.22	34.03
Henderson UK Property PAIF Feeder	4.00%	Marcus Langlands	-0.49	20.71	49.67	58.75	116.73
Jupiter India	2.00%	Avinash Vazirani	-1.01	4.59	24.29	26.13	50.59
L&G All Stocks Index Linked Gilt	5.00%	LGIM Index Fund Mgmt Team	10.38	42.66	80.08	153.28	300.92
Legg Mason Japan Equity	2.00%	Hideo Shiozumi	6.40	31.63	58.41	83.15	163.76
Lindsell Train Japanese Equity	2.00%	Michael Lindsell	11.69	34.46	32.54	63.50	180.98
Old Mutual Gbl Equity Absolute Returns	2.00%	Ian Heslop	3.76	21.78	49.03	37.44	50.50
Old Mutual North American Equity	5.00%	Ian Heslop	7.62	7.71	11.01	14.55	44.21
Old Mutual UK Mid Cap	3.00%	Richard Watts	5.72	17.51	55.96	66.42	181.66
Polar Capital Global Insurance	2.00%	Alec Foster	3.33	26.76	37.37	68.42	152.43
Royal London Sterling Extra Yield Bond	3.00%	Eric Holt	5.28	11.50	43.16	64.91	142.45
Schroder Global Healthcare	1.00%	John Bowler	4.64	16.04	24.75	27.45	57.65
Somerset Emerging Markets Dividend Growth	2.00%	Edward Lam	-1.81	12.50	24.56	28.57	125.64
Threadneedle UK Property	5.00%	Don Jodison	2.83	11.79	6.78	16.99	41.05
Veritas Asian	5.00%	Ezra Sun	11.05	33.17	65.13	74.92	118.76

## 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>
6.51	2.89	0.92	1.04	1.06	0.74	-3.79	16.95	11	25



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

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