
BALANCED INCOME
PORTFOLIO

EDITION 27 July 2017

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 21.76%
& potential loss of -12.97%*

BALANCED INCOME PORTFOLIO

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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 & 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 Mixed Investment 20%–60% sector. The Balanced Income Portfolio has a risk rating and investor profile of 4 out of 10.

RISK

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& potential loss of -12.97%.

4

ACTIVE

Managed daily by our personally
selected fund managers.

70%

EQUITY

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

44%

YIELD

Income from assets either
distributed or reinvested.

3.09%

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 -12.97% loss and a 21.76% 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 -12.97% or gains greater than 21.76%** 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

21.76%

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

4.39%

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

Lower Return

-12.97%

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	27%	16%	13%	25%	5%	6%	7%	0%	1%	0%
Benchmark IA Mixed Investment 20%-60%	8%	36%	2%	17%	5%	4%	3%	0%	9%	16%
Difference Portfolio v Benchmark	19%	-20%	11%	8%	0%	2%	4%	0%	-8%	-16%

Cumulative Performance Chart

KEY — Balanced Income — Benchmark ● Automated Switch



Powered by data from FE

Cumulative performance chart shows % growth from 05.06.2012 to 02.06.2017 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 02/06/2017

	6 months %	1 year %	2 years %	3 years %	5 years %
Balanced Income	9.24	14.64	13.16	20.30	51.62
Benchmark IA Mixed Investment 20%-60%	7.88	14.13	11.94	20.04	43.20
Difference Portfolio vs Benchmark	1.36	0.51	1.22	0.26	8.42

Discrete Performance to Month End Shown: % Growth to 02/06/2017

	31/05/17	31/05/16	31/05/15	31/05/14	31/05/13
Balanced Income	14.33	-1.83	6.97	6.16	18.45
Benchmark IA Mixed Investment 20%-60%	14.20	-2.46	7.61	3.51	15.28
Difference Portfolio v Benchmark	0.13	0.63	-0.64	2.65	3.17

Individual Fund's Performance To 02/06/2017

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>
AXA Framlington Managed Income	3%	George Luckraft	6.48	12.77	12.69	19.49	60.47
BlackRock Cash	22%	Bea Rodriguez	0.04	0.13	0.38	0.63	1.09
BlackRock Continental European Income	5%	Alice Gaskell	26.56	26.33	35.08	43.83	150.27
BlackRock Overseas Corporate Bond Tracker	2%	Darren Wills	3.10	16.20	27.00	33.61	35.35
CF Woodford Equity Income	4%	Neil Woodford	13.92	15.53	15.97	39.65	-
Franklin UK Equity Income	7%	Colin Morton	16.59	24.75	23.09	35.09	102.75
GAM Star Credit Opportunities	4%	Anthony Smouha	8.94	14.66	17.60	29.51	89.79
Henderson UK Property PAIF Feeder	5%	Marcus Langlands Pearse	3.50	2.04	3.35	15.24	36.62
HSBC American Index	3%	HSBC Global Asset Mgemnt	9.75	32.12	40.87	72.60	140.08
Kames Property Income	5%	David Wise	3.63	2.01	9.56	19.52	-
L&G All Stocks Index Linked Gilt	3%	LGIM Fund Mgemnt Team	7.25	21.15	24.21	42.68	48.73
Newton Global Income	4%	Nick Clay	14.27	27.97	44.74	60.24	110.01
Royal London Sterling Extra Yield Bond	3%	Eric Holt	10.77	17.53	18.26	23.45	70.62
Royal London UK Equity Income	7%	Martin Cholwill	17.20	25.38	21.42	33.88	122.92
Schroder Asian Income	7%	Richard Sennitt	12.94	37.12	32.60	47.57	86.93
Threadneedle High Yield Bond	2%	Barrie Whitman	5.57	8.86	9.91	14.08	42.85
Threadneedle UK Property	7%	Gerry Frewin	8.81	6.71	8.81	24.46	35.91
Troy Trojan Income	7%	Francis Brooke	15.72	17.56	20.66	36.81	90.92

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>
4.61	1.04	0.84	0.60	0.03	0.65	-3.28	7.92	11	25

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

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