

---

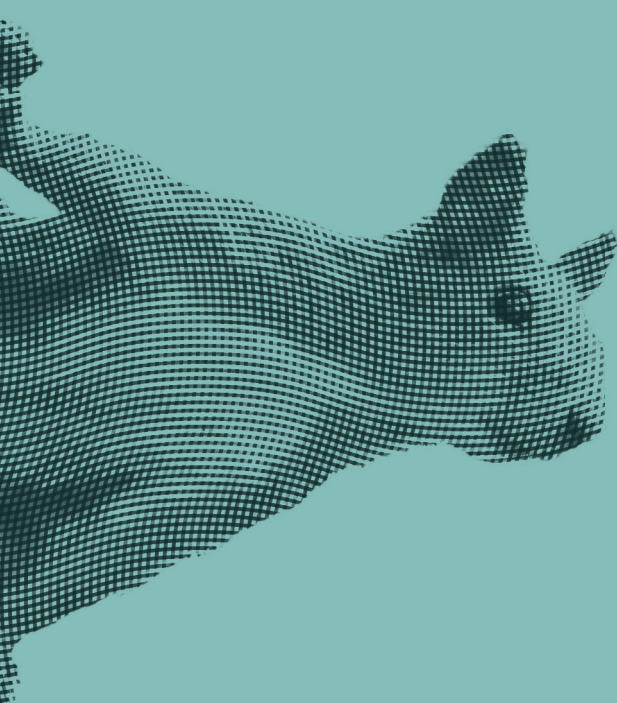
CAUTIOUS  
PORTFOLIO

EDITION 30 December 2018

---

RISK

3



## Cautious Investor

*You accept some risk & aim for a reasonable return. You accept the risk of a small to moderate loss with modest yet frequent fluctuations in value.*

*Potential return of 18.21%  
& potential loss of -9.79%*

---

# CAUTIOUS PORTFOLIO

EDITION 30 December 2018

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

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 Cautious 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 3 out of 10.

---

## RISK

Potential return of 18.21%  
& potential loss of -9.79%.

3

---

## ACTIVE

Managed daily by our personally  
selected fund managers.

58%

---

## EQUITY

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

29%

---

## FEE S

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

0.75%

## Risk

### Prospective Risk Level



### Historic Risk Level



A **risk level 3** investor should be prepared to accept annual returns somewhere **within the range of a -9.79% loss and a 18.21% 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 3** portfolios will experience an annual return outside this range — this means an investor may experience **losses greater than -9.79% or gains greater than 18.21%** 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

**18.21%**

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

**4.21%**

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

### Lower Return

**-9.79%**

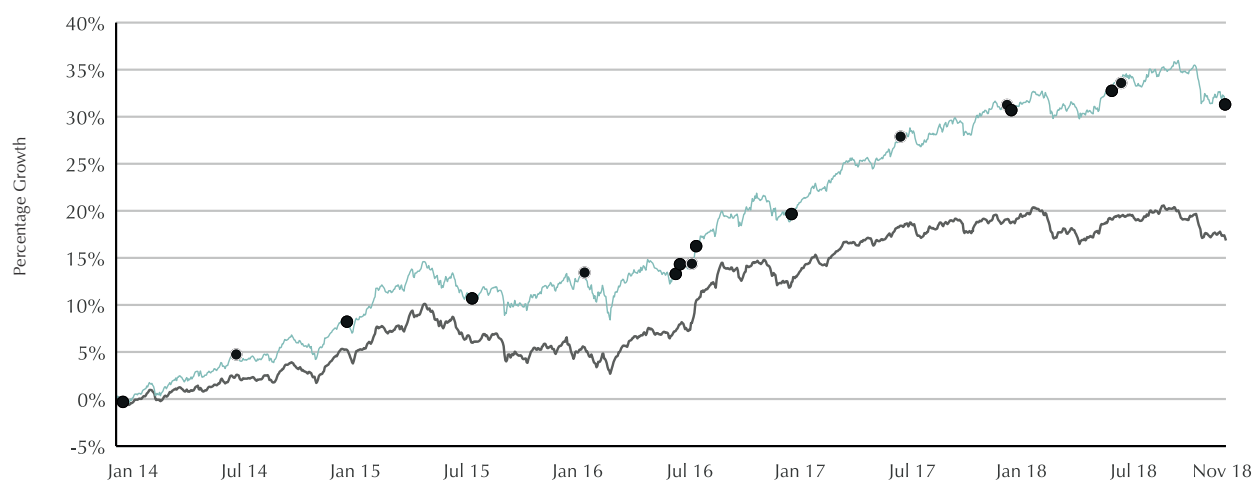
In 95 years out of 100, this is the lowest expected level of return for a given level of risk. There is a 2.5% chance that returns could fall outside the lower return figure in one year.

## Asset Allocation

	Money Markets	Fixed Interest	Property	UK Equity	US Equity	European Equity	Asian Equity	Japan Equity	Global Equity	Other Assets
Cautious	36%	27%	8%	6%	12%	3%	5%	2%	1%	0%
Benchmark IA Mixed Investment 0%-35%	10%	52%	2%	10%	4%	2%	2%	0%	7%	11%
Difference Portfolio v Benchmark	26%	-25%	6%	-4%	8%	1%	3%	2%	-6%	-11%

## Cumulative Performance Chart

KEY Cautious Benchmark Automated Switch



Powered by data from FE

Cumulative performance chart shows % growth from 22/11/2013 to 21/11/2018 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 21/11/2018

	6 months %	1 year %	2 years %	3 years %	5 years %
Cautious	-1.83	-0.15	9.61	16.79	31.20
Benchmark IA Mixed Investment 0%-35%	-2.01	-1.70	4.06	10.66	16.81
Difference Portfolio vs Benchmark	0.18	1.55	5.55	6.13	14.23

## Discrete Performance to Month End Shown: % Growth to 21/11/2018

	31/10/18	31/10/17	31/10/16	31/10/15	31/10/14
Cautious	0.95	8.05	8.07	5.18	5.61
Benchmark IA Mixed Investment 0%-35%	-1.14	4.18	8.08	2.18	2.42
Difference Portfolio vs Benchmark	2.09	3.87	-0.01	3.00	3.19

## Individual Fund's Performance To 21/11/2018

## 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>
Aberdeen Select European High Yield Bond	2.00%	Euro HY & Global Leverage Loans Team	-3.15	-2.29	5.21	10.65	21.32
Artemis Strategic Bond	2.00%	James Foster & Alex Ralph	-2.01	-1.57	6.82	13.10	21.86
Baillie Gifford American	3.00%	Gary Robinson, Helen Xiong, Tom Slater & Kirsty Gibson	-4.22	17.25	43.48	86.60	141.58
BlackRock Cash	33.00%	Matt Clay	0.30	0.41	-	-	-
First State Asia Focus	2.00%	Martin Lau & Richard Jones	-5.53	-3.99	21.99	55.52	-
First State Global Listed Infrastructure	2.00%	Peter Meany & Andrew Greenup	4.99	0.68	14.21	49.01	76.48
Fundsmith Equity	3.00%	Terry Smith	2.58	6.31	33.85	73.28	136.79
iShares Index Linked Gilt Index	4.00%	David Curtain, Simon Blundell & Lena Badea	2.42	-1.88	4.27	25.64	52.34
Janus Henderson UK Property PAIF Feeder	5.00%	Marcus Langlands Pearse & Ainslie McLennan	-2.56	6.71	14.36	10.17	34.63
JPM US Select	2.00%	Susan Bao, Scott Davis & David Small	2.01	6.66	18.87	54.98	98.82
Jupiter European	1.00%	Alexander Darwall	-5.54	1.32	35.90	43.98	84.33
Jupiter Financial Opportunities	1.00%	Guy de Blonay	-7.95	0.31	19.55	34.91	54.91
L&G Global Inflation Linked Bond Index	2.00%	LGIM Index Fund Mgmt Team	-1.39	-2.53	-0.43	2.39	6.61
Lindsell Train UK Equity	1.00%	Nick Train	-5.95	1.19	23.60	35.95	67.00
Lindsell Train Global Equity	2.00%	Michael Lindsell, Nick Train & James Bullock	1.95	12.44	41.68	74.03	129.50
Lindsell Train Japanese Equity	3.00%	Michael Lindsell	-8.33	4.78	39.62	32.71	91.70
Liontrust Special Situations	1.00%	Anthony Cross & Julian Fosh	-5.21	4.45	24.09	39.73	64.26
Polar Capital Global Insurance	1.00%	Nick Martin	5.06	4.17	17.36	52.58	94.92
Polar Capital Global Technology	1.00%	Ben Rogoff & Nick Evans	-6.58	1.02	42.41	95.00	160.49
Royal London Short Duration Gbl High Yield Bond	6.00%	Azhar Hussain & Stephen Tapley	0.60	1.06	3.89	7.97	16.41
Royal London Sterling Credit	3.00%	Paola Binns	-0.75	-1.12	7.12	13.84	28.17
Royal London Sterling Extra Yield Bond	5.00%	Eric Holt	1.02	2.83	18.99	28.39	44.05
Schroder Global Healthcare	1.00%	John Bowler	8.76	13.83	22.96	43.75	93.21
Schroder Income	3.00%	Kevin Murphy & Nick Kirrage	-6.89	7.59	18.99	38.32	43.71
Threadneedle High Yield Bond	2.00%	Barrie Whitman & David Backhouse	-0.87	-0.31	7.70	11.93	21.10
Threadneedle UK Property	5.00%	Gerry Frewin	1.78	5.36	17.92	12.24	43.18
TwentyFour Dynamic Bond	2.00%	Gary Kirk, Eoin Walsh, Mark Holman & Robert Arnold	-1.50	-1.16	8.63	10.30	23.26
Veritas Asian	2.00%	Ezra Sun	-13.62	-13.85	21.99	53.30	86.48

## 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>
3.57	2.31	0.90	0.60	1.15	0.75	-2.64	6.84	11	25



*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](mailto:mail@estatecapital.co.uk)  
[www.estatecapital.co.uk](http://www.estatecapital.co.uk)

ESTATE  CAPITAL

Authorised and Regulated by the Financial Conduct Authority