DEFENSIVE
PORTFOLIO

EDITION 31 June 2019

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 11.14% & potential loss of -5.18%

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

Potential return of 11.14% & potential loss of -5.18%.

2

ACTIVE

Managed daily by our personally selected fund managers.

66%

EQUITY

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

24%

FEES

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

0.66%

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 -5.18% loss and a 11.14% 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 -5.18% or gains greater than 11.14%** 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

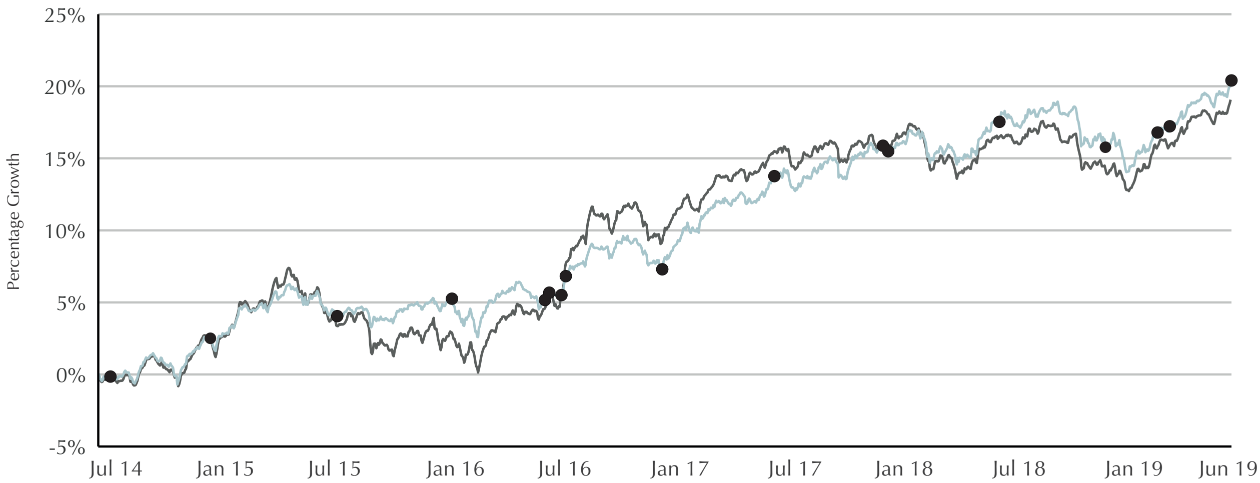
Upper Return	**11.14%**	In 95 years out of 100, this is the highest expected level of return for a given level of risk. There is a 2.5% chance that returns could fall outside the upper return figure in one year.
Average of All Returns	**2.98%**	This is the average of all possible returns within a risk level in one year.
Lower Return	**-5.18%**	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	25%	42%	8%	7%	10%	2%	4%	0%	2%	0%
Benchmark IA Mixed Investment 0%-35%	15%	51%	2%	9%	4%	3%	2%	0%	5%	9%
Difference Portfolio v Benchmark	10%	-9%	6%	-2%	6%	-1%	2%	0%	-3%	-9%

Cumulative Performance Chart

KEY Defensive Benchmark ● Automated Switch



Powered by data from FE

Cumulative performance chart shows % growth from 11/06/2014 to 10/06/2019 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 10/06/2019

	6 months %	*1 year %*	*2 years %*	*3 years %*	*5 years %*
Defensive	3.86	2.00	5.75	13.89	20.18
Benchmark IA Mixed Investment 0%-35%	4.55	2.28	3.15	12.97	19.01
Difference Portfolio vs Benchmark	-0.69	-0.28	2.60	0.92	1.17

Discrete Performance to Month End Shown: % Growth to 10/06/2019

	31/05/19	*31/05/18*	*31/05/17*	*31/05/16*	*31/05/15*
Defensive	1.62	3.56	7.92	-0.59	5.93
Benchmark IA Mixed Investment 0%-35%	1.49	0.92	10.30	-1.38	6.10
Difference Portfolio v Benchmark	0.13	2.64	-2.38	0.79	-0.17

Individual Fund's Performance To 10/06/2019

Cumulative Performance: % Growth

Fund	*% Holding*	*Fund Manager*	*6 months %*	*1 year %*	*2 years %*	*3 years %*	*5 years %*
AXA US Short Duration High Yield Bond	2.00%	Carl Whitbeck	3.26	3.18	3.56	7.64	11.33
Baillie Gifford American	3.00%	Gary Robinson, Helen Xiong, Tom Slater, Kirsty Gibson	15.40	11.13	46.93	111.62	180.71
BlackRock Cash	24.00%	Matt Clay	0.31	0.51	-	-	-
Fidelity Asian Dividend	2.00%	Jochen Breuer	13.66	12.00	21.47	65.31	87.34
First State Global Listed Infrastructure	1.00%	Peter Meany, Andrew Greenup	13.53	23.89	14.38	47.86	87.73
Fundsmith Equity	2.00%	Terry Smith	16.40	18.47	31.00	78.98	165.54
iShares Global Property Securities Equity Index	8.00%	Kieran Doyle	8.65	14.94	15.35	34.37	-
iShares Index Linked Gilt Index	2.00%	David Curtin, Simon Blundell, Lena Badea	7.37	14.04	12.01	34.58	65.85
Janus Henderson Long Dated Credit	3.00%	Philip Payne, James Briggs	10.18	9.56	7.05	19.64	44.84
Janus Henderson Strategic Bond	4.00%	John Pattullo, Jenna Barnard	6.35	6.46	6.19	12.67	20.11
JPM Asia Growth	1.00%	Mark Davids, Joanna Kwok	9.85	0.72	17.10	79.38	99.20
JPM US Equity Income	2.00%	Jonathan Simon, Clare Hart	8.79	13.28	22.30	57.07	100.14
Jupiter Financial Opportunities	1.00%	Guy de Blonay	18.81	8.33	26.62	61.35	75.39
Lindsell Train UK Equity	4.00%	Nick Train	18.76	12.15	24.48	57.01	82.61
Lindsell Train Global Equity	2.00%	Michael Lindsell, Nick Train, James Bullock	17.57	20.63	44.35	99.30	172.37
Liontrust Special Situations	3.00%	Anthony Cross, Julian Fosh	12.21	4.47	19.12	49.02	69.38
M&G Emerging Market Bond	2.00%	Claudia Calich, Charles De Quinsonas	10.91	13.40	8.46	36.08	64.04
M&G Global Macro Bond	4.00%	Jim Leaviss, Claudia Calich	5.22	9.85	5.16	20.39	40.03
Polar Capital Global Insurance	1.00%	Nick Martin	15.35	20.11	23.84	63.98	121.52
Royal London Corporate Bond	4.00%	Jonathan Platt, Shalin Shah	6.53	5.75	6.66	16.38	31.06
Royal London Short Duration Credit	4.00%	Paola Binns	3.35	3.42	5.34	11.35	18.83
Royal London Short Duration Gbl High Yield Bond	9.00%	Azhar Hussain, Stephen Tapley	2.57	3.01	4.30	7.86	15.58
Schroder Global Healthcare	1.00%	John Bowler	3.89	11.97	16.95	39.38	84.73
Standard Life Global Index Linked Bond	2.00%	Adam Skery, Tom Walker	5.81	6.79	5.55	10.99	20.25
Threadneedle High Yield Bond	3.00%	Barrie Whitman, David Backhouse	6.00	4.34	6.39	15.28	20.72
MI TwentyFour Dynamic Bond	3.00%	Gary Kirk, Eion Walsh, Mark Holman, Felipe Villarroel	4.75	2.99	5.65	15.54	18.37
Vanguard UK Long Duration Gilt Index	3.00%	Global Fixed Income Team	5.93	11.06	9.29	17.85	60.18

Performance Ratios Over 3 Years

Volatility	*Alpha*	*Beta*	*Sharpe*	*Information Ratio*	*Weighted Average TER*	*Max Loss*	*Max Gain*	*Negative Periods*	*Positive-Periods*
3.03	1.13	0.77	0.28	0.12	0.66	-3.62	4.41	13	23

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

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