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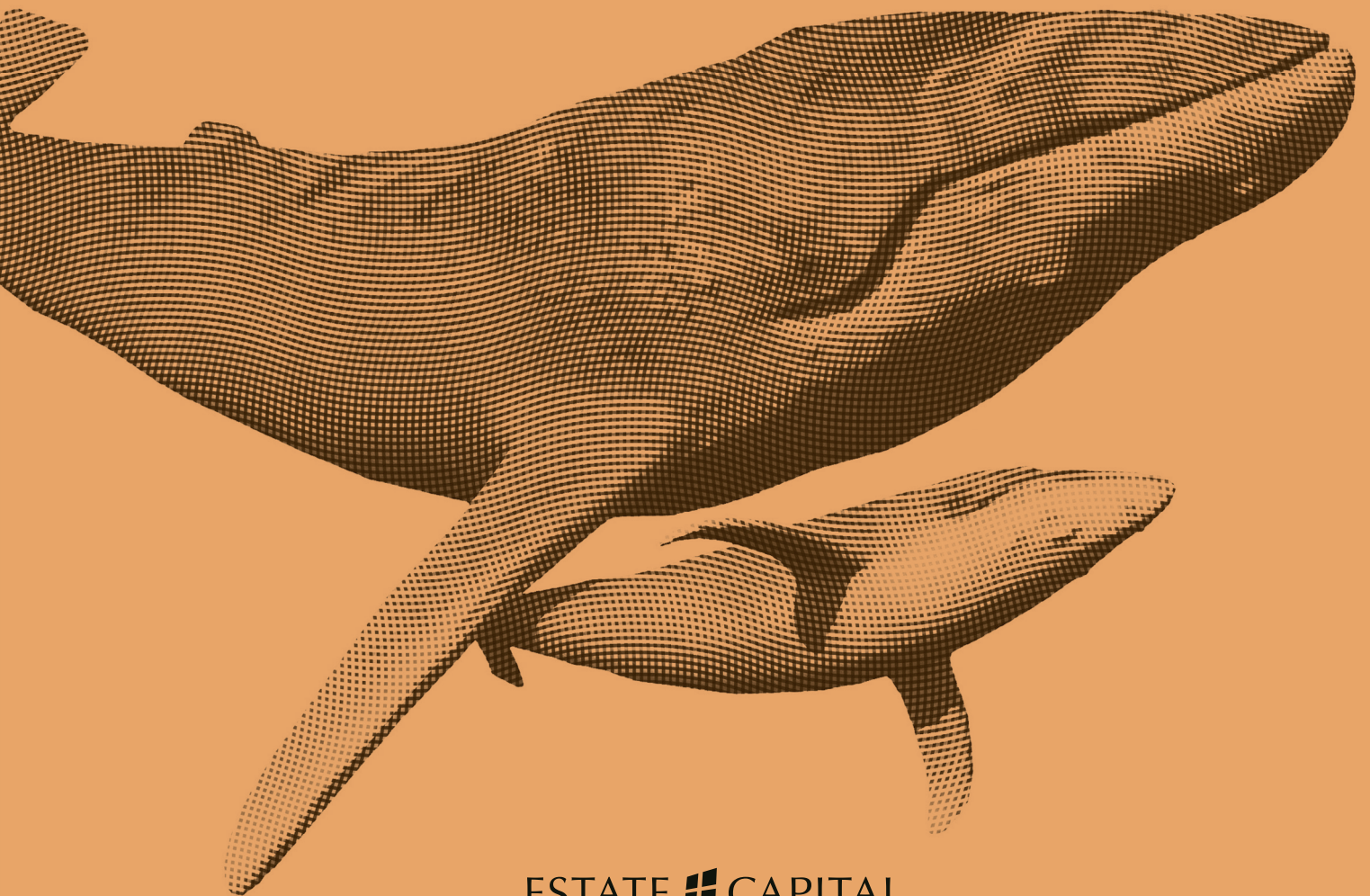
BALANCED ALPHA  
PORTFOLIO

EDITION 31 June 2019

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RISK

6



ESTATE  CAPITAL

## **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 30.20%  
& potential loss of -18.43%*

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# BALANCED ALPHA PORTFOLIO

EDITION 31 June 2019

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 30.20%  
& potential loss of -18.43%.

6

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## ACTIVE

Managed daily by our personally  
selected fund managers.

83%

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## EQUITY

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

50%

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## FEEES

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

0.86%

## 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 -18.43% loss and a 30.20% 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 -18.43% or gains greater than 30.20%** 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

**30.20%**

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

**5.89%**

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

### Lower Return

**-18.43%**

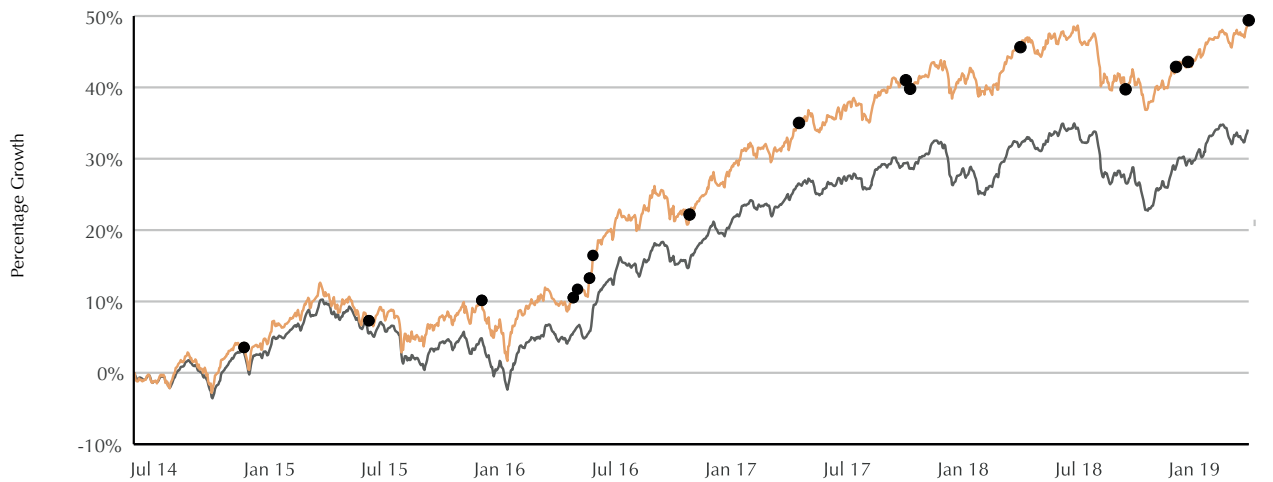
In 95 years out of 100, this is the lowest expected level of return for a given level of risk. There is a 2.5% chance that returns could fall outside the lower return figure in one year.

## Asset Allocation

	Money Markets	Fixed Interest	Property	UK Equity	US Equity	European Equity	Asian Equity	Japan Equity	Global Equity	Other Assets
Balanced Alpha	12%	31%	7%	8%	20%	3%	13%	2%	4%	0%
Benchmark IA Mixed Investment 40%-85%	7%	17%	2%	21%	12%	7%	5%	1%	15%	13%
Difference Portfolio v Benchmark	5%	14%	5%	-13%	8%	-4%	8%	1%	-9%	-13%

## Cumulative Performance Chart

KEY Balanced Alpha 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 %
<span style="color: orange;">Balanced Alpha</span>	6.45	2.14	10.15	33.46	48.92
Benchmark IA Mixed Investment 40%-85%	6.18	1.24	6.06	26.03	34.07
Difference Portfolio vs Benchmark	0.27	0.90	4.09	7.43	14.85

## 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
<span style="color: orange;">Balanced Alpha</span>	1.21	8.42	21.54	-0.11	11.31
Benchmark IA Mixed Investment 40%-85%	0.61	4.45	19.41	-3.33	9.86
Difference Portfolio v Benchmark	0.60	3.97	2.13	3.22	1.45

## Individual Fund's Performance To 10/06/2019

## 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>
Artemis US Smaller Companies	2.00%	Cormac Weldon	10.06	9.13	30.57	85.91	-
AXA US Short Duration High Yield Bond	2.00%	Carl Whitbeck	3.26	3.18	3.56	7.64	11.33
Baillie Gifford American	6.00%	Gary Robinson, Helen Xiong, Tom Slater, Kirsty Gibson	15.40	11.13	46.93	111.62	180.71
Baillie Gifford Emerging Markets Growth	3.00%	Richard Sneller, Mike Gush	11.67	5.09	14.64	78.08	70.23
BlackRock Cash	10.00%	Matt Clay	0.31	0.51	-	-	-
BlackRock Gold & General	2.00%	Evy Hambro, Tom Holl	16.22	10.41	-8.74	-3.95	36.02
Fidelity Emerging Asia	1.00%	Dhananjay Phadnis	10.23	-2.05	11.43	57.67	90.53
First State Global Listed Infrastructure	2.00%	Peter Meany, Andrew Greenup	13.53	23.89	14.38	47.86	87.73
First State Greater China Growth	1.50%	Martin Lau, Sophia Li	9.11	-5.95	15.03	63.92	83.52
Fundsmith Equity	4.00%	Terry Smith	16.40	18.47	31.00	78.98	165.54
iShares Global Property Securities Equity Index	7.00%	Kieran Doyle	8.65	14.94	15.35	34.37	-
Janus Henderson Long Dated Credit	2.00%	Philip Payne, James Briggs	10.18	9.56	7.05	19.64	44.84
Janus Henderson Strategic Bond	5.00%	John Pattullo, Jenna Barnard	6.33	6.40	6.14	12.61	20.12
JPM Asia Growth	3.00%	Mark Davids, Joanna Kwok	9.85	0.72	17.10	79.38	99.20
Jupiter Financial Opportunities	1.00%	Guy de Blonay	18.82	8.29	26.57	61.37	75.40
Lindsell Train UK Equity	5.00%	Nick Train	18.76	12.15	24.48	57.01	82.61
Lindsell Train Global Equity	4.00%	Michael Lindsell, Nick Train, James Bullock	17.57	20.63	44.35	99.30	172.37
Lindsell Train Japanese Equity	2.00%	Michael Lindsell	3.47	-7.46	18.96	50.14	92.30
Liontrust Special Situations	2.00%	Anthony Cross, Julian Fosh	12.21	4.47	19.12	49.02	69.38
M&G Emerging Market Bond	1.00%	Claudia Calich, Charles De Quinsonas	10.91	13.40	8.46	36.08	64.04
M&G Global Macro Bond	3.00%	Jim Leaviss, Claudia Calich	5.22	9.85	5.16	20.39	40.03
Polar Capital Global Insurance	2.00%	Nick Martin	15.35	20.11	23.84	63.98	121.52
Royal London Corporate Bond	3.00%	Jonathan Platt, Shalin Shah	6.51	5.64	6.59	16.34	30.88
Royal London Short Duration Gbl High Yield Bond	6.00%	Azhar Hussain, Stephen Tapley	3.35	3.42	5.34	11.35	18.83
Royal London Short Duration Credit	2.00%	Paola Binns	2.57	3.01	4.30	7.86	15.58
Schroder Global Healthcare	2.00%	John Bowler	3.89	11.97	16.95	39.38	84.73
Stewart Indian Subcontinent	1.50%	David Gait, Sashi Reddy	6.44	4.00	11.67	47.49	100.42
T.Rowe Price US Large Cap	3.00%	Taymour Tamaddon	9.40	10.43	33.33	92.95	154.65
Threadneedle High Yield Bond	4.00%	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	2.00%	Global Fixed Income Team	5.93	11.06	9.29	17.85	60.18
Veritas Asian	3.00%	Ezra Sun	13.23	-5.50	13.46	58.59	97.48

## 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>
6.16	3.53	0.81	1.07	0.79	0.86	-4.90	12.75	12	24



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

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