

October 2020

### Lead Manager

Miles Moseley

### Launch Date

July 2006

### Gross Dividend Yield

2.6%

### Distribution Dates

18th Jan, 18th Apr,  
18th Jul, 18th Oct

### Structure

Shares & collectives  
within ISA wrapper

### Number of Stocks Held

30-45

### Minimum Investment

£20,000

### Initial Charge

Nil

### Annual Management Charge

1.00% + VAT

### Dealing Commission

1.25% on the first £7,500  
0.75% on the next  
£12,500  
0.5% thereafter

### Annual Compliance Charge

£40 or £80 + VAT  
Based on portfolio  
value

## Investment Objective

The Balkerne Asset Management Income ISA (Individual Savings Account) is an actively-managed portfolio of 30 to 45 holdings, with a minimum cash holding of 3% and has the Investment Objective to provide long-term capital and income appreciation with a **Lower than Medium Risk Profile**.

## Suitability

This portfolio is particularly suited to clients who wish to retain a degree of safety in their portfolio, but are also looking for a higher rate of investment return than is associated with prioritising capital preservation. Investors understand that the value of their investments, and the income from them, are not guaranteed and may rise and fall to a greater extent than with a 'Conservative' portfolio.

## Investment Policy

To achieve the investment objective by investing principally, but not exclusively, in fixed-interest/bond and cash investments (minimum weighting 33%), UK blue-chip equities within the UK FTSE-350 Index (minimum weighting 20%) and, as appropriate, property, international and specialist stocks through collective investments and alternative investments (such as absolute return funds or multi-asset strategy funds).

## Valuations & Reporting

Quarterly valuations are issued as at 31 March, 30 June, 30 September and 31 December of each year. Included with the valuation is a schedule of income received for the period.

## Asset Allocation (as at 21/10/2020)

<u>Asset Type</u>	
Equities	50.3%
Fixed Interest	30.6%
Alternative	10.3%
Commercial Property	5.8%
Cash	3.0%

<u>Geographical Split</u>	
United Kingdom	74.1%
International	25.9%

<u>Top 10 Sectors</u>	
Bond Funds	30.6%
International Equity Funds	25.9%
Alternative Assets	10.3%
Real Estate Investment Trusts	5.8%
Pharmaceuticals	4.0%
UK Smaller Company Funds	3.7%
Mining	3.1%
Cash	3.0%
Financial Services	2.5%
Life Insurance	2.2%

<u>Top 10 Holdings</u>	
Scottish Mortgage Trust	6.3%
Rathbone Ethical Bond	5.3%
L&G Global Inflation Linked Bond	5.1%
Baillie Gifford High Yield Bond	4.7%
Edinburgh Worldwide Trust	4.3%
Royal London Corporate Bond	4.1%
Jupiter Strategic Bond	4.0%
NB Global Monthly Income	3.9%
L&G Fixed Interest Bond	3.6%
3i Infrastructure Trust	3.4%

## Performance Profile (as at 30/09/2020)

% Growth, Annualised	01.10.15 30.09.16	01.10.16 30.09.17	01.10.17 30.09.18	01.10.18 30.09.19	01.10.19 30.09.20
<b>Balkerne Asset Management Income ISA</b>	<b>5.2%</b>	<b>13.1%</b>	<b>5.9%</b>	<b>2.4%</b>	<b>1.3%</b>

% Growth, Cumulative	3 Months	6 Months	1 Year	3 Years	5 Years
<b>Balkerne Asset Management Income ISA</b>	<b>3.3%</b>	<b>18.9%</b>	<b>1.3%</b>	<b>9.8%</b>	<b>30.6%</b>

## Lead Manager's Commentary as at 30.09.20

The Income ISA returned 3.3% over the third quarter of 2020 and a satisfactory 1.3% over the last 12 months.

Performance was driven by both asset allocation and stock selection. We are underweight in fixed-interest/corporate bonds. Our best performing funds over the quarter being L&G Global Inflation Linked Bond Index fund and Rathbone Ethical Bond fund.

The Income ISA is overweight equities. Outperformers in the quarter included Kainos Group, Dechra Pharmaceuticals, Rentokil Initial, Baillie Gifford Shin Nippon Trust, Scottish Mortgage Trust and 3i Group Trust. Underperformers included S&P Group, Royal Dutch Shell B, Vistry Group and Moneysupermarket.com Group.

Our best performing commercial property holding was Tritax Big Box REIT and our best performing alternative was Empiric Student Property REIT.

No new holdings were established in the quarter. One position was exited in the quarter, Schroders.

The Income ISA is positioned to benefit from the continued growth in the western world and take advantage of the extended period of low interest rates and benign credit conditions. We continue to favour UK & International equities over corporate debt and retain a zero weighting to direct sovereign debt.

## Company Profile

At Balkerne Asset Management we have always held the belief that managing client monies is a privilege and not a right and it is this ethos which underpins the day to day management and processes within the organisation.

Established since the early 1980's, Balkerne Asset Management has built a strong tradition for offering both bespoke and model Discretionary Portfolio Management services, tailored to the objectives and risk profile of their clients. With a team of experienced and knowledgeable individuals within the investment and financial services professions, Balkerne Asset Management are well positioned to manage a broad range of investment portfolios inclusive of a diverse spread of assets across all market and geographic sectors.

Detailed attention to the daily management of portfolios is a critical aspect of the firm's process and has helped earn Balkerne Asset Management a respected reputation for providing a unique approach to discretionary portfolio management for discerning clients.

## Management Profile

### Miles Moseley, FCCA, FCSI, IMC, Lead Manager

Miles has responsibility for the day to day management of the Balkerne Asset Management Income ISA. Miles is a Certified Accountant and joined the Group in November 1987. He qualified in Private Client Investment Advice and Management, and gained the prestigious Investment Management Certificate in 1997. In 2005 Miles led a successful management buyout of the Group.

## IMPORTANT INFORMATION

This Factsheet should be read in conjunction with the full Key Features Document, which is available on request.

All performance data contained within this Factsheet has been obtained from the Lead Manager. Errors and Omissions excluded.

The performance figures included in this Factsheet show the growth of the investments. For illustrative purposes, dividends have been re-invested though they may be taken as income.

The value of the Balkerne Asset Management Income ISA, and any income from it, is not guaranteed and you may not get back the amount invested. Past performance is not necessarily a guide to future returns

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