

INVESTMENT OBJECTIVE

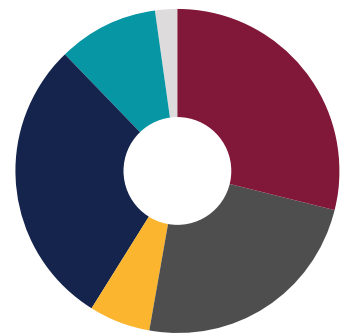
The investment objective of the Kingswood Income Portfolio is to provide a relatively high level of income from a global portfolio of equities, bonds and collective investment schemes. Investors should expect limited capital growth over the medium term with substantial exposure to equity, specifically high yielding in order to achieve the 4% yield target, including significant fluctuation in value and some protection in times of market weakness.

KEY INFORMATION

Launch Date	January 2013
Estimated Yield (Current)	3.86%
Investment Management Charge	0.25%
Fund Underlying Charges	0.92%

ASSET ALLOCATION

■ Equities - International	29.3%	■ Equities - UK	24.3%
Equities - Global	8.0%	■ Equities - Thematic	6.0%
Equities - Asia (excluding Japan)	5.0%	■ Bonds	28.4%
Equities - Emerging Markets	3.5%	■ Alternatives	10.0%
Equities - Europe (excluding UK)	3.0%	■ Cash	2.0%
Equities - US	9.8%		



PERFORMANCE (%)

	Cumulative (%)		
	3 m	1 yr	Since Launch
Portfolio:	1.5%	16.4%	7.5%

KEY THEMES



CASH FLOW



HIGH YIELD



CAPITAL PRESERVATION



REGULAR DIVIDENDS

- Global equities posted a small loss in local currency terms in the third quarter but were up 1.5% in sterling terms as a result of a weakening in the pound.
- US, UK and Japanese equities outperformed while Europe, Asia and Emerging markets underperformed.
- Increased worries over the rise in inflation, loss of economic momentum and scaling back of monetary stimulus led to equities unwinding in September their gains earlier in the quarter.
- Bond yields rose over the quarter, particularly in the UK as the Bank of England turned more hawkish. UK government and corporate bonds lost 1.8% and 1.0% respectively.

INVESTMENT OUTLOOK

- A strong rebound in the global economy is underway. However, growth has slowed from recent highs as a result of the Delta variant and supply bottlenecks.
- Inflation has picked up sharply. But, as bottlenecks ease, it should fall back again next year, albeit not as much as central banks hope.
- Lift-off date for interest rates has been brought forward. The first hike now looks likely to occur in the UK in H1 2022 and in the US in late 2022.
- The economic recovery is driving strong gains in corporate earnings and means equities still have some further upside even though valuations remain high.
- Prospective returns for fixed income remain poor and significantly lower than for equities. Government bond yields should continue on their upward trend and corporate bond spreads are very low.

TOP 10 HOLDINGS

Twenty Four Dynamic Bond	9.0%	Artemis Strategic bond	6.2%
Fidelity Global Enhanced Income	8.0%	JOHCM UK Equity Income	5.8%
Invesco Monthly Income	7.0%	Trojan Income	5.0%
Schroder US Maximiser	6.8%	Man GLG UK Income	5.0%
Janus Henderson Strat Bond	6.2%	Janus Henderson Asian Dividend Income	5.0%

INVESTMENT STRATEGY

Our investment strategy has three key components:

ASSET ALLOCATION > Focused on analysing the economic and financial environment, assessing the prospective returns and risks of each of the major asset classes, both over the short and long term.

FUND SELECTION > Our rigorous fund selection process involves assessing which funds best allow us to gain exposure to the most attractive asset classes, regions and themes.

PORTFOLIO CONSTRUCTION > These two building blocks are then combined to create portfolios which are designed to meet their specific objectives and are actively managed with regular rebalancing.

The process is run by our research and strategy team and overseen by our investment committees to ensure that the portfolios are managed in line with their objectives and risks are kept to appropriate levels.

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