

# High Income portfolio

## Quarterly update - January 2019

### Portfolio Manager



Andrew Urquhart  
Manager since April 2017

### Portfolio objective

To provide a higher level of income than our benchmark and a long-term capital return to protect the real value of the capital.

### Investment approach

The objective is achieved by using an investment approach balanced between fixed interest securities and UK and international equity, allowing the portfolio to benefit from higher levels of income and also the potential for protection from inflation. The performance of all the funds in the portfolio is constantly monitored and formally reviewed on a quarterly basis by an investment committee.

### Portfolio manager's commentary

Global stock markets have been very volatile because of a slowdown in global growth, less support from central banks, and trade concerns. The resolution of some of these problems is down to the will of politicians who should act in the national interest and take steps accordingly.

Since the Global Financial Crisis in 2008 markets have often bounced back from losses, as we saw in February of last year. The fact that there are multiple headwinds for investors at this time means we may not see losses wiped out as quickly. The UK also has added uncertainty because the withdrawal from the EU is causing political and economic tensions.

We have taken steps to moderate risk over the last two quarters and continue to mitigate any idiosyncratic risks we identify. The systemic losses incurred in markets will throw up opportunities for fund managers who identify shares that have been mispriced based on their fundamental strength. We do hope for a calmer outlook in 2019 but recognise that this needs political issues related to Brexit and trade concerns to be resolved.

### Indicative risk rating



### 5 year fund performance versus benchmark



A - \*\*\*IMS High Income (July 2010) 01/10/2018 TR in GB [28.13%]  
B - \*\*\*IMS High Income benchmark (composite) TR in GB [21.88%]

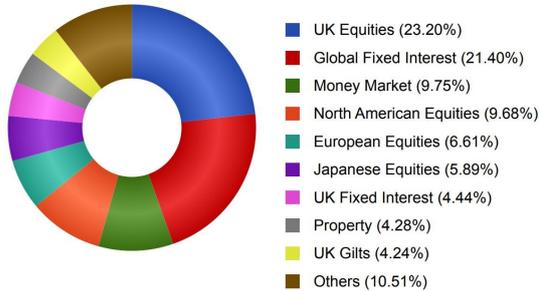
### Top 10 Holdings

Royal London Short Duration Credit	8%
HSBC European Index	7%
L&G All Stocks Gilt Index	7%
Schroder Income Maximiser	7%
JPM Japan (Hedged)	6%
First State Global Listed Infrastructure	5%
L&G US Index Trust	5%
Royal London Corporate Bond	5%
SLI Global Emerging Market Equity Income	5%
Threadneedle UK Property Authorised Trust	5%

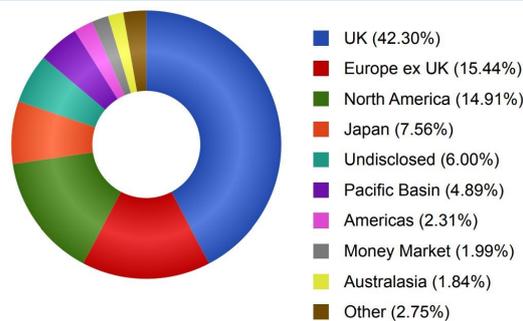
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### Asset allocation



### Regional breakdown



### Important notes

All data are to 31.12.2018. Any fund performance data include explicit (OCF) and implicit (ongoing) fund manager charges but do not include platform, adviser or investment management fees. Full details will be outlined in your product provider illustration. For further information please contact your financial adviser.

Past performance is not a guide to future performance. The value of investments and any income from them will fall as well as rise; you may get back less than the amount invested. Higher volatility investments are subject to sudden and large falls in value and could result in a loss equal to the sum invested. Certain investments (e.g. property) are not readily realisable and investors may experience difficulty in realising the investment or in obtaining reliable information on the value or associated risks. Changes in rates of exchange may have an adverse effect on the value, price or income of investments denominated in currencies other than Sterling.

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Key Investor Information Disclosure Documents (KIIDs) or Key Information Documents (KIDs) for the underlying funds can be found on our website: [www.imscapital.co.uk/kiid](http://www.imscapital.co.uk/kiid).

### Key facts

Ongoing charge figure	1.09%
ISA qualification	Yes
Twelve month historical yield	3.45%
Volatility*	6.17 (Benchmark 5.84)
Sharpe ratio**	0.29 (Benchmark 0.30)

\*Volatility measures how much an investment deviates from its average over a period.

\*\*The Sharpe Ratio measures the trade-off between risk and return.

For the purposes of comparison the ongoing charge figure shown above represents the highest potential fund charge and therefore the actual cost will depend on the provider selected. It does not include adviser or platform fees.

Full details of all charges will be outlined in your product provider illustration. For further information please contact your financial adviser.

5 Lancer House  
Hussar Court, Westside View  
Waterlooville, Hampshire  
PO7 7SE

Tel: +44 2381 112003

Fax: +44 2392 263432

Email: [info@imscapital.co.uk](mailto:info@imscapital.co.uk)