



October 2024

Lead Manager

Miles Moseley

Launch Date

August 2008

Gross Dividend Yield

3.8%

Distribution Dates

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

Structure

Collectives

Number of Holdings

15-30

Minimum Investment

£20,000

Initial Charge

Nil

Annual Management Charge

0.75% + 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 MFS (Managed Fund Service) is an actively-managed portfolio of 15 to 30 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 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 (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 each year. Included with the valuation is a schedule of income received for the period.

Asset Allocation (as at 21/10/2024)

| <u>Asset Type</u> | |
|---------------------|-------|
| Equities | 42.4% |
| Fixed Interest | 37.3% |
| Alternative | 10.1% |
| Commercial Property | 7.3% |
| Cash | 2.9% |

| <u>Geographical Split</u> | |
|---------------------------|-------|
| United Kingdom | 86.6% |
| International | 13.4% |

| <u>Top Sectors</u> | |
|-------------------------------|-------|
| Bond Funds | 37.3% |
| UK Blue Chip Funds | 22.9% |
| International Equity Funds | 13.4% |
| Alternative Assets | 10.1% |
| Real Estate Investment Trusts | 7.3% |
| UK Smaller Companies Funds | 6.1% |
| Cash | 2.9% |

| <u>Top 10 Holdings</u> | |
|--------------------------------|------|
| Rathbone Ethical Bond Fund | 9.6% |
| Artemis Corporate Bond Fund | 9.3% |
| Royal London Corporate Bond | 9.2% |
| EdenTree Resp & Sust UK Equity | 7.7% |
| Mercantile Trust | 7.2% |
| AXA Framlington UK Mid Cap | 6.9% |
| Jupiter Strategic Bond Fund | 6.3% |
| Slater Growth Fund | 6.1% |
| Janus Henderson Strategic Bond | 3.9% |
| Scottish Mortgage Trust | 3.8% |

Performance Profile (as at 30/09/2024)

| | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| % Growth, Annualised | 01.10.19 30.09.20 | 01.10.20 30.09.21 | 01.10.21 30.09.22 | 01.10.22 30.09.23 | 01.10.23 30.09.24 |
| Balkerne Asset Management Income MFS | 0.9% | 18.4% | -22.6% | 3.1% | 13.5% |
| % Growth, Cumulative | 3 Months | 1 Year | 3 Years | 5 Years | 10 Years |
| Balkerne Asset Management Income MFS | 3.2% | 13.5% | -9.5% | 8.1% | 39.5% |

Lead Manager's Commentary as at 30.09.24

The Income MFS returned +3.2% over the third quarter of 2024 and a pleasing +13.5% over the last 12 months.

Performance was driven by both asset allocation and stock selection. We hold an overweighting in fixed-interest/corporate bonds. Our best performing funds over the quarter being Janus Henderson Strategic Bond Fund and Jupiter Strategic Bond Fund.

The Income MFS holds a neutral weighting to equities. Outperformers in the quarter included 3i Group Trust, Baillie Gifford UK Growth Trust, Edinburgh Worldwide Trust, Mercantile Trust and AXA Framlington UK Mid Cap Fund. Underperformers included Scottish Mortgage Trust, BlackRock World Mining Trust and Slater Growth Fund.

We are overweight alternative assets. Our best performing commercial property holding was Workspace Group REIT and our best performing alternative was Target Healthcare REIT.

No new holdings were established in the quarter. No positions were exited in the quarter.

The Income MFS is positioned to benefit from the recovery in the western world and take advantage of lower interest rates. We favour income producing assets, with some inflation protection and a balanced exposure to UK & International equities and corporate debt, whilst retaining a minimal 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 MFS. 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 MFS, 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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Balkerne Asset Management is a trading style of Capel Court plc which is authorised and regulated by the Financial Conduct Authority (FCA). Our FCA number is 154146 and details of the FCA can be found at www.fca.org.uk.

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