

# Defensive Income portfolio

Quarterly update - October 2020

## Portfolio Manager



James Kempster  
Manager since September 2019

## Portfolio objective

To provide a stable level of income and protect the nominal capital invested.

## Investment approach

The objective is achieved by using a cautious investment approach primarily focused on UK government and corporate bonds, with limited exposure to equities. 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

The portfolio was broadly flat over the quarter as some positive performance in global equities was undermined by returns on the UK allocation. The challenge continues to be balancing the capital return of the portfolio with its primary mandate to create a natural income and some holdings were able to achieve the latter while struggling with the former.

In this respect, the yield on the portfolios has fallen again slightly as a result of companies which have cut or cancelled their dividends. It appears that this trend is beginning to turn with firms paying "catch up" dividends where they took a safety first approach earlier in the year. However, with central banks appearing set on ultra low interest rates for at least the next few years, bond yields are likely to remain low for some time.

The main change this quarter is the removal of the Threadneedle Property fund which we have replaced with an uncorrelated absolute return fund which has an income focus. Full details of the changes being recommended are outlined on the Fund Changes summary which is available on our website.

## Indicative risk rating



## 5 year fund performance versus benchmark



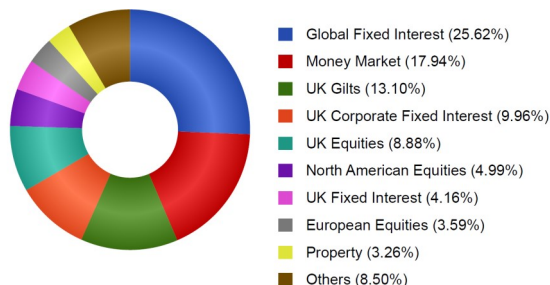
A - \*\*\*IMS Defensive Income (July 2010) 01/07/2020 TR in GB [24.65%]  
B - UT Mixed Investment 0-35% Shares Retail TR in GB [20.07%]

30/09/2015 - 30/09/2020 Data from FE.fundinfo2020

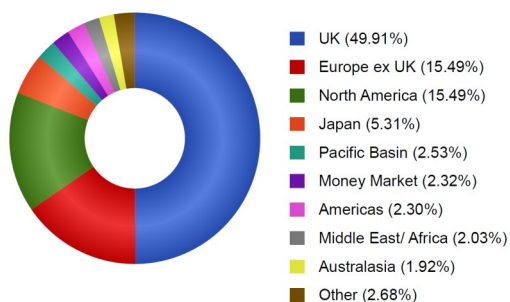
## Top 10 Holdings

L&G - All Stocks Gilt Index	12%
Royal London - Corporate Bond	9%
Royal London - Short Duration Credit	9%
ASI - Sterling Money Market	8%
L&G - Cash Trust	8%
Vanguard - FTSE UK Equity Income Index	7%
Blackrock - Corporate Bond	6%
M&G - Global Macro Bond	5%
Marlborough - Global Bonds	5%
Fidelity - Extra Income	4%

### Asset allocation



### Regional breakdown



### Important notes

All data are to 30.09.2020. 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 may 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	0.92%
ISA qualification	Yes
Twelve month historical yield	2.82%
Volatility*	4.85 (Benchmark 5.76)
Sharpe ratio**	0.00 (Benchmark 0.00)

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

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

The ongoing charge figure above represents the average fund charge across the range of available platforms and 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.

Please note that any performance figures quoted are based on the underlying assets held during the dates specified and therefore they will not necessarily match the returns which are experienced by end investors. Alternative asset selections to those shown overleaf are occasionally necessary. As such, this factsheet should be used in conjunction with the relevant Fund Change and Fund List documents.

All assets are held via the platform selected. All transactions will be made within a reasonable time from receipt and IMS is not responsible for any delays where there are unforeseen issues with third party providers.

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