

Balanced Strategy

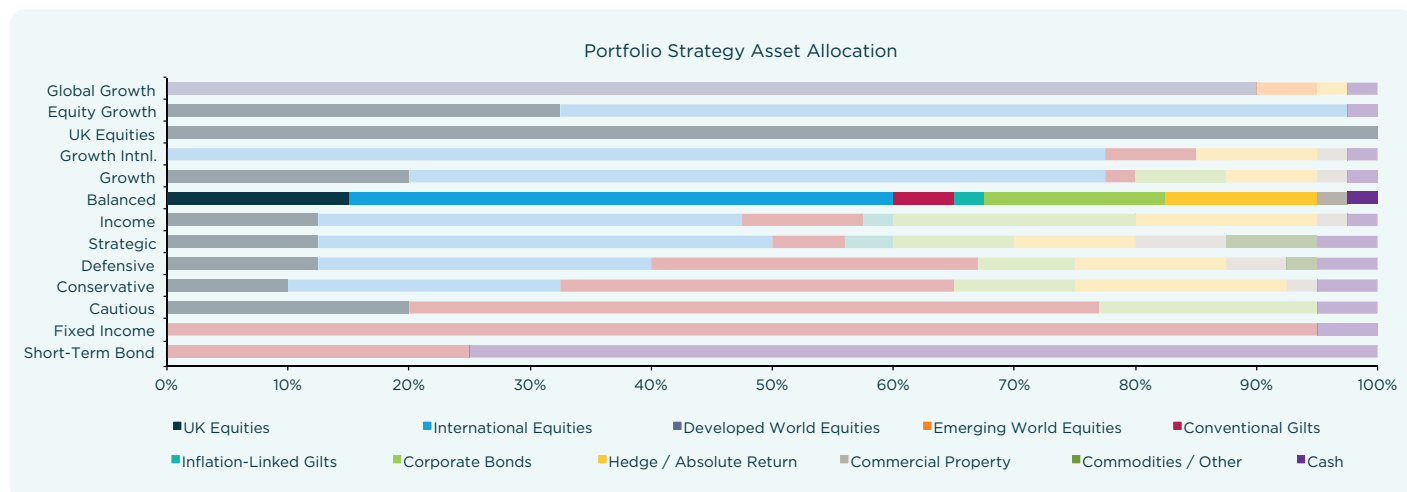
Investment policy summary

Investment Objective

The primary objective of the Quilter Cheviot Balanced Strategy is to grow the capital value of the portfolio as well as generating some degree of income.

Strategy

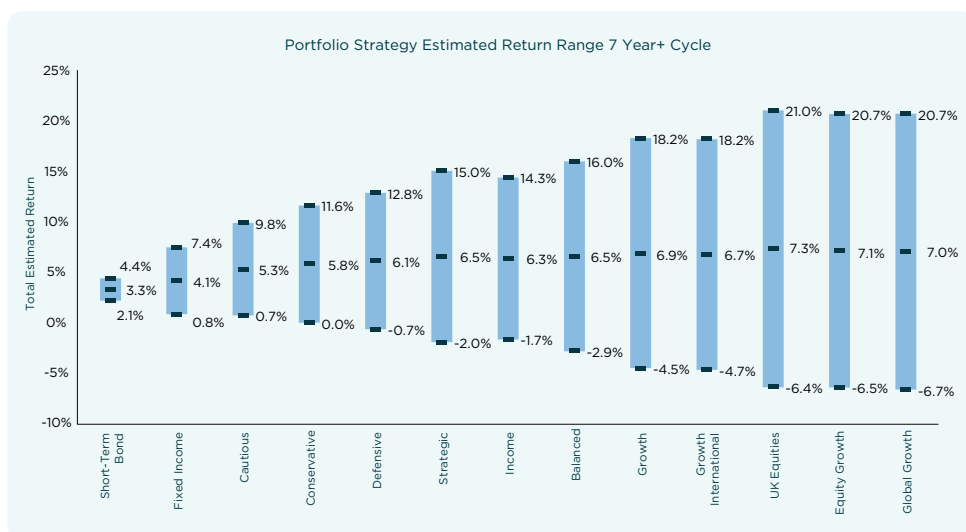
The Quilter Cheviot Balanced Strategy is a diversified portfolio comprising predominantly domestic and international equities as well as some fixed interest. Equities will provide the opportunity for capital to grow over time as well as some dividend income. Fixed interest will provide stability of capital and a regular level of income. We may also include an allocation to other types of investment such as commercial property, absolute return or hedge funds, structured products, private equity and commodities (sometimes collectively referred to as 'alternatives'). We will blend the growth, income and risk characteristics of these investments in your portfolio to aid diversification. Exposure to specialist areas will be achieved via collective funds.



As at 30/06/25

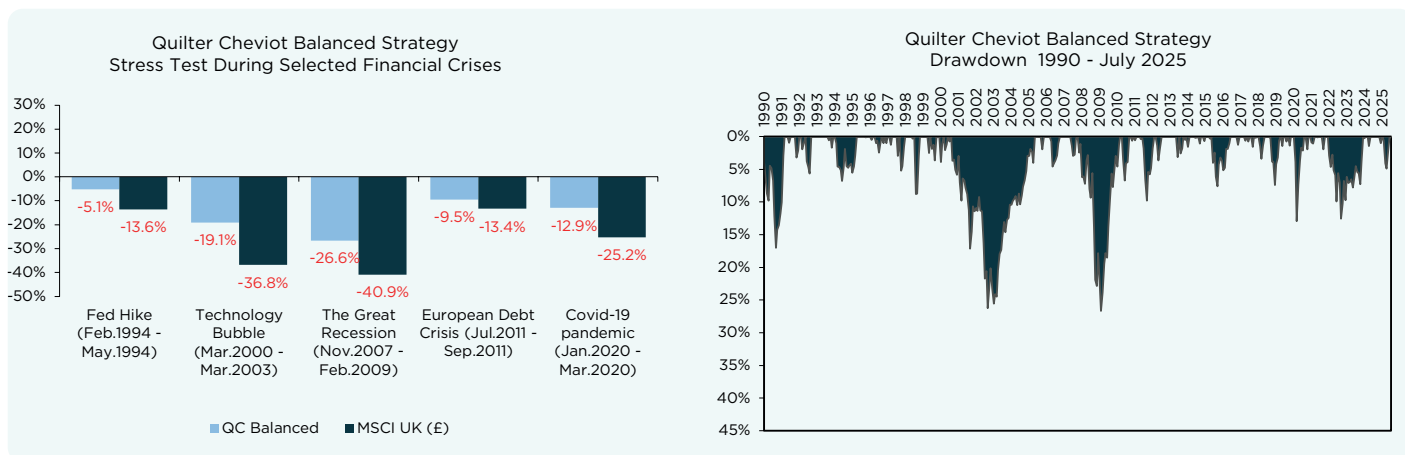
Estimated returns

Portfolio managers use estimates of the long-term future returns of different types of assets to construct balanced portfolios. Not surprisingly, the riskier investments, such as equities, are usually forecast to produce the highest rates of return but history shows that the outcome can vary quite widely compared with expectations. There are various technical ways of measuring the expected outcomes used by industry professionals but, to simplify matters, the chart on the right translates these into annual return ranges for different portfolio strategies. The Balanced Strategy has an estimated annual return of 6.5% over the longer term. Using future expectations of risk, the range of outcomes could be as high as 16.0% or as low as -2.9% per annum.



Source of data Quilter Cheviot, 30/06/25

Forecasts are not a reliable indicator of future performance.



Source of MSCI data is Refinitiv Datastream, 30/06/25

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Past performance is not a guarantee of future returns.

Risk

Having looked at the potential future returns, we need to consider how the Strategy might react in adverse conditions. By their nature these are largely unpredictable in terms of both extent and timing but investors are particularly sensitive to these events and the publicity surrounding them. For illustration we have taken five such events since 1990 when the MSCI UK index (£) has fallen by more than 10%.

In the bar chart above, each bar shows how the MSCI UK index (£) and the Balanced Strategy responded to each event.

The portfolio stress test is good for illustrating how a portfolio has reacted under specific events but does not provide a complete picture. This is where the concept of peak to trough drawdown fits in.

Drawdown illustrates the peak to trough movement and also helps to provide an indication of the time taken to recover back to previous levels.

The drawdown chart above shows the drawdown for the Balanced Strategy since 1990. During severe market downturns, the Balanced Strategy was down around -26.6% peak to trough.

Benchmark: MSCI PIMFA Private Investor Balanced Index

Summary

The Quilter Cheviot Balanced Strategy is a diversified portfolio comprising a range of asset classes. It is one of our core strategies, which range from 100% fixed income to 100% global equity with differing risk and return profiles.

Selected holdings are researched by our dedicated team of Research Analysts and Investment Managers. Your Investment Manager has the flexibility, within a controlled framework, to tailor your portfolio with regard to asset allocation and security selection, in order to accommodate your investment requirements.

Quilter Cheviot

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To find out more please contact your investment manager
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Investors should remember that the value of investments, and the income from them, can go down as well as up and that past performance is no guarantee of future returns. You may not recover what you invest.

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