

The Balanced Fixed Income (B2)

Objectives

The Balanced Fixed Income (B2) portfolio targets a total real return of 1% p.a. after allowing for all fees and inflation with a high level of income yield. The portfolio is designed for those looking to create annual income withdrawals either immediately or in the future with a low to medium appetite for risk.

Investment Strategy

The portfolio is invested in a concentrated number of collective funds which will predominantly invest in Credit securities or corporate debt. The portfolio invests more heavily in higher yielding bond funds (subordinated debt) than most typical fixed income portfolios. The portfolio will invest in a mixture Investment Grade Credit, High Yield Credit and Hybrid Capital funds with the aim of achieving more predictable returns over the medium term (3-5 years).

Key Facts

- Initial costs: **nil**
- Forecast average ongoing fund costs: **0.56% p.a.**
- Historic annual portfolio income yield: **5.58% p.a.**
- Inception date: **September 2016**
- Tideway Risk Assessment: **Low to Medium**

Key Risks

- Investment values and the income they produce can fall as well as rise, your capital is at risk in this portfolio.
- The two main risks of Credit portfolios are Credit risk and interest rate risk. Credit risk is most applicable to those funds which invest in sub investment grade securities whilst interest rate risk is most prevalent to funds with a longer duration. The portfolio contains both funds which invest in sub investment grade and longer duration securities.
- The costs of funds may vary from the stated amount which has been provided by the fund managers.
- Income yields may vary from the quoted amounts which are provided by the fund managers.
- Past returns are no guarantee of future returns.
- All the funds used trade daily, however in severe market conditions individual funds can suspend trading.

Portfolios are managed by Tideway Investment Partners LLP on behalf of Tideway Wealth Management Ltd.

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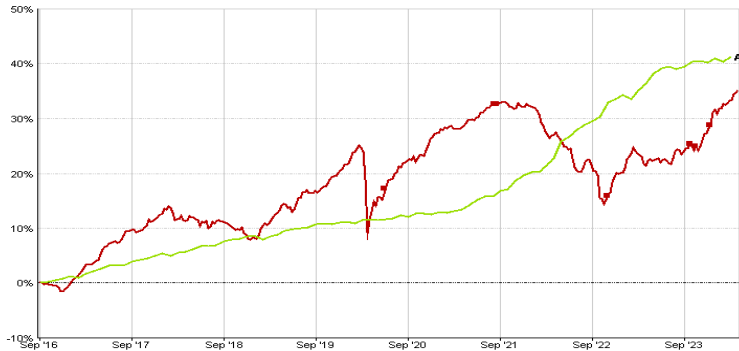
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Performance Since Inception Net of Fund Fees 31st March 2024



■ A - UK Consumer Price Index + 1% TR in GB (41.28%)

■ B - Tideway Balanced Fixed Income (B2) 07/12/2023 TR in GB (35.11%)

The value of units can fall as well as rise. Past performance should not be seen as an indication of future performance.

Pricing Spread: Bid-Bid

Data Frequency: Daily

Currency: Pounds Sterling

31/08/2016 - 29/03/2024 Data from FE fund info 2024

Performance Calculation

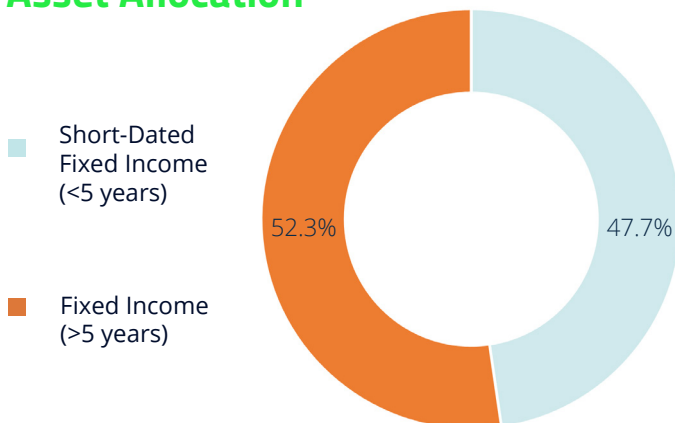
The performance shown is with all income reinvested and after fund costs but does not allow for Tideway's advice and custody charges. At approximately 1% p.a. these will reduce the returns shown by this amount. For further information please ask your Tideway adviser.

Performance is calculated by Financial Express and is for illustrative purposes only and should not be viewed as the return on a specific account. Returns are based on a theoretical model portfolio which each account tracks, but does not take account of cash balances.

Always remember that past performance is no guarantee of future returns and the value of investments and the income they produce can fall as well as rise. Your capital is at risk in this portfolio and you may not get back as much as you invest.

Portfolio As of 31st March 2024

Asset Allocation



Data source: Tideway as at 31st March 2024

Tideway's Asset Allocation Process

Portfolio asset allocation is considered and approved by Tideway's investment committee. Consideration is given to:

- forecast returns and the portfolio's objectives
- diversification of investment strategy and the return outlook and certainty of returns for each asset class
- the portfolios overall risk assessment considering diversification, investment volatility and maximum drawdown

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Tideway's Fund Selection Process

Tideway Manager Selection

When constructing our portfolios, we use a range of funds managed by independent fund managers. At any one time we employ a number of independent managers to look after capital within the portfolio selected based on some of the following criteria:

- An experienced and settled management team with ability to retain key personnel. We prefer a team-based approach rather than star managers and prefer the team to have experience managing money in different economic environments
- Good liquidity in portfolios, which we monitor on an ongoing basis
- Ensure adequate financial capacity for future investment without manager's compromising their investment philosophy or future returns
- A clear and repeatable investment process based on a proven investment philosophy with associated drivers for future returns
- Transparency of the manager; we prefer to employ managers who provide full access to their portfolio holdings and managers for regular reviews
- Managers who incorporate Environmental, Social and Governance (ESG) criteria into their investment process
- Those who focus on fundamentals of the businesses that they invest in and have a consistent methodology when it comes to valuation
- Higher quality of returns; returns are not viewed in isolation. Risks taken to achieve the returns as well as return attribution are taken into account
- Managers whose interests are aligned to their clients with personal monies invested in their own strategies is favourable
- A sufficient level of operational resources to ensure investment strategy can be executed effectively and appropriate safeguarding of assets
- A focus on portfolio risk with an independent risk management function to work in conjunction with the portfolio manager
- Competitive total costs associated with the manager's services relative to their peer group

The funds are monitored on an ongoing basis with regular reviews and with all the portfolio investment decisions going through Tideway's Investment Committee.

Important Information

This document is prepared for general circulation and is intended to provide information only. The information contained within this document has been obtained from industry sources that we believe to be reliable and accurate at the time of writing. It is not intended to be construed as a solicitation for the sale of any particular investment nor as investment advice and does not have regard to the specific investment objectives, financial situation, capacity for loss, and particular needs of any person to whom it is presented. The investments contained in this document may not be suitable for all investors. Prospective investors should consider carefully whether any of the investments contained in this document are suitable for them in light of their circumstances and financial resources.

If you are in any doubt whether any of the investments contained in this document are suitable, you should speak to your wealth manager or seek appropriate advice from a professional adviser.

Top 5 Holding Funds

Sanlam Hybrid Capital

Royal London Sterling Extra Yield

Artemis Corporate Bond

Royal London Short Duration Credit

Artemis Short Dated Global High Yield

Indicative holdings and allocations of a typical portfolio as at 31st March 2024.

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