

# True Potential Cautious Income Portfolio

## Portfolio Objective

The objective of the True Potential Cautious Income Portfolio is to provide investors with a way to draw a secure, regular and growing income. The Portfolio offers exposure to a select group of investment partners and a range of risk profiles (Cautious to Growth), whilst remaining within the Cautious risk profile. We review the Portfolio monthly and, if necessary, rebalance to the allocation of styles we believe offers the best potential for yield within the Cautious risk profile. The Portfolio aims to produce a higher than average yield, compared to an equally-weighted model of True Potential Wealth Strategy income funds.

## Risk Profile: Cautious

The Cautious Investor may be sensitive to short-term losses. A Cautious Investor's potential aversion to losses could compel them to shift into a more stable investment if significant short-term losses occur. Analysing the risk-return choices available, a Cautious Investor is usually willing to accept somewhat lower returns in order to assure greater safety of his or her investment.

**Ongoing Charge Figure (OCF)\*:** 0.89%

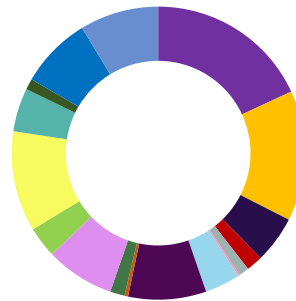
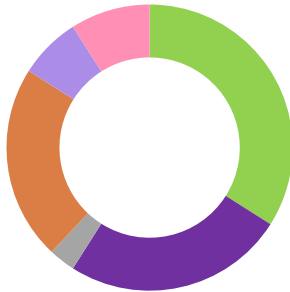
There are no entry or exit charges.

**Launch Date:** 1st October 2015

Yield as of: 30 September 2024\*\* 3.82%

Portfolio Size: £459m

## Portfolio Diversification



## Strategy Allocation

● Directly Invested - True Potential Close Brothers Cautious Income	<b>34.00%</b>
● Income Building - True Potential Goldman Sachs Income Builder	<b>25.00%</b>
● Direct Income - True Potential Threadneedle Monthly Income	<b>3.00%</b>
● Fund of Funds - True Potential Schroder Cautious Income	<b>22.00%</b>
● Enhanced Income - True Potential UBS Income	<b>7.00%</b>
● Income Strategies - True Potential Waverton Income	<b>9.00%</b>

## Asset Allocation

● UK Stocks	<b>18.1%</b>
● US Stocks	<b>14.4%</b>
● European Stocks ex UK	<b>5.2%</b>
● Japanese Stocks	<b>1.8%</b>
● Asia Pacific Stocks ex Japan	<b>1.1%</b>
● Emerging Market Stocks	<b>0.2%</b>
● Global Treasury Bonds	<b>3.9%</b>
● Global Corporate Bonds	<b>8.6%</b>
● Global Inflation Linked Bonds	<b>0.4%</b>
● Emerging Market Bonds	<b>1.6%</b>
● Global High Yield Bonds	<b>7.6%</b>
● UK Government Bonds	<b>3.4%</b>
● UK Corporate Bonds	<b>11.1%</b>
● Global REITS / Property	<b>4.8%</b>
● Gold	<b>1.2%</b>
● Alternatives	<b>7.9%</b>
● Cash and Cash Equivalents	<b>8.7%</b>

Strategy and Asset Allocation are subject to change at any time without notice, are for information purposes only and should not be construed as investment recommendations.

Please refer to the Fund Prospectus and Key Investor Information Document (KIID) for more information.

\*OCF payable can fluctuate over time as the underlying investments are variable and can change.

\*\*Income subject to revision in the current market environment.

Yield figure indicated on this page is the forward looking 12-month yield, net of charges and UK withholding tax.

Personal dividend tax charges may still apply and is subject to individual circumstances.

Tax rules may change in the future.

\*Under the current Packaged Retail Insurance and Investment Products (PRIIPS) guidance we consider all ongoing charges including those from closed ended vehicles such as investment trusts in the OCF (Ongoing Charges Figure) calculation. We use investment trusts to gain access to certain asset classes, such as infrastructure, their closed ended structure being an important feature in such asset classes. The return an investor earns from investing in an investment trust is determined by the performance of its share price. This is a disclosure change and the cost of investing in the fund does not change.

## Investment Commentary

The True Potential Cautious Income Portfolio produced a return of +0.63% for the month of September, net of Portfolio OCF.

Global equities extended year-to-date gains in September as the Federal Reserve initiated their interest rate-cutting cycle. The large stimulus package unveiled in China was forceful enough to generate positivity in equity markets. US equities outperformed global equities thanks to optimism surrounding lower US interest rates in an environment of robust economic growth and encouraging inflation data. European equities lagged as economic indicators of growth continued to disappoint and the expectation of corporate profit expansion cooled. Inflation has continued to undershoot the Central Bank's inflation forecasts and despite the economic outlook being relatively bleak, they have signalled a gradual lowering of interest rates. UK equities also underperformed global equities despite UK economic growth holding up slightly better than expected, with the UK's large sector allocations in Healthcare and Energy a drag.

US sovereign bond yields declined as the Federal Reserve cut interest rates by 0.5%, providing positive total returns for investors. Markets continued to price further interest rate cuts with inflation continuing to trend towards 2% and labour markets softening further. UK government bond yields also fell although underperformed US bonds due to ongoing concerns over sticky services inflation. Corporate credit performed positively in this environment. Sterling appreciated against the US dollar as elevated UK services inflation saw the Bank of England be more patient on lowering interest rates further.

The True Potential UBS Income fund provided the strongest returns against this backdrop, which benefitted from having the largest exposure to US equities within the portfolio, with the US one of the stronger performing equity markets over the month. The large allocation to high-yielding corporate bonds also contributed positively. The Portfolio also benefitted from the GBP hedge applied in the True Potential Goldman Sachs Income Builder fund as Sterling appreciated.

Over the month, no changes were made to manager allocations within the Portfolios with the investment team believing positioning was optimal. Although no changes have been made to manager allocations, the True Potential manager cohort have been adjusting positioning. Examples include additions to UK and German government bonds in favour of Japanese and Canadian bonds.

For further information, please subscribe to our Morning Markets and Weekly Round Up. This can be found on the following link <http://www.youtube.com/user/TruePotentialLLP>.

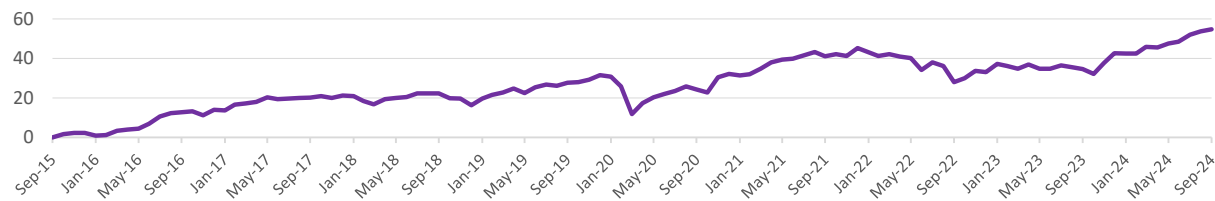
### Performance (As of 30/09/2024)

	1 Month	3 Month	6 Month	1 Year	3 Year	5 Year	Since Launch
True Potential Cautious Income Portfolio	0.6%	4.2%	6.1%	14.9%	9.6%	21.3%	54.8%

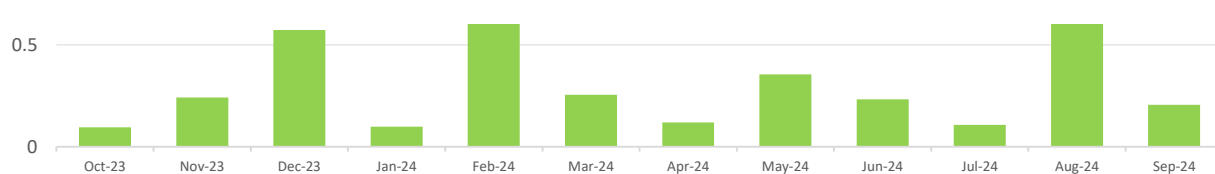
### Annual Percentage Growth

	Sep 18 - Sep 19	Sep 19 - Sep 20	Sep 20 - Sep 21	Sep 21 - Sep 22	Sep 22 - Sep 23	Sep 23 - Sep 24
True Potential Cautious Income Portfolio	4.4%	-2.7%	13.6%	-9.3%	5.2%	14.9%

### Cumulative Performance (%)



### Income Distribution (%)



Source: True Potential Investments, based on net asset value (as of 30/09/2024).

Performance is calculated on a Total Return basis and is net of Portfolio OCF.

### Important Information

A Fund Prospectus and Key Investor Information Document (KIID) for each of the underlying investments listed above are available from [www.truepotential.co.uk/fund-administration/#fund-documents](http://www.truepotential.co.uk/fund-administration/#fund-documents) or by email to [investmentmanagement@tpllp.com](mailto:investmentmanagement@tpllp.com).

**With investing, your capital is at risk. Investments can fluctuate in value and you may get back less than you invest. Past performance is not a guide to future performance. This factsheet is not personal financial advice.**

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