

# Income Builder Portfolio

Because income should be predictable even when markets are not

## Why invest in income assets?

Three main fears are facing investors, particularly retirees:

- A fall in the value of their capital
- Inflation devaluing non-performing cash
- Not having an income to live on

During a time when most major currencies in developed countries are offering relatively low interest rates it is clearly not an option to sit back and rely on bank deposits to provide an income.

Creating income from investments does come with risk, it is how we minimise that risk to a manageable level that makes our Income Builder portfolio attractive. The most important point to remember when considering this type of portfolio is that the capital value of the assets will fluctuate. As such, it should be considered a longer term investment with income as the focus to allow capital values to recover when they suffer market falls.

## Notes on assets:

**REITS:** Real-estate investment trusts have consistently provided decent, consistent yields

**Bonds:** Value can still be found in some areas of the fixed income market

**Dividends stocks:** Rather than high-yielding stocks, we look for companies that consistently grow their dividends

**Infrastructure:** An increasingly important asset class that generates steady cash flows

**Fees:** Please contact Elgin for a personalised illustration and investment proposal.

- Minimum investment: 50K \$/£/€
- Minimum top-up: 10K \$/£/€

## Factors to consider:

**Fees:** Every percentage point counts which is why a very low-cost internet platform is used to reduce the impact of fees on yield

**Manage Risk:** No matter how good an asset appears we will never allocate an excessive percentage of the portfolio to it

**Liquidity:** All securities purchased can be liquidated at very short notice, usually within hours

**Transparency:** Information is freely available on the assets held in the portfolio, all are listed on major bourses

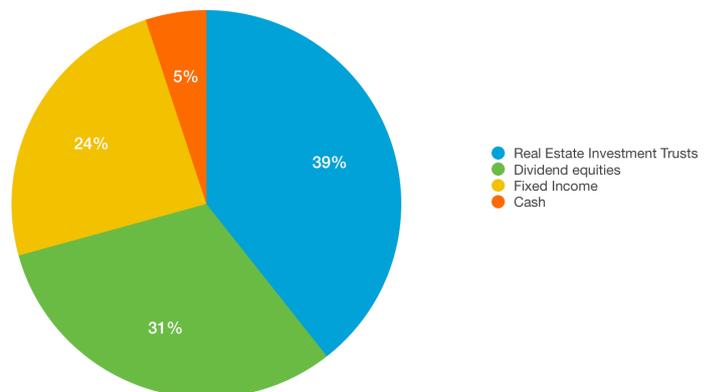
**Yield:** The portfolio targets a sustainable yield of 3-4%

**Total target return including capital appreciation:** 6-8%

**Management:** Creating a robust income portfolio that is constantly monitored is where highly qualified managers add considerable value

The portfolio should be considered a **Growth Profile** so investors should not rely on short term access to the capital as the underlying securities will reflect typical stock-market volatility.

Although the focus is on income generation, capital appreciation can also be expected over the long term.



Income portfolio example of asset allocation. Actual percentages may vary.