

# True Potential Balanced Income Portfolio

31 March 2025



## Portfolio Objective

The objective of the True Potential Balanced Income Portfolio is to provide investors with a way to achieve their investment goals. This may be total return or a regular income. The Portfolio offers exposure to a select group of investment partners and a range of risk profiles, whilst remaining within the Balanced 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 Balanced risk profile. The Portfolio aims to produce a higher yield compared to an equally-weighted model of True Potential Wealth Strategy income funds.

## Investment Commentary

The True Potential Balanced Income Portfolio experienced a decline of -1.60% in March.

Global equities registered a notable loss in March with elevated uncertainty surrounding the impact of US tariffs weighing on investor sentiment. Amid concerns of lower economic growth, more defensive sectors of the stock market outperformed. This includes more attractive dividend sectors, such as Utilities.

Regionally, US equities underperformed through the month, suffering their worst quarter since 2022. Japan and Emerging Markets fared better, benefiting from lower starting valuations. Global sovereign bonds provided some diversification benefits, with rising yields offset by coupon income. Corporate bonds provided a negative return, with the lower credit quality cohorts underperforming. In currencies, Sterling appreciated against the US dollar but fell against the Euro, the latter boosted by German defence spending plans over the month.

The True Potential Schroder Cautious Income fund outperformed, a result of the higher UK equity exposure and lower US equity exposure, as well as strong performance from its alternatives. Exposure to gold through both gold equities and physical gold commodity was also particularly beneficial. The True Potential UBS Balanced Income fund was relatively challenged, as the fund's large exposure to US equities pulled back on returns.

No changes were made to manager allocations. However, individual managers are making changes to the True Potential funds within the Portfolio. Examples include trimming exposure to US equities and rotating into European equities and increasing fixed income exposure. A continuation of the key developments through Q1, ahead of 'Liberation Day'.

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

## Risk and Reward Profile

Defensive	Cautious	Balanced	Growth	Aggressive
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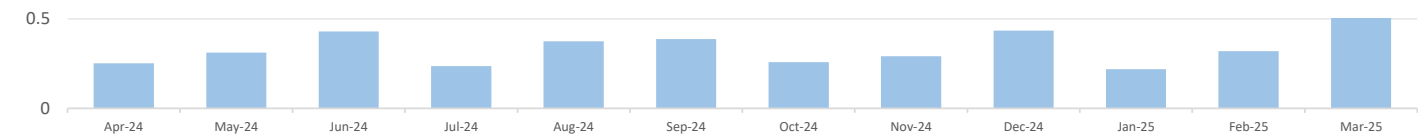
Lower Risk Potentially Lower Rewards	Higher Risk Potentially Higher Rewards
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The Balanced Investor may be somewhat concerned with short-term losses and may shift to a more stable option in the event of significant losses. The safeties of investment and return are typically of equal importance to the Balanced Investor.

## Growth of hypothetical £10,000 invested since inception



## Income Distribution (%)



## Why invest in this Portfolio?

- For investors looking to invest for the long term (5 years or more).
- Diversifies risk by investing in stocks, bonds, and alternative investments.
- The balanced approach of the fund strives to provide both growth and income, while managing short-term losses through a diversified mix of assets that moderate risk.
- Investors are able to bear losses to capital without creating significant financial hardship.

% Growth	1 Month	3 Month	6 Month	1 Year	3 Year	5 Year	Since Launch
True Potential Balanced Income Portfolio	-1.6%	1.4%	1.4%	6.4%	11.6%	44.0%	63.1%

Annual % Growth	Mar 20 - Mar 21	Mar 21 - Mar 22	Mar 22 - Mar 23	Mar 23 - Mar 24	Mar 24 - Mar 25
True Potential Balanced Income Portfolio	22.8%	5.1%	-4.7%	10.0%	6.4%

Source: True Potential Investments, based on net asset value (as of 31/03/2025). Performance is calculated on a Total Return basis and is net of Portfolio OCF.

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.

Key Fund Information

**Accumulation shares:** this type of share reinvests the income generated by its underlying assets (such as dividends or interest) back into the fund, rather than paying it out to shareholders as income.

**Income shares:** this type of share pays out the income generated by the fund’s underlying assets (such as dividends or interest) directly to investors, rather than reinvesting it back into the fund.

Portfolio Details	
Launch Date	1st October 2015
Ongoing Charge Figure (OCF)*	0.75%
12 Month Yield	4.20%
Portfolio Size	£834m
Minimum Recommended Holding Period	5 years

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

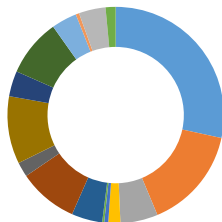
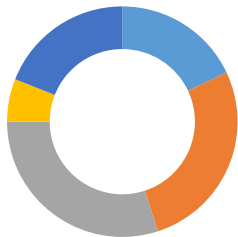
Historical yield reflects distributions declared over the past 12 months, as a percentage of the latest share/unit price. Personal dividend tax charges may still apply and are subject to individual circumstances. Tax rules may change in the future.

In September 2024, the FCA updated its Packaged Retail Insurance and Investment Products (PRIIPS) guidance on how we disclose costs for closed-ended funds like investment trusts. This change is designed to give you a clearer picture of the actual costs that impact your investments. As a result, some of our fund OCFs (Ongoing Charges Figure) have significantly decreased, reflecting only the costs that directly affect the fund's assets.

What are the fees associated with investing in this Portfolio?

The OCF of this Portfolio is currently 0.75%. This means that if you invest £1000 in the Portfolio, you can expect to pay £7.54 in fees over the course of a year. The fees you pay are pro-rata. If you hold the Portfolio for less than a year you will only pay the proportional amount of fees applicable (based on the duration of your investment).

Portfolio Diversification



Strategy Allocation

● Directly Invested - True Potential Close Brothers Cautious Income	18.00%
● Income Building - True Potential Goldman Sachs Income Builder	27.00%
● Direct Income - True Potential Threadneedle Monthly Income	30.00%
● Fund of Funds - True Potential Schroders Cautious Income	6.00%
● Enhanced Income - True Potential UBS Income	19.00%

Asset Allocation

● UK Stocks	28.4%
● US Stocks	15.3%
● European Stocks ex UK	5.6%
● Japanese Stocks	1.8%
● Asia Pacific Stocks ex Japan	0.6%
● Emerging Market Stocks	0.3%
● Global Treasury Bonds	4.6%
● Global Corporate Bonds	8.9%
● Emerging Market Bonds	2.2%
● Global High Yield Bonds	10.1%
● UK Government Bonds	3.8%
● UK Corporate Bonds	8.6%
● Global REITS / Property	3.8%
● Gold	0.5%
● Alternatives	4.0%
● Cash and Cash Equivalents	1.5%

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.

# Risks

The following are some of the key risks associated with investing in this Portfolio. For a complete list of risks, please refer to each Fund's prospectus, available at [www.truepotential.co.uk/fund-documents](http://www.truepotential.co.uk/fund-documents). Please be aware that there is no guarantee that capital will be preserved.

Risk Type	Description
Performance Risk	Investment objectives express an intended result but there is no guarantee that such a result will be achieved. Depending on market conditions and the macro-economic environment, certain investment types and styles may perform better than others and investment objectives may become more difficult to achieve. Whilst different investment types and styles are used, growth cannot be guaranteed.
Counterparty Risk	There may be cases where the organisation from which we buy a derivative, or an asset, fails to meet its obligations. The cash deposits of the underlying funds are also subject to counterparty risk.
Emerging Market Risk	Investments in emerging markets may involve greater risks due to political and economic instability, and underdeveloped markets and systems.
Derivative Risk	The Portfolio holds funds entitled to use derivatives. Derivatives may not achieve their intended purpose. Their prices may move up or down significantly over relatively short periods of time which may result in losses greater than the amount paid.
Operational Risk	The Portfolio faces non-market risk, relating to purchasing, holding and servicing the Portfolio's assets.
Credit Risk	Where the underlying Fund invests in bonds, there is a risk the bond issuer may fail to meet its repayments. Changes in interest rates, inflation and the creditworthiness of the bond issuer may also affect the bond's market value. This risk is particularly relevant where the Fund invests in bonds with a lower credit rating.
Exchange Rate Risk	The underlying funds may invest in securities not denominated in GBP. The value of your investments may be affected by changes in currency exchange rates.
Liquidity Risk	Certain market conditions could make sufficiently liquid assets difficult to sell quickly at a fair price. This could result in an unpredictable fall in the value, and overall liquidity of the funds held within the Portfolio.
Investment Trust Risk	Investment trusts and closed ended funds may borrow to purchase additional investments. This can increase returns when stock markets rise but will magnify losses when markets fall. The value of an investment trust or a closed-ended fund moves in line with stock market demand and its share price may be less than or more than the net value of the investments it holds.

## To find out more

Visit [www.truepotential.co.uk/investments/](http://www.truepotential.co.uk/investments/)  
Call **0191 242 4884**  
Email [Investmentmanagement@tpllp.com](mailto:Investmentmanagement@tpllp.com)

## Need assistance with reading documents?

We can provide documents in various formats, including large print, audio, and fonts designed for readability. Please email [investmentmanagement@tpllp.com](mailto:investmentmanagement@tpllp.com) if you require an alternative format.

## 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).

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