

## Monthly Income Portfolios

*Investing to meet your  
clients' income needs*



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# The power of our multi-asset approach

*At Quilter Investors, we're experts in multi-asset investing. Everything we do is dedicated to creating and managing multi-asset investment portfolios for you and your clients.*

We're part of Quilter, a leading UK-focused full-service wealth manager, providing advice-led investment solutions and investment platform services, helping to create brighter financial futures for every generation. Quilter manages over £111.6bn\* of assets, supporting financial advisers and their clients as their financial requirements evolve throughout their lives.

\*as at 31 March 2024.

## Our multi-asset approach to investing gives you and your clients:



### Expertise

Access to experienced portfolio managers who make informed, active investment decisions to deliver specific outcomes that meet your clients' investment needs.



### Diversification

An established way to invest across different asset classes, sectors, and geographies to manage risk, making sure your clients have their eggs in multiple baskets.



### Choice

An investment strategy with a range of different options that supports how your clients want to invest and helps them achieve their financial goals.

# A choice of two portfolios

*The Monthly Income Portfolios offer you and your clients the choice of two different portfolios designed to deliver a regular income alongside capital growth within a risk-targeted framework.*

## 1. Monthly Income Portfolio

The portfolio aims to provide income with the potential for some capital growth over a period of five years or more, with between 20% and 60% invested in equities and the remainder in other asset classes. The portfolio targets a volatility of between 6% and 10%<sup>1</sup>.

## 2. Monthly Income and Growth Portfolio

The portfolio aims to provide income and capital growth over a period of five years or more, with between 40% and 85% invested in equities and the remainder in other asset classes. The portfolio targets a volatility of between 9% and 13%<sup>1</sup>.



■ Equities ■ Fixed income ■ Alternatives ■ Cash

The asset allocation shown for each portfolio is for illustration purposes only.

<sup>1</sup>The volatility range is a target based on long-term actuarial assumptions and the portfolio is managed to stay within this range most of the time. The volatility range is regularly reviewed and may change from time to time due to changes in these assumptions but will remain within the limits laid out in the prospectus.

# Our approach to income investing

*We use an income investing lens to find the best investment opportunities across a wide range of different asset classes, sectors, and styles.*



## *Active core approach*

The portfolios are actively managed, with a core of active investments at their heart. We use passive strategies to complement these core active holdings with smart beta strategies allowing us to tailor exposure to factors or styles in a cost-efficient way.

Having a broad investment toolkit, including active managers, smart beta strategies, and traditional index trackers, provides us with the flexibility to tilt the portfolios towards the best opportunities available.



## *Smart beta strategies allow us to gain passive exposure to specific investment strategies or styles.*

There are a number of smart beta strategies that track a subset of specific dividend stocks. These can provide us with an additional tool to capture an income or style exposure we require.



## *Dynamic asset allocation*

To help us navigate changing market conditions, we employ a dynamic investment approach. We actively invest in a broad range of asset classes depending on the market environment and opportunity set.

Our pragmatic approach allows us to take advantage of the best income and total return opportunities, whilst ensuring the portfolios remain within their risk-targeted framework.



## *Diversified investing*

We invest across the entire market, blending different asset classes, regions, and sectors. This broad opportunity set provides diversification of both the total return and income streams.

With so much choice available, we draw on our own expertise and research to drill down into an underlying fund manager's philosophy, strategy, process, and performance to ensure it's the right fit for the portfolios at the relevant risk level.



# Investing to meet your clients' income needs



## *Investing with a focus on income*

The portfolios do not have a specific yield target, and this is by design. Yield is a function of price and as such will move around as the value of the holdings in the portfolios change.

Instead, we focus on the income generated from each unit of the portfolio. This is a more reliable measure when planning the income the portfolios are likely to generate for your clients.



## *Ensuring diversification of income*

We spend a great deal of time assessing the underlying income streams within the portfolios.

A key focus for us is to ensure the income streams are sufficiently diverse, with contributions from a range of sources across different asset classes. We also focus on the distribution profile of each holding, blending different payment frequencies and cycles to enable the portfolios to deliver a smoothed monthly income.



## *Providing a clear forecast*

At the start of each financial year, we provide a forecast of the income in pence per share that the portfolios are likely to generate over the coming year. Providing this forecast offers you a better indication of what your clients are likely to receive based on the number of shares they hold.

## *Income forecasts and income distributions since launch*

The below tables show the portfolios' income forecast and the income distribution since their launch in June 2019.

### Monthly Income Portfolio

	<i>2023-2024</i>	<i>2022-2023</i>	<i>2021-2022</i>	<i>2020-2021</i>	<i>2019-2020</i>
Income forecast per share	3.25p-3.65p	3.10p-3.50p	3.00p-3.40p	2.70p-2.90p	3.30p*
Income distribution per share	<b>3.79p</b>	<b>3.75p</b>	<b>3.52p</b>	<b>3.15p</b>	<b>3.35p</b>

### Monthly Income and Growth Portfolio

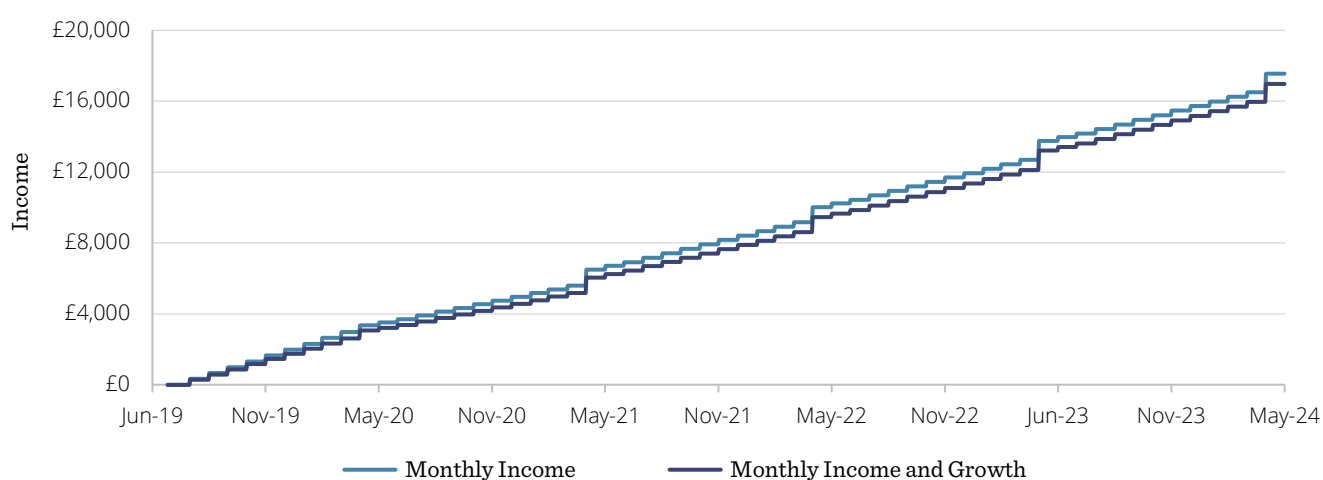
	<i>2023-2024</i>	<i>2022-2023</i>	<i>2021-2022</i>	<i>2020-2021</i>	<i>2019-2020</i>
Income forecast per share	3.25p-3.65p	3.00p-3.40p	2.90p-3.30p	2.60p-2.80p	3.30p*
Income distribution per share	<b>3.77p</b>	<b>3.75p</b>	<b>3.41p</b>	<b>2.98p</b>	<b>3.07p</b>

Source: Quilter Investors as at 30 June 2024. Income forecast and income distributions in pence per share from the U1 (GBP) Income Shares over period 26 June 2019 to 30 April 2024. \*The income forecast in 2019-2020 has been prorated to account for the portfolios launching two months after the start of their financial year. The Quilter Investors Monthly Income Portfolios launched on 26 June 2019.



*Our conversations with financial advisers like you highlighted the interest in compounding income for their clients, so both portfolios offer accumulation as well as income share classes.*

### Cumulative income distributions since launch (based on initial investment of £100k)



Source: Quilter Investors as at 30 June 2024. Cumulative income based on an initial investment of £100,000 in the U1 (GBP) Income Shares over period 26 June 2019 to 30 April 2024. The Quilter Investors Monthly Income Portfolios launched on 26 June 2019.

### Performance since launch

The below tables show the returns generated by the portfolios compared to their performance comparators since their launch in June 2019.

	<i>2023-2024</i>	<i>2022-2023</i>	<i>2021-2022</i>	<i>2020-2021</i>	<i>2019-2020</i>
<b>Monthly Income Portfolio</b>	<b>8.9</b>	<b>0.5</b>	<b>-5.9</b>	<b>12.2</b>	<b>-3.0</b>
IA Mixed 20-60% Shares	9.5	1.2	-7.1	11.8	-0.7

	<i>2023-2024</i>	<i>2022-2023</i>	<i>2021-2022</i>	<i>2020-2021</i>	<i>2019-2020</i>
<b>Monthly Income and Growth Portfolio</b>	<b>10.6</b>	<b>2.8</b>	<b>-4.9</b>	<b>15.9</b>	<b>-2.4</b>
IA Mixed 40-85% Shares	11.8	3.3	-7.2	17.4	0.1

Source: Quilter Investors as at 30 June 2024. Total return, percentage growth, net of fees, rounded to one decimal place of the U1 (GBP) Accumulation Shares over time periods shown to end of June.



# An income solution you can trust

*We have designed the Monthly Income Portfolios in collaboration with financial advisers like you to deliver an income solution you can trust.*

## You can trust our Monthly Income Portfolios for three key reasons:



1

### ***Designed with you and your clients in mind***

The Monthly Income Portfolios offer you and your clients the choice of two different portfolios designed to target a specific range of volatility within a risk-targeted framework. This means they will carry a level of risk consistent with how you describe them to your clients allowing you to choose the most appropriate portfolio for your clients' needs.



2

### ***A depth and breadth investment expertise***

We invest across the whole of the market in different asset classes, regions, and sectors using a broad toolkit of investment approaches including active management, smart beta strategies, and traditional index trackers. This allows us to take advantage of the best income and total return opportunities for your clients, whilst ensuring the portfolios remain within their risk-targeted framework.



3

### ***A consistent monthly income***

We provide you with a forecast at the start of each financial year to help you to understand how much income your clients are likely to receive. In addition, the income payments are smoothed throughout the year, reducing the differences in the payments made to your clients and delivering a consistent level of income that you can count on.







*Whether your clients require a regular income to meet their everyday needs, are saving for something special, or simply want to reinvest and benefit from the compounding of returns, the Monthly Income Portfolios can help meet their needs.*

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Helen Bradshaw and CJ Cowan  
Portfolio managers

## Your next step

*We look forward to showing you how our Monthly Income Portfolios can meet the needs of you and your clients.*

### Contact your Quilter investment director:



- 1. Simply open the camera app on your phone and scan the QR code.*
- 2. Tap to open the website.*
- 3. Call their direct number.*

*The Monthly Income Portfolios have been designed and built for you and your clients. We believe they offer an innovative solution to providing a consistent, regular income.*

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**Marcus Brookes**  
Chief Investment Officer





# Thank you for considering our Monthly Income Portfolios for your clients.

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## *Important information*

**Past performance is not a guide to future performance and may not be repeated.  
Future forecasts are not a reliable guide to future performance and may not be achieved.  
Investment involves risk. The value of investments may go down as well as up and investors may not get back the amount originally invested.**

There are also other risks shown below of which investors should be aware. For more information on these risks, investors should read the key investor information document(s) (KIID(s)).

The portfolio is denominated in one currency, but may hold assets denominated in other currencies, which means exchange rate changes may cause the value of investments to rise or fall. The portfolio may invest in a range of assets such as bonds, equities (company shares), and other investment funds. This means the portfolio will be subject to the collective risks of those investments and, in the case of other investment funds, the collective risks of those investment funds as well as their underlying investments. The portfolio deducts the charges from the income of the portfolio, which means there is the potential for capital erosion if insufficient income is achieved to cover the charges. The portfolio may use derivatives, which means there may be a higher level of risk. The portfolio may hold investments that may be more difficult to sell, which may affect the ability of investors to withdraw their money. The portfolio invests in emerging markets, which may be more volatile than investments in developed markets. The portfolio is likely to favour value stocks (as they typically provide higher dividend payments), which may be subject to periods of underperformance, as value and growth stocks typically outperform each other, and markets generally, at different times.

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