

PORTFOLIO OBJECTIVES

[EWPP Portfolio]

- The objective of the **Elston Permanent Portfolio UK** is to deliver diversified returns in all different types of market regime.
- The methodology uses an "**Equal Weight**" strategy, such that there is an equal weight to each asset class (equities, gold, bonds and cash equivalents), thereby enabling asset-based diversification.
- The portfolio is designed for UK-based GBP investors and benchmarked to the Elston Static Equal Weight Index.

Key Points

- 1 Static multi-asset approach.
- 2 Asset-based diversification.
- 3 Equal weight approach.

Portfolio Facts

Portfolio Code	EAWP
Benchmark Ticker	ESBEWP
Asset Class	Multi-Asset
Base Currency	GBP
Rebalancing	Monthly
Components	ETFs
Max Holdings	6
Inception Date	31-Dec-2007
ISIN	n.a.

Overview

This portfolio strategy aims (but is not guaranteed) to:

- deliver a diversified return in all market conditions.
- capture a rebalancing premium
- provide asset-based diversification across differentiated asset classes.

Applications

This strategy could provide:

- A **resilient** investment strategy
- A **diversifier** within a portfolio.
- A **stabiliser** for differentiated returns.

Licensing

- For use as a research portfolio.
- Not a regulated benchmark.

THE THEORY

The design principle behind this strategy is called "Equal Weight", also known as the "Permanent Portfolio". The concept was pioneered by Harry Browne, author of *Fail-Safe Investing* (1999). The portfolio can be rebalanced annually (as proposed by Browne) or quarterly (as we propose) to capture potential "rebalancing premium". Frequency of rebalancing impacts trading costs. The Permanent Portfolio is intended to be resilient across all market conditions.

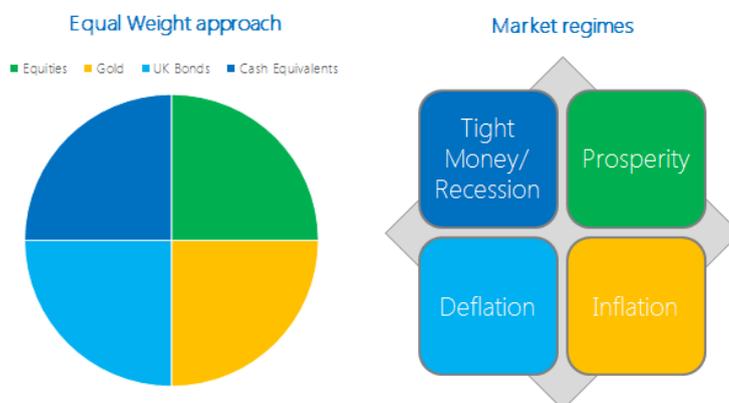
1. DELIVER DIVERSIFIED RETURNS IN ALL MARKET CONDITIONS

The strategy aims to deliver diversified returns in all market conditions using broad-based asset exposures.



2. PROVIDE ASSET-BASED DIVERSIFICATION

By allocating equally across each main class, the Permanent Portfolio should prove resilient under a number of different market regimes: "prosperity", "inflation", "deflation", and "tight/money recession".



3. REBALANCING PREMIUM

Our version of the strategy is rebalanced quarterly to capture a rebalancing premium.



For illustrative purposes only

Visit: www.elstonsolutions.co.uk/portfolios

©Elston Consulting Limited ("Elston"). All rights reserved. No unauthorised reproduction. Elston Index Strategies ("Indices") are administered by Elston Consulting Limited ("Elston") using proprietary methodologies developed by Elston or its Affiliates. All rights in the Strategies vest in Elston. "Elston Strategic Beta®", "Elston Strategies" and "Elston Indices" are registered or unregistered trademarks of Elston Consulting Limited.

All information is provided for information purposes only. Every effort is made to ensure that all information given in this publication is accurate, but no responsibility or liability can be accepted by Elston, or its licensors for any errors or for any loss from use of this publication. Neither Elston nor any of its licensors makes any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the Strategies or the fitness or suitability of the Index for any particular purpose to which it might be put. No part of this information may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without prior written permission of Elston. Use of the Elston Strategies and/or Indices for data distribution, or for creation of financial products requires a licence with Elston and/or its licensors.

This document is not an advertisement or financial promotion. It is provided for informational purposes only and is not intended to be an offer or solicitation, or the basis for any contract to purchase or sell any security or other instrument, or for Elston Consulting Limited to enter into or arrange any type of transaction as a consequence of any information contained herein. Elston Consulting Limited registered in England & Wales, registration number 07125478, registered office 42 Brook Street, London W1K 5DB.

Elston Consulting Limited is a registered benchmark administrator authorised and regulated by the Financial Conduct Authority (FRN: 795745).

For more information including on research portfolios, please visit elstonsolutions.co.uk/portfolios