

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

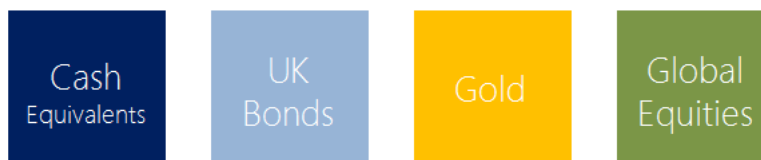
- For use as a research portfolio.
- Not a regulated benchmark.

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.

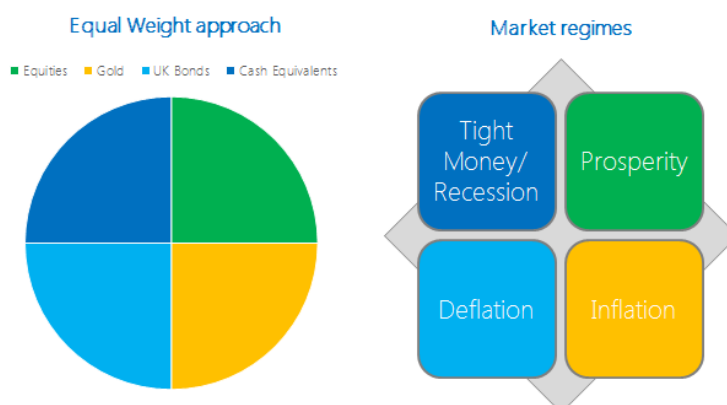
1. DELIVER DIVERSIFIED RETURNS IN ALL MARKET CONDITIONS

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

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