

BALANCED MIXED ASSETS

BECKETT ASSET MANAGEMENT LIMITED

July 2020

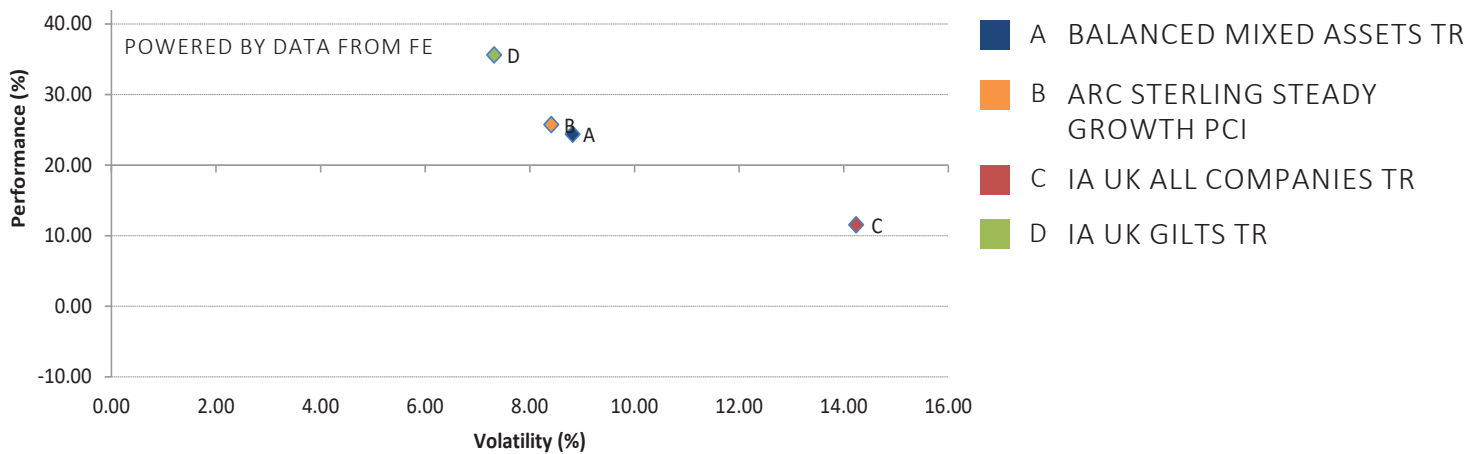
RISK PROFILE 5-6 | INCEPTION JUNE 2008

BALANCED MIXED ASSETS COMMENTARY

Global equity markets reached the current year's low at the end of last quarter (23 March to be precise), and then had their best recovery in the second quarter since 1987. Part of this retracement can be put down to the fact that Q1 market sell off was akin to throwing the baby out with bathwater and is also thanks to the swift reactions of the policy makers. The model therefore delivered a strong positive return in Q2 and benefitted from the increase to equities in the April rebalance.

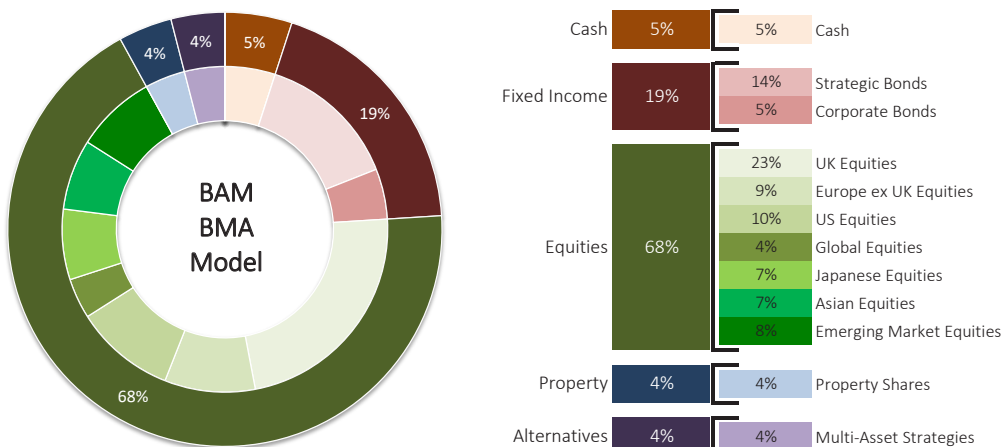
We remain very comfortable with the overall shape of the portfolio and are not making any changes to the split between risk on assets (equities) and risk off assets, however, within our geographical exposure and in line with our increased optimism for European equities, we are trimming our UK exposure. We are selling 3% of our holding in Jupiter Special Situations and introducing a new European fund namely Miton European Opportunities which is held in our other models and has performed extremely well for investors. This will increase our exposure from 6% to 9% in Europe. Another asset class that we currently see as good value is Investment Grade Corporate Bonds. As a result, our holding of TwentyFour Dynamic Bond fund is being reduced to include a small position (2%) to Artemis Corporate Bond fund, also fund held in other models.

TOTAL RETURN PERFORMANCE VS VOLATILITY OVER 5 YEARS (30/06/2015 – 30/06/2020)



PLEASE NOTE: PAST PERFORMANCE IS NO INDICATOR OF FUTURE PERFORMANCE. PERFORMANCE IS GROSS OF ANY WEALTH MANAGEMENT AND PLATFORM FEES. IT IS PROVIDED FOR INFORMATION PURPOSES TO INDICATE HISTORICAL PERFORMANCE.

PORTFOLIO COMPOSITION



PLEASE NOTE: PORTFOLIO COMPOSITION SHOWN IS AS JULY 2020. ASSET ALLOCATIONS MAY CHANGE OVER TIME.

STRATEGY DESCRIPTION

This strategy seeks a total return from investing in a blend of income and growth generating assets, using a fund of funds approach to investment. The strategy invests in a blend of different assets, which will include Equities as well as Fixed Interest and Property. The portfolio is comprised of funds that invest across a range of geographical areas. The funds are selected on a discretionary basis from a number of top fund management houses.

This strategy is particularly suited to those investors seeking a combination of a regular income and longer-term capital growth (5 years plus). Investors can also opt to reinvest the investment income that is generated. Investors should be prepared to accept a medium level of investment risk.

INCOME YIELD

Income yield of this strategy is currently c. 2.06% June 2020.

STRATEGY BENCHMARK

The performance of the strategy will be measured against the ARC Sterling Steady Growth PCI over the medium to long term.

This benchmark has a targeted standard volatility band of 60% - 80% relative risk to world equities.

ONGOING FUND CHARGES (OCF)

In the region of 0.75% but subject to change depending on the underlying funds and platform. OCF does not include any further transactional costs incurred by the funds held or any performance fee that may be levied by them.

RISK CONTROLS AND INVESTMENT STRATEGY CHARACTERISTICS

- The strategy will always have a minimum and a maximum exposure as defined below. Maximum equity exposure restricted to 80% of the Fund and is currently 68%.

Country/Asset Class	Minimum Exposure	Maximum Exposure	Current Exposure	Diff
Fixed Income	15%	40%	19%	-
UK Equities	15%	50%	23%	▼
Europe ex UK Equities	0%	15%	9%	▲
US Equities	5%	15%	10%	
Global Equities	0%	25%	4%	
Japanese Equities	0%	10%	7%	-
Asia Equities	5%	15%	7%	-
Emerging Market Equities	0%	15%	8%	-
Property	0%	15%	4%	-
Multi Asset Abs Return	0%	15%	4%	-
Equity Based Abs Return	0%	10%	0%	-
Cash	0%	10%	5%	-

- This strategy can invest in overseas assets which can be positively or negatively impacted by changes in the relative valuation of currencies if the currency is not hedged.
- The strategy will hold a minimum of 10 different fund holdings and a maximum of 20.
- No individual holding will account for more than 17% of the strategy.
- No investment house will have more than 3 funds represented within the strategy.
- The policy of the strategy is to be managed on a "fully invested" basis.
- In addition to mainstream Unit Trust / OEIC funds, the strategies may also invest, where appropriate, in: Boutique investment house funds, Alternative investment funds (FAIFS), Investment Trusts, Structured Products, Tracker-type investments and ETFs.

BALANCED MIXED ASSETS CONSTITUENTS

FIXED INCOME		Diff
Twentyfour Dynamic Bond	6%	▼
Jupiter Strategic Bond	8%	-
Artemis Corporate Bond	5%	▲
UK EQUITY		
Chelverton UK Growth	5%	-
Jupiter UK Special Situations	3%	▼
Liontrust UK Special Situations	8%	-
Baillie Gifford UK Alpha	7%	-
EUROPEAN EQUITY		
Man GLG Continental European Growth	6%	-
Miton European Opps	3%	*
US EQUITY		
Artemis US Select	3%	-
Artemis US Extended Alpha	7%	-
PROPERTY		
BMO Property Growth & Income	4%	-
JAPANESE EQUITY		
Baillie Gifford Japanese	7%	-
FAR EAST & ASIAN EQUITY		
First State Asia Focus	7%	-
EMERGING MARKETS EQUITY		
ASI Global Emerging Markets Income	6%	-
Vanguard Global Emerging Markets	2%	-
GLOBAL EQUITY		
Legg Mason Clearbridge Infrastructure Income	4%	-
ALTERNATIVES		
SVS Churchhouse Tenax Absolute Return Strategy	4%	-
CASH		
	5%	-

*represents new funds

THE INVESTMENTS MENTIONED IN THIS REPORT ARE INTENDED AS LONG-TERM INVESTMENTS. SOME OF THEM MAY GO DOWN AS WELL AS UP AND YOU THEREFORE MAY NOT GET BACK THE FULL AMOUNT INVESTED. WHERE INVESTMENTS ARE DENOMINATED IN FOREIGN CURRENCIES, CHANGES IN THE RATE OF EXCHANGE MAY HAVE AN ADVERSE EFFECT ON THE VALUE OR PRICE OF THE INVESTMENT IN STERLING TERMS. PAST PERFORMANCE IS NOT NECESSARILY A GUIDE TO FUTURE PERFORMANCE. THIS DOCUMENT SHOULD NOT BE CONSTRUED AS AN OFFER DOCUMENT OR SOLICITATION AND IS CIRCULATED BECAUSE THE CONTENTS MAY BE OF INCIDENTAL INTEREST. THE OPINIONS STATED ARE THOSE OF BECKETT ASSET MANAGEMENT LTD, WHICH IS AUTHORISED AND REGULATED BY THE FINANCIAL CONDUCT AUTHORITY.