

DEFENSIVE BALANCED MIXED ASSETS

BECKETT ASSET MANAGEMENT LIMITED

April 2021

RISK PROFILE 4 | INCEPTION JUNE 2008

DESCRIPTION

This portfolio seeks to achieve a combination of investment income and longer-term capital growth, using a fund of funds approach to investment.

The portfolio adopts a multi asset approach to investment and invests in a blend of different asset classes, which will include Global Equities as well as Fixed Interest, Property, Absolute Return and Cash.

The portfolio is comprised of a blend of actively managed Blenheim funds appropriate to the risk and reward objectives of the portfolios.

The portfolio is managed on a discretionary basis.

This portfolio is particularly suited to those investors seeking a combination of income and longer-term capital growth (5 years plus). Investors should be prepared to accept a moderate level of investment risk.

MANAGEMENT

The portfolio is managed by Beckett Asset Management's team of investment professionals.

As well as deciding on the Asset Allocation, the team also manages the underlying building blocks for the portfolio with all assets having been carefully analysed to identify fund managers who can sustain enhanced returns while diversifying risk.

BENCHMARK

The performance of the portfolio will be measured against the ARC Sterling Balanced Asset PCI over the medium to long term.

This benchmark has a targeted standard volatility band of 40%- 60% relative risk to world equities.

INCOME YIELD

Income yield of this portfolio is currently c. 1.78% March 2021.

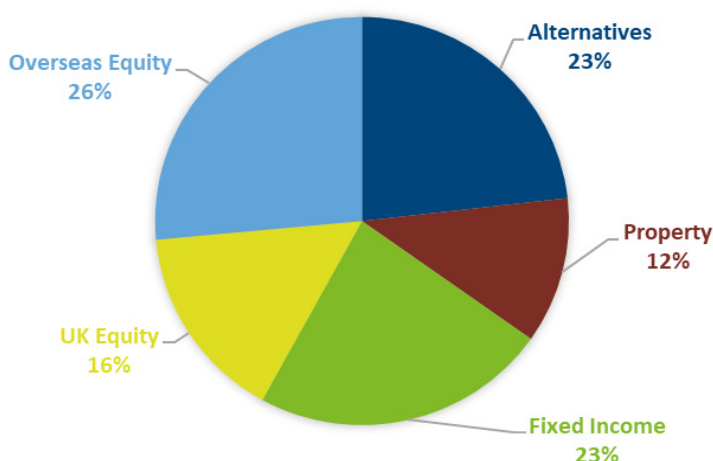
ONGOING CHARGES FIGURE (OCF)

Projected OCF of 0.62%. 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 PORTFOLIO CHARACTERISTICS

- The strategy will have a minimum or maximum exposure as defined. The maximum equity exposure is restricted to 60% of the fund and the current weighting is 42%.
- This strategy is limited in the amount it 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 policy of the strategy is to be managed on a fully "invested" basis.

PORTFOLIO COMPOSITION



PLEASE NOTE: PORTFOLIO COMPOSITION SHOWN IS AS MARCH 2021. ASSET ALLOCATIONS MAY CHANGE OVER TIME.

PORTFOLIO CONSTITUENTS

Blenheim Diversified Alternatives	23%
Blenheim Fixed Income	23%
Blenheim Diversified Property	12%
Blenheim UK Equity	16%
Blenheim Overseas Equity	26%

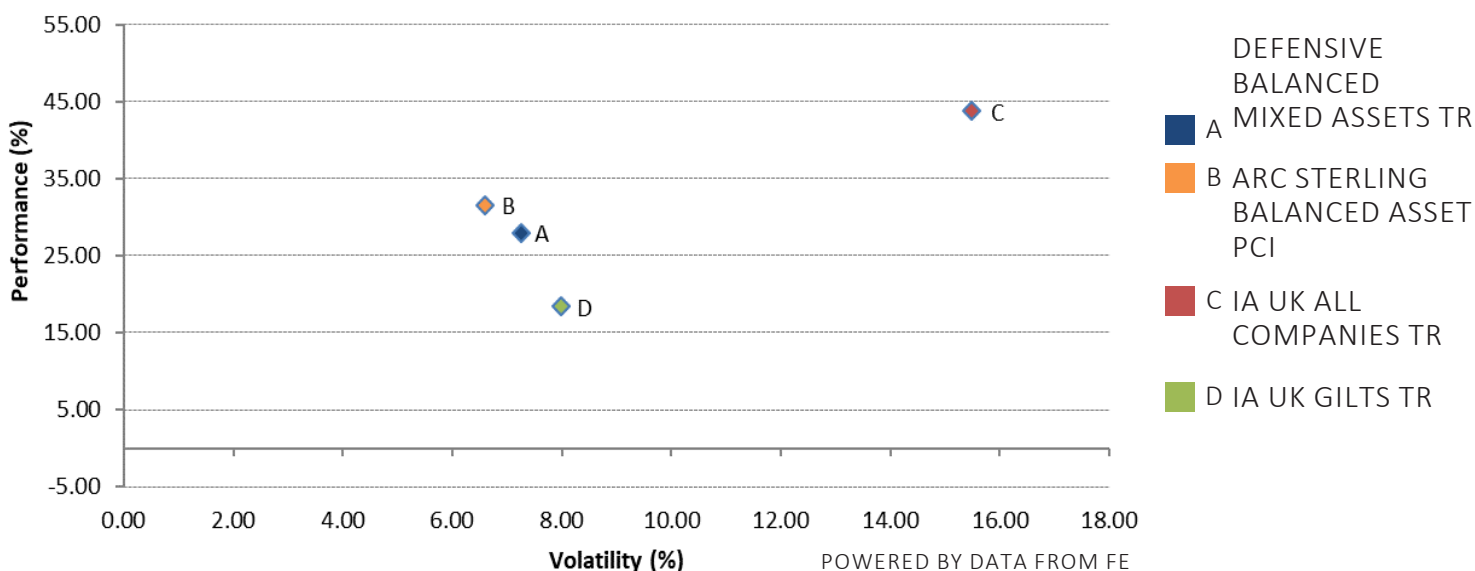
MANAGER COMMENTARY

There was a pretty flat return for the model in Q1 2021. The key underlying driver for this lacklustre performance being the pickup in government bond yields. As the likelihood of economic activity and therefore inflation has increased due to the roll out of vaccines, in late February, US Treasury yields jumped, prompting volatility as investors began to digest the implications of rising interest rates on different types of assets. It is important to note that central banks have not yet reacted and increased interest rates, this is merely the yields on government bonds. When yields on bonds rise the prices of those bonds fall, so for lower risk portfolios, where a larger proportion of the investments are held in lower risk assets such as fixed income, this has been a headwind to performance over the quarter.

The UK was one of the strongest global markets in Q1 and it was the UK exposure which was the strongest contributor to returns. Overseas Equity was the biggest detractor. The US Dollar has also been a bit stronger hurting Emerging market (EM) assets.

This quarter we incorporated the new Blenheim funds into the models. These funds have been constructed to give all investors access to our best ideas and benefit from economies of scale. We have blended these funds to deliver the risk and reward objectives of this strategy. Details of the ongoing changes we make within each of the Blenheim funds can be found in the monthly Blenheim factsheets.

RETURN AND VOLATILITY 5 YEARS TO 30/04/2021



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