

DEFENSIVE BALANCED MIXED ASSETS

BECKETT ASSET MANAGEMENT LIMITED

Oct 2020

RISK PROFILE 4 | INCEPTION JUNE 2008

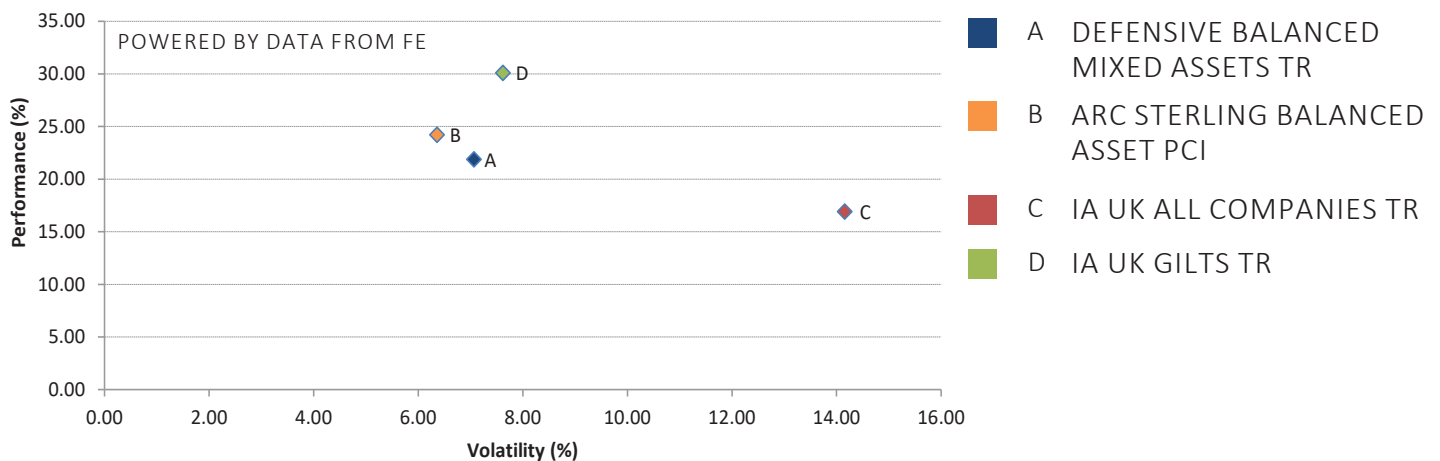
DEFENSIVE BALANCED MIXED ASSETS COMMENTARY

The recovery in the equity markets that started in the middle of second quarter continued a pace in the third quarter before stopping to take a breath in September. During this period, specifically in August, the S & P 500 had its best month ever since 1984 with a gain of 5.35%, for UK (Sterling) investors. The actual gain for the index was higher as Sterling strengthened by some 2.3% against the Dollar.

During the third quarter, the model performed well benefiting from strong global equity markets. Our careful fund manager selection also added value particularly in Europe. Our holding in Premier Miton European Opps was one of the top performers for the portfolio in Q3 and is 1 in the sector over the last 3 years to the end of September (source FE).

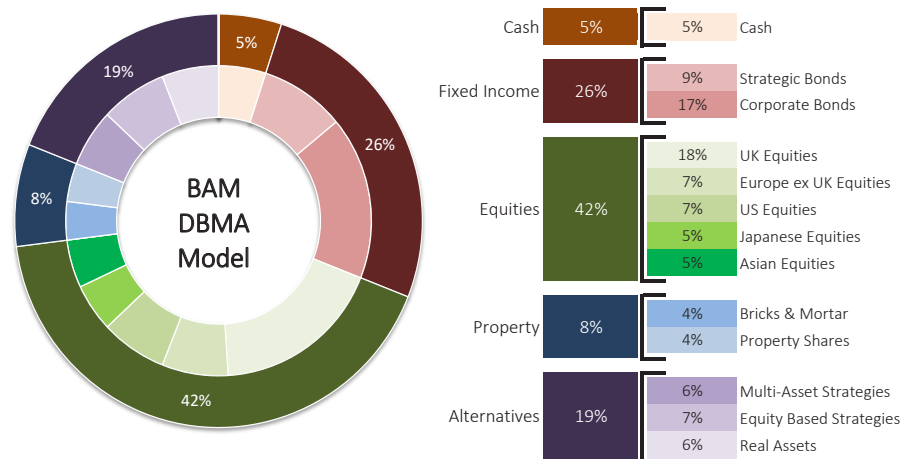
We will be making a minor adjustment to the portfolio in order to reduce the overall volatility of the model. We will be selling J O Hambro UK Dynamic fund and re-investing the proceeds in to the Royal London Short Duration Credit fund. Otherwise we remain comfortable with our asset allocation and fund selection, and continue to diligently manage the model to ensure its suitability for the ever changing financial and economic conditions.

TOTAL RETURN PERFORMANCE VS VOLATILITY OVER 5 YEARS (30/09/2015 – 30/09/2020)



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 OCTOBER 2020. ASSET ALLOCATIONS MAY CHANGE OVER TIME.

STRATEGY DESCRIPTION

This strategy seeks to achieve a combination of investment income and longer-term capital growth, 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 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 moderate level of investment risk.

INCOME YIELD

The Income yield of this strategy is currently c.2.44% October 2020.

STRATEGY BENCHMARK

The performance of the strategy 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.

ONGOING FUND CHARGES (OCF)

In the region of 0.73% 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 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%.

Country/Asset Class	Minimum Exposure	Maximum Exposure	Current Exposure	Diff
Fixed Income	15	60	26	▲
UK Equities	10	40	18	▼
Europe ex UK Equities	0	15	7	-
US Equities	0	15	7	-
Global Equities	0	40	0	-
Japanese Equities	0	15	5	-
Far East & Asian Equities	0	15	5	-
Property	5	20	8	-
Multi Asset Abs Return	0	15	9	-
Equity Based Abs Return	0	10	4	-
Real Assets	0	10	6	-
Cash	0	15	5	-

- 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 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 Trust, Structured Products, Tracker-type investments and ETFs.

DEFENSIVE BALANCED MIXED ASSETS CONSTITUENTS

FIXED INCOME		Diff
GAM Credit Opportunities	4%	-
Twentyfour Monument Bond	4%	-
Legg Mason Brandywine Global Income Optimiser	5%	-
Liontrust Monthly Income Bond	5%	-
Royal London Short Duration Credit	8%	▲
UK EQUITY		
Trojan Income	7%	-
Royal London UK Equity Income	5%	-
Royal London Sustainable Leaders	6%	-
EUROPEAN EQUITY		
Miton European Opps	7%	-
US EQUITY		
Artemis US Extended Alpha	7%	-
PROPERTY		
Aegon Property Income	4%	-
BMO Property Growth & Income	4%	-
JAPANESE EQUITY		
Jupiter Japan Income	5%	-
FAR EAST & ASIAN EQUITY		
Fidelity Asia Pacific Opportunities	5%	-
ALTERNATIVES		
SVS Churchhouse Texax Absolute Return Strategy	5%	-
Artemis US Absolute Return Hedged	4%	-
IFSL Brooks Defensive Capital	4%	-
VT Gravis UK Infrastructure Income	6%	-
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.