

# DEFENSIVE BALANCED MIXED ASSETS

## BECKETT ASSET MANAGEMENT LIMITED

OCT 2021

RISK PROFILE 4 | INCEPTION JUNE 2008

### INVESTMENT OBJECTIVE

To provide income and long term capital growth.

### STRATEGY RISK PROFILE AND SUITABILITY

The portfolio has a multi asset approach and will make use of different asset classes to achieve its objective.

The portfolio is managed with a moderate level of risk. The managers will employ the full range of actively managed Blenheim funds in the construction and running of the portfolio with the necessary risk controls to ensure the portfolio remains in line with its stated risk profile. The portfolio's exposure to equities will be limited to no more than 60% and the balance will be invested in a blend of other asset classes to maintain the moderate risk profile nature of the portfolio.

The portfolio is suitable for investors whom are looking for income and longer term (5 years plus) capital growth, and are prepared to accept a moderate level of risk, which is a higher level than Defensive Mixed assets portfolio and with the commensurate higher potential return, but lower than Global Equities.

### MANAGEMENT

The portfolio is managed by Beckett Asset Management's team of investment professionals: Samantha Owen, Tony Yousefian and Elliot Basford.

As well as deciding on asset allocation, the team also manages the underlying Blenheim range of funds. These are actively managed utilising a wide investment universe, in line with their investment objectives.

### BENCHMARK

ARC Sterling balanced Assets Private Clients Index is a suitable benchmark. This index has a targeted volatility band of 40%-60% relative to World Equities.

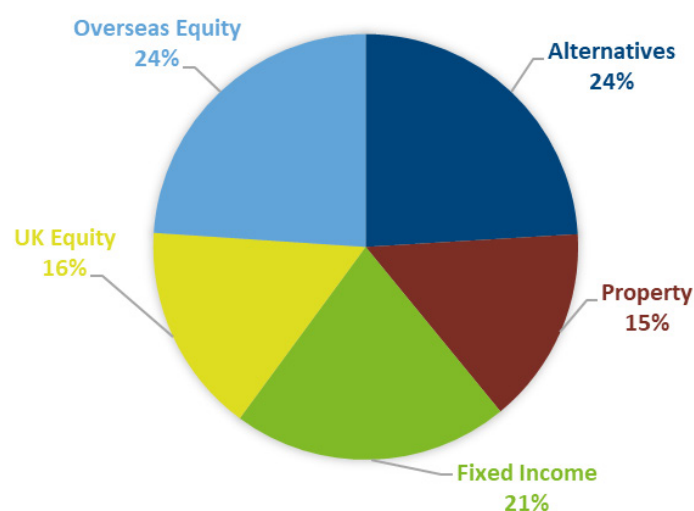
### INCOME YIELD

Income yield as at March 2021 : 1.78%

### ONGOING CHARGES FIGURE (OCF)

0.62%.

### PORTFOLIO COMPOSITION



### PORTFOLIO CONSTITUENTS

Blenheim Diversified Alternatives	24%
Blenheim Diversified Fixed Income	21%
Blenheim Diversified Property	15%
Blenheim UK Equity	16%
Blenheim Overseas Equity	24%

## MANAGER COMMENTARY

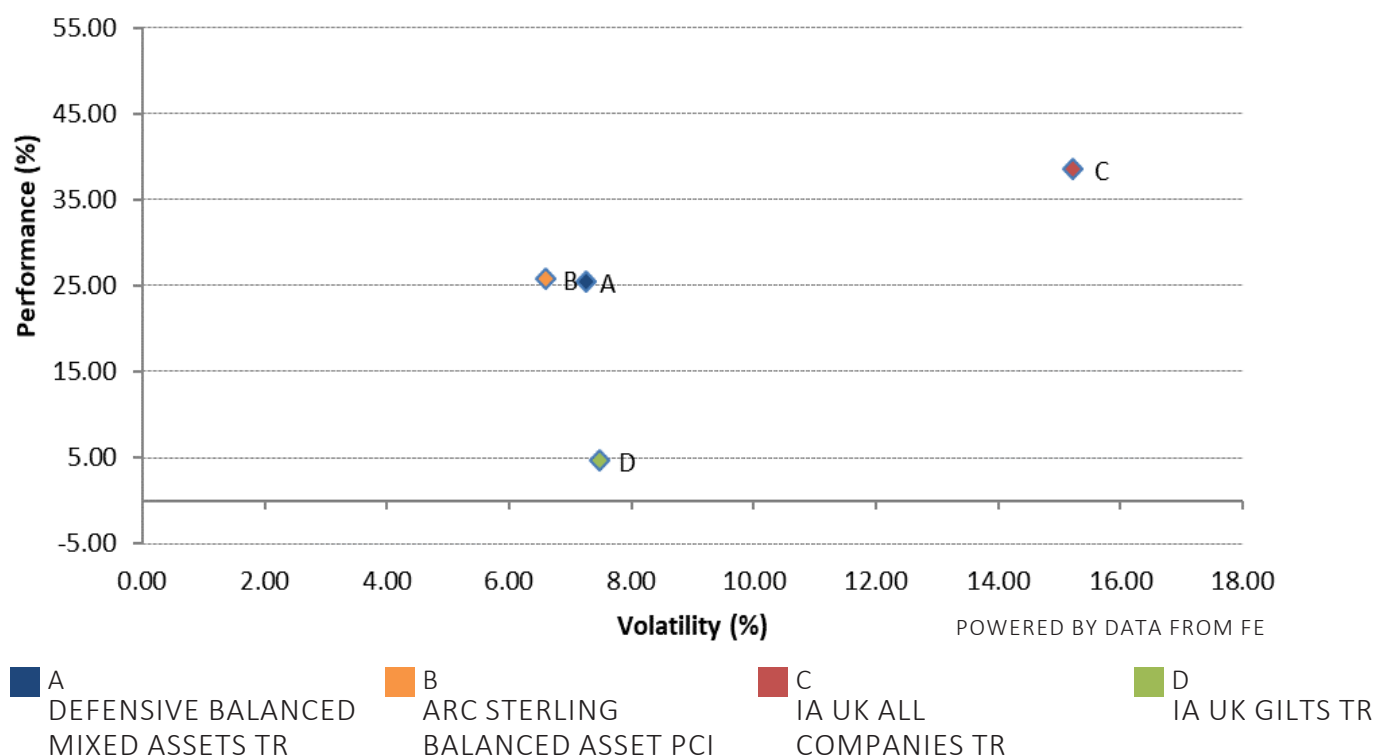
The rally that began in Spring 2020 is looking long in the tooth and, with the quarter ending, September weighed on returns as we saw a red month for many asset classes. September was a month to forget for the White House too. Squabbles threatened to foil the President's agenda along with health fears which sent stocks into a nosedive. We expect decisions made by law-makers in the coming weeks and months to carry significant impact into 2022 and beyond as key policy changes are implemented and digested by markets. We could see a reigning-in of dominant technology platforms and increasing broader anti-trust/market concentration scrutiny leading into the 2022 midterm elections.

The third quarter of 2021 has been another good quarter for this model which returned a positive 1.45%, (gross of adviser fee) and that compares very favorably with the ARC Sterling Balanced Assets return of plus 0.28%.

It was particularly pleasing to see that all the constituents of the model contributed positively to the total return, especially in the face of a very difficult quarter for fixed income assets with US Treasury Bond yields rising by some 14.6%. Rising bond yields means lower bond prices. However, the model's exposure to the Blenheim Diversified Fixed Income fund had a positive return of 0.89%, a vindication of the managers' ultra-cautious outlook for this asset class and for the remainder of 2021, whilst the inflation outlook remains uncertain. Other positive contributors to the performance were UK equities with a return of 3.4% followed by alternative assets which ended the quarter plus 1.58%.

Having reduced risk in the previous quarter, the overall model continues to be relatively defensive, and, whilst the individual funds within the model are very actively managed, your managers remain comfortable with the current asset allocation.

## RETURN AND VOLATILITY 5 YEARS TO 30/09/2021



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