

# DEFENSIVE BALANCED MIXED ASSETS

## BECKETT ASSET MANAGEMENT LIMITED

JAN 2022

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.

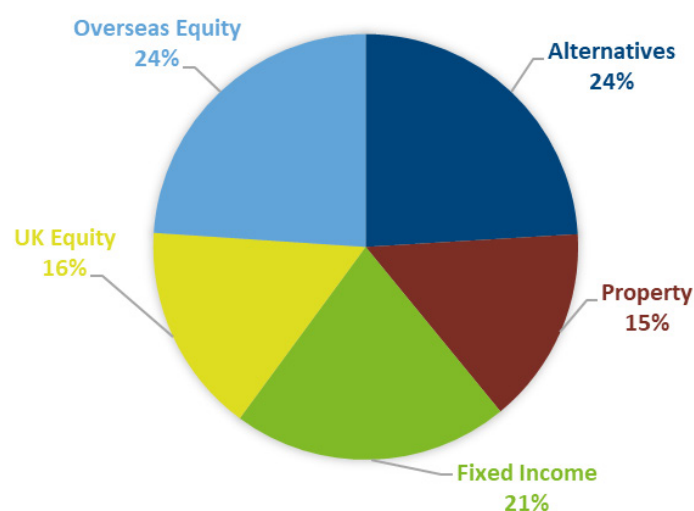
### INCOME YIELD

Income yield as at 31/12/21: 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 strategy delivered a positive return in Q4 which rounded off a good year, although performance was very marginally behind the benchmark.

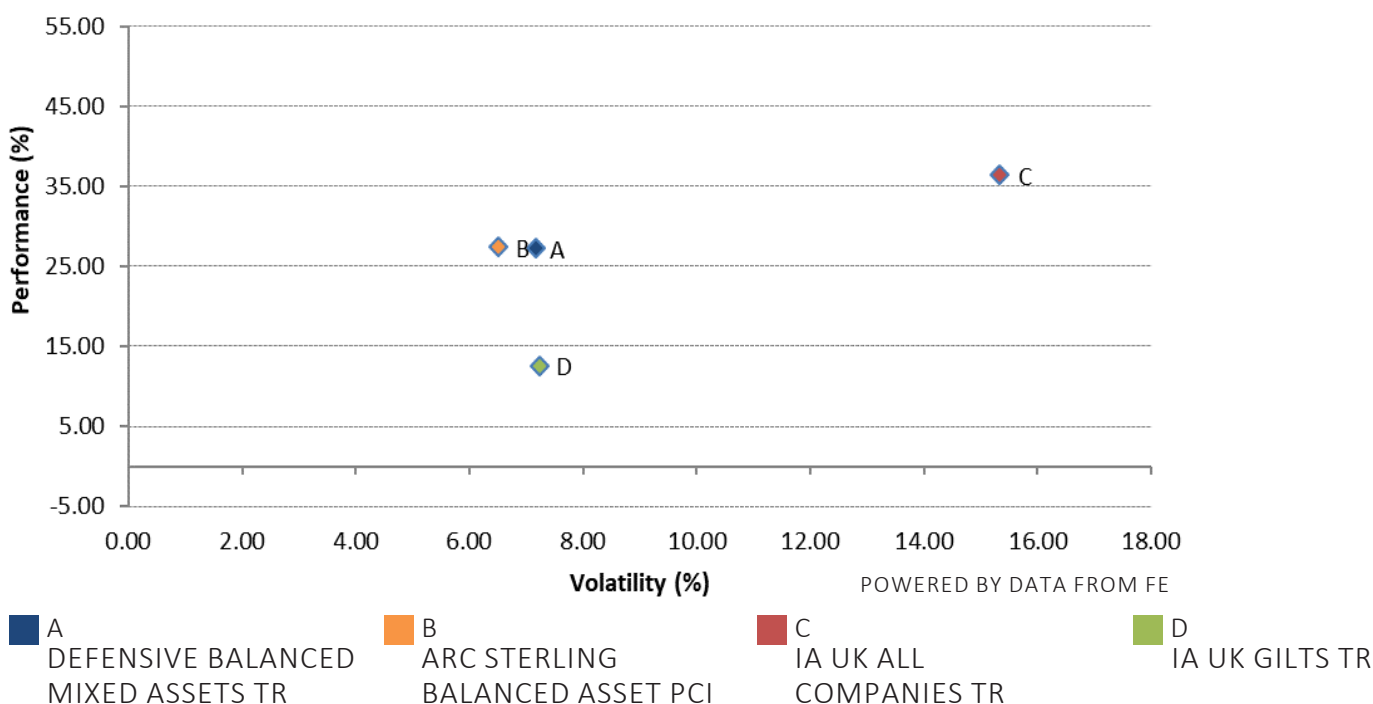
The strength of the revival in profits has been spectacular and the rebounding earnings proved that even the most optimistic projections from analysts were, in fact, too pessimistic. US Treasuries have been remarkably resilient considering the surprisingly sharp rise in inflation. Within periods of higher inflation, the performance of stocks and bonds tends to become more closely correlated. This is one of many reasons why we think alternatives are particularly useful in diversifying portfolios. Alternatives can also offer a direct path to investing in the net zero transition.

Alternatives made a positive contribution to the Q4 return along with the UK, Overseas and Property. While Property was the best performer over the quarter, it was the higher overseas weighting which contributed most to return. Fixed Income was a small detractor.

2021's equity market returns provide zero insight into what we can expect in 2022. The end of a calendar year is arbitrary as, in the long run, markets get it right – but, in the shorter term, it is more like a random walk. Nothing is certain in the circumstances we find ourselves in with this pandemic. Omicron has been a reminder, if any were needed, of the uncertain road that investors will have to navigate in 2022. The risks around central economic activity and policy mix are tilted towards stronger short-term inflation, weaker growth and tighter policy- a combination that markets can potentially cope with but, nevertheless, a somewhat less palatable cocktail than the one we saw at the start of 2021.

The overall model continues to be defensively positioned and, whilst the individual funds within the model are actively managed, your managers remain comfortable with the current asset allocation.

## RETURN AND VOLATILITY 5 YEARS TO 31/12/21



INVESTMENTS ARE INTENDED FOR THE LONG TERM. THEIR VALUE IS NOT GUARANTEED AND MAY GO DOWN AS WELL AS UP. THE VALUE OF INTERNATIONAL HOLDINGS MAY ALSO BE AFFECTED BY THE FLUCTUATION IN THE VALUE OF STERLING AGAINST OTHER CURRENCIES. PAST PERFORMANCE IS NO GUIDE TO FUTURE RETURNS. 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.