

DEFENSIVE MIXED ASSETS PORTFOLIO

BECKETT ASSET MANAGEMENT LIMITED

Jan 2021

RISK PROFILE 2-3 | INCEPTION DEC. 2011

DESCRIPTION

This portfolio primarily seeks to achieve a return in excess of inflation over a 3 year rolling time horizon, using the UK Consumer Price Index (CPI) plus 2% as its benchmark.

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 real return (in excess of UK CPI) over a three year rolling time horizon, with lower volatility than Global Equities over the medium to long-term (5 years plus). Investors should be prepared to accept a cautious 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 target a return of the UK Consumer Price index + 2% over rolling three year periods.

INCOME YIELD

The Income yield of this portfolio is not targeted and any income received will be reinvested.

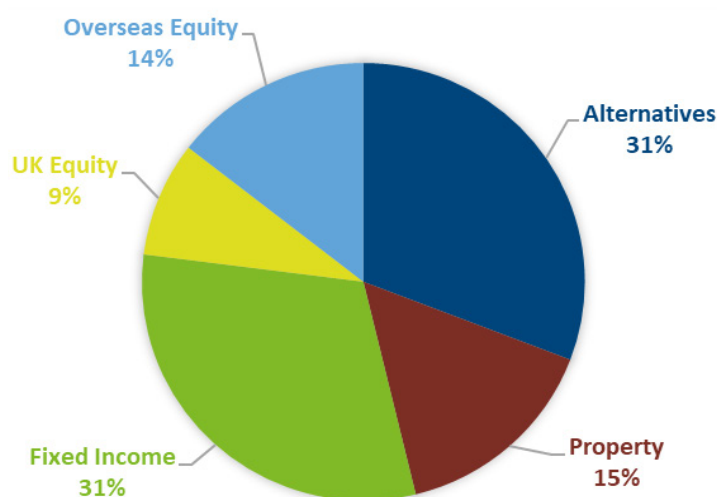
ONGOING CHARGES FIGURE (OCF)

Projected OCF of 0.68%. 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 portfolio will always have a minimum and a maximum exposure as defined below. The maximum equity exposure is restricted to 25% of the fund and is currently 23%.
- This portfolio 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.

PORTFOLIO COMPOSITION



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

PORTFOLIO CONSTITUENTS

Blenheim Diversified Alternatives	31%
Blenheim Fixed Income	31%
Blenheim Diversified Property	15%
Blenheim UK Equity	9%
Blenheim Overseas Equity	14%

MANAGER COMMENTARY

The bulk of portfolio gains for the calendar year were made in the last few weeks of 2020, post the Pfizer vaccine announcement on 9th Nov 2020, yet our home market still finished the year firmly in the red. Therefore, we are thrilled to be able to report positive returns for this strategy for the calendar year 2020.

We now have Multiple Covid vaccines, a resolution of US election despite the shocking images from Capitol Hill, strong corporate earnings and a robust Chinese rebound. China appears to again be firing on all cylinders which in turns supports the rest of Asia and boosted commodity prices.

One could argue valuations and sentiment both remain quite high, but the prospects of a near term correction look limited as business cycle indicators look positive for risk assets. While interest rates remain on the floor as Central banks around the globe remain committed to providing support and Fixed Income valuations still look high, all else being equal, it justifies paying a higher price for equity. We are cognisant though, and the portfolio positioning reflects this, that economic growth could disappoint causing markets to cough and splutter. Known factors that could contribute to this include the virus could mutating or vaccination rates disappointing and global trade tensions could flare up again under the new US presidency.

We will be incorporating the new Blenheim funds at the next rebalance. 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. The weighting to each of these funds can be found in the table overleaf. A factsheet showing all of the underlying holdings of each Blenheim fund is also available.

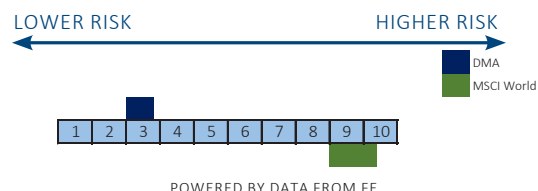
RETURN AND VOLATILITY

The chart below represents the performance of the Defensive Mixed Assets model versus its benchmark of UK CPI + 2% from inception of the model to the last available UK CPI print. The graphic to the right of the bar chart highlights the range of three year realised volatility for the model since inception along with that of Global Equities, represented by the MSCI World index.

SINCE INCEPTION PERFORMANCE TO THE LAST CPI POINT



3 YEAR ROLLING VOLATILITY RANGE SINCE INCEPTION



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