

DEFENSIVE MIXED ASSETS PORTFOLIO

BECKETT ASSET MANAGEMENT LIMITED

JULY 2021

RISK PROFILE 2-3 | INCEPTION DEC. 2011

INVESTMENT OBJECTIVE

To provide capital growth in excess of UK inflation over a three-year rolling period.

STRATEGY, RISK PROFILE AND SUITABILITY

The portfolio has a multi asset approach and will make use of different asset classes to minimize the downside whilst providing an element of upside inline the stated objective.

The portfolio is managed on a low risk profile, (lower risk than global equities). 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 it's stated risk profile. The portfolio's exposure to equities will be limited to no more than 25% and the balance will be invested in a blend of other asset classes to maintain the low risk nature of the portfolio without restricting the potential returns in line with the investment objective.

The portfolio is suitable for investors whom have a low risk tolerance but wish to be able to maintain the real purchasing power of their investment over a medium to long term basis.

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

UK Consumer Prices Index plus 2% over a three year rolling period.

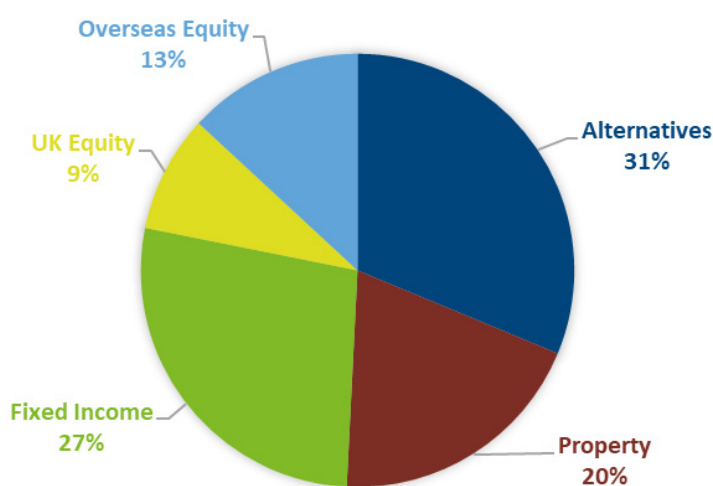
INCOME YIELD

Negligible. Any income is a by-product of the underlying investments and is not targeted by the managers.

ONGOING CHARGES FIGURE (OCF)

0.61%.

PORTFOLIO COMPOSITION



PORTFOLIO CONSTITUENTS

Blenheim Diversified Alternatives	31%
Blenheim Diversified Fixed Income	27%
Blenheim Diversified Property	20%
Blenheim UK Equity	9%
Blenheim Overseas Equity	13%

MANAGER COMMENTARY

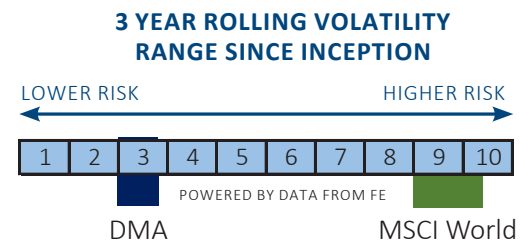
For the quarter to the end of June, the Defensive Mixed Assets portfolio was able to achieve a healthy 3.65% return net of OCF but gross of advisor charges which compares favourably to the 2.31% achieved by the comparative ARC Cautious PCI. The majority of returns were driven by the equity content of the portfolio, specifically those domiciled in the UK. However, the property exposure also contributed healthily having achieved 6.37% over the quarter.

At asset allocation level, we have taken the decision to implement a lessening in risk within our portfolios; this manifests as a reduction in the equity content across our range of model portfolios. This decision is as much motivated by where we are today, as it is, where we have been. The level of risk in our portfolios is partially a function of the market environment in April 2020 when we added to our equity weightings in order to benefit from the exception opportunity we saw in risk assets, post the 'corona crash' and resulting Government and Central Bank intervention. In the period since mid-April 2020 global equities, as measured by their relevant IA sector, have returned over 43%. This decision does not represent a prediction of the future level of returns available from equities; rather, it is to 'bank' some of the returns we have been able to achieve. As ever, it is our intention to think stochastically to prepare our portfolios for a range of possible futures in which we maximise the risk adjusted returns for our clients.

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



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.