

# DEFENSIVE MIXED ASSETS PORTFOLIO

## BECKETT ASSET MANAGEMENT LIMITED

April 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.

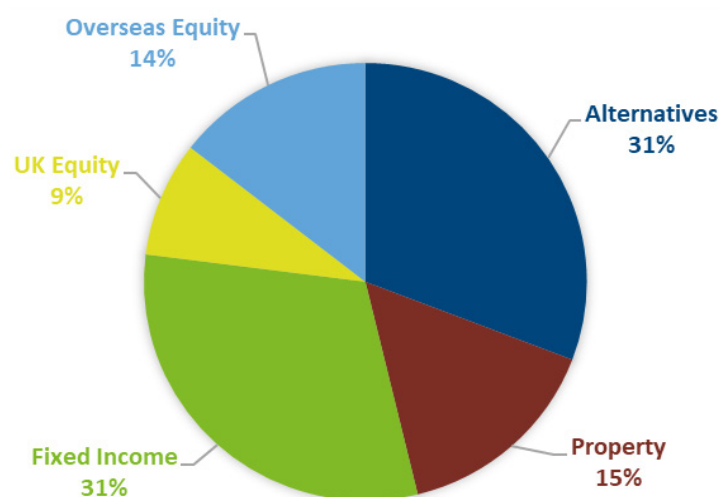
### ONGOING CHARGES FIGURE (OCF)

Projected OCF of 0.61%. 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 MARCH 2021. 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

There was a flat return for the model in Q1 2021. The key underlying driver for this lacklustre performance being the pickup in government bond yields. As the likelihood of economic activity and therefore inflation has increased due to the roll out of vaccines, in late February, US Treasury yields jumped, prompting volatility as investors began to digest the implications of rising interest rates on different types of assets. It is important to note that central banks have not yet reacted and increased interest rates, this is merely the yields on government bonds. When yields on bonds rise the prices of those bonds fall, so for lower risk portfolios, where a larger proportion of the investments are held in lower risk assets such as fixed income, this has been a headwind to performance over the quarter.

The UK was one of the strongest global markets in Q1 and it was the UK exposure which was the strongest contributor to returns. Overseas Equity was the biggest detractor. The US Dollar has also been a bit stronger hurting Emerging market (EM) assets.

This quarter we incorporated the new Blenheim funds into the models. 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. Details of the ongoing changes we make within each of the Blenheim funds can be found in the monthly Blenheim factsheets.

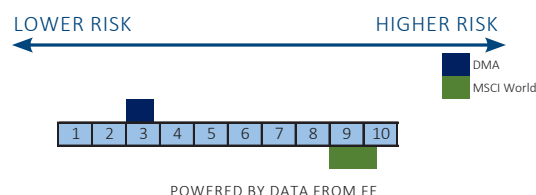
## RETURN AND VOLATILITY

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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