

SEPT 2023

SYNAPTIC RISK PROFILE 4 | 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 who 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.

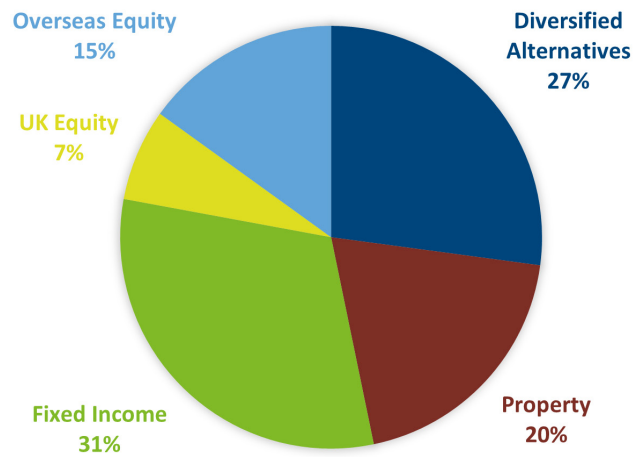
YIELD

Historic Distribution Yield: 2.52%
 Prospective Yield: 4.58%

ONGOING CHARGES FIGURE (OCF)

0.83%

PORTFOLIO COMPOSITION



PORTFOLIO CONSTITUENTS

Blenheim Diversified Alternatives	27%
Blenheim Diversified Property	20%
Blenheim Fixed Income	31%
Blenheim UK Equity	7%
Blenheim Overseas Equity	15%

PERFORMANCE

	6M	1YR	3YR	5YR
Defensive Mixed Assets	-0.10	0.90	1.89	8.10
ARC Sterling Cautious PCI	-0.25	2.67	0.36	5.34
UK Consumer Price Index + 2%	2.71	8.00	27.50	35.78

BAM MPS PERFORMANCE FIGURES TAKE INTO ACCOUNT THE ONGOING CHARGES OF THE UNDERLYING HOLDINGS BUT EXCLUDE ADVISER CHARGES AND PLATFORM FEES. INCLUSION OF THESE WILL RESULT IN A LOWER RETURN TO THE END INVESTOR, DEPENDING ON THE CLIENT AGREEMENT AND THE PLATFORM USED. PROSPECTIVE YIELD IS NOT GUARANTEED AND DOES NOT INCLUDE DEDUCTIONS FOR EXPENSES AND TAX. IT IS CALCULATED USING THE HOLDINGS' EXPECTED DISTRIBUTIONS OVER THE NEXT 12 MONTHS (DATA AS AT 29 SEPTEMBER 2023). ANY VARIATION IN THE ACTUAL AMOUNTS PAID WILL IMPACT THE TOTAL YIELD. THIS IMPACT COULD BE POSITIVE OR NEGATIVE.

ARC PCI: ASSET RISK CONSULTANTS (ARC) OPERATE THE PRIVATE CLIENT INDICES (PCI) ACROSS THE RISK SPECTRUM AS PERFORMANCE MEASUREMENT AND YARDSTICKS FOR DISCRETIONARY PORTFOLIO MANAGERS. THIS DATA INCLUDES PLATFORM FEES AND MAY BE ESTIMATED AND SUBJECT TO REVISION.

MANAGER COMMENTARY

It was a “blink and you miss it” summer weather wise for the UK, and the same can be said for portfolio returns. July started brightly but then it clouded over. Equities, bonds and non-USD currencies struggled, particularly in September, as investors adjusted to the idea of US interest rates staying elevated for longer than was expected. Thoughts of a soft-landing for the economy perhaps look more like a fairytale now. Last October the Fed hinted the pace of hikes would soon slow and it looked like we had seen the peak in bond yields. We had a wobble around March when we saw a series of US regional bank failures and the fire sale of Credit Suisse, but bond yields quickly settled as the Fed stepped in. US Treasury Bond yields then resumed their climb, breaking through their 4.5% ceiling in September. This is key, as it sets the long-term price of money and impacts all other asset prices.

The model delivered a small positive return in the third quarter, which was slightly behind the estimated return for the ARC Sterling Cautious peer group. The Overseas Equity Fund was again the strongest contributor, followed by the UK and Fixed Income. The Blenheim Alternatives Fund was a small detractor and Property was flat.

While there were no high-level asset allocation changes this quarter, there is ongoing activity in the underlying Blenheim funds, and you can find more detail in the monthly Blenheim fact sheets.

Last October there was an opportunity to buy but we have seen the returns weren’t durable. The good news is that the opportunity is back in almost everything, except maybe US mega cap technology stocks. We still have a fair bit of short dated, cash like, fixed income to deploy when the skies look a little clearer.

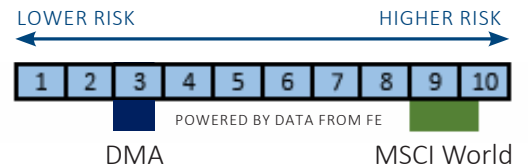
RETURN AND VOLATILITY

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



AS IS THE VERY NATURE OF INVESTING, THERE ARE INHERENT RISKS AND THE VALUE OF YOUR INVESTMENT WILL BOTH RISE AND FALL OVER TIME. PLEASE DO NOT ASSUME THAT PAST PERFORMANCE WILL REPEAT ITSELF AND YOU MUST BE COMFORTABLE IN THE KNOWLEDGE THAT YOU MAY RECEIVE LESS THAN YOU ORIGINALLY INVESTED. CHANGES IN RATES OF EXCHANGE MAY HAVE AN ADVERSE EFFECT ON THE VALUE, PRICE OR INCOME OF AN INVESTMENT. THE OPINIONS STATED ARE THOSE OF BECKETT ASSET MANAGEMENT LTD, WHICH IS AUTHORISED AND REGULATED BY THE FINANCIAL CONDUCT AUTHORITY.