

DEFENSIVE MIXED ASSETS PORTFOLIO

BECKETT ASSET MANAGEMENT LIMITED

JAN 2022

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.

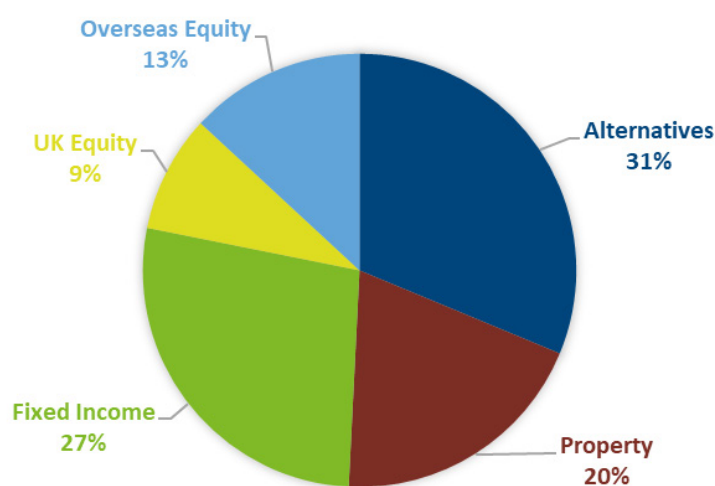
INCOME YIELD

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

The strategy continued to make steady progress and has opened up a significant gap above the rolling 3-year performance target of CPI +2%.

The strength of the revival in profits in 2021 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. Property was the standout performer and contributed most to the return. Fixed income was a slight 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.

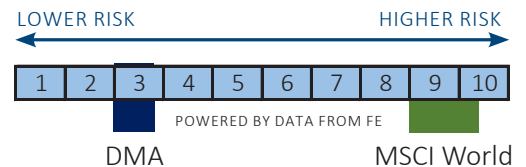
RETURN AND VOLATILITY

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



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.