

# FOCUSED GROWTH MIXED ASSETS

## BECKETT ASSET MANAGEMENT LIMITED

Jan 2020

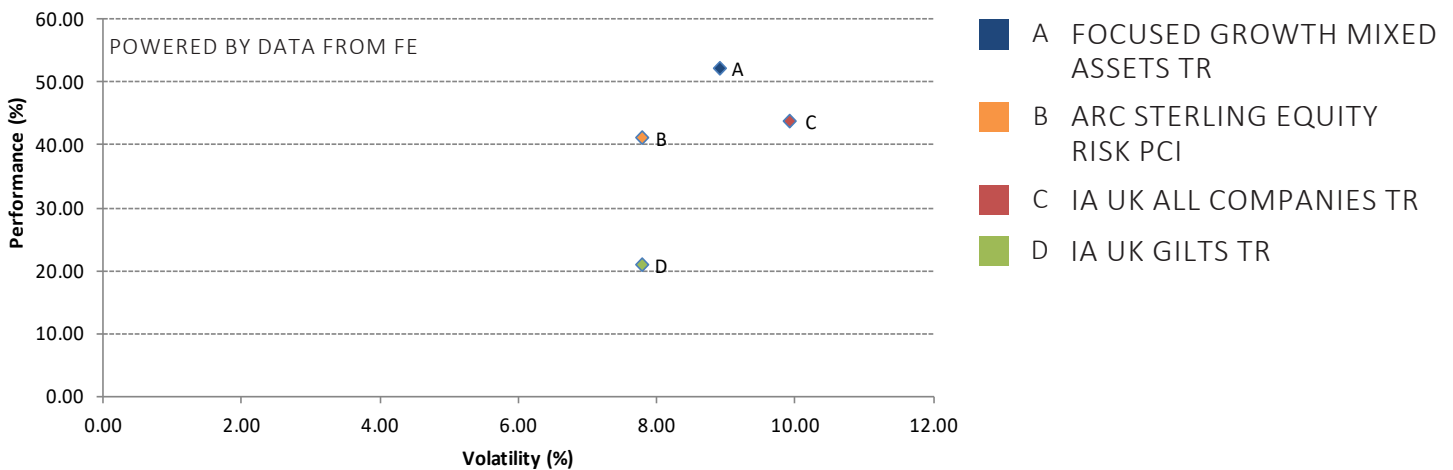
RISK PROFILE 7-8 | INCEPTION JUNE 2008

### FOCUSED GROWTH MIXED ASSETS COMMENTARY

The strategy performed positively during the final quarter of 2019, beating its benchmark and we were right to increase the UK exposure at the last rebalance as the fourth quarter saw two significant political risks avoided, at least for now. Firstly the Conservatives won the winter election which helped to lift stocks on expectations of a Brexit deal. Plus, US tariffs on China were scheduled to increase on 15 December but a “phase one” trade deal avoided that outcome and provided a significant relief for equity markets. The fact that the US also didn’t impose tariffs on European Union auto exports also helped support equities.

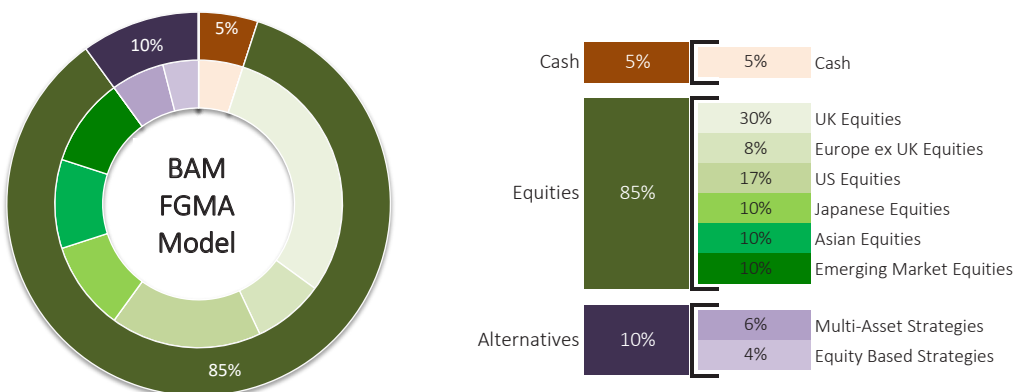
While we are comfortable with our overall asset allocation, we are always monitoring funds to ensure they are delivering for the portfolio. This has led to a switch in the US. We are selling Merian North American. While for many years the process adopted across the range delivered consistent benchmark beating returns, we have seen the team suffer a protracted period of underperformance and they have had to refine their process. We are using the proceeds to start a new position in a US Small Cap fund run by T Rowe Price. T Rowe have been investing in US equities since the firm was established in 1937 and with 91 locally-based US equity analysts, they have one of the largest buy-side research platforms.

### TOTAL RETURN PERFORMANCE VS VOLATILITY OVER 5 YEARS (31/12/2014- 31/12/2019)



PLEASE NOTE: PAST PERFORMANCE IS NO INDICATOR OF FUTURE PERFORMANCE. PERFORMANCE IS GROSS OF ANY WEALTH MANAGEMENT AND PLATFORM FEES. IT IS PROVIDED FOR INFORMATION PURPOSES TO INDICATE HISTORICAL PERFORMANCE.

### PORTFOLIO COMPOSITION



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

## STRATEGY DESCRIPTION

This strategy seeks to achieve long-term capital growth, using a fund of funds approach to investment. The strategy is primarily stock market based. The portfolio is comprised of funds that invest across a range of geographical areas, including a core in the UK. The funds are selected on a discretionary basis from a number of top fund management houses.

This strategy is potentially suitable for investors seeking capital growth over the medium to long-term (5 years plus), and prepared to accept a medium to high level of investment risk, i.e. accept the normal risks of investing in the various markets.

## INCOME YIELD

Income yield of this strategy is not a consideration, and is likely to be low.

## STRATEGY BENCHMARK

The performance of the strategy will be measured against the ARC Sterling Equity Risk PCI over the medium to long term.

This benchmark has a targeted standard volatility band of 80%- 110% relative risk to world equities.

## CHARGES ON WRAP

In the region of 0.82% but subject to change depending on the underlying funds and platform. 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 STRATEGY CHARACTERISTICS

- The strategy will have a minimum or maximum exposure to any particular asset class or geographical area as defined. The Manager is able to invest up to 100% in equities at their discretion and the current weighting is 85%.

Country/Asset Class	Minimum Exposure	Maximum Exposure	Current Exposure	Diff
Fixed Income	0%	20%	0%	-
UK Equities	10%	50%	30%	-
Europe ex UK Equities	5%	25%	8%	-
US Equities	5%	25%	17%	-
Global Equities	0%	25%	0%	-
Japanese Equities	5%	25%	10%	-
Asian Equities	5%	25%	10%	-
Emerging Market Equities	0%	20%	10%	-
Property	0%	10%	0%	-
Alternatives (inc Multi Asset & Equity Based)	0%	30%	10%	-
Cash	0%	10%	5%	-

- This strategy can invest a significant amount in overseas assets which can be positively or negatively impacted by changes in the relative valuation of currencies if the currency is not hedged.
- The strategy will hold a minimum of 10 different fund holdings and a maximum of 20.
- No individual holding will account for more than 17% of the strategy.
- No investment house will have more than 3 funds represented within the strategy.
- The policy of the strategy is to be managed on a “fully invested” basis.
- In addition to mainstream Unit Trust / OEIC funds, the strategies may also invest, where appropriate, in: Boutique investment house funds, Alternative investment funds (FAIFS), Investment Trusts, Structured Products, Tracker-type investments and ETFs.

## FOCUSED GROWTH MIXED ASSETS

UK GROWTH		Diff
Liontrust UK Micro Cap	3%	-
SVM UK Growth	5%	-
Jupiter UK Special Situations	8%	-
JOHAMBRO UK Dynamic	7%	-
Baillie Gifford UK Alpha	7%	-
EUROPE		
Man GLG Continental European Growth	4%	-
Baring European Select	4%	-
US		
T Rowe Price US Smaller Companies	7%	*
Artemis US Extended Alpha	10%	-
JAPAN		
AXA Framlington Japan	5%	-
JPM Japan (Hedged)	5%	-
FAR EAST		
Fidelity Asia Pacific Opportunities	4%	-
Schroder Asian Alpha Plus	6%	-
EMERGING MARKETS		
Artemis Global Emerging Markets	5%	-
BNY Mellon Global Emerging Markets	5%	-
ALTERNATIVES		
JPM Global Macro Opportunities	6%	-
Jupiter Absolute Return	4%	-
CASH	5%	-

\*Represents new funds

THE INVESTMENTS MENTIONED IN THIS REPORT ARE INTENDED AS LONG-TERM INVESTMENTS. SOME OF THEM MAY GO DOWN AS WELL AS UP AND YOU THEREFORE MAY NOT GET BACK THE FULL AMOUNT INVESTED. WHERE INVESTMENTS ARE DENOMINATED IN FOREIGN CURRENCIES, CHANGES IN THE RATE OF EXCHANGE MAY HAVE AN ADVERSE EFFECT ON THE VALUE OR PRICE OF THE INVESTMENT IN STERLING TERMS. PAST PERFORMANCE IS NOT NECESSARILY A GUIDE TO FUTURE PERFORMANCE. 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.