

# DEFENSIVE MIXED ASSETS PORTFOLIO

## BECKETT ASSET MANAGEMENT LIMITED

### RISK PROFILE 2-3

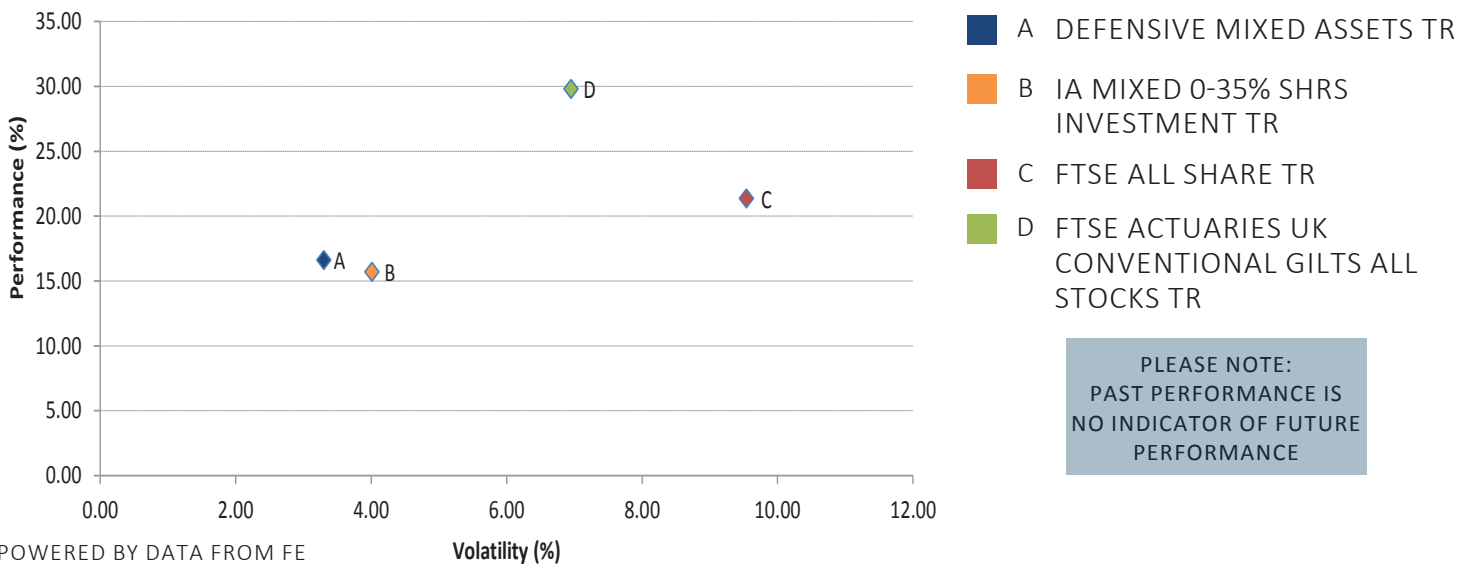
#### DEFENSIVE MIXED ASSETS PORTFOLIO COMMENTARY

The strategy made a strong gain over the third quarter of 2016. The significant depreciation of Sterling was a key factor in the stellar performance of assets denominated in overseas currencies and also the FTSE 100, as a majority of the earnings of the FTSE 100 constituents are from overseas.

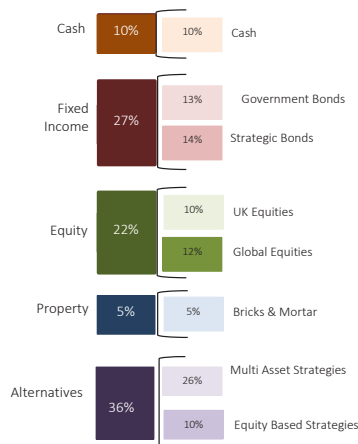
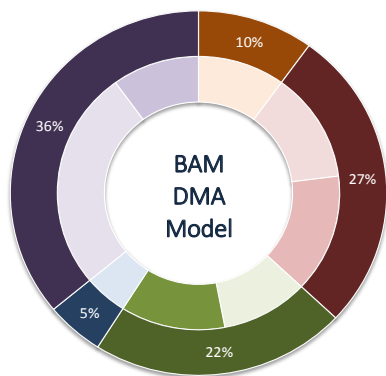
Earlier in the quarter we sold the position in the Aberdeen Property fund (5%) prior to the fair value adjustments and dilution levy as we were concerned about the liquidity concern contagion in the asset class, particularly those large funds which are widely held, such as Aberdeen. We allocated 2% of the proceeds to the Fidelity Global Dividend fund and the remainder to cash.

Finally, we trimmed our holding in Insight Absolute Insight by 4% and our holding in Brooks Macdonald Defensive Capital by 2% to invest in the BlackRock Overseas Global Government Bond Tracker. We have taken this position in the model as we hope will act as a kind of hedge against poor equity performance should Donald Trump with the US election.

#### TOTAL RETURN PERFORMANCE VS VOLATILITY OVER 3 YEARS (30/09/2013 - 30/09/2016)



#### PORTFOLIO COMPOSITION



PORTFOLIO COMPOSITION SHOWN IS AS OCTOBER 2016. PLEASE NOTE THAT ASSET ALLOCATIONS MAY CHANGE OVER TIME.

## STRATEGY DESCRIPTION

This strategy primarily seeks to achieve a steady return in excess of cash, using a fund of funds approach to investment. The strategy invests in a blend of different asset classes, which will include Equities as well as Fixed Interest, Property, Absolute Return and Cash. The portfolio is comprised of funds that invest across a range of geographical areas. The funds are selected on a discretionary basis from a number of top fund management houses.

This strategy is particularly suited to those investors seeking a return in excess of cash with lower volatility than the stockmarket over the medium to long-term (5 years plus). Investors should be prepared to accept a cautious level of investment risk.

## INCOME YIELD

The Income yield of this strategy is not targeted and any income received will be reinvested.

## STRATEGY BENCHMARK

The performance of the strategy will be measured against the IA Mixed 0-35% Shares peer group over a rolling three-year period.

## CHARGES ON WRAP

OCF for underlying funds 0.68%

This does not include the advisor or platform charge.

## RISK CONTROLS AND INVESTMENT STRATEGY CHARACTERISTICS

- The strategy 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 22%.

Country/Asset Class	Minimum Exposure	Maximum Exposure	Current Exposure
UK Equities	5%	25%	10%
Global Equities	5%	25%	12%
Fixed Interest	5%	50%	27%
Property	5%	20%	5%
Others	5%	50%	36%
Cash	5%	50%	10%

- At least 45% of the fund must be fixed income investments (for example, corporate and Government bonds) and/or "cash" investments. "Cash" can include investment and certificates of deposit and may be within absolute / managed funds.
- Minimum 80% investment in established market currencies (US Dollar, Sterling & Euro) of which 40% must be Sterling.
- The strategy will hold a minimum of 5 different fund holdings and a maximum of 20.
- No individual holding will account for more than 20% of the strategy.
- No investment house will have more than 3 funds represented within the strategy.
- 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.

## DMA PORTFOLIO CONSTITUENTS

<b>INTERNATIONAL FIXED INTEREST</b>	
Std Life Global Index Linked Bond	7%
Artemis Strategic Bond	8%
AVIVA Strategic Bond	6%
BlackRock Overseas Global Government Bond Tracker	6%
<b>ABSOLUTE RETURN</b>	
Insight Absolute Insight	4%
Kames UK Equity Absolute Return	5%
Premier Defensive Growth	10%
IFSL Brooks Defensive Capital	6%
Invesco Global Targeted Return	6%
Blackrock UK Absolute Alpha	5%
<b>PROPERTY</b>	
Kames Property Income	5%
<b>GLOBAL EQUITY</b>	
Artemis Global Equity Income	6%
Fidelity Global Dividend	6%
<b>UK EQUITY</b>	
Threadneedle UK Equity Income	5%
Franklin UK Managers Focus	5%
<b>CASH</b>	<b>10%</b>

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.

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