

INCOME & GROWTH PORTFOLIO

BECKETT ASSET MANAGEMENT LIMITED

RISK PROFILE 5-6

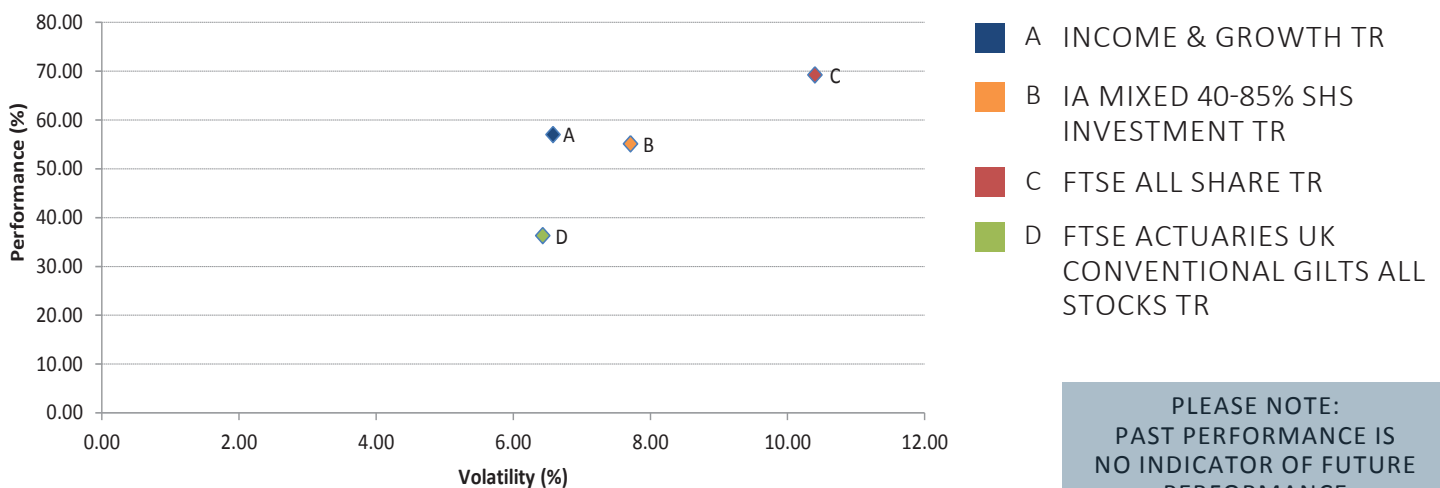
INCOME & GROWTH PORTFOLIO COMMENTARY

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. As a result of the EU referendum result and to take advantage of some the UK equity market strength we trimmed our UK exposure by 4%, split equally across our UK Equity Income strategies, mid way though the quarter. We also increased our fixed income exposure by adding a 4% position in the M&G Global Marco Bond fund.

Early in the quarter we also made the decision to sell our holding in the Standard Life Global Absolute Return Strategies (GARS) fund and deploy the proceeds into the Invesco Global Targeted Returns fund. We had become concerned about the increase in correlation with the equity market of GARS and believe that the Invesco fund was better positioned to fulfil the role of low volatility, uncorrelated returns for the portfolio.

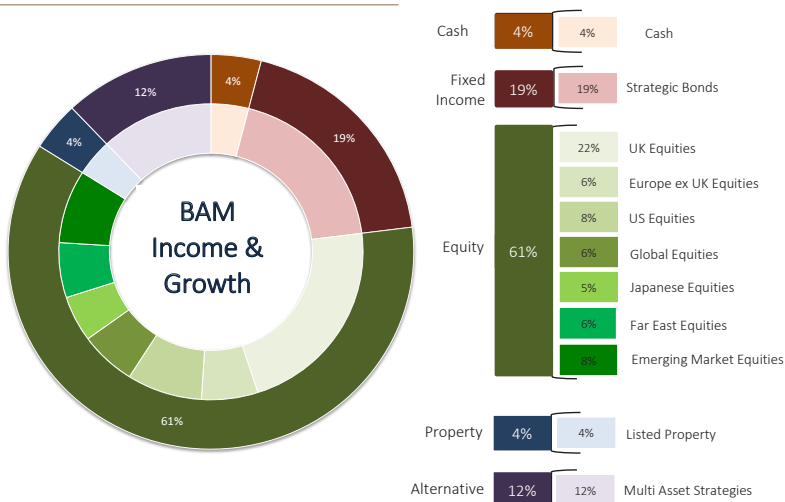
Finally we decided to slightly increase our Emerging Market weighting to 8% and split this equally between the Standard Life fund which was already in the portfolio and the Henderson Global Emerging Market Opportunities fund.

TOTAL RETURN PERFORMANCE VS VOLATILITY OVER 5 YEARS (30/09/2011 - 30/09/2016)



POWERED BY DATA FROM FE

PORTFOLIO COMPOSITION



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

STRATEGY DESCRIPTION

This strategy seeks to achieve a combination of investment income and longer-term capital growth, using a fund of funds approach to investment. The strategy invests in a blend of different assets, which will include Equities as well as Fixed Interest and Property. 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 combination of a regular income and longer-term capital growth (5 years plus). Investors can also opt to reinvest the investment income that is generated. Investors should be prepared to accept a cautious to medium level of investment risk.

INCOME YIELD

Income yield of this strategy is a consideration, and is targeted to be in line with the yield on the FTSE All Share Index (3.49%) and is c. 2.9% October.

STRATEGY BENCHMARK

The performance of the strategy will be measured against the IA Mixed Investment 40-85% Shares, formerly known as the IMA Balanced Managed Sector, over a rolling three-year period.

CHARGES ON WRAP

OCF for underlying funds 0.78%

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. Maximum equity exposure restricted to 85% of the Fund and is currently 61%

Country/Asset Class	Minimum Exposure	Maximum Exposure	Current Exposure
UK Equities	15%	70%	22%
North American Equities	5%	15%	8%
European Equities	5%	15%	6%
Japanese Equities	0%	10%	5%
Far East Equities	5%	15%	6%
Global Equities (inc Emerging Mkts)	0%	15%	14%
Fixed Interest	15%	40%	19%
Property	4%	15%	4%
Alternatives	0%	15%	12%
Cash	0%	10%	4%

- Minimum 50% investment in established market currencies (US Dollar, Sterling & Euro) of which 25% must be Sterling
- 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

INCOME & GROWTH PORTFOLIO CONSTITUENTS (N)

ABSOLUTE RETURN	
Invesco Perpetual Global Targeted Return	5%
Aviva Multi Strategy Target Income	7%
UK FIXED INTEREST	
M&G Global Macro Bond	4%
Jupiter Strategic Bond	8%
L&G Dynamic Bond	7%
UK INCOME	
Rathbone Income	4%
Std Life UK Equity Income Unconstrained	4%
Schroder UK Alpha Income	4%
Unicorn UK Income	4%
UK GROWTH	
Old Mutual UK Equity	6%
PROPERTY	
F&C Property Growth & Income	4%
US	
JPM US Equity Income	8%
EUROPE	
Blackrock Continental European Income	6%
JAPAN	
Baillie Gifford Japanese	5%
GLOBAL	
First State Global Listed Infrastructure	6%
FAR EAST	
Newton Asian Income	6%
EMERGING MARKETS	
Std Life Global Emerging Markets Income	4%
Henderson EM Opps	4%
CASH	
	4%

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.