

DEFENSIVE MIXED ASSETS PORTFOLIO

BECKETT ASSET MANAGEMENT LIMITED

RISK PROFILE 2-3

DEFENSIVE MIXED ASSETS PORTFOLIO COMMENTARY

The model delivered a positive performance in the first quarter of the year but we have decided to make some alterations to the model composition.

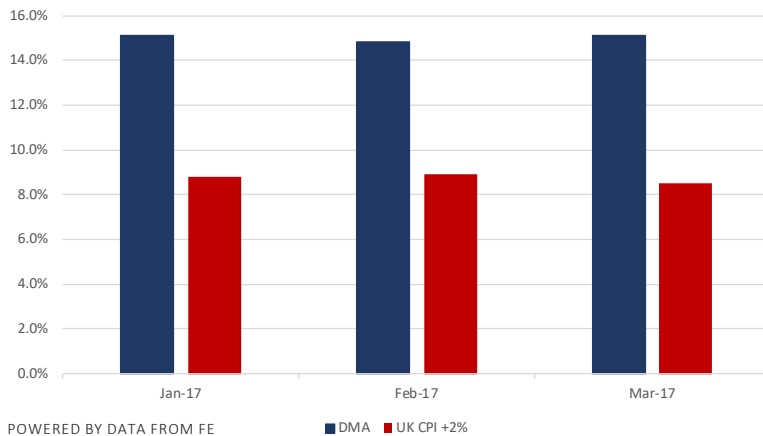
The 6% position in Overseas Government Bonds has been halved with the other 3% being allocated to an All Stocks Gilt tracker fund. We decided that balancing our government bond exposure between UK and overseas would be an appropriate way to offer some protection against risk off sentiment in equity markets or a softening of the expectation for the monetary policy normalisation schedule.

We also reduced our holding in the Franklin UK Managers' Focus fund by 2%, trimmed our Artemis and Fidelity Global Equity holdings by 1% each and reduced cash by 2%. Most of the proceeds of these reductions were used to add a 5% holding in the Old Mutual Global Equity fund. This fund is a style agnostic quantitative driven fund which is able to rotate quickly to adapt to ever-changing markets. Finally we increased our Property exposure to 6% and decided to change the Property fund, switching from the Kames fund to the F&C UK Property fund.

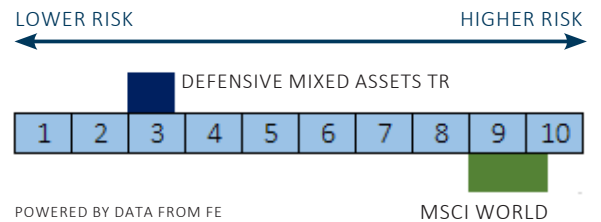
MODEL PORTFOLIO RETURN AND VOLATILITY

The bar chart below represents the last three months of three year rolling performance of the Defensive Mixed Assets model versus its benchmark of UK CPI + 2%. 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.

3 YEAR ROLLING PERFORMANCE

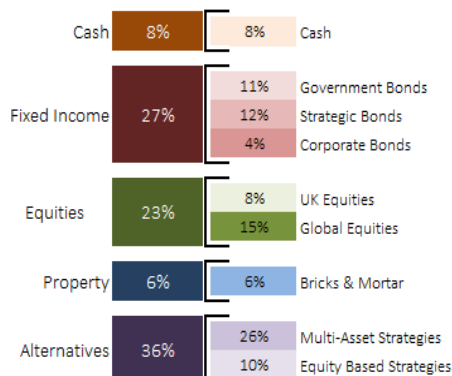
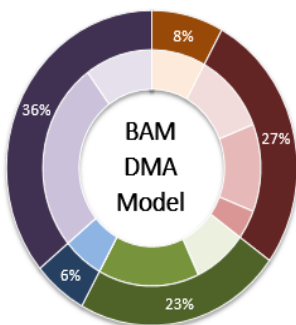


3 YEAR ROLLING VOLATILITY RANGE SINCE INCEPTION



PLEASE NOTE:
PAST PERFORMANCE
IS NO INDICATOR OF
FUTURE PERFORMANCE

PORTFOLIO COMPOSITION



PORTFOLIO
COMPOSITION SHOWN
IS AS APRIL 2017. PLEASE
NOTE THAT ASSET
ALLOCATIONS MAY
CHANGE
OVER TIME

STRATEGY DESCRIPTION

This strategy primarily seeks to achieve a return in excess of inflation over a 3 year rolling time horizon, using the UK Consumer Price Index (CPI) plus 2% as its benchmark. The strategy uses a fund of funds approach to investment and invests in a blend of different asset classes, which will include Equities as well as Fixed Interest, Property, Absolute Return and Cash. The strategy 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 real return (in excess of UK CPI) over a three year rolling time horizon, with lower volatility than Global Equities 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 target a return of the UK Consumer Price index + 2% over rolling three year periods.

CHARGES ON WRAP

OCF for underlying funds 0.67%

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 23%.

Country/Asset Class	Minimum Exposure	Maximum Exposure	Current Exposure	Diff
UK Equities	5%	25%	8%	▼
Global Equities	5%	25%	15%	▲
Fixed Interest	10%	50%	27%	-
Property	0%	20%	6%	-
Multi Asset Abs Return	5%	30%	26%	-
Equity based Abs Return	0%	10%	10%	-
Cash	5%	20%	8%	▼

- 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

INTERNATIONAL FIXED INTEREST	Diff
Std Life Global Index Linked Bond	5% -
Artemis Strategic Bond	6% -
AVIVA Strategic Bond	6% -
L&G Short Duration Corp Bond	4% -
BlackrockUK Gilts All Stocks Tracker	3% *
BlackRock Overseas Global Government Bond Tracker	3% ▼
ABSOLUTE RETURN	
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% -
PROPERTY	
F&C UK Property Feeder	6% *
GLOBAL EQUITY	
Artemis Global Equity Income	5% ▼
Old Mutual Global Equity	5% *
Fidelity Global Dividend	5% ▼
UK EQUITY	
Threadneedle UK Equity Income	5% -
Franklin UK Managers Focus	3% ▼
CASH	8% ▼

*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.

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