

# DEFENSIVE BALANCED MIXED ASSETS

## BECKETT ASSET MANAGEMENT LIMITED

RISK PROFILE 4

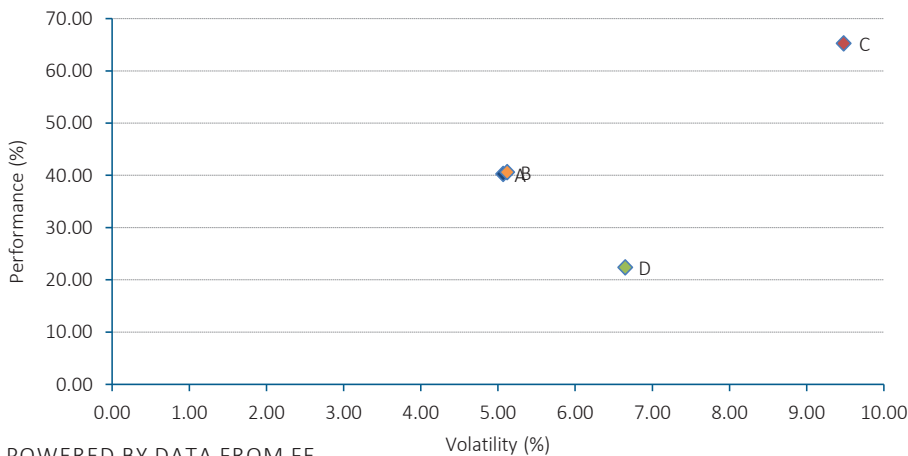
### DEFENSIVE BALANCED MIXED ASSETS COMMENTARY

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

We have made the decision to sell our holding in the L&G Dynamic Bond Trust and invest the proceeds in the GAM Star Credit Opportunities fund. The GAM fund is one that we have been following for some time. The fund is unique in its approach and the team use their deep knowledge of the Fixed Income market to invest in bond issues across the capital structure of companies who are typically rated as investment grade. This allows the team to achieve a premium yield without necessarily incurring the higher level of defaults typically associated with subordinated bonds.

The final change we have made is to increase our exposure to European equities by selling our holding in the Fidelity Global Enhanced Income fund and investing the proceeds in the Blackrock Continental European Income fund. This change reflects our increased positivity about European equities given that the recovery appears to be entrenched and valuations are still attractive. The Blackrock fund is an appealing way for us to increase our exposure to the region but in a measured way, which we believe is appropriate given the more conservative mandate.

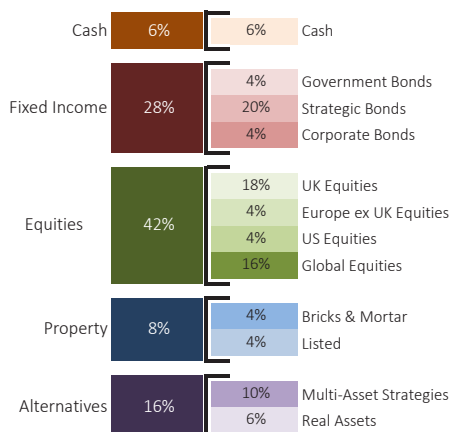
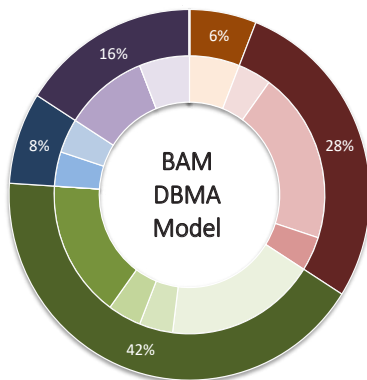
### TOTAL RETURN PERFORMANCE VS VOLATILITY OVER 5 YEARS (30/06/2012 - 30/06/2017)



- A DEFENSIVE BALANCED MIXED ASSETS TR
- B IA MIXED 20-60 SHRS INVESTMENT TR
- C FTSE ALL SHARE TR
- D FTSE ACTUARIES UK CONVENTIONAL GILTS ALL STOCKS TR

PLEASE NOTE:  
PAST PERFORMANCE IS  
NO INDICATOR OF FUTURE  
PERFORMANCE

### PORTFOLIO COMPOSITION



PORTFOLIO COMPOSITION  
SHOWN IS AS AT JULY 2017.  
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 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 moderate level of investment risk.

## INCOME YIELD

The Income yield of this strategy is currently c.3.4% July 2017.

## STRATEGY BENCHMARK

The performance of the strategy will be measured against the IA Mixed Investment 20-60% shares, 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 have a minimum or maximum exposure as defined. The maximum equity exposure is restricted to 60% of the fund and the current weighting is 42%.

Country/Asset Class	Minimum Exposure	Maximum Exposure	Current Exposure	Diff
UK Equities	10%	40%	18%	▼
Global Equities	10%	40%	24%	▲
Fixed Interest	25%	60%	28%	-
Property	5%	20%	8%	-
Multi Asset Abs Return	0%	15%	10%	-
Equity Based Abs Return	0%	10%	0%	-
Cash	0%	15%	6%	-
Real Assets	0%	10%	6%	▲

- At least 30% of the fund must be in fixed income investments (Corporate and/or Government bonds) and/or "Cash" investments (current account and/or short term fixed income investments and certificates of deposit).

- This strategy is limited in the amount it can invest 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 Trust, Structured Products, Tracker-type investments and ETFs.

## DEFENSIVE BALANCED MIXED ASSETS CONSTITUENTS

INTERNATIONAL FIXED INTEREST		Diff
JPM Strategic Bond	4%	-
GAM Star Credit Opps	4%	*
Fidelity Strategic Bond	6%	-
Legg Mason Brandywire Global Income Optimiser	6%	-
Royal London Global Index Linked Bond	4%	-
Royal London Short Duration Credit	4%	-
ALTERNATIVES		
Insight Absolute Insight	4%	-
Aviva Multi Strategy Target Income	6%	-
VT UK Infrastructure	6%	-
UK INCOME		
Miton Income Fund	4%	-
Trojan Income	5%	-
Premier Income	5%	-
Royal London UK Equity Income	4%	-
PROPERTY		
Kames Property Income	4%	-
F&C Property Growth & Income	4%	-
INTERNATIONAL		
Blackrock Continental European Income	4%	*
TB Saracen Global Income & Growth	5%	-
Newton Global Higher Income	6%	-
Lazard Global Income	5%	-
Aviva US Equity Income II	4%	-
CASH	6%	-

\*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.