

# DEFENSIVE MIXED ASSETS PORTFOLIO

## BECKETT ASSET MANAGEMENT LIMITED

### RISK PROFILE 2-3

### DEFENSIVE MIXED ASSETS PORTFOLIO COMMENTARY

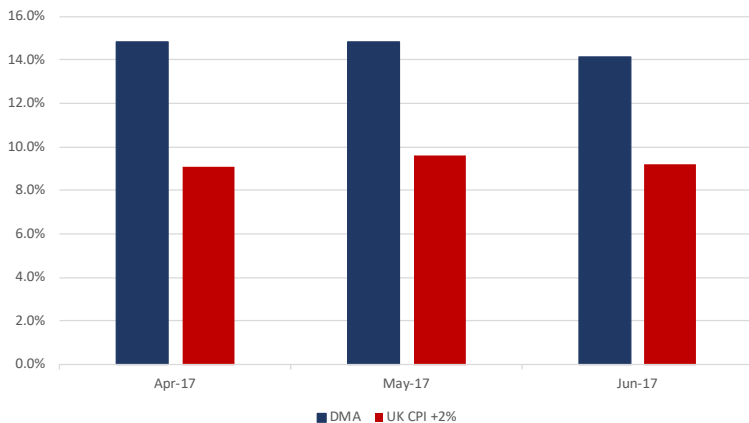
The model delivered a positive performance in the second quarter of the year but we have decided to make one change for the upcoming quarter.

After a period of monitoring the fund and discussing performance with the managers on a regular basis we have taken the decision to sell our holding of the Kames UK Equity Absolute Return fund. After being long term holders of the fund we have lost conviction in the approach after a period of poor performance and a manager change. We have invested the proceeds of this sale into the Architas Diversified Real Assets fund. The Architas fund is a unique one which invests across a very broad spectrum of assets, many of which we are not able to directly invest in via the models. This will enable the model to gain exposure to areas which offer attractive inflation linkage, strong and stable cashflows, and a structural tailwind. The expertise of the team has enabled them to achieve excellent risk adjusted returns from the fund since inception and we believe it offers the model genuine diversification of return along with volatility mitigation.

### MODEL PORTFOLIO RETURN AND VOLATILITY

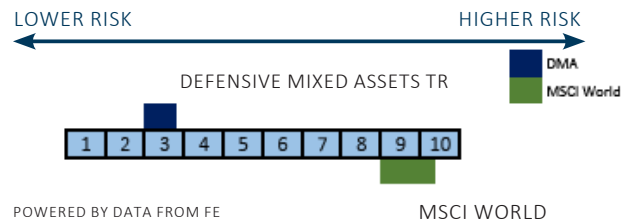
The bar chart below represents the last three months of three year rolling performance of the Defensive Mixed Assets model versus its benchmark of UK CPI + 2%. The graphic to the right of the bar chart highlights the range of three year realised volatility for the model since inception along with that of Global Equities, represented by the MSCI World index.

3 YEAR ROLLING PERFORMANCE



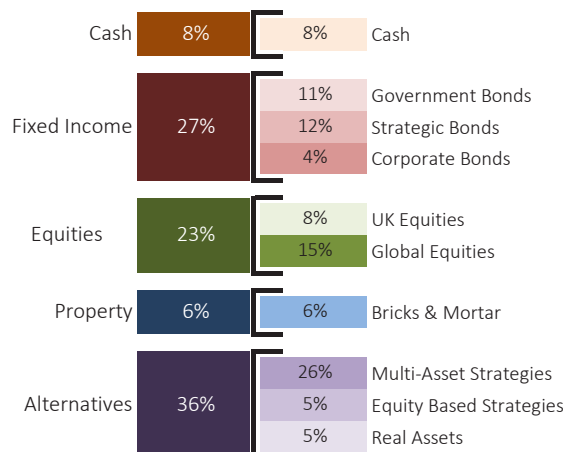
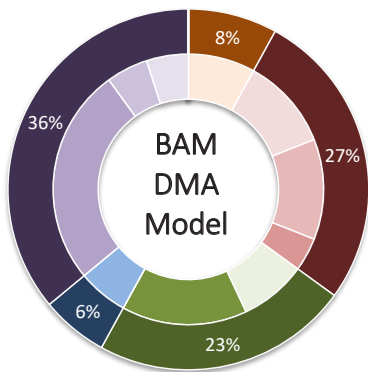
POWERED BY DATA FROM FE

3 YEAR ROLLING VOLATILITY RANGE SINCE INCEPTION



PLEASE NOTE:  
PAST PERFORMANCE  
IS NO INDICATOR OF  
FUTURE PERFORMANCE

### PORTFOLIO COMPOSITION



PORTFOLIO  
COMPOSITION SHOWN  
IS AS JULY 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 0.69%. 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%	5%	▼
Real Assets	0%	15%	5%	▲
Cash	5%	20%	8%	-

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.

- 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.
- 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 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

		Diff
<b>INTERNATIONAL FIXED INTEREST</b>		
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%	-
<b>ALTERNATIVES</b>		
Insight Absolute Insight	4%	-
Architas Diversified Real Assets	5%	*
Premier Defensive Growth	10%	-
IFSL Brooks Defensive Capital	6%	-
Invesco Global Targeted Return	6%	-
Blackrock UK Absolute Alpha	5%	-
<b>PROPERTY</b>		
F&C UK Property Feeder	6%	-
<b>GLOBAL EQUITY</b>		
Artemis Global Equity Income	5%	-
Old Mutual Global Equity	5%	-
Fidelity Global Dividend	5%	-
<b>UK EQUITY</b>		
Threadneedle UK Equity Income	5%	-
Franklin UK Managers Focus	3%	-
<b>CASH</b>		
	8%	-

\*represents new funds