

# DEFENSIVE BALANCED MIXED ASSETS

## BECKETT ASSET MANAGEMENT LIMITED

RISK PROFILE 4

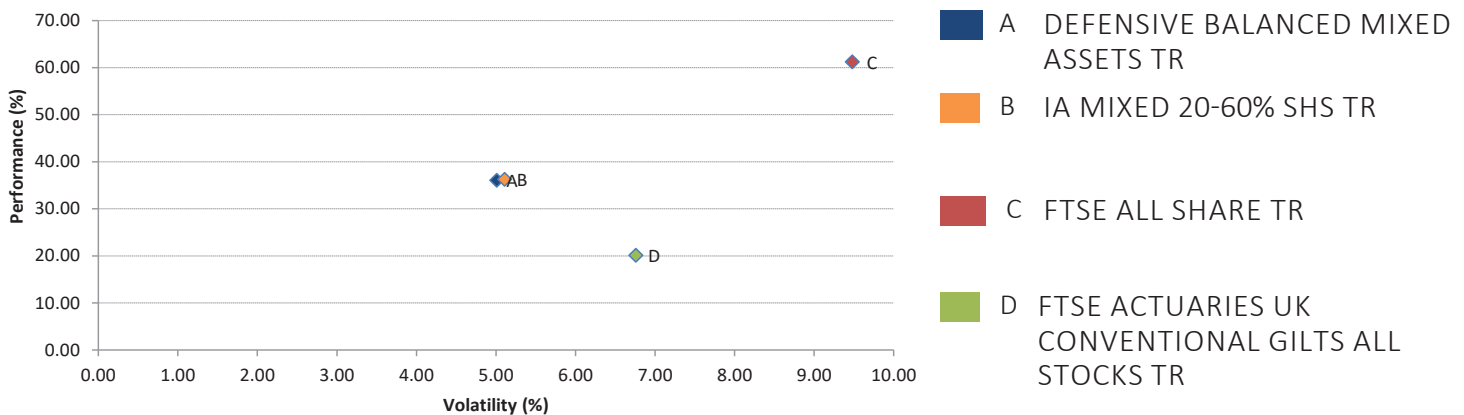
### DEFENSIVE BALANCED MIXED ASSETS COMMENTARY

The model delivered a positive return in the third quarter of the year and finished ahead of the benchmark. We have decided to make a few changes for the upcoming quarter.

We have decided to continue with breaking up some of the Global equity exposure so that we can better represent our views on regional equity markets. With this in mind we have sold our holding in the Lazard Global Equity Income fund, a fund which has suffered from its style being out of favour with the market. In addition to this we have sold our exposure to the JPM Strategic Bond fund as we felt the return profile of the fund was too close to that of our Multi-Asset Strategies in the Alternatives space.

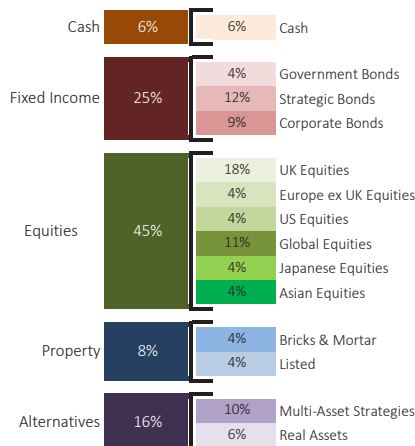
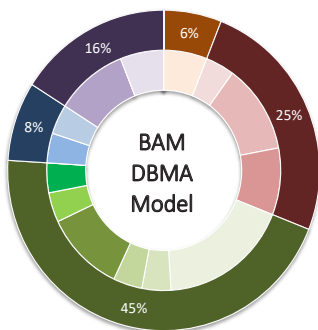
The proceeds from these sales have been used to top up the GAM Credit Opportunities fund (1% increase) and the remainder has been split equally between the Jupiter Japan Income fund and the Blackrock Asia Special Situations fund. We have held the Jupiter fund for some time in another model and felt it more appropriate for this model going forward. The Blackrock fund is one we have followed for some time and have been impressed with the manager's process and approach to investing in Asia. These changes leave the portfolio more aligned with our views from an asset allocation perspective.

### TOTAL RETURN PERFORMANCE VS VOLATILITY OVER 5 YEARS (30/09/2012 - 30/09/2017)



POWERED BY DATA FROM FE

### PORTFOLIO COMPOSITION



PLEASE NOTE:  
PAST PERFORMANCE IS  
NO INDICATOR OF FUTURE  
PERFORMANCE

PORTFOLIO COMPOSITION  
SHOWN IS AS AT OCTOBER  
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.3.2% October 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

In the region of 0.80%, but subject to change depending on the underlying funds.

## 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 45%.
- 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).

Country/Asset Class	Minimum Exposure	Maximum Exposure	Current Exposure	Diff
Fixed Income	25%	60%	25%	▼
UK Equities	10%	40%	18%	-
Global Equities	10%	40%	27%	▲
Property	5%	20%	8%	-
Multi Asset Abs Return	0%	15%	10%	-
Equity Based Abs Return	0%	10%	0%	-
Real Assets	0%	10%	6%	-
Cash	0%	15%	6%	-

- 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

		Diff
<b>FIXED INCOME</b>		
GAM Credit Opportunities	5%	▲
Fidelity Strategic Bond	6%	-
Legg Mason Brandywire Global Income Optimiser	6%	-
Royal London Global Index Linked Bond	4%	-
Royal London Short Duration Credit	4%	-
<b>UK EQUITIES</b>		
Miton Income Fund	4%	-
Trojan Income	5%	-
Premier Income	5%	-
Royal London UK Equity Income	4%	-
<b>EUROPE EX UK EQUITIES</b>		
Blackrock Continental European Income	4%	-
<b>US EQUITIES</b>		
Aviva US Eq Inc II	4%	-
<b>GLOBAL EQUITIES</b>		
TB Saracen Global Income & Growth	5%	-
Newton Global Higher Income	6%	-
<b>JAPANESE EQUITIES</b>		
Jupiter Japan Income	4%	*
<b>ASIAN EQUITIES</b>		
Blackrock Asia Special Situations	4%	*
<b>PROPERTY</b>		
Kames Property Income	4%	-
F&C Property Growth & Income	4%	-
<b>ALTERNATIVES</b>		
Insight Absolute Insight	4%	-
Aviva Multi Strategy Target Income	6%	-
VT Gravis UK Infrastructure Income	6%	-
<b>CASH</b>		
	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.

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