

BALANCED MIXED ASSETS

BECKETT ASSET MANAGEMENT LIMITED

RISK PROFILE 5-6

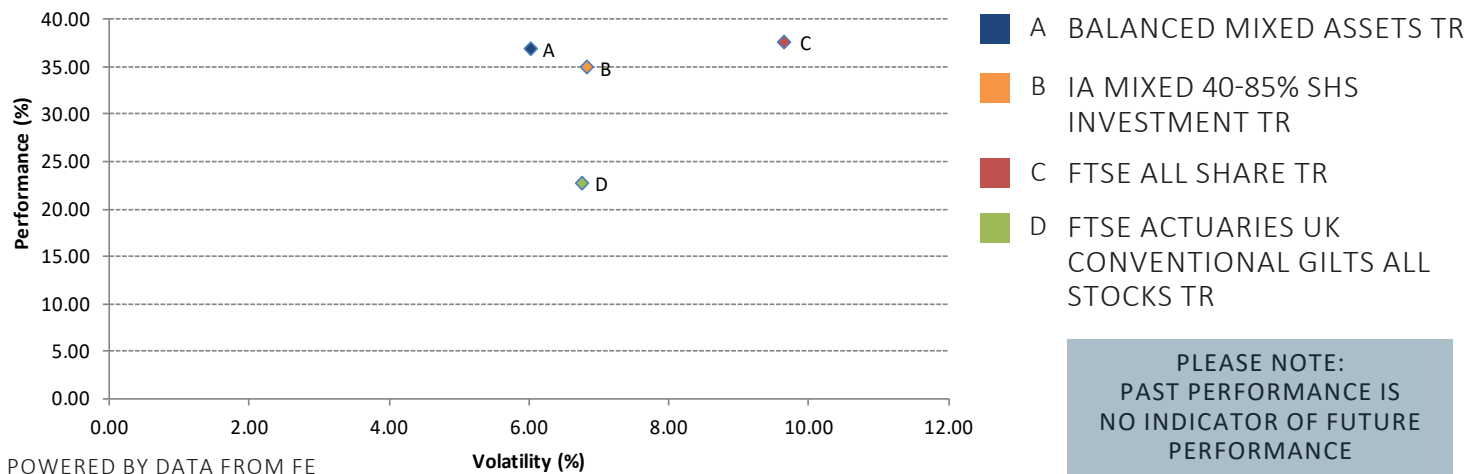
BALANCED MIXED ASSETS COMMENTARY

The diversification of the model shielded investors from the worst of equity market drawdowns as volatility returned in Q1.

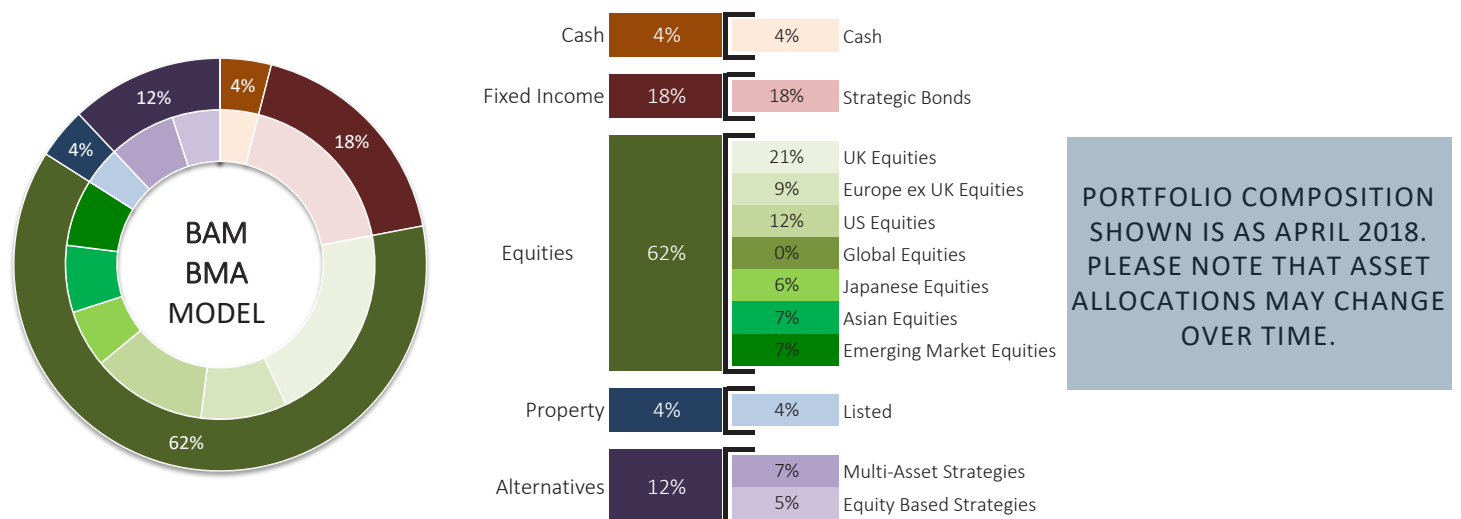
As part of our ongoing review of the models we have decided to make a number of changes. We have decided to sell First State Global Listed Infrastructure (6%). In this environment, we would rather be invested broadly in global equities than the more rate sensitive listed infrastructure sector. The proceeds are split mainly across our overseas equity holdings with 1% added to Baillie Gifford Japanese, 2% added to Old Mutual Asia Pacific and 1% also added to Fixed Income (Twentyfour Dynamic Bond). 2% will also be added to the US. We are adopting a core satellite approach and will sell JPM Morgan US Equity Income and replace this with the Old Mutual North American fund. The Old Mutual fund will be the core US holding (7%) with Fidelity American Special Situations being our satellite holding with a Value tilt (4%).

We have also been reviewing our UK equity blend and to add more balance from a style and market capitalisation perspective, we will be selling our holding of Rathbone Income (6%) and reducing our overall equity exposure to the UK by 1%. We will be allocating the proceeds to Jupiter Absolute Return (1% addition), Chelverton UK Growth (1% addition) and a new 4% position in the Liontrust Special Situations fund which complements our existing holdings well.

TOTAL RETURN PERFORMANCE VS VOLATILITY OVER 5 YEARS (31/03/2013 - 31/03/2018)



PORTFOLIO COMPOSITION



STRATEGY DESCRIPTION

This strategy seeks a total return from investing in blend of income and growth generating assets, 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 medium level of investment risk.

INCOME YIELD

Income yield of this strategy is currently c. 2.1% April 2018.

STRATEGY BENCHMARK

The performance of the strategy will be measured against the IA Mixed Investment 40-85% Shares over a rolling three-year period.

CHARGES ON WRAP

In the region of 0.82% but subject to change depending on the underlying funds.

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 62%.
- This strategy 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.

Country/Asset Class	Minimum Exposure	Maximum Exposure	Current Exposure	Diff
Fixed Income	15%	40%	18%	▲
UK Equities	15%	50%	21%	▼
Europe ex UK Equities	5%	15%	9%	-
US Equities	5%	15%	12%	▲
Global Equities	0%	25%	0%	▼
Japanese Equities	0%	10%	6%	▲
Asia Equities	5%	15%	7%	▲
Emerging Market Equities	0%	15%	7%	-
Property	0%	15%	4%	-
Multi Asset Abs Return	0%	15%	7%	-
Equity Based Abs Return	0%	10%	5%	▲
Cash	0%	10%	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.

- 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 Trusts, Structured Products, Tracker-type investments and ETFs.

BALANCED MIXED ASSETS CONSTITUENTS

		Diff
UK FIXED INCOME		
Twentyfour Dynamic Bond	5%	▲
Jupiter Strategic Bond	8%	-
Blackrock Strategic Bond	5%	-
UK INCOME		
Std Life UK Equity Income Unconstrained	6%	-
Liontrust UK Special Situations	4%	*
UK GROWTH		
Chelverton UK Growth	5%	▲
Jupiter UK Special Situations	6%	-
EUROPE		
Blackrock Continental European Income	3%	-
Schroder European Alpha Income	6%	-
US		
Old Mutual North American	7%	*
Fidelity American Special Situations	5%	▲
PROPERTY		
F&C Property Growth & Income	4%	-
JAPAN		
Baillie Gifford Japanese	6%	▲
FAR EAST		
Old Mutual Asia Pacific	7%	▲
EMERGING MARKETS		
Std Life Global Emerging Markets Income	3%	-
Henderson EM Opps	4%	-
ALTERNATIVES		
Invesco Perpetual Global Targeted Return	7%	-
Jupiter Absolute	5%	▲
CASH		
	4%	

*Represents new funds