

# DEFENSIVE BALANCED MIXED ASSETS

## BECKETT ASSET MANAGEMENT LIMITED

RISK PROFILE 4

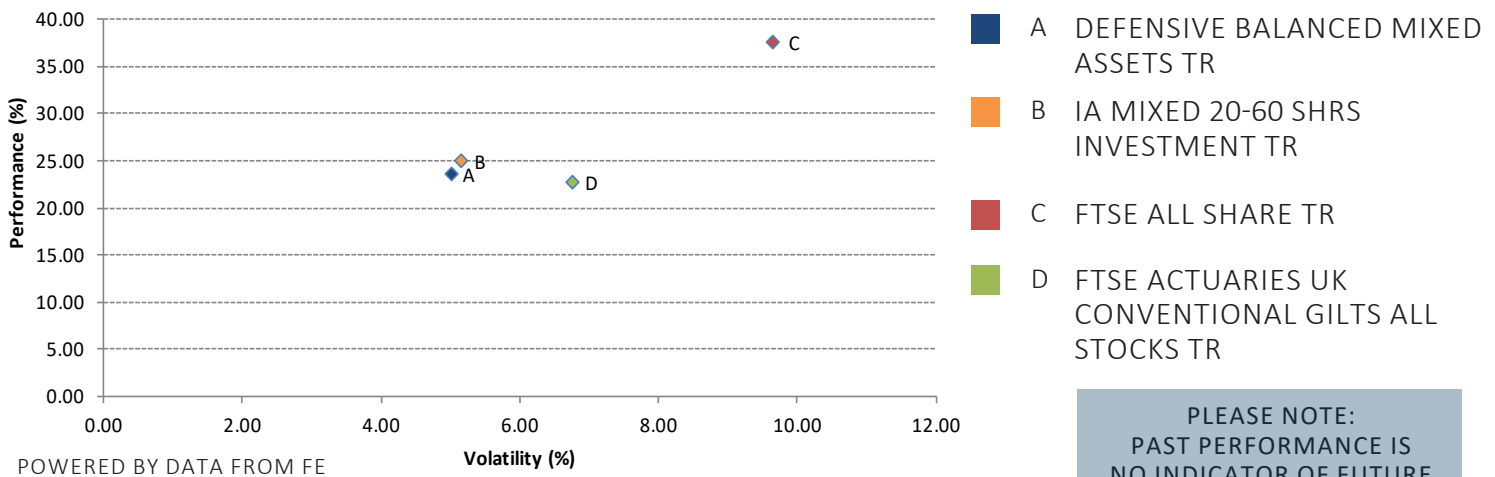
### DEFENSIVE BALANCED MIXED ASSETS COMMENTARY

With market volatility making a return in the first quarter of 2018 the Defensive Balanced Mixed Assets model benefitted from geographic and asset class diversification to provide some portfolio protection from the worst of the equity market drawdowns. Whilst not immune to equity volatility, the model experienced a drawdown broadly commensurate with the risk taken. Exposure to long only equity is 45% with as skew towards overseas investments after reducing UK Equities to 16% last quarter.

After a period of change within this particular model, whereby we have been gradually breaking up the Global equity holdings to allocate more to regional equity funds, which thus far has proved to be positive, we have decided there is no need to make any changes to the model in the upcoming rebalance. We believe the current blend of funds should be able to hold up well against any continued volatility and we shall rebalance to the current target holdings.

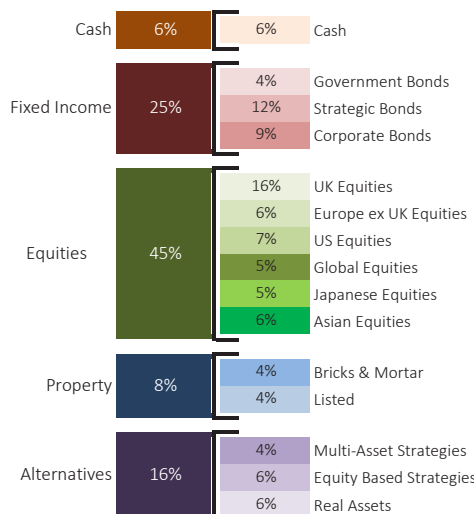
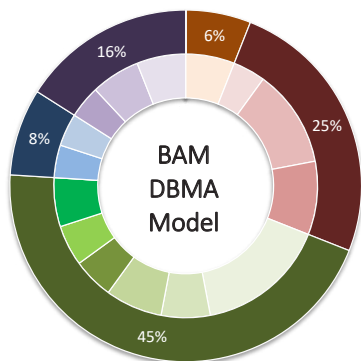
We have analysed the changes we made to the model throughout the last 12 months and found that each change that was made to the model resulted in an incremental increase in both absolute return and risk-adjusted return.

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



PLEASE NOTE:  
PAST PERFORMANCE IS  
NO INDICATOR OF FUTURE  
PERFORMANCE

### PORTFOLIO COMPOSITION



PORTFOLIO COMPOSITION  
SHOWN IS AS AT APRIL 2018.  
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.2.8% April 2018.

## 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 0.81% 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%	16%	-
Global Equities	10%	40%	29%	-
Property	5%	20%	8%	-
Multi Asset Abs Return	0%	15%	4%	-
Equity Based Abs Return	0%	10%	6%	-
Real Assets	0%	10%	6%	-
Cash	0%	15%	6%	-

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.

- 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

<b>FIXED INCOME</b>		Diff
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>		
Trojan Income	5%	-
Premier Income	5%	-
Royal London UK Equity Income	6%	-
<b>EUROPE EX UK EQUITIES</b>		
Blackrock Continental European Income	6%	-
<b>US EQUITIES</b>		
Old Mutual North American	4%	-
Aviva US Equity Income II	3%	-
<b>GLOBAL EQUITIES</b>		
TB Saracen Global Income & Growth	5%	-
<b>JAPANESE EQUITIES</b>		
Jupiter Japan Income	5%	-
<b>ASIAN EQUITIES</b>		
Blackrock Asia Special Situations	6%	-
<b>PROPERTY</b>		
Kames Property Income	4%	-
F&C Property Growth & Income	4%	-
<b>ALTERNATIVES</b>		
Artemis US Absolute Return Hedged	3%	-
Henderson UK Absolute Return	3%	-
Insight Absolute Return	4%	-
VT Gravis UK Infrastructure Income	6%	-
<b>CASH</b>	<b>6%</b>	<b>-</b>

\*represents new funds