

BALANCED MIXED ASSETS

BECKETT ASSET MANAGEMENT LIMITED

RISK PROFILE 5-6

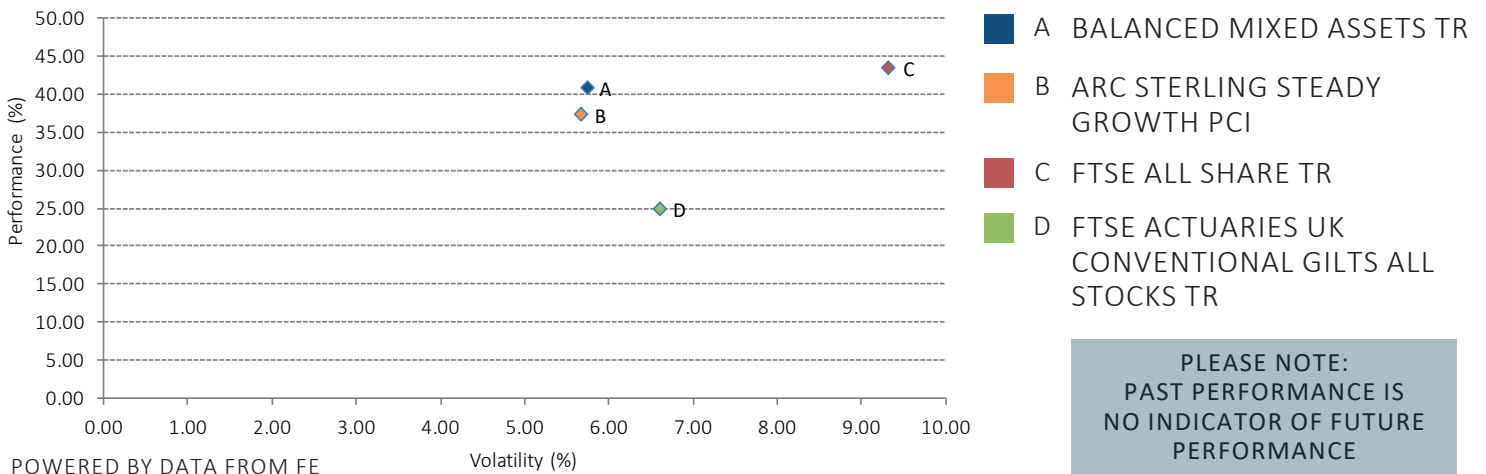
BALANCED MIXED ASSETS COMMENTARY

Despite more difficult market conditions in September, the model delivered a positive return over the third quarter of 2018. We are comfortable with the portfolio positioning for the time being having made a number of changes at the last rebalance in July by adding in some new funds and tweaking some of our exposures, so we have not made any changes to the model during the October rebalance and have rebalanced to existing target weightings.

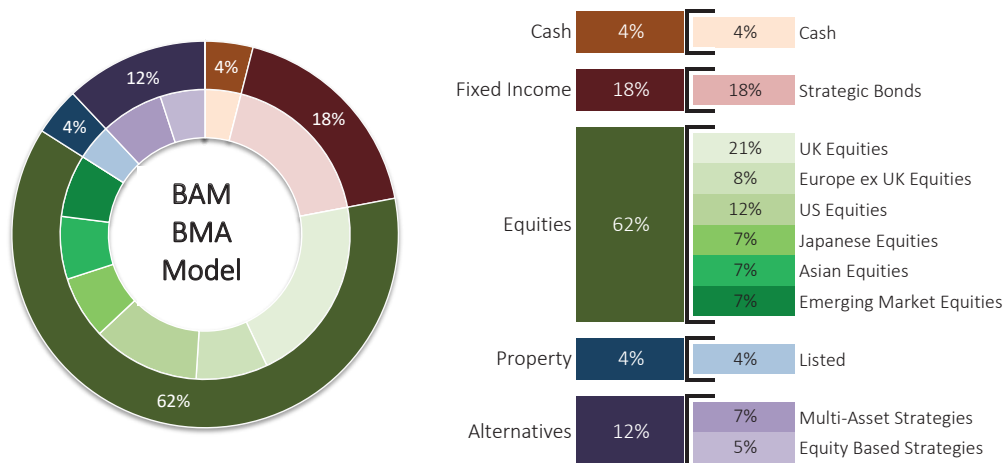
Asia and Emerging Markets have been one of our highest conviction regions for equity exposure since early 2016 but this exposure has proved to be more of a headwind of late as investors have withdrawn from the region due to the impact of the strengthening US Dollar, rising US rates, and the increased trade tensions. This is not a pleasant cocktail. We would stress that not all Emerging Market countries are the same and selectivity clearly remains key, which reaffirms our preference for active managers. We are monitoring developments closely.

Changing monetary policy means we are moving into uncharted territory and we believe this economic environment warrants investment across a broad spectrum of risk assets to achieve attractive risk adjusted returns over the long term.

TOTAL RETURN PERFORMANCE VS VOLATILITY OVER 5 YEARS (30/09/2013 - 30/09/2018)



PORTFOLIO COMPOSITION



PORTFOLIO COMPOSITION SHOWN IS AS OCTOBER 2018. PLEASE NOTE THAT ASSET ALLOCATIONS MAY CHANGE OVER TIME.

STRATEGY DESCRIPTION

This strategy seeks a total return from investing in a 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. 1.9% October 2018.

STRATEGY BENCHMARK

The performance of the strategy will be measured against the ARC Sterling Steady Growth PCI over the medium to long term.

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%	8%	-
US Equities	5%	15%	12%	-
Global Equities	0%	25%	0%	-
Japanese Equities	0%	10%	7%	-
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 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

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