

# FOCUSED GROWTH MIXED ASSETS

## BECKETT ASSET MANAGEMENT LIMITED

OCT 2019

RISK PROFILE 7-8 | INCEPTION JUNE 2008

### FOCUSED GROWTH MIXED ASSETS COMMENTARY

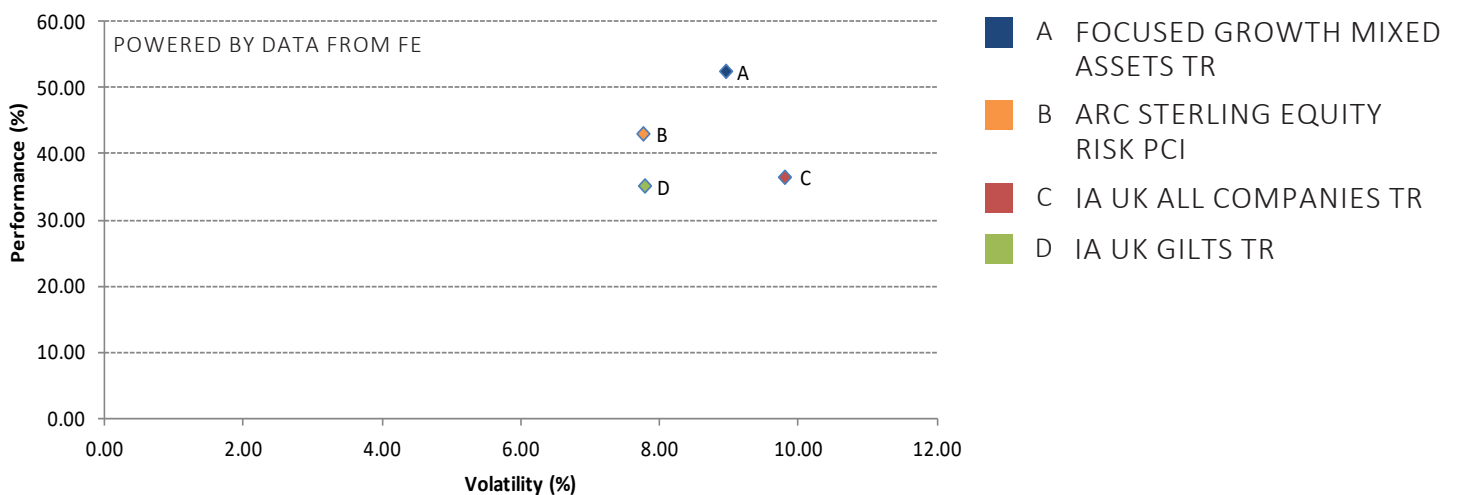
Trade disputes have been an ongoing soap opera since President Trump took office. From steel tariffs to trade skirmishes with China, Japan, Canada, Mexico, South Korea, and the European Union, among others, it's been hard to keep track. Coupled with the Brexit drama, it is perhaps surprising that the strategy delivered a positive return this quarter but finished behind its benchmark over the period.

Over the period, the portfolio's alternatives exposure was a drag on performance. This is not unexpected as this part of the portfolio is a hedge against negative equity markets, and the period in question was generally positive for equities.

We remain comfortable with the portfolio's asset allocation and fund selection. However, we are becoming more positive on the UK equity market, notwithstanding the Brexit issue. Stocks in the UK are on extremely good valuations; indeed, such buying opportunity has rarely existed since the turn of the century. We do believe that the resolution of the UK's exit from the EU, one way or another, is the likely catalyst for this valuation anomaly to be realised.

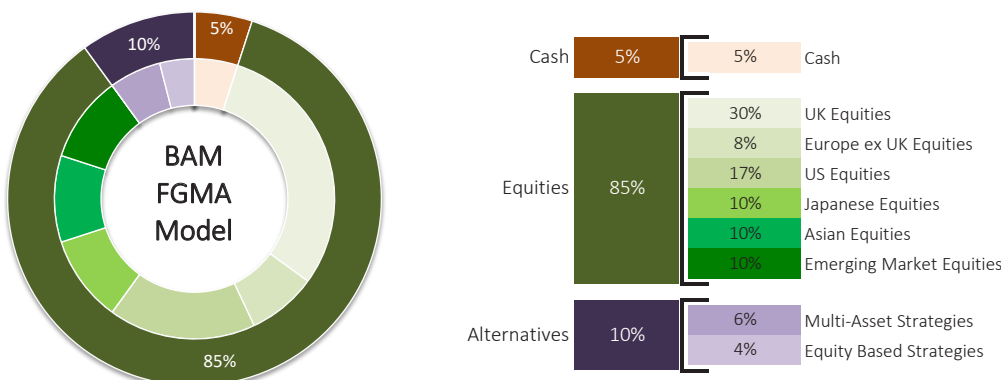
As a result, we have sold our holding in the River & Mercantile Global Recovery Fund and have split the proceeds equally between our holdings in the Baillie Gifford UK Alpha and Jupiter UK Special Situations.

### TOTAL RETURN PERFORMANCE VS VOLATILITY OVER 5 YEARS (30/09/2014 - 30/09/2019)



PLEASE NOTE: PAST PERFORMANCE IS NO INDICATOR OF FUTURE PERFORMANCE. PERFORMANCE IS GROSS OF ANY WEALTH MANAGEMENT AND PLATFORM FEES. IT IS PROVIDED FOR INFORMATION PURPOSES TO INDICATE HISTORICAL PERFORMANCE.

### PORTFOLIO COMPOSITION



PLEASE NOTE: PORTFOLIO COMPOSITION SHOWN IS AS OCTOBER 2019. ASSET ALLOCATIONS MAY CHANGE OVER TIME.

## STRATEGY DESCRIPTION

This strategy seeks to achieve long-term capital growth, using a fund of funds approach to investment. The strategy is primarily stock market based. The portfolio is comprised of funds that invest across a range of geographical areas, including a core in the UK. The funds are selected on a discretionary basis from a number of top fund management houses.

This strategy is potentially suitable for investors seeking capital growth over the medium to long-term (5 years plus), and prepared to accept a medium to high level of investment risk, i.e. accept the normal risks of investing in the various markets.

## INCOME YIELD

Income yield of this strategy is not a consideration, and is likely to be low.

## STRATEGY BENCHMARK

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

This benchmark has a targeted standard volatility band of 80%- 110% relative risk to world equities.

## CHARGES ON WRAP

In the region of 0.8% but subject to change depending on the underlying funds and platform. OCF does not include any further transactional costs incurred by the funds held or any performance fee that may be levied by them.

## RISK CONTROLS AND INVESTMENT STRATEGY CHARACTERISTICS

- The strategy will have a minimum or maximum exposure to any particular asset class or geographical area as defined. The Manager is able to invest up to 100% in equities at their discretion and the current weighting is 85%.

Country/Asset Class	Minimum Exposure	Maximum Exposure	Current Exposure	Diff
Fixed Income	0%	20%	0%	-
UK Equities	10%	50%	30%	▲
Europe ex UK Equities	5%	25%	8%	-
US Equities	5%	25%	17%	-
Global Equities	0%	25%	0%	▼
Japanese Equities	5%	25%	10%	-
Asian Equities	5%	25%	10%	-
Emerging Market Equities	0%	20%	10%	-
Property	0%	10%	0%	-
Alternatives (inc Multi Asset & Equity Based)	0%	30%	10%	-
Cash	0%	10%	5%	-

- This strategy can invest a significant amount 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 Trusts, Structured Products, Tracker-type investments and ETFs.

## FOCUSED GROWTH MIXED ASSETS

UK GROWTH		Diff
Liontrust UK Micro Cap	3%	-
SVM UK Growth	5%	-
Jupiter UK Special Situations	8%	▲
JOHAMBRO UK Dynamic	7%	-
Baillie Gifford UK Alpha	7%	▲
EUROPE		
Man GLG Continental European Growth	4%	-
Baring European Select	4%	-
US		
Merian North American	7%	-
Artemis US Extended Alpha	10%	-
JAPAN		
AXA Framlington Japan	5%	-
JPM Japan (Hedged)	5%	-
FAR EAST		
Fidelity Asia Pacific Opportunities	4%	-
Schroder Asian Alpha Plus	6%	-
EMERGING MARKETS		
Artemis Global Emerging Markets	5%	-
BNY Mellon Global Emerging Markets	5%	-
ALTERNATIVES		
JPM Global Macro Opportunities	6%	-
Jupiter Absolute Return	4%	-
CASH		
	5%	-

\*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.