

# Sydney Charles Retirement Annuity Trust Scheme

## Medium Risk Strategy



### Investment Comment

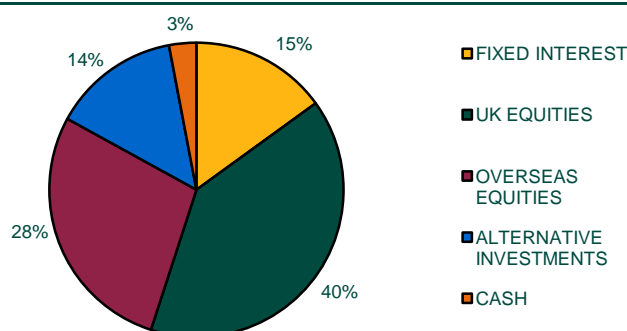
2010 was a typically up and down year, though by the close, the emphasis was decidedly on the up having seen fears of a 'double-dip' recession recede and corporate profitability increase. The authorities' response to the credit crisis, through quantitative easing, has supported economic activity and we are starting to see signs that a normal cycle is evolving. The danger is that inflation may take centre stage and the recent market movements support this. If growth lags inflation then there could be a problem. The Eurozone sovereign debt crisis which manifested itself last year is still to be satisfactorily resolved. Markets will fluctuate and we will continue to seek value and act patiently, rather than chasing too many trends.

From the 15<sup>th</sup> October to 31<sup>st</sup> December 2010 the portfolio returned 5.14% against the benchmark which recorded a rise of 4.53%. The performance has been driven by the equity exposure to the mining and UK mid cap sectors together with Asia and the emerging markets. It is intended to reposition the fixed interest weighting out of global government bonds into index linkers and to reduce the exposure to corporate bonds in favour of equities.

### Top Holdings

- 1 Artemis Income Acc
- 2 M&G Global Basics GBP Cap
- 3 M&G Recovery Acc
- 4 Schroder UK Alpha Plus Acc
- 5 BlackRock World Mining Dis
- 6 CF Ruffer Total Return Cap
- 7 Charteris Gold
- 8 First State Asia Pacific Leaders A Acc
- 9 First State Global Emerging Markets Leaders Cap
- 10 Invesco Perpetual Corporate Bond Inc

### Asset Allocation



### Strategy Details

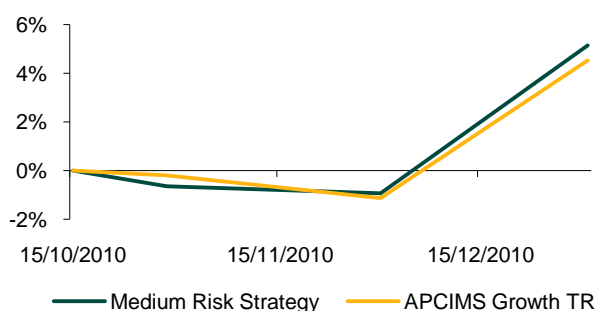
**Structure:** A medium risk may be up to 100% invested in medium or low risk assets. Alternatively, the portfolio may hold up to 15% in higher risk assets, but these will be offset by an appropriate proportion of lower risk assets.

**Volatility:** The potential for the portfolio to hold a significant equity content means you should expect the shorter term fluctuations in value similar to those of global equity markets.

**Time Horizon:** The likely higher equity content means that a medium risk portfolio is suitable for the longer term investor, with a minimum investment period of 5 years.

**N.B.** The asset allocation and holdings are indicative and due to the timing of your investment may not fully reflect the constituents of your own portfolio. Please refer to your adviser for full details.

### Performance Details



Source: Bloomberg & Moventum

	Medium Risk Strategy	APCIMS Growth TR
3 Months	-	-
6 Months	-	-
12 Months	-	-
Inception	5.14%	4.53%

Source: Bloomberg & Moventum

N.B. Indicative Performance Only. Performance is calculated on existing strategies and intended as a guide only. Figures from 15<sup>th</sup> October 2010.

## Medium Risk Portfolio

Stock Name	Portfolio %
<b>FIXED INTEREST</b>	<b>15.00%</b>
Thames River Global Bond Acc	5.00%
M&G Optimal Income Acc	5.00%
Invesco Perpetual Corporate Bond Inc	5.00%
<b>UK EQUITIES</b>	<b>40.00%</b>
M&G Recovery Acc	7.00%
Artemis Income Acc	8.00%
Artemis Special Situations Acc	4.00%
Schroder UK Alpha Plus Acc	7.00%
Threadneedle UK Equity Income	5.00%
Rensburg UK Mid Cap Growth Dis	5.00%
Invesco Perpetual UK Smaller Companies Acc	4.00%
<b>OVERSEAS EQUITIES</b>	<b>28.00%</b>
M&G Global Basics GBP Cap	8.00%
Newton Global Higher Income Inc	5.00%
First State Asia Pacific Leaders A Acc	5.00%
First State Global Emerging Markets Leaders Cap	5.00%
BlackRock World Mining Dis	5.00%
<b>ALTERNATIVE INVESTMENTS</b>	<b>14.00%</b>
CF Ruffer Total Return Cap	5.00%
Charteris Gold	5.00%
Schroder Global Property Securities Acc	4.00%
<b>CASH</b>	<b>3.00%</b>
JP Morgan Sterling Liquidity A Cap	1.50%
Cash	1.50%
<b>TOTAL</b>	<b>100.00%</b>

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