

# Sydney Charles Retirement Annuity Trust Scheme

## High Risk Strategy



### Investment Comment

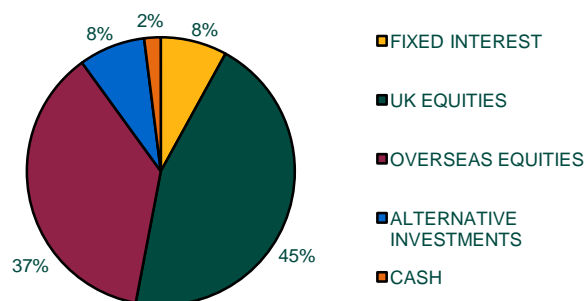
2010 was a typically up and down year, though by the close, the emphasis was decidedly on the up having seen fears of a 'double-dip' recession recede and corporate profitability increase. The authorities' response to the credit crisis, through quantitative easing, has supported economic activity and 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 6.36% against the benchmark which recorded a rise of 4.53%. The performance has been driven by the equity exposure to the mining and technology sectors, the US and UK mid cap sectors together with Asia and the emerging markets. It is intended to reduce the fixed interest weighting out of global government bonds in favour of equities.

### Top Holdings

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

### Asset Allocation



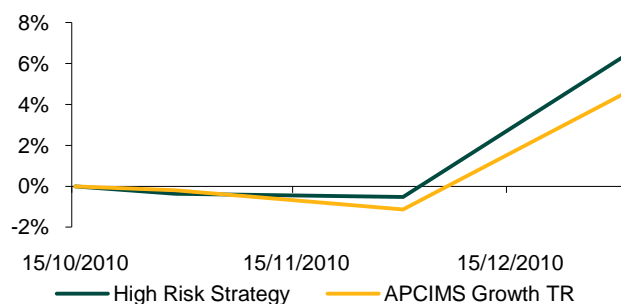
### Strategy Details

**Structure:** A high risk portfolio may be up to 100% invested in higher risk assets.

**Volatility:** You should expect that there may be considerable short term fluctuations in the value of your portfolio.

**Time Horizon:** A high risk portfolio is only suitable for those prepared to invest for the long term, typically a minimum of 7 years.

### Performance Details



Source: Bloomberg & Moventum

	High Risk Strategy	APCIMS Growth TR
3 Months	-	-
6 Months	-	-
12 Months	-	-
Inception	6.36%	4.53%

Source: Bloomberg & Moventum

**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.

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.

## High Risk Portfolio

STOCK NAME	PORTFOLIO %
<b>FIXED INTEREST</b>	<b>8.00%</b>
M&G Optimal Income Acc	5.00%
Thames River Global Bond Acc	3.00%
<b>UK EQUITIES</b>	<b>45.00%</b>
M&G Recovery Acc	9.00%
Artemis Income Acc	8.00%
Artemis UK Special Situations Acc	5.00%
Schroder UK Alpha Plus Acc	8.00%
Investec UK Special Situations	5.00%
Rensburg UK Mid Cap Growth Dis	5.00%
Invesco Perpetual UK Smaller Companies Acc	5.00%
<b>OVERSEAS EQUITIES</b>	<b>37.00%</b>
M&G Global Basics Cap	7.00%
Schroder US Mid Cap Acc	5.00%
M&G American Acc	5.00%
First State Asia Pacific Leaders A Acc	7.00%
First State Global Emerging Markets Leaders Cap	5.00%
BlackRock World Mining Dis	5.00%
BlackRock World Technology Cap	3.00%
<b>ALTERNATIVE INVESTMENTS</b>	<b>8.00%</b>
CF Ruffer Total Return Cap	5.00%
Charteris Gold	3.00%
<b>CASH</b>	<b>2.00%</b>
Cash	2.00%
<b>TOTAL</b>	<b>100.00%</b>

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