



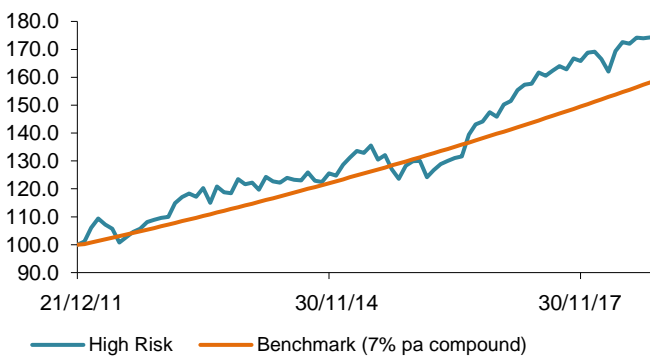
# Sydney Charles Retirement Annuity Trust Scheme

## High Risk Strategy – Q3 2018

### Investment Comment

UK markets fell over the quarter with the FTSE 100 returning -0.66% and the UK Government All Stocks fixed interest index returning -1.73% in total return terms. UK politics have once again taken centre stage with fears rising around BREXIT negotiations and the possibility of Jeremy Corbyn rising to power. This has left UK equities looking cheap relative to other developed equity markets and the prospective yields alone make a compelling investment case. Conversely, global equities have had a stronger quarter with the FT World Index returning 6.19% aided by the US with the S&P 500 returning 11.00% in sterling terms. The latter is due to tax cuts boosting corporate earnings and consumer spending along with the effect of weak sterling. Volatility has continued to rise ensuring that risk management remains of paramount importance. We continue to believe that over the long term, equity investments will provide favourable returns notwithstanding the short term market turbulence that we are currently enduring.

### Fund Details



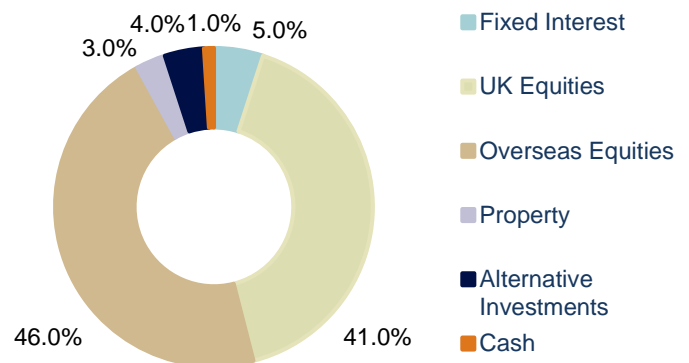
	High Risk Strategy	7% Per Annum Compound Growth
3 months	1.3%	1.7%
Year to Date	3.2%	5.2%
2017	12.4%	7.0%
2016	15.5%	7.0%
2015	4.2%	7.0%
Since inception (21/12/11)	74.3%	58.2%

Source: Old Mutual Usca/Investec Wealth & Investment

### Top 10 Holdings

1	Artemis Income – U	6.0%
2	Jupiter UK Special Situations – U	6.0%
3	Stan. Life UK Eq. Inc. Unconstrained – U	6.0%
4	AXA Framlington Monthly Income – U	5.0%
5	JOHCM UK Equity Income – U	5.0%
6	Threadneedle UK Equity Income – U	5.0%
7	AXA Framlington Health – U	5.0%
8	Schroder Asian Alpha Plus – U2	5.0%
9	Man GLG Japan CoreAlpha Equity – U	5.0%
10	Lazard Global Equity Income – U	5.0%

### Asset Allocation



### Please Note

- 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.
- The indicative performance data is calculated net of the Investec Wealth & Investment annual management charge of 0.5% per annum (No VAT) and the underlying fund MiFID II ongoing charges (OCF) of 1.12% per annum. Other associated charges are detailed overleaf.
- Performance is calculated on existing strategies and intended as a guide only.

Please remember that past performance is not a reliable guide to the future and that previous periods of favourable performance will not necessarily be repeated in the future.

## High Risk Strategy

Stock Name	Portfolio %
<b>FIXED INTEREST</b>	<b>5.0</b>
M&G Optimal Income – U	2.0
M&G Global Floating Rate High Yield – U	3.0
<b>UK EQUITIES</b>	<b>41.0</b>
Artemis Income – U	6.0
AXA Framlington Monthly Income – U	5.0
BlackRock UK Smaller Companies – U2	4.0
JOHCM UK Equity Income – U	5.0
Jupiter UK Special Situations – U	6.0
Royal London UK Equity Income – U	4.0
Threadneedle UK Equity Income – U	5.0
Standard Life UK Equity Income Unconstrained – U	6.0
<b>OVERSEAS EQUITIES</b>	<b>46.0</b>
AXA Framlington American Growth – U	4.0
AXA Framlington Health – U	5.0
Schroder Asian Alpha Plus – U2	5.0
Man GLG Japan CoreAlpha Equity – U	5.0
Baillie Gifford Japan Smaller Companies – U	2.0
JP Morgan Europe Smaller Companies – U	3.0
Lazard Global Equity Income – U	5.0
Schroder European Alpha Plus – U2	5.0
Schroder Small Cap Discovery Fund – U2	3.0
Schroder US Mid Cap – U2	4.0
Lazard Emerging Markets – U	3.0
TM Cerno Global Leaders – U	2.0
<b>UK PROPERTY</b>	<b>3.0</b>
L&G UK Property Feeder – U	3.0
<b>ALTERNATIVE INVESTMENTS</b>	<b>4.0</b>
Janus Henderson UK Absolute Return – U	4.0
	<b>1.0</b>
Janus Henderson Money Market	1.0
<b>TOTAL</b>	<b>100.0</b>

*U – Unbundled (clean) share class of the fund  
U2 – Preferential (super-clean) share class of the fund*

## Target Market Assessment

The offering is a discretionary model portfolio service. The investment strategy is typically suitable for Retail Clients able to bear loss of their capital in order to achieve income/capital growth over a 7-year period. The service and investment strategy is not suitable for those investors who cannot bear capital loss. Advice must be sought before the service is distributed.

## Other Associated Charges

Sydney Charles and First Names Group each levy an Annual Management Charge of 0.5% per annum (No VAT).

Detailed below are the Old Mutual Wealth charges based on the client investment values:

Account Value	Account Value	Charge (%)
First	£25,000	0.50
£25,001 to	£100,000	0.35
£100,001 to	£500,000	0.30
£500,001 to	£1,000,000	0.25
	Over £1,000,000	0.15

The MiFID II ongoing costs for this model is currently estimated at 1.12% and is included within the fund prices and not charged separately. This can change at any point, and is not guaranteed to be accurate.

## Strategy Details

### Structure

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

### Volatility

This mandate has a target volatility that is 90% of the UK equity market.

### Time Horizon

A high risk portfolio is only suitable for those prepared to invest for the long term, typically a minimum of seven years.

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Birmingham	0121 232 0700	Glasgow	0141 333 9323	Manchester	0161 832 6868
Bournemouth	01202 208100	Guildford	01483 304707	Reigate	01737 224223
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