



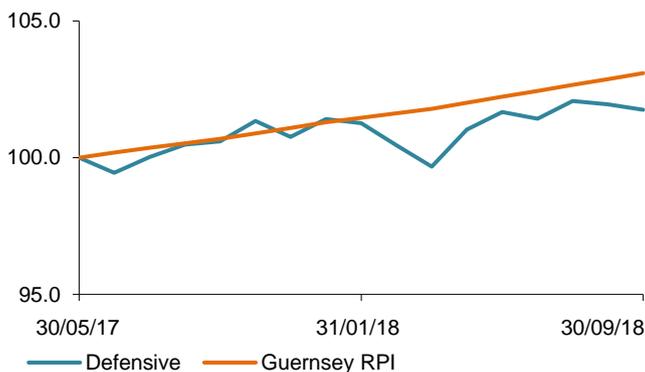
Sydney Charles Retirement Annuity Trust Scheme

Defensive 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



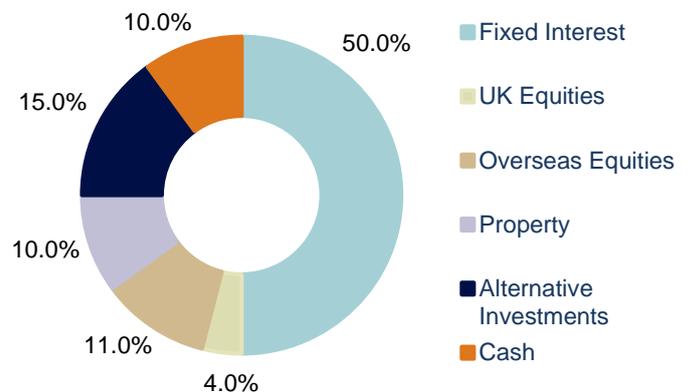
	Defensive Risk Strategy	Guernsey RPI
3 months	0.3%	2.6% as at 30/06/18
6 months	2.1%	2.0% as at 31/03/18
12 months	1.2%	2.0% as at 30/09/17
Year to Date	0.3%	2.4% as at 31/12/17
Since inception (30/05/17)	1.8%	2.3% as at 31/05/17

Source: Old Mutual Uscan/Investec Wealth & Investment

Top 10 Holdings

1	Allianz Global UK Gilt Yield – U	10.0%
2	Janus Henderson Money Market	10.0%
3	Kames Absolute Return Bond – U	8.0%
4	Lazard Global Equity Income – U	6.0%
5	Janus Henderson UK Absolute Return – U	6.0%
6	Fidelity Global Inflation Linked Bond – U	5.0%
7	Legal Mason Global Multi Strategy Bond – U	5.0%
8	M&G Global Floating Rate High Yield –U	5.0%
9	M&G Optimal Income – U	5.0%
10	Newton Global Equity – 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 0.98% 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.

Defensive Risk Strategy

Stock Name	Portfolio %
FIXED INTEREST	50.0
Allianz Global UK Gilt Yield – U	10.0
Aviva Global Convertibles – U	4.0
Fidelity Global Inflation Linked Bond – U	5.0
Kames Absolute Return Bond – U	8.0
HSBC Global Emerging Market Debt – U	4.0
Legal Mason Global Multi Strategy Bond – U	5.0
M&G Global Floating Rate High Yield –U	5.0
M&G Optimal Income – U	5.0
PIMCO Global Real Return – U	4.0
UK EQUITIES	4.0
Standard Life UK Equity Income Unconstrained – U	4.0
OVERSEAS EQUITIES	11.0
Lazard Global Equity Income – U	6.0
Newton Global Equity – U	5.0
PROPERTY	10.0
Schroder Global Cities Real Estate Income – U2	5.0
L&G UK Property Feeder – U	5.0
ALTERNATIVE INVESTMENTS	15.0
JP Morgan Global Macro Opportunities – U	5.0
Janus Henderson UK Absolute Return – U	6.0
Aviva Multi Strategy Target Return – U	4.0
CASH	10.0
Janus Henderson Money Market	10.0
TOTAL	100.0

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 3-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 ongoing MiFID II costs for this model is currently estimated at 0.98% 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

The portfolio invests in a diversified range of low risk assets within a cautious risk framework. Exposure to equities will be limited.

Volatility

A low risk portfolio will typically demonstrate modest short-term fluctuations in value. However, there may be some sensitivity to equity market movements, market interest rate expectations and to the change in value of other investments. This mandate has a target volatility that is 30% of the UK equity market.

Time Horizon

The nature of the portfolio will suit those seeking to invest for a minimum of three 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
Cheltenham	01242 514756	Leeds	0113 245 4488	Sheffield	0114 275 5100

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