



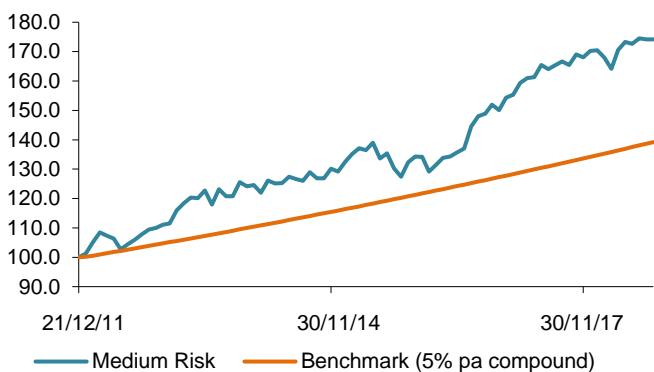
Sydney Charles Retirement Annuity Trust Scheme

Medium 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



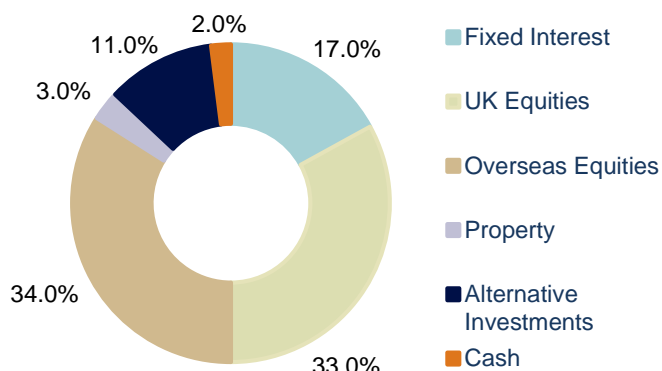
| | Medium Risk Strategy | 5% Per Annum Compound Growth |
|----------------------------|----------------------|------------------------------|
| 3 months | 0.9% | 1.2% |
| Year to Date | 2.3% | 3.7% |
| 2017 | 10.3% | 5.0% |
| 2016 | 15.0% | 5.0% |
| 2015 | 3.9% | 5.0% |
| Since inception (21/12/11) | 74.2% | 39.2% |

Source: Old Mutual Uscan/Investec Wealth & Investment

Top 10 Holdings

| | | |
|----|---|------|
| 1 | Threadneedle UK Equity Income – U | 6.0% |
| 2 | Artemis Income – U | 5.0% |
| 3 | JOHCM UK Equity Income – U | 5.0% |
| 4 | Jupiter UK Special Situations – U | 5.0% |
| 5 | Schroder Asian Alpha Plus – U2 | 5.0% |
| 6 | Lazard Global Equity Income – U | 5.0% |
| 7 | Schroder European Alpha Plus – U2 | 5.0% |
| 8 | Janus Henderson UK Absolute Return – U | 5.0% |
| 9 | M&G Global Floating Rate High Yield – U | 4.0% |
| 10 | Standard Life Global Index Linked – U | 4.0% |

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 1.09% 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.

Medium Risk Strategy

| Stock Name | Portfolio % |
|--|--------------|
| FIXED INTEREST | 17.0 |
| M&G Global Floating Rate High Yield – U | 4.0 |
| M&G Optimal Income – U | 3.0 |
| Standard Life Global Index Linked Bond – U | 4.0 |
| Kames Absolute Return Bond Global – U | 3.0 |
| Royal London Short Duration High Yield Bond Fund – U | 3.0 |
| UK EQUITIES | 33.0 |
| Artemis Income – U | 5.0 |
| AXA Framlington Monthly Income – U | 4.0 |
| BlackRock UK Smaller Companies – U2 | 4.0 |
| JOHCM UK Equity Income – U | 5.0 |
| Jupiter UK Special Situations – U | 5.0 |
| Standard Life UK Equity Income Unconstrained – U | 4.0 |
| Threadneedle UK Equity Income – U | 6.0 |
| OVERSEAS EQUITIES | 34.0 |
| AXA Framlington American Growth – U | 3.0 |
| AXA Framlington Health – U | 3.0 |
| Schroder Asian Alpha Plus – U2 | 5.0 |
| Man GLG Japan CoreAlpha Equity – U | 4.0 |
| Lazard Global Equity Income – U | 5.0 |
| Lazard Emerging Markets – U | 3.0 |
| Schroder European Alpha Plus – U2 | 5.0 |
| Schroder US Mid Cap – U2 | 4.0 |
| TM Cerno Global Leaders – U | 2.0 |
| UK PROPERTY | 3.0 |
| L&G UK Property Feeder – U | 3.0 |
| ALTERNATIVE INVESTMENTS | 11.0 |
| Janus Henderson UK Absolute Return – U | 5.0 |
| Newton Real Return – U | 3.0 |
| JP Morgan Global Macro Opportunities – U | 3.0 |
| | 2.0 |
| Janus Henderson Money Market | 2.0 |
| 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 5-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 1.09% 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 is invested in a diversified range of assets with an equities bias within a medium risk framework.

Volatility

This mandate has a target volatility that is 60% of the UK equity market.

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 five years.

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|-------------|---------------|-----------|---------------|------------|---------------|
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| Belfast | 02890 321002 | Exeter | 01392 204404 | London | 020 7597 1234 |
| 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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