Sydney Charles Retirement Annuity Trust Scheme

Low Risk Strategy – Q2 2020

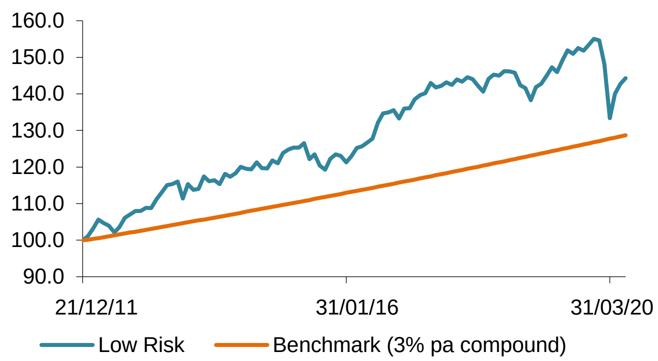
Investment Comment

The FTSE 100 rose +9.15%, FT World +19.92% and Govt All Stock 2.45% on a total return basis in Q2 2020 as markets staged remarkable and volatile recoveries from their end of March lows. The technology and healthcare sectors were the notable outperformers.

The enormous monetary stimulus from the Federal Reserve, in particular, as well as other major Central banks has this time been coupled with extensive fiscal support from governments, the likes of which not seen during the Global Financial Crisis of 2008-9. These powerful factors reassured investors that the financial system was not broken and the global banking sector is helping to mitigate the economic impacts instead of causing them.

Whilst prices have rallied, the UK equity market has seen dividends cut by approximately 40% with Royal Dutch Shell cutting its payout for the first time since the 2nd World War. We believe many of the cuts are prudent at this time and the gradual return of consumer spending in life after lockdown should help to bring sales, cash flow and confidence back to businesses, many of which appear materially undervalued compared to international peers.

Performance Details



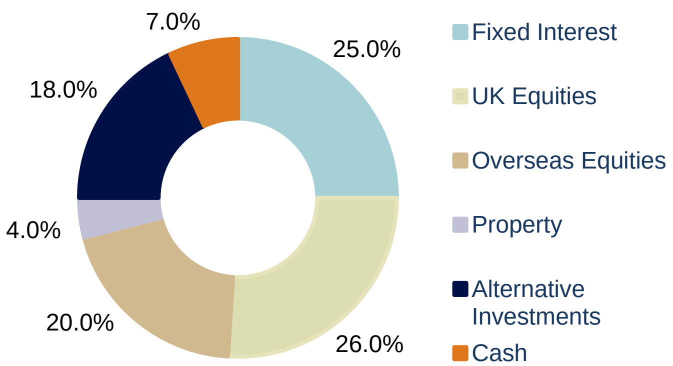
	Low Risk Strategy	3% Per Annum Compound Growth
3 Months	8.2%	0.7%
Year to Date	-6.9%	1.5%
2019	12.1%	3.0%
2018	-4.3%	3.0%
2017	6.3%	3.0%
2016	10.5%	3.0%
Since inception (21/12/11)	44.3%	28.7%

Source: Old Mutual Uscan/Investec Wealth & Investment

Top 10 Holdings

1	Invesco Money (UK) – U	7.0%
2	Fidelity MoneyBuilder Income – U	6.0%
3	Janus Henderson UK Absolute Return – U	6.0%
4	Standard Life Global Index Linked – U	6.0%
5	Kames Absolute Return Bond – U	5.0%
6	Newton Real Return – U	5.0%
7	Artemis Income – U	4.0%
8	AXA Framlington Monthly Income – U	4.0%
9	Janus Henderson Euro Selected Opps – U	4.0%
10	JP Morgan Global Macro Opps – 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 of 0.89% 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.

Low Risk Strategy

Stock Name	Portfolio %
FIXED INTEREST	25.0
Fidelity MoneyBuilder Income – U	6.0
M&G Global Floating Rate High Yield – U	4.0
Royal London Short Duration Global High Yield Bond – U	4.0
Standard Life Global Index Linked Bond – U	6.0
Kames Absolute Return Bond Global – U	5.0
UK EQUITIES	26.0
Artemis Income – U	4.0
AXA Framlington Monthly Income – U	4.0
Jupiter UK Special Situations – U	3.0
Royal London UK Equity Income – U	4.0
Threadneedle UK Equity Income – U	4.0
Unicorn UK Income – U	3.0
Vanguard FTSE UK Equity Income Index – U	4.0
OVERSEAS EQUITIES	20.0
Janus Henderson European Selected Opportunities – U	4.0
Lazard Global Equity Income – U	4.0
M&G Global Dividend – U	3.0
Newton Global Income – U	4.0
TM Cerno Global Leaders – U	2.0
Man GLG Japan CoreAlpha Equity – U	3.0
UK PROPERTY	4.0
Schroder Global Cities Real Estate Income – U2	4.0
ALTERNATIVE INVESTMENTS	18.0
Janus Henderson UK Absolute Return – U	6.0
Fortem Capital Progressive Growth – U	3.0
Newton Real Return – U	5.0
JP Morgan Global Macro Opportunities – U	4.0
CASH	7.0
Invesco Money (UK) – U	7.0
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), totalling 1.0%.

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 0.89% 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 assets with a higher weighting towards fixed interest within a low risk framework.

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.

Fund Managers

The portfolio is managed by Oliver Battersby and Peter Birchall.

Oliver is a Senior Investment Director managing assets on behalf of private individuals, trusts and personal pension schemes. Oliver also sits on our global investment strategy group and the asset allocation committee.

Peter is a Divisional Director and team leader responsible for managing portfolios on behalf of individuals, trusts and pension funds.

Wealth & Investment

Belfast	02890 321002	Edinburgh	0131 226 5000	Liverpool	0151 227 2030
Birmingham	0121 232 0700	Exeter	01392 204404	London	020 7597 1234
Bournemouth	01202 208100	Glasgow	0141 333 9323	Manchester	0161 832 6868
Bristol	01172 444860	Guildford	01483 304707	Reigate	01737 224223
Cheltenham	01242 514756	Leeds	0113 245 4488	Sheffield	0114 275 5100

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