



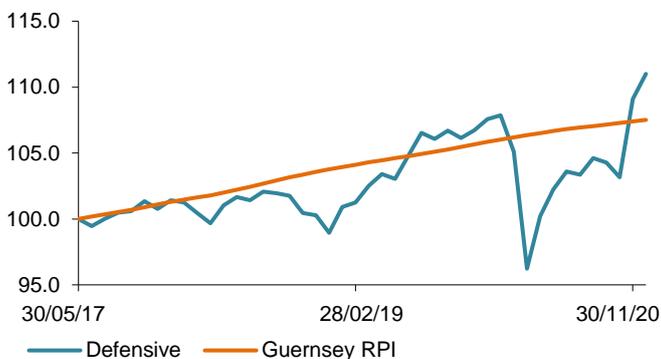
Sydney Charles Retirement Annuity Trust Scheme

Defensive Risk Strategy – Q4 2020

Investment Comment

The announcement of two effective vaccines in early November ignited world equity markets into a strong Q4 rally. The more cyclically exposed FTSE 100 index outperformed other indices over the quarter as a Brexit deal followed late in December causing sterling to rally to its highest level since early 2018. During 2020 the FTSE 100 index fell by 11.55% on a total return basis whilst the World Index rose by 12.74%, as investors saw the end of the pandemic and prospects of a strong economic recovery developed on the horizon. With a Brexit deal agreed and the US election behind us, equity markets will begin to look towards a recovery built on a more sustainable society yet with many Western economies still on uncertain ground. Long-dated bond yields have moved higher in recent months which may signal a more inflationary environment as the year goes on. This would support prospects for the UK which look attractive beyond Coronavirus as institutions reduce long-held underweights to the country and valuations remain attractive versus US and EU counterparts.

Performance Details



	Defensive Risk Strategy	Guernsey RPI*
3 months	6.5%	0.3%
2020	3.2%	1.6%
2019	8.7%	2.0%
2018	-2.4%	2.4%
Since inception (30/05/17)	11.0%	7.5%

Source: Old Mutual Usacan/Investec Wealth & Investment

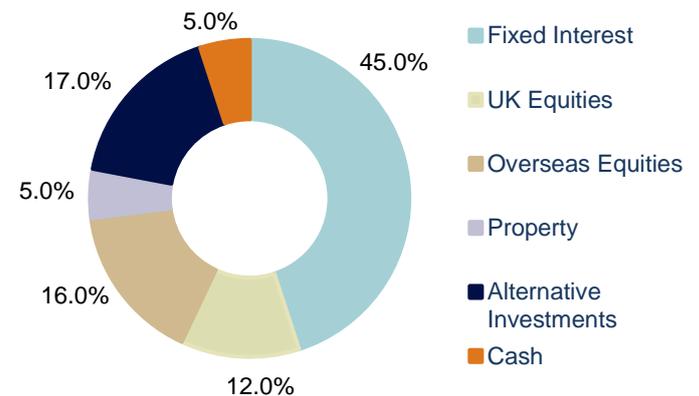
* Guernsey RPI as at 30/09/20

Since inception benchmark calculated from 30/06/17 to 30/09/20

Top 10 Holdings

1	Kames Absolute Return Bond – U	8.0%
2	Allianz Global UK Gilt Yield – U	6.0%
3	Janus Henderson UK Absolute Return – U	6.0%
4	Fidelity Global Inflation Linked Bond – U	5.0%
5	Legal Mason Global Multi Strategy Bond – U	5.0%
6	M&G Global Floating Rate High Yield –U	5.0%
7	Lazard Global Equity Income – U	5.0%
8	Newton Global Income – U	5.0%
9	Schroder Global Cities Real Estate Inc. – U2	5.0%
10	JP Morgan Global Macro Opportunities – 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 of 0.84% 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	45.0
Allianz Global UK Gilt Yield – U	6.0
Aviva Global Convertibles – U	4.0
Fidelity Global Inflation Linked Bond – U	5.0
Fidelity MoneyBuilder Income – U	4.0
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
PIMCO Global Real Return – U	4.0
UK EQUITIES	12.0
Jupiter UK Special Situations – U	4.0
TM Crux UK Special Situations – U	2.0
Unicorn UK Income – U	3.0
Vanguard FTSE UK Equity Income Index – U	3.0
OVERSEAS EQUITIES	16.0
Lazard Global Equity Income – U	5.0
M&G Global Dividend – U	3.0
Newton Global Equity – U	5.0
Vanguard FTSE Global All Cap Index – U	3.0
PROPERTY	5.0
Schroder Global Cities Real Estate Income – U2	5.0
ALTERNATIVE INVESTMENTS	17.0
Fortem Capital Progressive Growth – U	3.0
JP Morgan Global Macro Opportunities – U	5.0
Janus Henderson UK Absolute Return – U	6.0
Newton Real Return – U	3.0
CASH	5.0
Invesco Money (UK) – U	5.0
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 IQ-EQ each levy an Annual Management Charge of 0.7% and 0.5% per annum (No VAT) respectively, totalling 1.2%.

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 0.84% 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.

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.

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