



30th June 2017

ALPHA PORTFOLIO

To provide capital growth with some income through an equity focused portfolio complemented with other assets

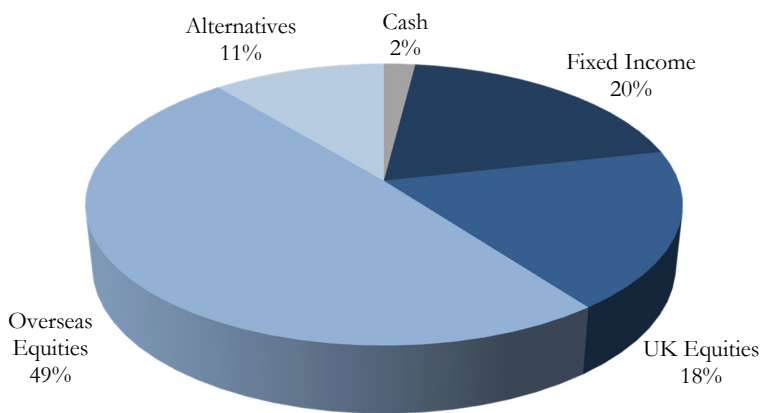
INVESTMENT OBJECTIVE & APPROACH

The objective of the Alpha Portfolio, over the medium term, is to achieve an above inflation return through a combination of income and capital growth. With equities representing around two thirds of assets, the portfolio will seek to benefit strongly from periods of growth in equity markets but will be exposed to periods of volatility in those markets.

The Portfolio will invest in ETFs and other collective funds, as well having scope to use structured investments. This provides a high degree of flexibility to allow the manager to implement any tactical view. The manager's approach is to provide their own tactical overlay and therefore in most cases passive instruments are used to minimise cost. However active managers are considered for each sector and used in a minority of cases where it is felt justified.

The firm's investment philosophy advocates complementing a core of traditional assets with exposure to value stocks and smaller companies. Within equities, a global approach is taken with only a moderate UK bias. For alternative investments, lowly correlated, liquid funds are used. There is an absolute focus on risk management, to control volatility, minimise draw-downs and enable maximisation of risk adjusted returns.

CURRENT ASSET ALLOCATION



Cash	Cash	2.00%
	Sovereign	2.50%
	Corporate	7.00%
Fixed Income	Emerging Markets	5.00%
	High Yield	5.00%
UK Equities	UK	18.25%
	Europe	11.50%
	US	10.00%
	Pacific	7.50%
Overseas Equities	Emerging Markets	10.25%
	Global	10.00%
	Commodities	5.00%
Alternatives	Absolute Return	6.00%
	Total	100.00%

PORTFOLIO POSITIONING

Our current positioning is built on three cornerstones: short-duration in fixed income, underweight in US equities and overweight alternative strategies. Our short-duration positioning is complimented by exposure to UK inflation linked bonds, emerging market bonds and 'other' bond strategies such as asset backed bonds and floating rate notes. The underweight to US equities is countered with overweight positions to European and emerging market equities, underpinned by a predilection to the value style-bias. The total equity weighting (67.5%) includes positions in a clean energy ETF and US banks ETF, as well as a defensive autocall fund. The fund offers daily liquidity and an alternative strategy to get exposure to equity markets. As well as alternative strategies in fixed income and equities we have a 5% position in physical gold and 6% position in an absolute return fund. We believe that the recent comments from the world's central bankers regarding asset valuations indicate an incipient collective effort to reign in investors' risk appetites. We believe our asset allocation is prudent for this environment, by avoiding the most expensive asset classes and regions.

CONTACT US

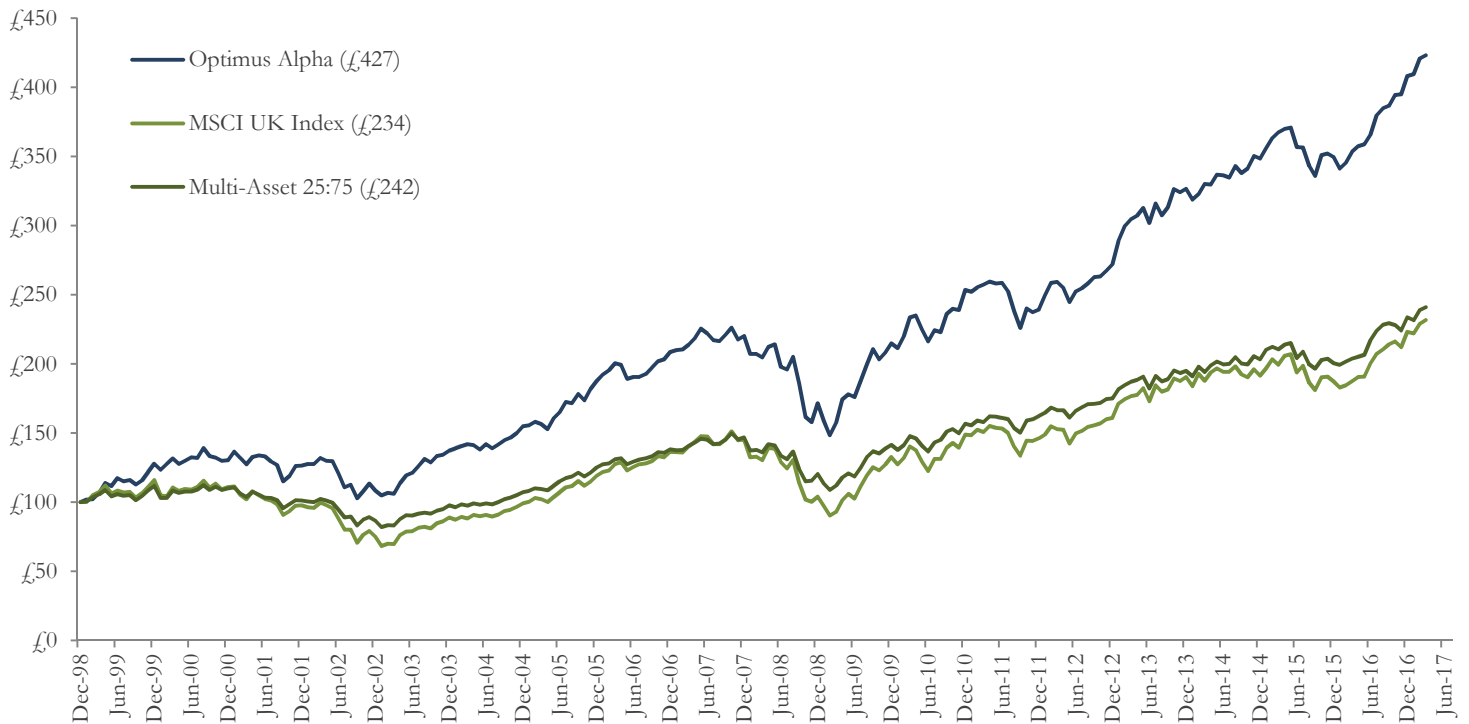
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PORTFOLIO PERFORMANCE

Performance of the Alpha Portfolio from 31st December 1998 to 30th June 2017 is shown below*. **Prior to 31st December 2012, returns are represented by the back-tested performance of the Optimus Alpha composite benchmark.**



Discrete live monthly performance*

	Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Total Return
Optimus Alpha Portfolio	2017	0.3%	2.8%	0.6%	-0.3%	1.3%	-0.3%							4.5%	55.2%
	2016	-2.4%	1.2%	2.3%	1.1%	0.4%	1.9%	3.3%	1.3%	0.5%	2.0%	0.1%	3.4%	16.1%	
	2015	2.2%	2.0%	1.2%	0.7%	0.3%	-3.8%	-0.1%	-3.6%	-2.2%	4.5%	0.3%	-0.7%	0.4%	
	2014	-2.4%	3.0%	0.2%	-0.1%	2.1%	-0.1%	-0.5%	2.5%	-1.5%	1.0%	2.6%	-0.5%	6.3%	
	2013	6.2%	3.8%	1.6%	0.9%	1.8%	-3.5%	4.7%	-2.8%	1.9%	4.2%	-0.7%	0.7%	20.0%	

Multi-Asset 25:75 comprises: 25% iBoxx UK Government Bonds and 75% MSCI UK equity index. Composite benchmark data for the Optimus Alpha Portfolio is available on request. All returns are total returns.

***Returns net of underlying fund charges but before Optimus management fees.**

RISK WARNINGS & DISCLAIMER

Risk Warnings

Please note that the investments referred to in this document are subject to market fluctuations, there can be no assurance that appreciation will occur and it may be possible that losses will be realised. **Past performance is not necessarily a guide to future performance and the value of investments can fall as well as rise.**

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