



30th September 2017

ALPHA MODEL PORTFOLIO

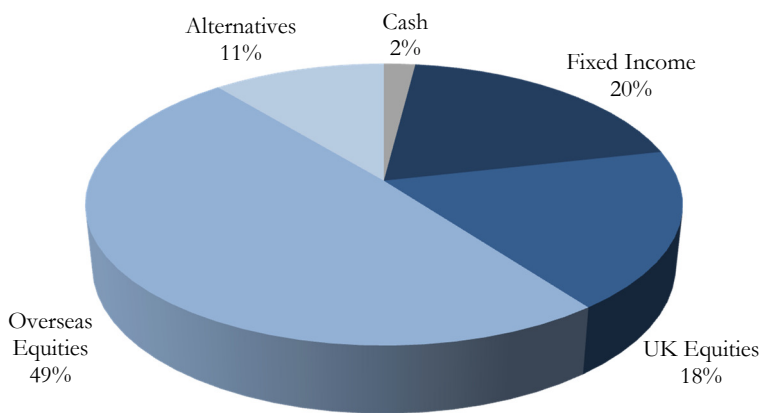
To provide capital growth with some income through an equity focused portfolio complemented with other assets

INVESTMENT OBJECTIVE & APPROACH

The objective of the Alpha Model 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 model 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 attempt to control volatility, minimise draw-downs and enable maximisation of risk adjusted returns.

CURRENT ASSET ALLOCATION



Cash	Cash	2.00%
	Sovereign	2.50%
Fixed Income	Corporate	10.00%
	Emerging Markets	5.00%
	High Yield	2.00%
UK Equities	UK	18.00%
	Europe	11.75%
	US	10.00%
Overseas Equities	Pacific	7.50%
	Emerging Markets	10.25%
	Global	10.00%
	Commodities	5.00%
Alternatives	Absolute Return	6.00%
	Total	100.00%

MODEL PORTFOLIO POSITIONING

Our current positioning is built on three cornerstones: Blended fixed income, underweight in US equities and overweight alternative strategies. Given the low yields offered by conventional fixed income assets, we have an underweight positioning in developed market sovereign bonds, with holdings in emerging market and high yield bonds offering more attractive return profiles. As this has increased the inherent 'risk' of fixed income within the model, we have offset this via an increased alternative investment allocation and cash. The underweight to US equities is countered with a significant overweight positions to European and emerging market equities, underpinned by a predilection to the value style-bias. Valuation and growth characteristics of these regions are more attractive than the US. Within alternative investments, we have a meaningful position in an absolute return fund - which seeks to deliver positive returns, uncorrelated to equity and fixed income moves. We also have a significant weighting in a gold ETF.

CONTACT US

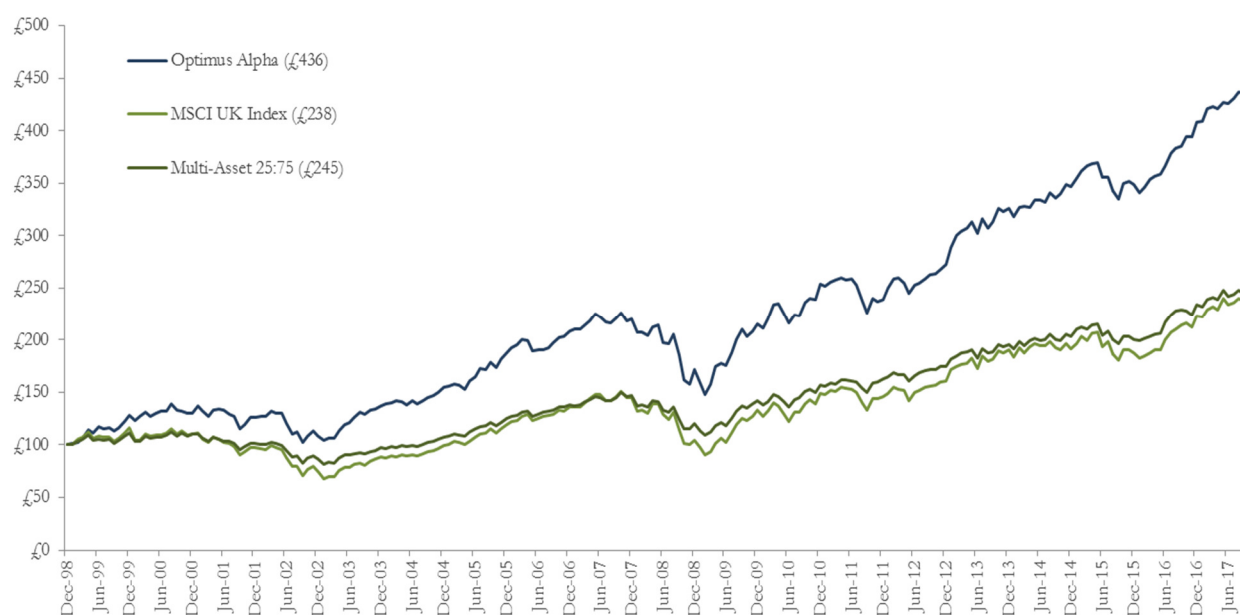
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MODEL PORTFOLIO PERFORMANCE

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



Live Model Portfolio Discrete Monthly Performance*

	Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Total Return
Optimus Alpha Model Portfolio	2017	0.3%	2.8%	0.5%	-0.4%	1.3%	-0.3%	1.2%	1.4%	-0.4%				6.7%	60.1%
	2016	-2.3%	1.3%	2.3%	1.1%	0.4%	2.2%	3.3%	1.3%	0.5%	2.2%	0.1%	3.5%	16.9%	
	2015	2.3%	1.9%	1.4%	0.5%	0.3%	-3.9%	-0.1%	-3.6%	-2.2%	4.5%	0.4%	-0.6%	0.6%	
	2014	-2.4%	2.9%	0.2%	-0.2%	2.2%	-0.2%	-0.4%	2.6%	-1.4%	1.1%	2.7%	-0.5%	6.6%	
	2013	6.1%	3.8%	1.6%	0.8%	1.9%	-3.5%	4.7%	-2.8%	1.8%	4.2%	-0.8%	0.7%	19.6%	

Multi-Asset 25:75: comprised of the monthly returns of 25% of the iBoxx UK Government Bonds Index performance plus 75% of the MSCI UK equity index performance. Back-tested performance of the Optimus model portfolio composite benchmark is rebalanced monthly with dividends reinvested. Source: Bloomberg data and Dimensional Returns data. Past performance is not a guide to future performance.

*Returns net of underlying fund charges but before Optimus management fees. All returns are total returns.

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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