



31<sup>st</sup> December 2017

### DEFENSIVE MODEL PORTFOLIO

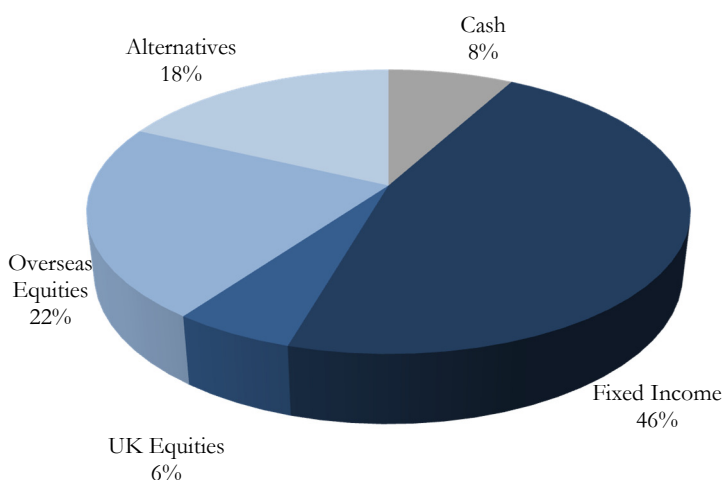
*To provide a balance of income and moderate capital growth through exposure to a broad range of asset classes*

#### INVESTMENT OBJECTIVE & APPROACH

The objective of the Defensive Model Portfolio, over the medium term, is to achieve an above inflation return through a combination of income and capital growth, coupled with a low degree of volatility. Fixed income investments are the main asset class.

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



<b>Cash</b>	Cash	8.00%
	Sovereign	15.00%
<b>Fixed Income</b>	Corporate	25.00%
	Emerging Markets	2.00%
	High Yield	4.50%
<b>UK Equities</b>	UK	5.50%
	Europe	5.25%
<b>Overseas Equities</b>	US	2.50%
	Pacific	3.00%
	Emerging Markets	2.50%
	Global	8.75%
	Commodities	5.00%
<b>Alternatives</b>	Absolute Return	13.00%
	<b>Total</b>	<b>100.00%</b>

#### MODEL PORTFOLIO POSITIONING

Our current positioning is built on three cornerstones: Blended fixed income, an underweight in US equities and overweight alternative strategies. Given the low yields offered by conventional fixed income assets, we are underweight developed market sovereign bonds, with holdings in emerging market and 'other' bond strategies, such as asset backed bonds, offering a better risk/return profile. 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. Valuation and growth characteristics of these regions are more attractive than the US. The total equity weighting (28.0%) includes positions in clean energy, France, Russia and a defensive autocall fund - the fund offers daily liquidity and is an alternative style of equity market exposure. Within alternative investments, we have a meaningful position in two absolute return funds – which seek to deliver positive returns, uncorrelated to equity and fixed income moves. We also have a significant weighting in a gold ETF.

#### CONTACT US



Information on Dynamic Planner can be found at [www.dynamicplanner.com](http://www.dynamicplanner.com).

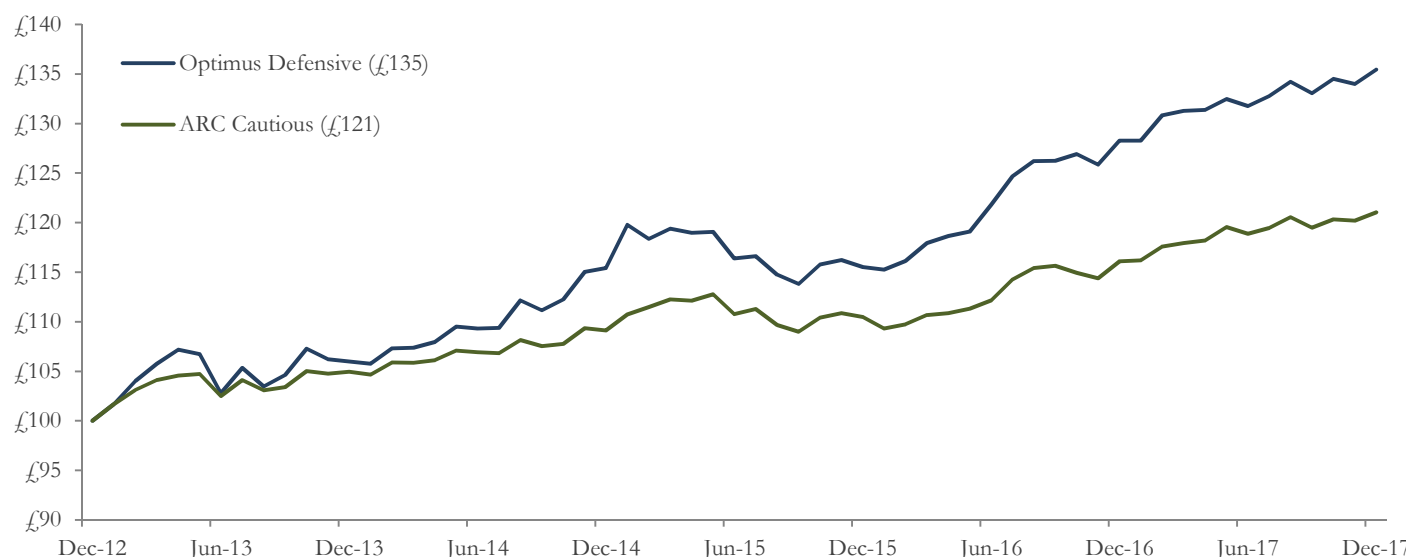
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# 5 YEAR MODEL PORTFOLIO PERFORMANCE

5 year performance of the Defensive Portfolio Model from 31<sup>st</sup> December 2012 to 31<sup>st</sup> December 2017 is shown below\*.



## Live Model Portfolio Discrete Monthly Performance\*

	Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Total Return
Optimus Defensive Model Portfolio	2017	0.0%	2.0%	0.3%	0.1%	0.8%	-0.5%	0.8%	1.0%	-0.9%	1.1%	-0.4%	1.1%	5.7%	35.6%
	2016	-0.2%	0.8%	1.5%	0.6%	0.4%	2.3%	2.3%	1.2%	0.0%	0.5%	-0.8%	1.9%	11.0%	
	2015	3.8%	-1.2%	0.9%	-0.3%	0.1%	-2.3%	0.2%	-1.6%	-0.8%	1.7%	0.4%	-0.6%	0.1%	
	2014	-0.2%	1.5%	0.1%	0.5%	1.4%	-0.2%	0.1%	2.5%	-0.9%	1.0%	2.5%	0.3%	8.9%	
	2013	1.7%	2.3%	1.7%	1.4%	-0.4%	-3.7%	2.5%	-1.8%	1.1%	2.5%	-1.0%	-0.2%	6.0%	

Source: [www.assetrisk.com](http://www.assetrisk.com), for the ARC Private Client Indices

\*Returns net of underlying fund charges but before Optimus management fees and other costs. These fees and costs can range from 0.5% to 1.3% per annum, which would detract from performance advertised above. All returns are total returns. The ARC PCI indices are net of all costs, including management fees.

**Past performance is not a guide to future performance and the value of investments can fall as well as rise.**

## 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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