



31<sup>st</sup> March 2018

### CORE INCOME MODEL PORTFOLIO

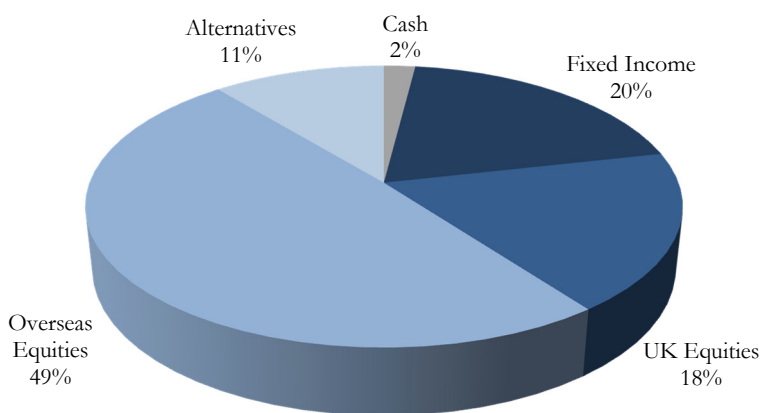
*To provide a high level of income with some capital growth through exposure to a broad range of asset classes*

#### INVESTMENT OBJECTIVE & APPROACH

The objective of the Core Income Model Portfolio, over the medium term, is to achieve an above inflation return with an income focus, together with an element of capital growth. The gross yield is at present targeted in the region of 3%. Equities are the main asset class and so there will be a degree of volatility.

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. Given the income focus of this portfolio, value stocks will play a greater role than smaller companies. 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	2.00%
	Sovereign	2.50%
<b>Fixed Income</b>	Corporate	10.00%
	Emerging Markets	5.00%
	High Yield	2.00%
<b>UK Equities</b>	UK	18.00%
	Europe	11.75%
	US	10.00%
<b>Overseas Equities</b>	Pacific	7.50%
	Emerging Markets	10.25%
	Global	10.00%
	Commodities	5.00%
<b>Alternatives</b>	Absolute Return	6.00%
	<b>Total</b>	<b>100.00%</b>

#### MODEL PORTFOLIO POSITIONING

We are monitoring geopolitical tensions closely. The sanctions levied by the US on Russian companies were unexpected, as was compelling non-US citizens and business to enforce the sanctions. In an additional act of aggravation, which has slipped under the radar of mainstream media, the White House attempted to incense China (on top of trade tariffs) by permitting US defence contractors to sell Taiwan the technology to build its own nuclear submarines – a breakthrough in Taiwan's long-standing ambitions to build up its fleet to counter the threat from Beijing. We remain underweight traditional fixed income, underweight equities – specifically US equities – and have no investments in property. We prefer: alternative investments, such as absolute return strategies; specific equity regions, such as France, Japan and Emerging Markets; and short duration, alternative fixed income funds, such as those with exposure to asset backed securities. This reflects our view that central banks are keen to tighten monetary supply in 2018, pushing fixed income yields higher at a time when fixed income and equities are expensive. **The distribution yield is 3.8%.**

#### CONTACT US



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

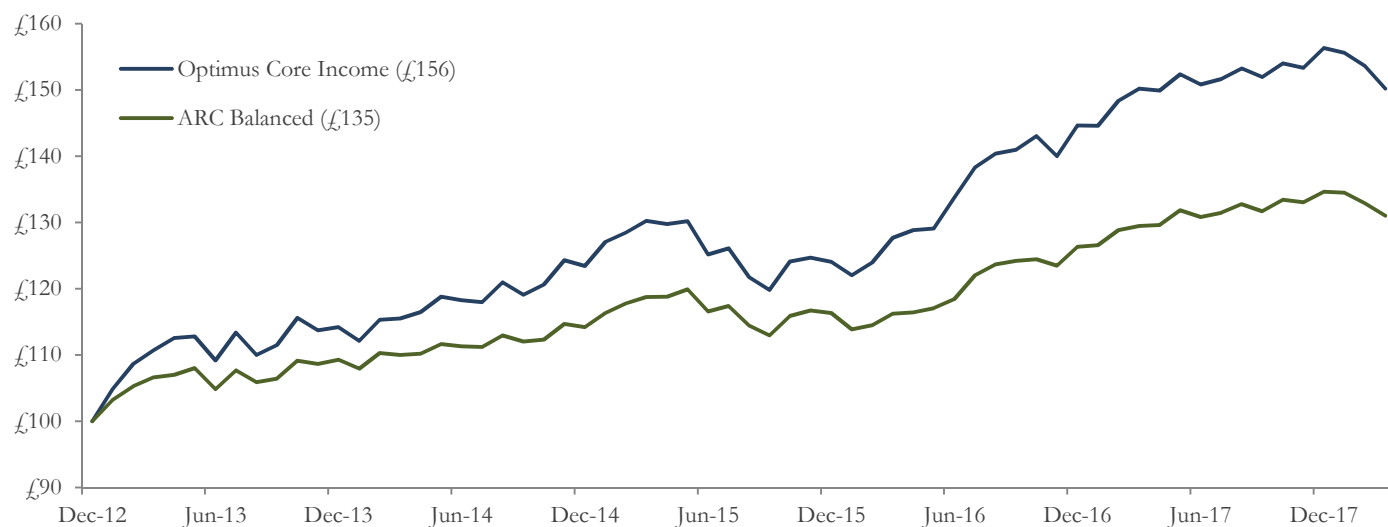
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# MODEL PORTFOLIO PERFORMANCE

Performance of the Core Income Model Portfolio from 31<sup>st</sup> December 2012 to 31<sup>st</sup> March 2018 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 Core Income Model Portfolio	2018	-0.5%	-1.3%	-2.2%										-3.9%	50.2%
	2017	0.0%	2.6%	1.2%	-0.2%	1.6%	-1.0%	0.5%	1.1%	-0.9%	1.4%	-0.5%	2.0%	8.1%	
	2016	-1.6%	1.6%	3.0%	0.9%	0.2%	3.6%	3.4%	1.5%	0.4%	1.4%	-2.1%	3.3%	16.6%	
	2015	3.0%	1.1%	1.4%	-0.4%	0.3%	-3.8%	0.7%	-3.5%	-1.6%	3.6%	0.5%	-0.5%	0.5%	
	2014	-1.8%	2.8%	0.2%	0.8%	2.0%	-0.5%	-0.2%	2.5%	-1.5%	1.3%	3.0%	-0.7%	8.1%	
	2013	4.9%	3.6%	1.9%	1.7%	0.2%	-3.2%	3.9%	-3.0%	1.4%	3.7%	-1.6%	0.4%	14.2%	

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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