



31st March 2018

DEFENSIVE INCOME MODEL PORTFOLIO

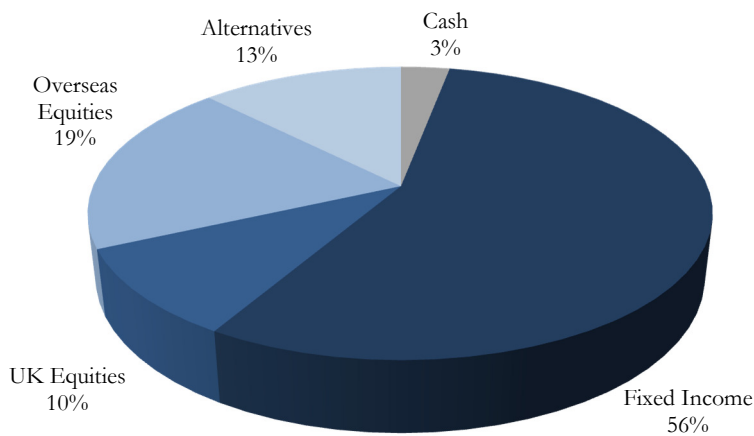
To provide an enhanced real return with an income focus through exposure to a broad range of asset classes

INVESTMENT OBJECTIVE & APPROACH

The objective of the Defensive Income Model Portfolio, over the medium term, is to achieve an above inflation return with an income focus, coupled with a low degree of volatility. The gross yield is at present targeted in the region of 3%. 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. 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



Cash	Cash	3.00%
	Sovereign	9.00%
Fixed Income	Corporate	36.00%
	Emerging Markets	4.50%
	High Yield	6.00%
UK Equities	UK	9.75%
	Europe	4.50%
	US	2.25%
Overseas Equities	Pacific	2.00%
	Emerging Markets	2.50%
	Global	8.00%
Alternatives	Infrastructure	5.00%
	Absolute Return	7.50%
Total		100.00%

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 3.4%.**

CONTACT US

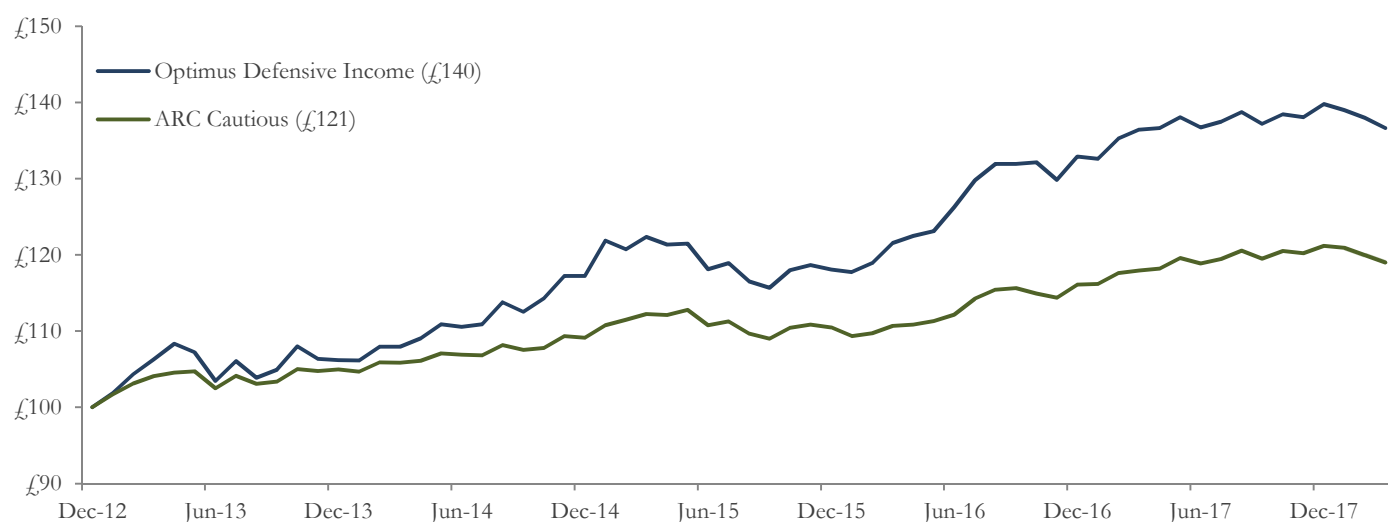
Email: investments@optimuscapital.com

Website: www.optimuscapital.com

General Enquiries: 020 7535 1700

MODEL PORTFOLIO PERFORMANCE

Performance of the Core Income Model Portfolio from 31st December 2012 to 31st 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 Defensive Income Model Portfolio	2018	-0.6%	-0.7%	-1.0%										-2.3%	36.8%
	2017	-0.2%	2.0%	0.8%	0.2%	1.1%	-1.0%	0.5%	0.9%	-1.1%	0.9%	-0.3%	1.3%	5.3%	
	2016	-0.3%	1.0%	2.2%	0.8%	0.5%	2.6%	2.8%	1.7%	0.0%	0.1%	-1.7%	2.3%	12.5%	
	2015	3.9%	-0.9%	1.3%	-0.8%	0.1%	-2.8%	0.7%	-2.0%	-0.7%	2.0%	0.6%	-0.5%	0.7%	
	2014	-0.1%	1.7%	0.0%	1.0%	1.7%	-0.3%	0.3%	2.6%	-1.1%	1.6%	2.6%	0.0%	10.4%	
	2013	1.9%	2.5%	1.8%	1.9%	-1.0%	-3.5%	2.5%	-2.0%	1.0%	2.9%	-1.5%	-0.1%	6.2%	

Source: 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.**

Disclaimer

Optimus Capital LLP, a limited liability partnership registered in England and Wales with number OC348019, is authorised and regulated by the Financial Conduct Authority as Firm 506790. A list of members of Optimus Capital LLP together with those non-members who are designated as partners and their professional qualifications is open to inspection at its registered office, 2nd Floor, 1 Babmaes Street, London, SW1Y 6HD.

The information contained in this document has been compiled by Optimus Capital LLP and its affiliates and subsidiaries from sources believed by it to be reliable, but no representations or warranty, express or implied, is made by Optimus Capital LLP or any other person as to its accuracy, completeness or correctness. All opinions and estimates contained in this report constitute Optimus Capital LLP's judgment as of the date of publishing, are subject to change without notice and are provided in good faith but without legal responsibility. The information in this document, which does not purport to be comprehensive, has not been verified by Optimus Capital LLP.

The receipt of this document by any person is not to be taken as constituting the giving of investment advice by Optimus Capital LLP to any such person, nor to constitute such person as a client of Optimus Capital LLP. Unless otherwise agreed, Optimus Capital LLP will not regard any person as a client and will not be responsible for providing any protections afforded to clients of Optimus Capital LLP.

The investments discussed in this report and strategies outlined in this document may not be eligible for sale in some jurisdictions and countries. Neither Optimus Capital LLP nor any of its affiliates and subsidiaries, nor any other person, accepts any liability whatsoever for any direct or consequential loss arising from any use of this document or the information contained herein. This material is not for distribution in the US. This document may not be reproduced, distributed or published by any recipient hereof for any purposes.