OPTIMUS CAPITAL

DISCRETIONARY FUND MANAGEMENT

Aug 2020

31st August 2020

CORE MODEL STRATEGY

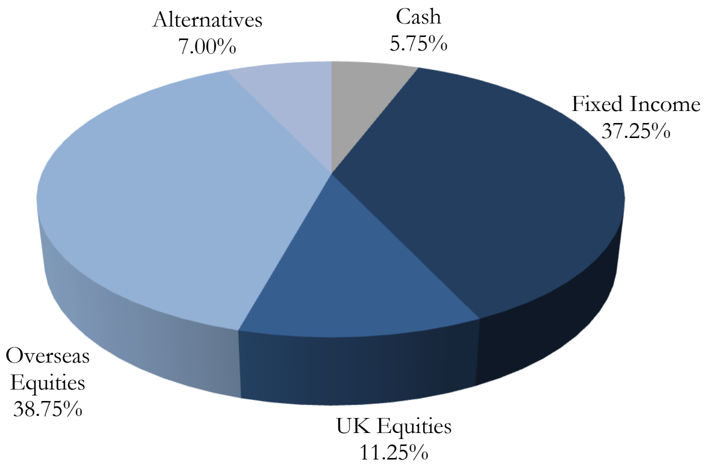
To generate capital growth and income over the long term, through a diverse mix of asset classes

INVESTMENT OBJECTIVE, APPROACH & TYPICAL INVESTOR

The objective of the Core Model Strategy, over the medium term, is to achieve an above inflation return through a combination of income and capital growth. A typical investor would be seeking long-term growth. The diversified nature of the investments makes the strategy suitable for investors wishing to achieve a broad spread of exposure to asset classes. The strategy is expected to have a moderate degree of volatility, relative to pure equity investment.

The model strategy will invest in ETFs and other collective funds. The manager's approach is to utilise passive instruments where possible to minimise cost. However, active managers are considered for each asset class 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 risk premia such as value, low volatility and size. Within equities, a global approach is taken with only a moderate UK bias. For alternative investments, lowly correlated, daily liquid funds are used.

CURRENT ASSET ALLOCATION*



Cash	Cash	5.75%
Fixed Income	Sovereign	17.75%
	Inflation Linked	5.25%
	Corporate	9.00%
	Emerging Markets	3.25%
	Asset Backed Securities	2.00%
UK Equities	UK	11.25%
Overseas Equities	Europe	2.50%
	US	9.75%
	Pacific	2.25%
	Emerging Markets	4.25%
	Global	20.00%
Alternatives	Commodities	3.00%
	Alternative Return Strategies	4.00%
	Total	**100.00%**

*The asset allocation is the target asset allocation of the Core Strategy as of 31st August 2020. The realised asset allocation of any MPS portfolio may differ due to implementation restrictions and fund performance drift.

MONTHLY COMMENTARY AND POSITIONING

August was a positive month for risk assets, which continued to be driven by the prospect of additional policy stimulus, expectations for a COVID-19 vaccine, and improving economic data. Over the month, equity markets were the clear outperformers across the multi-asset spectrum, with the S&P 500 soaring to new all-time highs. In fixed income, credit markets continued their strong rally while global sovereign bond yields drifted higher. The US Dollar was a notable laggard in the G10 FX space and gold, which briefly surpassed $2,000/oz, ended the month in negative territory.

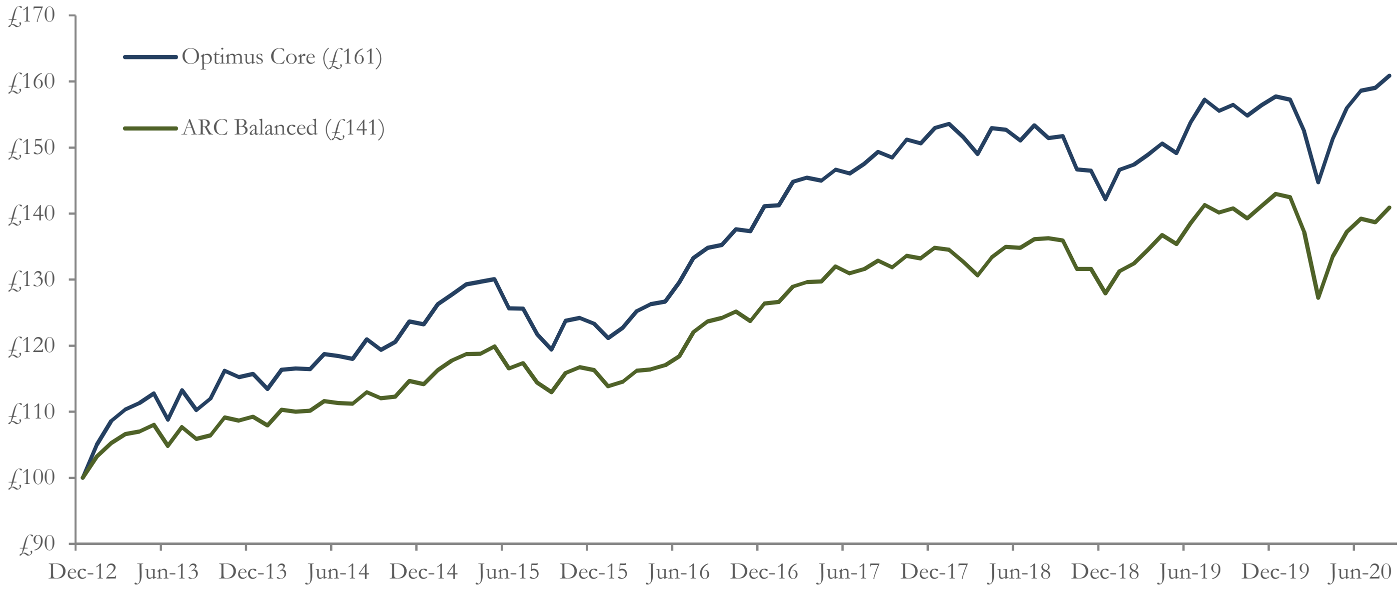
As equity markets have rallied, many risk appetite indicators have returned to neutral, indicating that the easy money has been made and the risk versus reward trade-off is much more finely balanced. The past few weeks have seen the VIX index – an index which measures the expected volatility of stocks – rising alongside equities. This is unusual and suggests markets might get a little choppier over the coming weeks, something we are seeing as we write this commentary. Over August, the spread of COVID-19 through the US slowed and political betting markets started pricing in a much tighter election race than indicated only a handful of weeks ago. It is an old adage but a very true one: markets hate uncertainty and the US election is looking increasingly uncertain, especially as the large number of postal votes may lead to delays in declaring the result.

Strategy Update

Turning to the model strategies, we remain neutral on equities with an underweight to fixed income in favour of gold and alternative investment strategies. We retain our underweight position to the US Dollar so further Dollar weakness should be beneficial for the strategies relative to peers.

Model Strategy Performance

Since inception, simulated performance of the Core Model Strategy from 31st December 2012 to 31st August 2020 is shown below*.



Live Model Strategy Discrete Annual Performance*

	Equity Content	2013	2014	2015	2016	2017	2018	2019	YTD	Since Inception
Optimus Core Strategy	50.0%	15.7%	6.5%	0.1%	14.4%	8.4%	-7.0%	10.9%	2.0%	60.8%
ARC Balanced	40.0-60.0%**	9.3%	4.5%	1.9%	8.6%	6.7%	-5.1%	11.8%	-1.5%	40.9%

Source: www.assetrisk.com, for the ARC Private Client Indices. Bloomberg data for Optimus performance.
* All simulated returns are total returns net of management fees and platform costs. Platform costs of 0.1% have been deducted but this may differ upon your platform of choice and portfolio size. Returns may increase or decrease depending on currency fluctuations if the investor's currency is not GBP.
**Specifically, target relative risk as a % of world equity, as defined by Asset Risk Consultants (ARC). See www.assetrisk.com for more details on the ARC PCI indices. Source of returns: ARC Private Client Indices Performance.

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

Mapped Risk Level 3/5 4/7 OXFORDRisk

Information on Oxford Risk can be found at **www.oxfordrisk.com**.

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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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