OPTIMUS CAPITAL

DISCRETIONARY FUND MANAGEMENT

Sep 2020

30th September 2020

GROWTH MODEL STRATEGY

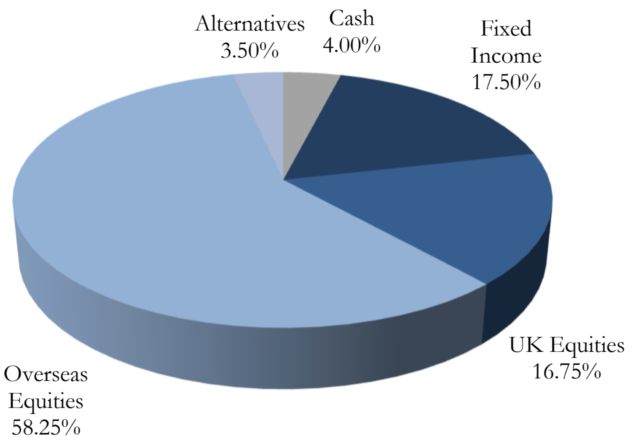
To generate capital growth over the long term, largely through equity focused investments

INVESTMENT OBJECTIVE, APPROACH & TYPICAL INVESTOR

The objective of the Growth 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 equity focused nature of the investments makes the strategy suitable for investors seeking exposure to broad equity markets, with a moderate amount of exposure to other assets.

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	4.00%
Fixed Income	Sovereign	8.25%
	Inflation Linked	2.25%
	Corporate	4.50%
	Emerging Markets	1.50%
	Asset Backed Securities	1.00%
UK Equities	UK	16.75%
Overseas Equities	Europe	3.75%
	US	14.75%
	Pacific	3.25%
	Emerging Markets	6.50%
	Global	30.00%
Alternatives	Commodities	1.50%
	Alternative Return Strategies	2.00%
	Total	**100.00%**

*The asset allocation is the target asset allocation of the Growth Strategy as of 30th September 2020. The realised asset allocation of any MPS portfolio may differ due to implementation restrictions and fund performance drift.

MARKET COMMENTARY AND POSITIONING

In addition to COVID-19 developments, September's biggest news centred around the US election with the first presidential debate occurring in the final days of the month. With Biden performing well in the polls, investors are turning their attention to a Democratic sweep – a situation where the Democrats control both the White House and Senate. The most direct consequence of a Democratic sweep on US stock market profits is the likelihood of corporate tax reform. This is perceived to be negative for profits. On the other hand, a large increase in fiscal spending by the Democrats would boost economic growth and help offset the earnings headwind from higher taxes.

While it is widely believed – by both voters and observers alike – that this election is the most consequential to date, there are other more important factors at play that drive equity valuations in the medium-term. They are: (i) the status of a vaccine, (ii) the path of the economic recovery, and (iii) monetary policy. If investors remain relatively optimistic on these three drivers, which we do, there is a case to be made for holding a meaningful allocation to equities.

Strategy Update

We remain market weight in equities with an allocation to risk premia. We have an underweight to fixed income in favour of gold and alternative investment strategies and are underweight the US Dollar.

Notable positives:

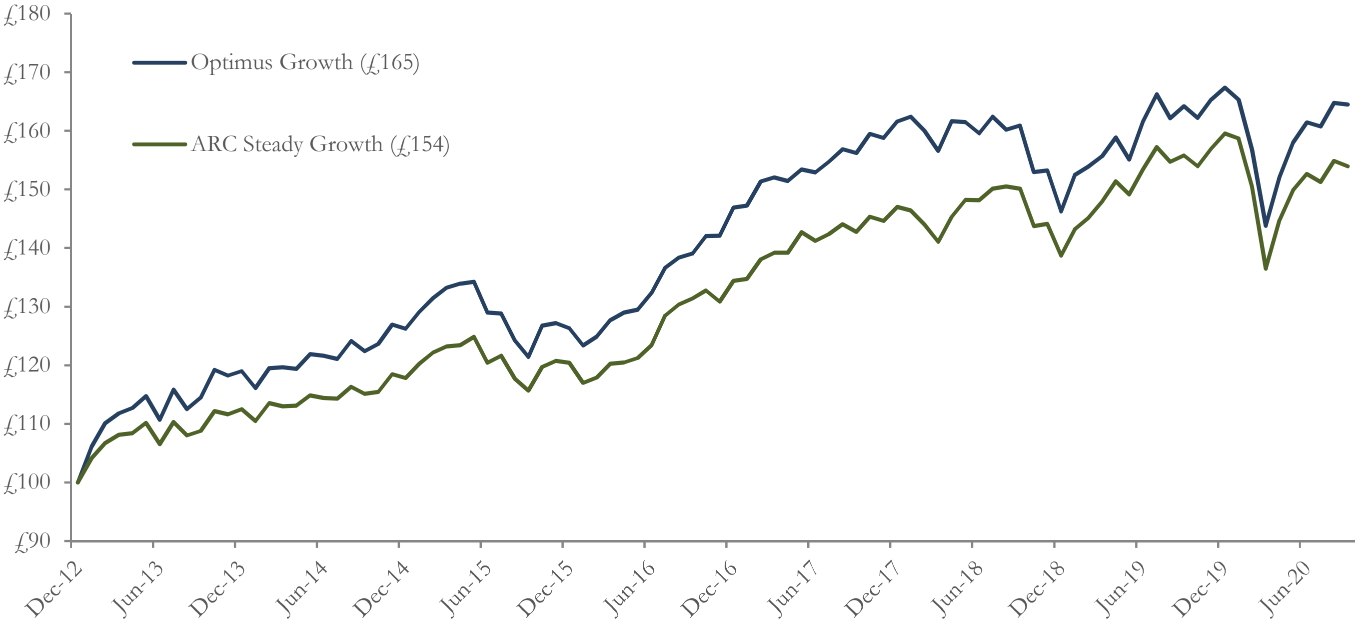
September was a good month for our fixed income fund selection. The selection of unhedged Japanese government bonds, the L&G Sterling Corporate Bond Fund and TwentyFour Monument Bond Fund was a tailwind for the strategies as these funds outperformed their benchmarks. As you know, we invest in three risk premia: value, quality and low volatility. In September, quality and low volatility outperformed global equities, with value performing in line. Therefore, this exposure helped the strategies.

Notable negatives:

The decision to halve exposure to gold in late August was a good one as the yellow metal fell 4.2% in September. Whilst the decision was timely, the retained exposure was a drag on performance compared to peers, which do not allocate to gold. As mentioned above, the strategies are underweight the US Dollar compared to peers and this was a headwind for performance in a month when USD rallied 3.5% against GBP.

MODEL STRATEGY PERFORMANCE

Since inception, simulated performance of the Growth Model Strategy from 31st December 2012 to 30th September 2020 is shown below*.



Live Model Strategy Discrete Annual Performance*

	Equity Content	2013	2014	2015	2016	2017	2018	2019	YTD	Since Inception
Optimus Growth Strategy	75.0%	19.0%	6.1%	0.1%	16.3%	10.0%	-9.5%	14.4%	-1.7%	64.5%
ARC Steady Growth	60.0-80.0%**	12.5%	4.7%	2.3%	11.6%	9.4%	-5.6%	15.0%	-3.5%	54.0%

Source: www.assetrisk.com, for the ARC Private Client Indices. Bloomberg and Optimus 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. ARC data for YTD and Since Inception is subject to revision.

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

Mapped Risk Level 4/5 5/7 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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