



# CAERUS SELECT

QUARTER TWO 2016  
INVESTMENT REVIEW



**CAERUS**  
Portfolio Management





# CONTENTS

CHIEF EXECUTIVE'S STATEMENT	4.
MANAGING DIRECTOR'S REVIEW	5.
IMPORTANT NOTES	6.
CONTACT DETAILS	7.
MARKET COMMENTARY	8.
FEATURED ARTICLE: THE DEFICITS MOUNT	9.
CAERUS ACTIVE AND PASSIVE PORTFOLIOS	10.
CAERUS BLENDS	14.
CAERUS TACTICAL INCOME	18.
CAERUS STRATEGIC ETHICAL ACTIVE PORTFOLIOS: PROFILE A-D	22.
PORTFOLIO CHANGES	30.
INDEX AND PEER GROUP RETURNS	31.

# CHIEF EXECUTIVE'S STATEMENT



**Keith Carby**

Chief Executive  
CAERUS Capital Group Limited

## **“Time in the market, not timing the market.”**

A frequently quoted axiom, but one which many people seem to ignore. Whatever the reasons for their original Investment, Investors usually have specific goals in mind and, often, relative time-frames.

The vast majority of those who seek Financial Advice are very much concerned with the outcomes. They have made plans for their money. They have clear objectives. And they want to feel sure those objectives will be met.

Determining those objectives is one thing; actually delivering the required outcome - in monetary terms - is another. That requires a strategic, rather than a purely tactical approach.

We would never suggest Clients wait until the day before they retire to 'cash in' an invested pension fund. A longer term approach is required, one that makes allowances for the vagaries of the markets; one that accepts the realities of being in the market and that, under most circumstances, it's better to take a gain than a loss. That way, realistic objectives are more likely to be met.

In this edition of our QIR, Simon Brett considers market reactions to the result of the 'Brexit' referendum. Harry Garrett highlights the plight of the Final Salary pension scheme.

Both articles remind us of very significant changes that have occurred in the recent past; "pension freedoms" preceded "Brexit", with the decline of the final salary pension scheme an ongoing reality.

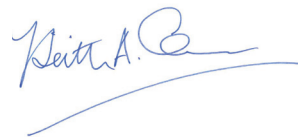
Whether investing for very specific future expenditure - for example, purchase of 'bricks and mortar', university fees, the holiday of a lifetime, or for what is probably one of the most valuable events in most working people's lives, a comfortable retirement - timing is as important as the choice of Investment vehicle.

Perhaps the world's best known Investment guru, Warren Buffett, has been generous in providing us with advice in the form of many sound bites. Rolled into one, his message is clear; we cannot predict the markets, so be prepared to tolerate losses - as well as the more prevalent gains - and be in the market for the longer term.

As we have experienced recently, events do have an impact on the markets, often driven by sentiment rather than applied analysis. Some events drive the markets down, others, sometimes (contrary to experts' predictions!), have the opposite effect.

The challenge for us all is adopting the discipline to take the gains well ahead of the event we intend to fund. It is, of course, tempting to want to ride a rising market, to hold on in the hope of securing a greater gain. But we should always expect the unexpected.

Today, more than ever before, it is crucial to have a strategy on Investment. If you have taken Advice and have a realistic financial plan in place to meet your objectives, it should only be changed after very careful consideration.



Keith Carby  
Chief Executive  
CAERUS Capital Group Limited

# MANAGING DIRECTOR'S REVIEW



## Andy Ferns

Managing Director  
CAERUS Capital Group Limited

### Risk On, Risk Off

Nowadays, insiders characterise market conditions, and the attitudes of professional Investors, using the shorthand expressions, Risk On, or Risk Off. This year, markets have seen sharp swings between Risk On and Risk Off, often proving guesses about the next move immediately wide of the mark. The situation now is complex and many retail Investors are nervous. As a result, these are times of great opportunity.

Everyone knows we have voted to leave the EU, and every experienced Investor knew, beforehand, that decision would create the sort of uncertainty which markets dislike. No-one predicted the actual result in any scientific way. It was too close to call. But what, in the very short term, has been the verdict of the markets, as reflected in the CAERUS Select portfolios?

### Passive moves ahead

Markets, remarkably, are in a Risk On phase. At the start of the year, forecasters were pointing to a series of expected US interest rate rises – the so called 'lift off' or 'normalisation' – after years of low-cost money, injected into the economy as part of the Federal Reserve's programme of Quantitative Easing, to maintain confidence among consumers and lenders alike. The anticipated rate rises have been deferred, giving the winning edge to passive Investors, who continue to profit from liquidity driven markets. Active managers are not that far behind, but in the quarter ending 30 June there was strong performance from our Passive portfolios. Risk Grade 6 was up over 4% and Risk Grade 8 by over 4.75%. These are highly satisfactory numbers.

### What about property?

The Brexit shock has caused "open ended" property funds some difficulties. There are two factors in play. One is that, despite being required by the Regulator to hold 12% in cash on average, Investor redemptions have threatened to use up all the fund managers' cash. Managers think some of this money may be better applied to purchasing property at a time of stress, so aren't keen to see it leave. The second is the month to month valuations applied to 'bricks and mortar'

Investments are derived from professional surveyors' opinion, not from bids and offers in a live market. Naturally conservative, the general view is that Brexit will dent economic activity for a while and that would be expected to cause the surveyors to mark down their property valuations.

In response, property managers have generally taken one of two courses of action. Some have suspended trading, stopping withdrawals and Investments, to allow time to raise cash if that is needed and/or to see if the market steadies its nerve. Others stayed open but told Investors looking to exit they would be offered an inferior price, typically through applying an exit penalty, say of 15%.

These moves look like prudent fund management and, together with evidence that the market is not locked up, that deals are being done, buyers are coming to London, and some discounts are being lifted. Our confidence in the diversification benefits of property remains intact, despite the short term operational issues.

### What's next?

At home, we will be paying close attention to the signals from the new cabinet of Theresa May on how it intends to play the EU withdrawal strategy and, in the last quarter, we will hear Philip Hammond's first Autumn Statement. We are expecting to hear about new policies to reflate the economy and to boost consumer confidence. Austerity, as an everyday phrase in politics, looks to be dead.

Abroad, the US election is taking place on 8 November. Just as in the Brexit referendum, the polls are close.

In Europe, Italy looks to be the area in which concern is rising around its ability to write down regional bank debt within the rules of the Euro.

As ever, portfolio diversification is the tried and tested solution to riding out a period of heightened uncertainty. The positive returns of the last three months show that the stress of events, even of the greatest impact, like Brexit, are absorbed by a portfolio with a good spread of risk exposure. With fund selections which concentrate on rewarding managers with a proven management style, not one built on trading or short term anxiety about Risk On or Risk Off, we can remain confident that the Investment outcomes to which we are committed will be achieved.



# IMPORTANT NOTES

## Views and opinions

The views and opinions expressed in this document are those of CAERUS Portfolio Management Limited and Parmenion Investment Management. They should not be taken as a personal recommendation to buy or sell, or as Advice on how any Investment mentioned is likely to perform. Every care has been taken to ensure the accuracy of the information published in this document. It cannot, however, be guaranteed.

## Performance data

Unless otherwise stated, all performance figures are from FE, formerly Financial Express Analytics, and are calculated on a total return, bid to bid basis (no initial charges) to 30th June 2016 (net income reinvested). Performance figures include the underlying funds' Annual Management Charges and exclude rebates and external charges from Parmenion or the introducing Adviser.

Where performance data is not available for a period of five years or more, this is quoted from inception date. Where no performance figures are shown, no data is available, which we have labelled as N/A for the purposes of this document.

The tables in this document provide past performance data and should not be taken as a guide to future returns. The data represents the period over which Parmenion Investment Management has operated the funds in their stated configuration. CAERUS Portfolios have been operating using the same formulation since 3rd March 2014.

The data included within this report reflects the performance and charges for the CAERUS Select Portfolios as managed on the Parmenion Platform. This data may differ on other platforms due to fund and share class availability and the trading processes adopted by the platform.

The value of Investments and the income that can be earned from them may go down as well as up and a Client may not get back the full amount invested. Rates and bases of taxation are subject to change. The risks of Investment associated with different asset classes, for example, overseas equity, property, corporate debt, commodities and alternative assets vary in their nature.

## Yield

The Quarterly Investment Review quotes the historic yield, which reflects distribution declared over the past twelve months as a percentage of the unit price. It is based on a snapshot of the Portfolio on that day.

## Ongoing Charge Figure (OCF)

The Ongoing Charge Figure is defined as the expected total cost of managing and operating the fund for the coming year. OCF includes the Annual Management Charge paid to the fund manager plus the additional operational charges of the fund (custody, distribution, audit, registration and regulatory fees).

OCF does not include an estimate of performance fees unlike the old measure, Total Expense Ratio (TER), which was based on the experience over the prior year.

The OCF figures quoted in this report are net of any rebates paid to Parmenion from the Annual Management Charge. Any such rebates received are credited to the Client's Portfolio. OCF figures in this report do not include Parmenion's own charges or those of the introducing Adviser; neither do they include any dealing costs associated with buying or selling the funds.

## Seeking appropriate Financial Advice

Parmenion is not authorised to provide Investment Advice to individuals. It is important that Clients take a medium to long-term view when investing and are realistic about performance outcomes.

If a Client wishes to obtain Financial Advice as to whether an Investment is suitable for their needs, they should consult an authorised Financial Adviser.

Clients should ensure they have understood the contents of their Adviser's Suitability Report before proceeding with any proposed Investment.

## Regulatory

CAERUS Portfolio Management Limited is authorised and regulated by the Financial Conduct Authority, registration number 175524.

Parmenion Investment Management Ltd is a subsidiary of Parmenion Capital Partners LLP. Parmenion Capital Partners LLP is authorised and regulated by the Financial Conduct Authority, registration number: 462085. Wholly owned subsidiary of Aberdeen Asset Management PLC and Aberdeen Investments Limited. Parmenion Capital Partners LLP is registered in England and Wales OC322243.



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# MARKET COMMENTARY



**Simon Brett**

Director & Chief Investment Officer  
Parmenion Investment Management

The referendum is over and 'Leave' won by 52% to 48%. A surprise result perhaps not predicted by pundits and experts alike, has led to a political, economic and diplomatic trauma not only for the UK, but also for Europe and perhaps the wider world.

No doubt the results will occupy a number of essays and PhDs from political scientists for years to come, but for now, uncertainty has increased. Investors are trying to make sense of what has happened and what the future holds.

Let's look at the politics first. The referendum exposed clear splits between London and university cities, and the rest of the country, with Scotland and Northern Ireland firmly on the 'Remain' side. Another independence vote in Scotland is not out of the question and what of the relationship between Ireland and the rest of the UK? These are longer term questions. Of more immediate concern is a political vacuum in the next few months. To have two leadership contests in both of the major political parties at the same time is fascinating and may increase the possibility of a general election earlier than expected. Further afield, there are several elections in Europe over the next eighteen months. Will other countries want to have their own referendums and what will this mean for the future of the EU itself? Finally, we have the US election in November. Is the 'Leave' vote in the UK a harbinger of an overturning of the established order in the US with the rise of Donald Trump? It appears that politics may be the driver of the economic cycle in the near future.

As expected, sterling was the first to react to the vote. From a value of \$1.50 at midnight of the day of the referendum, it fell dramatically to \$1.33 as the day progressed. What are the effects? Despite the headlines talking about a "weak" currency, it is not all bad news. Exporters and companies with large overseas earnings will find their products cheaper to sell and their profits rise upon conversion to sterling. This perhaps explains the rally in the FTSE100 index throughout June. With approximately 80% of the earnings of FTSE100 from overseas, profits should rise. However inflation is expected to rise as imported goods become more expensive. The Bank of

England has missed its target of 2% inflation for some time. It may now face a rise in inflation to perhaps 3% to 4%.

A rise in interest rates is the "normal" response to an overshoot of inflation. However, the UK economy is now forecast to slow as the uncertainty over politics, our trading relationship with Europe etc, may result in companies deferring investment, the consumer to rein back spending and perhaps house prices to fall. With the consumer accounting for three quarters of the UK economy this should not be overlooked. To offset the slowdown, the Bank of England is now expected to lower rates from the current level of 0.5% and perhaps worry less about inflation.

Meanwhile, what about the rest of the world? US dollar weakness at the start of the quarter lifted emerging markets and commodities. However, with its safe haven status the dollar has now strengthened. Will this cause problems for emerging markets similar to a couple of years ago? Time will tell. Similarly, recent strength in the yen does not help that country's exporters. Will Japan take action to stem its rise?

Uncertainty prevails and it may be some time before valuations and fundamentals move to ascendancy once again in terms of looking at markets. At the moment, sentiment rules, which makes investing difficult. At such times it is useful to re-examine risk appetites and maintain a diversified Portfolio.

## Sterling / Dollar Exchange Rate







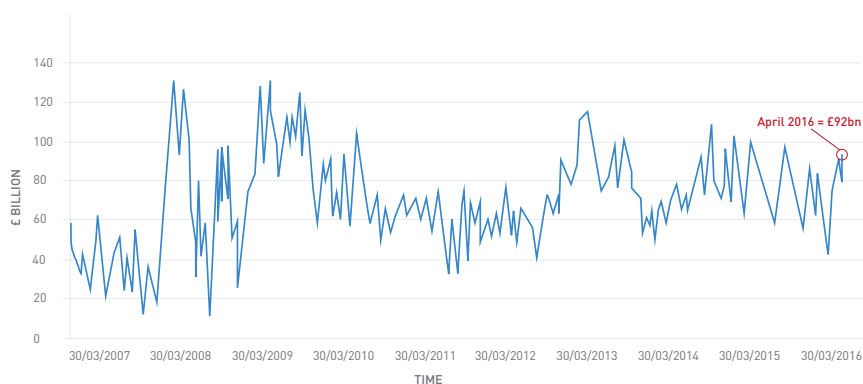
**Harry Garrett**  
Investment Analyst  
Parmenion Investment Management

From the norm to non-existent. Final salary schemes provided employees great comfort about their post-employment lifestyle. This is a luxury that few people experience today, without a sensible savings and Investment strategy.

The shift from final salary to defined contribution effectively transfers the risk from the employer to the employee. This is not to say that companies are now insulated from risks of final salary schemes, as there are billions of pounds in legacy schemes remaining on balance sheets and, worryingly, a significant portion are an increasing liability as opposed to an asset.

Pension deficit growth is not a UK centric issue; it's global and US corporates in particular are suffering similar deficits to UK companies. The chart below illustrates the problem, with FTSE 350 deficits sitting at around £92bn, as of April 2016. Uncertainty around Brexit has caused it to increase further. More disturbingly, if all companies that are covered by the PPF (Pension Protection Fund) are included, then the deficit stood at £302.1bn at the end of March 2016 (This Is Money).

**FTSE 350 - Rolling Pension Scheme Deficits (£bn)**



Source: Mercer

There are clearly many reasons why deficits are increasing and this article aims to summarise a few. One of the more prominent (and positive) is the greatly enhanced levels of medical care, healthier life styles and generally better standards of living; leading to continually growing life- expectancy levels.

Pension deficits have also been an unfortunate by-product of the experimental monetary stimulus that has been adopted globally by central banks, initially targeted to kick start growth. Having dropped interest rates to historical lows and maintained this position for an extended period of time, bond yields have been grinding lower, whilst in turn pension liabilities continue to rise. Poor Investment returns have equally added to the problem over the past 18 months.

Finally, companies themselves must shoulder some of the blame due to simply not paying enough cash into their over generous schemes, which has lead to the problem spiralling. Policies such as 'pension holidays' introduced in the 90's gave firms the chance to cut back payments and even stop them all together for lengthy periods and this freedom seems to have been somewhat abused over time.

As mentioned, interest rates have been at historic lows for a significant period of time, so one wouldn't be alone in expecting companies to take full advantage of this by borrowing money to invest for the future. So why isn't this the case? Amongst numerous reasons for the lack of borrowing and subsequent Investment, surveys over the past few years have revealed concerns that company directors have overlooked their ever-increasing pension deficits and the burden this is having on balance sheets. This is clearly holding back global growth, ironically due to stimulus aimed at increasing just that.

Many have described the problem as a 'pensions time bomb' and used terms such as pension 'black holes'. Recent problems at firms such as BHS and Tata Steel have bought this issue to the attention of many, so is there serious cause for concern?

As alluded to earlier, depressed bond yields are having a negative effect not just on Investment returns, but also on liability calculation assumptions. However, these are not expected to rise any time soon and when they do, it is likely to be a gradual process to a much lower norm. The figures are astounding and yes, this really is concerning. Companies desperately need to find a solution to this growing problem before it does spiral completely out of their control, leading to disastrous consequences not only for themselves but millions of reliant retirees. One question I ask myself is why do some companies continue to pay such large sums in dividends and distributions when these deficits and potential crisis are so evidently staring them directly in the face? The PPF provides an outlet for firms that do happen to find themselves in financial hardship, however it will not be able to cope if the 'ticking time bomb' really does explode.



# CAERUS ACTIVE AND PASSIVE PORTFOLIOS

The CAERUS offering is built around seven asset classes; Managed Liquidity, Fixed Interest, Property, UK Value and Income, UK Growth, Developed Markets and Emerging Markets. An Investor in the CAERUS offering assumes that the risk and return relationships between the various asset classes are stable over the long term. Thus, the asset allocations for the ten Risk Graded portfolios will not change frequently.

## CAERUS Active and Passive portfolios

	MANAGED LIQUIDITY	FIXED INTEREST	PROPERTY	UK VALUE AND INCOME	UK GROWTH	DEVELOPED MARKETS	EMERGING MARKETS	TOTAL
<b>Risk Grade</b>								
1	80%	20%	0%	0%	0%	0%	0%	100%
2	25%	55%	10%	5%	5%	0%	0%	100%
3	15%	55%	10%	10%	5%	5%	0%	100%
4	15%	35%	10%	20%	10%	10%	0%	100%
5	5%	30%	10%	20%	15%	20%	0%	100%
6	0%	25%	10%	20%	20%	25%	0%	100%
7	0%	15%	15%	20%	20%	25%	5%	100%
8	0%	0%	15%	20%	15%	35%	15%	100%
9	0%	0%	10%	15%	15%	35%	25%	100%
10	0%	0%	0%	10%	15%	40%	35%	100%

Portfolios are rebalanced to their asset allocation on a quarterly basis.

## Net Ongoing Charge Figure (OCF) and historic yield by risk grade

The fund OCF and historic yield for each Risk Grade are shown below. The data included will vary from month to month, depending on the fund selection of the Investment manager and the expenses of the underlying funds themselves. These figures are therefore only included for the purposes of transparency.

### CAERUS Active

	RISK GRADE 1	RISK GRADE 2	RISK GRADE 3	RISK GRADE 4	RISK GRADE 5	RISK GRADE 6	RISK GRADE 7	RISK GRADE 8	RISK GRADE 9	RISK GRADE 10
Fund OCF	0.22%	0.55%	0.63%	0.68%	0.77%	0.82%	0.85%	0.93%	0.96%	1.00%
Historic Yield	1.02%	2.20%	2.39%	2.39%	2.40%	2.39%	2.35%	2.11%	1.90%	1.60%

Fund OCF and Historic Yield data correct as at 4th July 2016

### CAERUS Passive

	RISK GRADE 1	RISK GRADE 2	RISK GRADE 3	RISK GRADE 4	RISK GRADE 5	RISK GRADE 6	RISK GRADE 7	RISK GRADE 8	RISK GRADE 9	RISK GRADE 10
Fund OCF	0.11%	0.16%	0.16%	0.16%	0.16%	0.16%	0.20%	0.21%	0.19%	0.13%
Historic Yield	0.91%	2.03%	2.29%	2.62%	2.83%	2.97%	3.05%	3.01%	2.90%	2.72%

Fund OCF and Historic Yield data correct as at 4th July 2016

## Portfolio holdings as at 30th June 2016

The current portfolio holdings for CAERUS Active and Passive are shown in the tables below, as at 30th June 2016. Please refer to page 30 for details on fund changes over the period.

### CAERUS Active

MANAGED LIQUIDITY	FIXED INTEREST	PROPERTY	UK VALUE AND INCOME	UK GROWTH	DEVELOPED MARKETS	EMERGING MARKETS
BlackRock ICS Institutional Sterling Liquidity Heritage	Allianz Gilt Yield	Standard Life Investments UK Real Estate Income Feeder	Rathbone Income	Neptune UK Mid Cap	CF Morant Wright Nippon Yield	Aberdeen Emerging Markets Equity
Federated Short-Term Sterling Prime	Fidelity Moneybuilder Income	L&G UK Property Feeder	Invesco Perpetual Income	JOHCM UK Opportunities	JPM US Equity Income	MI Somerset Emerging Markets Dividend Growth
	Invesco Perpetual Corporate Bond	Threadneedle UK Property Authorised Trust Feeder	Threadneedle UK Equity Income	Jupiter UK Special Situations	Pioneer US Fundamental Growth	Fidelity Emerging Markets
	TwentyFour Dynamic Bond		Trojan Income	Liontrust Special Situations	Stewart Investors Asia Pacific Leaders	Schroder Global Emerging Markets
	M&G Index Linked Bond		Unicorn UK Income	Schroder UK Smaller Companies	Jupiter European	
	M&G Optimal Income				Fidelity American Special Situations	
	Jupiter Strategic Bond				Threadneedle European Select	

### CAERUS Passive

MANAGED LIQUIDITY	FIXED INTEREST	PROPERTY	UK VALUE AND INCOME	UK GROWTH	DEVELOPED MARKETS	EMERGING MARKETS
BlackRock ICS Institutional Sterling Liquidity Heritage	Vanguard UK Investment Grade Bond Index	Standard Life Investments UK Real Estate Income Feeder	Vanguard FTSE UK Equity Income Index	Vanguard FTSE UK All Share Index	Vanguard US Equity Index	Vanguard Emerging Markets Stock Index
Federated Short-Term Sterling Prime	L&G All Stocks Index Linked Gilt Index	L&G UK Property Feeder			Vanguard FTSE Developed Europe ex UK Equity Index	
	Vanguard Global Bond Index GBP Hedged	Threadneedle UK Property Authorised Trust Feeder			L&G Japan Index	
	Vanguard UK Government Bond Index				L&G Pacific Index	

## CAERUS Active - portfolio returns to period end 30th June 2016

All portfolios perform in line up until Risk Grades 6-8 over 2 to 5 years, owing to the strong relative performance of Developed Markets Equity (and UK Equity over 5 years). Over shorter periods performance is distorted by the outperformance of Fixed Interest, Developed Markets Equity and Emerging Markets Equity versus all other asset classes, especially Property given recent swings to bid pricing and fair value adjustments following the Brexit referendum.

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	5 YEAR RETURN
<b>Active</b>						
1	0.74%	1.28%	1.41%	3.39%	5.18%	9.52%
2	1.12%	2.41%	3.22%	8.43%	13.54%	24.56%
3	1.35%	2.67%	3.96%	10.26%	16.59%	29.91%
4	0.84%	1.69%	3.65%	10.84%	19.13%	34.68%
5	1.22%	2.16%	4.81%	13.68%	23.45%	41.74%
6	1.30%	2.23%	5.25%	15.04%	25.80%	45.78%
7	1.08%	2.22%	5.09%	14.83%	26.05%	44.87%
8	2.02%	3.79%	6.43%	16.47%	27.99%	45.58%
9	3.12%	5.67%	7.06%	15.94%	26.41%	42.60%
10	4.81%	8.21%	8.33%	16.27%	25.59%	41.11%

## CAERUS Passive - portfolio returns to period end 30th June 2016

All portfolios perform in line up until Risk Grade 6 over 3 and 5 years, owing to the strong relative performance of Developed Markets Equity (and UK Equity over 5 years). Over shorter periods performance is distorted by the outperformance of Fixed Interest, Developed Markets Equity and Emerging Markets Equity (over 3 and 6 months) versus all other asset classes, especially Property given recent swings to bid pricing and fair value adjustments following the Brexit referendum.

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	5 YEAR RETURN
<b>Passive</b>						
1	0.86%	1.72%	2.09%	4.34%	6.35%	10.83%
2	1.95%	4.20%	5.17%	10.71%	16.47%	27.78%
3	2.54%	4.86%	5.83%	12.09%	19.01%	32.96%
4	2.79%	4.34%	4.75%	10.72%	19.11%	34.89%
5	3.68%	5.23%	5.82%	12.75%	22.75%	41.30%
6	4.15%	5.58%	6.16%	13.47%	24.50%	44.48%
7	3.90%	5.42%	5.52%	12.88%	24.02%	41.79%
8	4.78%	6.82%	5.91%	13.69%	24.65%	40.10%
9	5.72%	8.62%	6.33%	13.67%	23.46%	35.84%
10	7.37%	11.22%	7.32%	14.26%	22.88%	33.13%

Please note that portfolio returns prior to 1st March 2014 are based on the performance of the PIM Strategic Multi-Option portfolios, upon which the structure of the CAERUS portfolios is based.

These returns simulate the performance that would have been achieved by these portfolios had they been in existence during these periods.

Please refer to Important Notes on page 6 for how performance figures are calculated. Performance data is correct as of 30th June 2016. Past performance is not an indication of future returns. The value of Investments and any income from them is not guaranteed and can go down as well as up.

## CAERUS - asset class returns to period end 30th June 2016

The CAERUS Risk Graded portfolios are built through a weighted exposure to seven underlying asset classes. For transparency purposes the returns of each asset class are given below. These returns should not be considered in isolation as the asset class risk and return characteristics are taken into account within the construction of each risk graded portfolio.

### CAERUS Active

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	5 YEAR RETURN
Managed Liquidity	0.12%	0.24%	0.40%	1.55%	2.82%	5.06%
Fixed Interest	3.23%	5.47%	5.52%	10.98%	15.07%	29.07%
Property	-5.63%	-4.48%	0.31%	11.85%	23.94%	27.64%
UK Value and Income	-1.22%	-2.55%	0.49%	7.98%	24.24%	51.28%
UK Growth	-1.17%	-1.19%	-0.03%	7.62%	20.24%	45.55%
Developed Markets	6.09%	8.26%	14.94%	32.22%	42.95%	63.86%
Emerging Markets	7.52%	15.37%	6.19%	4.57%	8.57%	12.44%

### CAERUS Passive

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	5 YEAR RETURN
Managed Liquidity	0.12%	0.24%	0.40%	1.55%	2.82%	5.06%
Fixed Interest	3.79%	7.81%	9.09%	16.11%	21.58%	36.95%
Property	-5.63%	-4.48%	0.31%	11.85%	23.94%	27.64%
UK Value and Income	3.45%	2.63%	-1.10%	2.23%	14.66%	40.82%
UK Growth	4.69%	4.22%	2.12%	4.72%	18.34%	35.06%
Developed Markets	8.60%	10.85%	14.55%	27.94%	40.47%	67.38%
Emerging Markets	8.20%	17.17%	3.43%	6.45%	7.50%	-2.42%

Please note that portfolio returns prior to 1st March 2014 are based on the performance of the PIM Strategic Multi-Option portfolios, upon which the structure of the CAERUS portfolios is based.

These returns simulate the performance that would have been achieved by these portfolios had they been in existence during these periods.

Please refer to Important Notes on page 6 for how performance figures are calculated. Performance data is correct as of 30th June 2016. Past performance is not an indication of future returns. The value of Investments and any income from them is not guaranteed and can go down as well as up.



# CAERUS BLENDS

The CAERUS Blended Portfolios are built around the seven asset classes used in CAERUS Active and CAERUS Passive; Managed Liquidity, Fixed Interest, Property, UK Value and Income, UK Growth, Developed Markets and Emerging Markets. An investor in the CAERUS Blended portfolios assumes that the risk and return relationships between the various asset classes are stable over the long term. Thus, the asset allocations for the ten Risk Graded portfolios will not change frequently. Please refer to pages 10-11 for details on the asset weightings and underlying funds used in the solution.

## Net Ongoing Charge Figure (OCF) and historic yield by risk grade

The fund OCF and historic yield for each Risk Grade are shown below. The data included will vary from month to month, depending on the fund selection of the investment manager and the expenses of the underlying funds themselves. These figures are therefore only included for the purposes of transparency.

### CAERUS 75% Active & 25% Passive

	RISK GRADE 1	RISK GRADE 2	RISK GRADE 3	RISK GRADE 4	RISK GRADE 5	RISK GRADE 6	RISK GRADE 7	RISK GRADE 8	RISK GRADE 9	RISK GRADE 10
Fund OCF	0.19%	0.45%	0.51%	0.55%	0.62%	0.66%	0.69%	0.75%	0.77%	0.79%
Historic Yield	0.99%	2.16%	2.36%	2.45%	2.51%	2.53%	2.52%	2.33%	2.15%	1.88%

Fund OCF and Historic Yield data correct as at 4th July 2016

### CAERUS 50% Active & 50% Passive

Fund OCF	0.16%	0.35%	0.39%	0.42%	0.46%	0.49%	0.53%	0.57%	0.57%	0.57%
Historic Yield	0.96%	2.12%	2.34%	2.50%	2.61%	2.68%	2.70%	2.56%	2.40%	2.16%

Fund OCF and Historic Yield data correct as at 4th July 2016

### CAERUS 25% Active & 75% Passive

Fund OCF	0.14%	0.26%	0.28%	0.29%	0.31%	0.32%	0.36%	0.39%	0.38%	0.35%
Historic Yield	0.93%	2.07%	2.32%	2.56%	2.72%	2.82%	2.87%	2.79%	2.65%	2.44%

Fund OCF and Historic Yield data correct as at 4th July 2016

## CAERUS 75% Active & 25% Passive - portfolio returns to period end 30th June 2016.

All portfolios perform in line up until Risk Grades 6-8 over 2 to 5 years, owing to the strong relative performance of Developed Markets Equity (and UK Equity over 5 years). Over shorter periods performance is distorted by the outperformance of Fixed Interest, Developed Markets Equity and Emerging Markets Equity versus all other asset classes, especially Property given recent swings to bid pricing and fair value adjustments following the Brexit referendum.

Risk Grade	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	5 YEAR RETURN
1	0.77%	1.39%	1.58%	3.63%	5.47%	9.85%
2	1.33%	2.86%	3.71%	9.00%	14.27%	25.37%
3	1.65%	3.22%	4.42%	10.72%	17.19%	30.68%
4	1.32%	2.35%	3.93%	10.81%	19.13%	34.74%
5	1.83%	2.92%	5.07%	13.46%	23.29%	41.65%
6	2.01%	3.06%	5.48%	14.66%	25.49%	45.48%
7	1.78%	3.02%	5.20%	14.35%	25.55%	44.12%
8	2.71%	4.55%	6.31%	15.78%	27.17%	44.22%
9	3.77%	6.41%	6.89%	15.39%	25.69%	40.91%
10	5.45%	8.96%	8.09%	15.79%	24.92%	39.11%

Please note that portfolio returns prior to 1st March 2014 are based on the performance of the PIM Strategic Multi-Option portfolios, upon which the structure of the CAERUS portfolios is based.

These returns simulate the performance that would have been achieved by these portfolios had they been in existence during these periods.

Please refer to Important Notes on page 6 for how performance figures are calculated. Performance data is correct as of 30th June 2016. Past performance is not an indication of future returns. The value of Investments and any income from them is not guaranteed and can go down as well as up.

### CAERUS 50% Active & 50% Passive - portfolio returns to period end 30th June 2016

All portfolios perform in line up until Risk Grade 6 over 3 to 5 years, owing to the strong relative performance of Developed Markets Equity (and UK Equity over 5 years). Over shorter periods performance is distorted by the outperformance of Fixed Interest, Developed Markets Equity and Emerging Markets Equity versus all other asset classes, especially Property given recent swings to bid pricing and fair value adjustments following the Brexit referendum.

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	5 YEAR RETURN
<b>Risk Grade</b>						
1	0.80%	1.50%	1.75%	3.86%	5.76%	10.18%
2	1.53%	3.31%	4.19%	9.57%	15.00%	26.17%
3	1.95%	3.77%	4.89%	11.18%	17.80%	31.44%
4	1.81%	3.01%	4.21%	10.79%	19.13%	34.80%
5	2.45%	3.69%	5.32%	13.23%	23.11%	41.54%
6	2.72%	3.90%	5.72%	14.27%	25.17%	45.16%
7	2.49%	3.81%	5.32%	13.87%	25.05%	43.36%
8	3.40%	5.30%	6.18%	15.09%	26.34%	42.86%
9	4.42%	7.14%	6.71%	14.82%	24.95%	39.22%
10	6.09%	9.71%	7.85%	15.29%	24.24%	37.10%

### CAERUS 25% Active & 75% Passive - portfolio returns to period end 30th June 2016

All portfolios perform in line up until Risk Grade 6 over 3 and 5 years, owing to the strong relative performance of Developed Markets Equity (and UK Equity over 5 years). Over shorter periods performance is distorted by the outperformance of Fixed Interest, Developed Markets Equity and Emerging Markets Equity (over 3 and 6 months) versus all other asset classes, especially Property given recent swings to bid pricing and fair value adjustments following the Brexit referendum.

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	5 YEAR RETURN
<b>Risk Grade</b>						
1	0.83%	1.61%	1.92%	4.10%	6.06%	10.51%
2	1.74%	3.75%	4.68%	10.14%	15.73%	26.98%
3	2.24%	4.32%	5.36%	11.64%	18.41%	32.20%
4	2.30%	3.67%	4.48%	10.76%	19.12%	34.85%
5	3.07%	4.46%	5.57%	12.99%	22.93%	41.43%
6	3.44%	4.74%	5.94%	13.87%	24.84%	44.83%
7	3.19%	4.62%	5.42%	13.38%	24.54%	42.58%
8	4.09%	6.06%	6.05%	14.39%	25.50%	41.48%
9	5.07%	7.88%	6.52%	14.25%	24.21%	37.53%
10	6.73%	10.46%	7.59%	14.78%	23.55%	35.09%

Please note that portfolio returns prior to 1st March 2014 are based on the performance of the PIM Strategic Multi-Option portfolios, upon which the structure of the CAERUS portfolios is based.

These returns simulate the performance that would have been achieved by these portfolios had they been in existence during these periods.

Please refer to Important Notes on page 6 for how performance figures are calculated. Performance data is correct as of 30th June 2016. Past performance is not an indication of future returns. The value of Investments and any income from them is not guaranteed and can go down as well as up.

### CAERUS - asset class returns to period end 30th June 2016

The CAERUS Risk Graded portfolios are built through a weighted exposure to seven underlying asset classes. For transparency purposes the returns of each asset class are given below. These returns should not be considered in isolation as the asset class risk and return characteristics are taken into account within the construction of each Risk Graded portfolio.

#### CAERUS 75% Active & 25% Passive

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	5 YEAR RETURN
Managed Liquidity	0.12%	0.24%	0.40%	1.55%	2.82%	5.06%
Fixed Interest	3.37%	6.06%	6.41%	12.26%	16.70%	31.04%
Property	-5.63%	-4.48%	0.31%	11.85%	23.94%	27.64%
UK Value and Income	-0.05%	-1.26%	0.09%	6.54%	21.85%	48.67%
UK Growth	0.30%	0.16%	0.51%	6.90%	19.77%	42.93%
Developed Markets	6.72%	8.91%	14.84%	31.15%	42.33%	64.74%
Emerging Markets	7.69%	15.82%	5.50%	5.04%	8.30%	8.73%

#### CAERUS 50% Active & 50% Passive

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	5 YEAR RETURN
Managed Liquidity	0.12%	0.24%	0.40%	1.55%	2.82%	5.06%
Fixed Interest	3.51%	6.64%	7.31%	13.55%	18.33%	33.01%
Property	-5.63%	-4.48%	0.31%	11.85%	23.94%	27.64%
UK Value and Income	1.12%	0.04%	-0.31%	5.11%	19.45%	46.05%
UK Growth	1.76%	1.52%	1.05%	6.17%	19.29%	40.31%
Developed Markets	7.35%	9.56%	14.75%	30.08%	41.71%	65.62%
Emerging Markets	7.86%	16.27%	4.81%	5.51%	8.04%	5.01%



## CAERUS 25% Active &amp; 75% Passive

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	5 YEAR RETURN
Managed Liquidity	0.12%	0.24%	0.40%	1.55%	2.82%	5.06%
Fixed Interest	3.65%	7.23%	8.20%	14.83%	19.95%	34.98%
Property	-5.63%	-4.48%	0.31%	11.85%	23.94%	27.64%
UK Value and Income	2.28%	1.34%	-0.70%	3.67%	17.06%	43.44%
UK Growth	3.23%	2.87%	1.58%	5.45%	18.82%	37.68%
Developed Markets	7.97%	10.20%	14.65%	29.01%	41.09%	66.50%
Emerging Markets	8.03%	16.72%	4.12%	5.98%	7.77%	1.30%

Please note that portfolio returns prior to 1st March 2014 are based on the performance of the PIM Strategic Multi-Option portfolios, upon which the structure of the CAERUS portfolios is based.

These returns simulate the performance that would have been achieved by these portfolios had they been in existence during these periods.

Please refer to Important Notes on page 6 for how performance figures are calculated. Performance data is correct as of 30th June 2016. Past performance is not an indication of future returns. The value of Investments and any income from them is not guaranteed and can go down as well as up.



# CAERUS TACTICAL INCOME

The CAERUS Tactical Income portfolios aim to deliver a set of target yields while controlling the level of portfolio volatility. Parmenion will use Tactical Asset Allocation to both achieve the target yields and to keep portfolio volatility within the constraints identified for each Risk Grade.

The CAERUS Tactical Income portfolios have, as their name suggests, the flexibility to adopt tactical asset allocations. This means the investment manager (PIM) has the capability to alter the asset allocation of the portfolios in light of changing market conditions. This flexibility enhances PIM's ability to increase allocations to income generating assets to meet the target yields, when it is prudent to do so, while simultaneously managing the portfolios' volatility and exposure to risk. All changes to asset allocation are made within prescribed limits only.

## Key benefits

- 10 risk graded portfolios
- Rising target yields, rising from 3% to 5.25%
- Tactical asset allocation to make the targeted yields achievable
- Proactive blending of Passive and Active funds
- Natural income arises periodically, not evenly, and can be paid as it arises
- Controlled use of Maximiser Funds
- Portfolio withdrawals can be set in £ or % amounts, monthly, quarterly, half yearly or annually.

## What are Maximiser Funds?

Up to 35% of a CAERUS Tactical Income portfolio may be invested in Maximiser Funds to help ensure an attractive level of income. It is important that clients understand this. A Maximiser Fund is a portfolio of stocks in which the fund manager has a high level of conviction. Derivatives contracts are written on a select number of underlying companies, carefully managed by a derivatives specialist, generating additional income in return for giving up some potential return on a stock above the level specified in the contract. In this way, Maximiser Funds can generate an income greater than that achieved by only investing in stocks.

## Tactical Asset Allocation

Parmenion has designed the CAERUS Tactical Income portfolios using a range of neutral strategic asset allocations as its starting point. These strategic asset allocations are based around the performance and volatilities of various asset class indices over a 20 year period and combined with a qualitative overlay to ensure diversification.

As market conditions change over time, so do the relative volatility and valuations of different asset classes. When prudent to do so, the CAERUS Tactical Income portfolio asset allocations can adapt to ensure that target yields are achieved with the least anticipated risk and within the acceptable range of volatility for each particular risk grade.

CAERUS Tactical Income portfolios - historic yield, fund OCF and 20 year risk and return data

	TARGET YIELD	HISTORIC YIELD (12 MONTHS)	ANNUALISED RETURN	ANNUALISED STANDARD DEVIATION	MAX 12 MONTH LOSS	MAX 12 MONTH GAIN	OCF
<b>Risk Grade</b>							
1	3.00%	2.30%	4.74%	2.24%	-6.59%	14.53%	0.55%
2	3.25%	3.00%	5.80%	3.93%	-12.94%	22.43%	0.55%
3	3.50%	3.55%	6.61%	5.40%	-16.68%	30.07%	0.68%
4	3.75%	3.92%	7.12%	6.63%	-20.24%	35.22%	0.71%
5	4.00%	4.17%	7.44%	7.77%	-23.11%	39.00%	0.73%
6	4.25%	4.33%	7.53%	9.24%	-25.30%	41.54%	0.74%
7	4.50%	4.49%	7.59%	10.35%	-27.18%	43.28%	0.75%
8	4.75%	4.70%	7.61%	11.54%	-29.46%	45.26%	0.75%
9	5.00%	4.89%	7.60%	12.86%	-31.82%	47.56%	0.76%
10	5.25%	5.03%	7.42%	13.98%	-32.86%	49.39%	0.75%

\*Correct as at 4th July 2016

Please note, the Annualised Return, Standard Deviation, Maximum Loss and Gain figures are based on the simulated returns, of the portfolio's neutral asset weightings over the last 20 years to December 2015. Figures are based on indices and therefore exclude the effect of taxes or fees from Parmenion or the Adviser. Charges are however taken from portfolio liquidity and therefore will not affect the income distributed.

## Portfolio holdings as of 30th June 2016

The current fund holdings for CAERUS Tactical Income portfolios are shown in the table below, as at 30th June 2016. Please refer to page 30 for details on fund changes over the period.

Asset Group	Holdings	1	2	3	4	5	6	7	8	9	10
Managed Liquidity	Dimensional Global Ultra Short Fixed Income	18.34%	11.67%	5.00%	1.67%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	AXA Sterling Credit Short Duration Bond	18.33%	11.67%	5.00%	1.67%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	M&G Short Dated Corporate Bond	18.33%	11.66%	5.00%	1.66%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Corporate Bonds	Fidelity Moneybuilder Income	7.50%	7.50%	11.25%	11.25%	10.00%	7.50%	5.00%	2.50%	0.00%	0.00%
	M&G Corporate Bond	7.50%	7.50%	11.25%	11.25%	10.00%	7.50%	5.00%	2.50%	0.00%	0.00%
	Jupiter Strategic Bond	7.50%	7.50%	11.25%	11.25%	10.00%	7.50%	5.00%	2.50%	0.00%	0.00%
	TwentyFour Dynamic Bond	7.50%	7.50%	11.25%	11.25%	10.00%	7.50%	5.00%	2.50%	0.00%	0.00%
High Yield Bonds	Schroder Monthly High Income	0.00%	0.00%	1.00%	1.50%	2.00%	3.00%	3.50%	4.00%	4.50%	5.00%
	Threadneedle High Yield Bond	0.00%	0.00%	1.00%	1.50%	2.00%	3.00%	3.50%	4.00%	4.50%	5.00%
Property	Henderson UK Property PAIF Feeder	3.09%	4.12%	3.09%	3.09%	3.09%	2.06%	2.06%	2.06%	2.06%	0.00%
	L&G UK Property Feeder	3.09%	4.12%	3.09%	3.09%	3.09%	2.06%	2.06%	2.06%	2.06%	0.00%
	Threadneedle UK Property Feeder	6.19%	8.25%	6.19%	6.19%	6.19%	4.13%	4.13%	4.13%	4.13%	0.00%
UK Equity Income	Rathbone Income	0.00%	1.00%	1.50%	1.90%	2.20%	2.60%	2.90%	3.30%	3.50%	3.80%
	Vanguard FTSE UK Equity Income Index	0.00%	3.50%	5.25%	6.65%	7.70%	9.10%	10.15%	11.55%	12.25%	13.30%
	Trojan Income	0.00%	1.00%	1.50%	1.90%	2.20%	2.60%	2.90%	3.30%	3.50%	3.80%
	Artemis Income	0.00%	1.00%	1.50%	1.90%	2.20%	2.60%	2.90%	3.30%	3.50%	3.80%
	Fidelity Enhanced Income	0.00%	3.50%	5.25%	6.65%	7.70%	9.10%	10.15%	11.55%	12.25%	13.30%
US Equity	JPM US Equity Income	0.00%	1.00%	1.50%	2.00%	2.50%	3.50%	4.00%	3.50%	3.00%	2.50%
	Aviva Investors US Equity Income II	0.00%	1.00%	1.50%	2.00%	2.50%	3.50%	4.00%	3.50%	3.00%	2.50%
Europe ex UK	Standard Life Investments European Equity Income	0.00%	1.00%	2.00%	3.00%	4.00%	6.00%	7.00%	8.00%	10.00%	12.00%
Asia Pacific ex Japan	Henderson Asian Dividend Income	0.00%	0.00%	0.00%	0.66%	1.66%	2.66%	3.33%	4.33%	5.66%	6.66%
	L&G Pacific Index	0.00%	0.00%	0.00%	0.67%	1.67%	2.67%	3.33%	4.33%	5.67%	6.67%
	Schroder Asian Income Maximiser	0.00%	0.00%	0.00%	0.67%	1.67%	2.67%	3.34%	4.34%	5.67%	6.67%
Global Maximiser	Schroder ISF Global Dividend Maximiser	1.97%	4.13%	4.22%	4.97%	5.72%	6.56%	8.06%	9.56%	11.06%	11.25%
	Fidelity Global Enhanced Income	0.66%	1.38%	1.41%	1.66%	1.91%	2.19%	2.69%	3.19%	3.69%	3.75%
<b>Total</b>		<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## CAERUS Tactical Income - portfolio returns to period end 30th June 2016

All portfolios continue to achieve or are close to their target yields. From a performance perspective, all portfolios are in line over 3 months, 6 months and since inception owing to the relative outperformance of US Equity, Asia Pacific ex Japan Equity. Performance is slightly distorted after Risk Grade 7 over 1 year and Risk Grade 9 over 2 years due to the relative outperformance of US equity compared to all other asset classes.

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	FROM INCEPTION (01.02.2014)
<b>Risk Grade</b>					
1	0.62%	1.32%	2.41%	5.90%	8.22%
2	0.78%	1.46%	3.12%	7.56%	10.62%
3	1.46%	2.32%	3.83%	8.89%	12.63%
4	1.78%	2.78%	4.36%	9.74%	14.04%
5	2.06%	3.23%	4.82%	10.51%	15.38%
6	2.58%	4.02%	5.39%	11.06%	16.46%
7	2.74%	4.29%	5.68%	11.39%	17.34%
8	2.84%	4.42%	5.67%	11.46%	17.79%
9	2.99%	4.68%	5.78%	11.56%	18.23%
10	3.67%	5.58%	5.91%	11.47%	18.30%

## CAERUS Tactical Income - asset class returns to period end 30th June 2016

The CAERUS Tactical Income Risk Graded portfolios are built through a weighted exposure to nine underlying asset classes. For transparency purposes the returns of each asset class are given below. These returns should not be considered in isolation as the asset class risk and return characteristics are taken into account within the construction of each Risk Graded portfolio.

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	FROM INCEPTION (01.02.2014)
<b>Asset Class</b>					
Managed Liquidity	0.61%	1.27%	1.34%	2.48%	3.25%
Corporate Bonds	2.53%	3.86%	4.07%	8.75%	11.97%
High Yield Bonds	1.93%	2.93%	3.03%	3.13%	7.49%
Property	-4.78%	-5.53%	0.71%	8.18%	13.32%
UK Equity Income	1.87%	0.97%	1.60%	6.37%	13.10%
US Equity	7.26%	14.76%	21.44%	35.30%	42.99%
Europe ex UK	1.94%	2.32%	7.41%	10.42%	16.48%
Asia Pacific ex Japan	7.26%	13.63%	8.66%	13.28%	23.33%
Global Equity Income Maximiser	4.43%	7.92%	7.76%	15.54%	21.99%

Please refer to Important Notes on page 6 for how performance figures are calculated. Performance data is correct as of 30th June 2016. Past performance is not an indication of future returns. The value of Investments and any income from them is not guaranteed and can go down as well as up.



# CAERUS STRATEGIC ETHICAL ACTIVE PORTFOLIOS: PROFILE A-D

## What is Ethical Investing?

Ethical Investment is known by a variety of terms including: 'Green Investment', 'Socially responsible Investment' (SRI) and 'Sustainable finance'. All of these terms refer to financial or Investment services which strive to maximise Investment performance and social welfare. In general, ethical Investment looks to encourage corporate practices that promote environmental stewardship, consumer protection, human rights and diversity, although additional criteria such as the avoidance of weapons, alcohol, tobacco, gambling and pornography are often included as legitimate areas of concern. These criteria can be broadly summarised as environmental, social justice and corporate governance issues or ESG criteria.

## What are the benefits of investing Ethically?

Ethical Investment provides the opportunity to invest in ethically sound Investment solutions that cater for a range of ethical preferences. It gives Investors the option to avoid companies that engage in activities that they could not usually support, and proactively invest in companies that recognise their corporate responsibilities. Investing ethically is now one of the fastest growing areas in Financial Services with funds under management having grown to approximately \$6.57 trillion in the United States alone (Source: <http://ussif.org>).

## Solution description

The CAERUS Strategic Ethical Active Investment Solution offers the discretionary management of Active funds across up to eight distinct asset class groups. There is an independent ethical overlay provided by the Ethical Oversight Committee, which includes Julian Parrott and Julia Dreblow. Both Julian and Julia are ethical specialists, with over 20 years experience in ethical investing, previously holding the positions of Chair of the EIA and Directors of UKSIF, respectively.

Each asset class is populated with funds according to their Ethical Profile and risk adjusted returns. Incorporated within the solution are four Ethical Profiles (A to D) and ten Risk Graded portfolios (1 to 10), which are designed to capture the vast majority of clients' values and ethical preferences. Each Ethical Profile incorporates an increasing number of positive and negative ethical criteria, and a rising level of adherence to these criteria, as detailed below. An Ethical Portfolio Selector is available to assist the Adviser in identifying the appropriate Ethical Profile for your client.

## Ethical screening criteria by Ethical profile

SCREENING CRITERIA*	ETHICAL PROFILE A	ETHICAL PROFILE B	ETHICAL PROFILE C	ETHICAL PROFILE D
Armaments (Strategic)	✓	✓	✓	✓
Pornography (Production)	✓	✓	✓	✓
Human Rights (Evidenced/Country Based)	✓	✓	✓	✓
Environmental Management / Technology**	✓	✓	✓	✓
Animal Testing (Non-Medical)	✓	✓	✓	✓
Tobacco (Production)	✓	✓	✓	✓
Environmental Impact		✓	✓	✓
Gambling			✓	✓
Alcohol Production				✓
Nuclear (Power)				✓
Number of Criteria considered	6	7	8	10
Target Screening Threshold (%)	50%	75%	100%	100%
Minimum number of Screen Criteria	3	5	8	10

\*Any funds which fail these criteria are excluded from the portfolio. This decision is determined by the Ethical Oversight Committee (EOC).

\*\*As this is a positive criteria, funds are required to have this approach to warrant inclusion in the selectable funds for each Ethical Profile.

Please note: 'avoidance criteria' does not always mean 'zero involvement' as most ethical funds have de minimis limits which allow for limited (normally non-manufacturing or wholesale related) exposure to excluded areas. This allows funds to be manageable and support otherwise positive larger companies.

## CAERUS Strategic Ethical Active - asset class weightings as of 30th June 2016

The CAERUS Strategic Ethical Active portfolios are constructed using up to eight asset classes, each with their own distinctive risk and reward characteristics. Ten Risk Graded portfolios (1-10) are produced, by varying the percentage exposure to each asset class, to match the risk tolerance of a particular client. UK Government Bonds are currently excluded from Ethical Profiles B-D, whilst Ethical Profiles C-D also exclude Property due to the difficulties in screening the underlying tenants. The current split between the asset classes for each of the portfolios are detailed in the tables below. Strategic investors assume relatively constant long term risk and return characteristics, and as such the underlying asset allocations will only vary where these have materially changed.

### CAERUS Strategic Ethical Active - Profile A

Asset Group	1	2	3	4	5	6	7	8	9	10
Managed Liquidity (Unscreened)	70.00%	45.00%	15.00%	5.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
UK Ethical Corporate Bonds	24.00%	28.00%	40.00%	40.00%	32.00%	24.00%	12.00%	4.00%	0.00%	0.00%
UK Gilts	6.00%	7.00%	10.00%	10.00%	8.00%	6.00%	3.00%	1.00%	0.00%	0.00%
UK Property	0.00%	10.00%	15.00%	15.00%	15.00%	10.00%	10.00%	10.00%	5.00%	0.00%
UK Ethical Equity Growth	0.00%	3.00%	6.00%	9.00%	15.00%	18.00%	21.00%	21.00%	24.00%	24.00%
UK Ethical Equity Income	0.00%	2.00%	4.00%	6.00%	10.00%	12.00%	14.00%	14.00%	16.00%	16.00%
International Ethical Equity	0.00%	5.00%	10.00%	15.00%	15.00%	20.00%	25.00%	30.00%	30.00%	30.00%
Ethical Emerging Markets Equity	0.00%	0.00%	0.00%	0.00%	5.00%	10.00%	15.00%	20.00%	25.00%	30.00%

### CAERUS Strategic Ethical Active - Profile B

Asset Group	1	2	3	4	5	6	7	8	9	10
Managed Liquidity (Unscreened)	70.00%	45.00%	15.00%	5.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
UK Ethical Corporate Bonds	30.00%	35.00%	50.00%	50.00%	40.00%	30.00%	15.00%	5.00%	0.00%	0.00%
UK Property	0.00%	10.00%	15.00%	15.00%	15.00%	10.00%	10.00%	10.00%	5.00%	0.00%
UK Ethical Equity Growth	0.00%	3.00%	6.00%	9.00%	15.00%	18.00%	21.00%	21.00%	24.00%	24.00%
UK Ethical Equity Income	0.00%	2.00%	4.00%	6.00%	10.00%	12.00%	14.00%	14.00%	16.00%	16.00%
International Ethical Equity	0.00%	5.00%	10.00%	15.00%	15.00%	20.00%	25.00%	30.00%	30.00%	30.00%
Ethical Emerging Markets Equity	0.00%	0.00%	0.00%	0.00%	5.00%	10.00%	15.00%	20.00%	25.00%	30.00%

### CAERUS Strategic Ethical Active - Profile C

Asset Group	1	2	3	4	5	6	7	8	9	10
Managed Liquidity (Unscreened)	70.00%	45.00%	15.00%	5.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
UK Ethical Corporate Bonds	30.00%	45.00%	65.00%	65.00%	55.00%	40.00%	25.00%	15.00%	5.00%	0.00%
UK Ethical Equity Growth	0.00%	3.00%	6.00%	9.00%	15.00%	18.00%	21.00%	21.00%	24.00%	24.00%
UK Ethical Equity Income	0.00%	2.00%	4.00%	6.00%	10.00%	12.00%	14.00%	14.00%	16.00%	16.00%
International Ethical Equity	0.00%	5.00%	10.00%	15.00%	15.00%	20.00%	25.00%	30.00%	30.00%	30.00%
Ethical Emerging Markets Equity	0.00%	0.00%	0.00%	0.00%	5.00%	10.00%	15.00%	20.00%	25.00%	30.00%

### CAERUS Strategic Ethical Active - Profile D

Asset Group	1	2	3	4	5	6	7	8	9	10
Managed Liquidity (Unscreened)	70.00%	45.00%	15.00%	5.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
UK Ethical Corporate Bonds	30.00%	45.00%	65.00%	65.00%	55.00%	40.00%	25.00%	15.00%	5.00%	0.00%
UK Ethical Equity Growth	0.00%	3.00%	6.00%	9.00%	15.00%	18.00%	21.00%	21.00%	24.00%	24.00%
UK Ethical Equity Income	0.00%	2.00%	4.00%	6.00%	10.00%	12.00%	14.00%	14.00%	16.00%	16.00%
International Ethical Equity	0.00%	5.00%	10.00%	15.00%	15.00%	20.00%	25.00%	30.00%	30.00%	30.00%
Ethical Emerging Markets Equity	0.00%	0.00%	0.00%	0.00%	5.00%	10.00%	15.00%	20.00%	25.00%	30.00%

Portfolios are rebalanced to their asset allocation on a periodic basis.



## Net Ongoing Charge Figure (OCF) and historic yield by risk grade

The fund OCF and historic yield for each risk grade are shown below. The data included will vary from month to month, depending on the fund selection of the investment manager and the expenses of the underlying funds themselves. These figures are therefore only included for the purposes of transparency.

### CAERUS Strategic Ethical Active - Profile A

	RISK GRADE 1	RISK GRADE 2	RISK GRADE 3	RISK GRADE 4	RISK GRADE 5	RISK GRADE 6	RISK GRADE 7	RISK GRADE 8	RISK GRADE 9	RISK GRADE 10
Fund OCF	0.23%	0.37%	0.52%	0.58%	0.65%	0.69%	0.74%	0.77%	0.80%	0.81%
Historic Yield	1.28%	1.81%	2.41%	2.54%	2.56%	2.34%	2.15%	1.97%	1.84%	1.72%

\* Fund OCF and Historic Yield data correct as at 4th July 2016

### CAERUS Strategic Ethical Active - Profile B

	RISK GRADE 1	RISK GRADE 2	RISK GRADE 3	RISK GRADE 4	RISK GRADE 5	RISK GRADE 6	RISK GRADE 7	RISK GRADE 8	RISK GRADE 9	RISK GRADE 10
Fund OCF	0.23%	0.37%	0.52%	0.58%	0.66%	0.69%	0.74%	0.77%	0.80%	0.81%
Historic Yield	1.44%	1.99%	2.68%	2.81%	2.77%	2.50%	2.23%	1.99%	1.84%	1.72%

\* Fund OCF and Historic Yield data correct as at 4th July 2016

### CAERUS Strategic Ethical Active - Profile C

	RISK GRADE 1	RISK GRADE 2	RISK GRADE 3	RISK GRADE 4	RISK GRADE 5	RISK GRADE 6	RISK GRADE 7	RISK GRADE 8	RISK GRADE 9	RISK GRADE 10
Fund OCF	0.23%	0.35%	0.48%	0.54%	0.62%	0.67%	0.71%	0.75%	0.79%	0.81%
Historic Yield	1.44%	1.99%	2.68%	2.81%	2.77%	2.50%	2.23%	1.99%	1.84%	1.72%

\* Fund OCF and Historic Yield data correct as at 4th July 2016

### CAERUS Strategic Ethical Active - Profile D

	RISK GRADE 1	RISK GRADE 2	RISK GRADE 3	RISK GRADE 4	RISK GRADE 5	RISK GRADE 6	RISK GRADE 7	RISK GRADE 8	RISK GRADE 9	RISK GRADE 10
Fund OCF	0.24%	0.36%	0.50%	0.56%	0.62%	0.66%	0.70%	0.73%	0.76%	0.79%
Historic Yield	1.43%	1.97%	2.65%	2.78%	2.75%	2.49%	2.22%	1.99%	1.84%	1.72%

\* Fund OCF and Historic Yield data correct as at 4th July 2016

### CAERUS Strategic Ethical Active (A-D): portfolio holdings as of 30th June 2016\*

The fund universe for each of the Ethical Profiles is determined by the Ethical Oversight Committee (EOC) as per the ethical screening criteria defined on page 22. The table below shows the current holdings for each Ethical Profile (A-D), to demonstrate the impact of the ethical screening on fund selection and for the purposes of transparency. Please note these holdings may change over the period, depending on the views of the Investment manager. Details of any fund changes over the period are available on pages 30 of this document.

### Illustration of the impact of Ethical screening on portfolio holdings as of 30th June 2016

FUND		A	B	C	D
<b>Asset Class</b>					
Managed Liquidity (unscreened)	BlackRock ICS Institutional Sterling Liquidity Heritage				
	Federated Short-Term Sterling Prime				
Ethical Corporate Bonds	Rathbone Ethical Bond				
	Kames Ethical Corporate Bond				
	F&C Responsible Sterling Bond				
	Alliance Trust Sustainable Future Corporate Bond				
UK Government / Inflation Linked Bonds	Royal London Ethical Bond				
	Allianz Gilt Yield				
Property	M&G Index Linked Bond				
	Henderson UK Property Feeder				
	L&G UK Property Feeder				
Ethical UK Equity Growth	Threadneedle UK Property Feeder				
	Standard Life Investment UK Ethical				
	Kames Ethical Equity				
	Alliance Trust Sustainable Future UK Growth				
	EdenTree Amity UK				
Alliance Trust UK Ethical	Premier Ethical				
	Alliance Trust UK Ethical				

FUND		A	B	C	D
<b>Asset Class</b>					
Ethical UK Equity Income	F&C Responsible UK Income				
	Henderson Global Care UK Income				
Ethical International Equity	Henderson Global Care Growth				
	F&C Responsible Global Equity				
	Alliance Trust Sustainable Future Global Growth				
Ethical Emerging Markets Equity	Alliance Trust Sustainable Future European Growth				
	Stewart Investors Asia Pacific Sustainability				

\*Fund weightings are excluded, as it would depend upon the risk grade selected. For further information please contact your relationship manager.

## CAERUS Strategic Ethical Active (Profile A-D): portfolio returns to period end 30th June 2016

All portfolios have performed in line over 2 years, 3 years and since inception (except Ethical A Risk Grade 7), owing to the strong relative returns in International Equity (over 3 years and since inception) and Emerging Markets Equity. Over shorter periods, the outperformance of Corporate Bonds, UK Gilts (for Ethical Profile A) and Emerging Markets has distorted the Risk Grades leading to a relatively flat performance across all portfolios.

### CAERUS Strategic Ethical Active - Profile A

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	FROM INCEPTION (01.03.2012)
<b>Risk Grade</b>						
1	1.23%	2.05%	2.24%	5.06%	9.34%	14.95%
2	0.89%	1.76%	2.76%	7.87%	14.15%	21.71%
3	1.17%	2.30%	3.95%	11.37%	19.83%	29.78%
4	1.15%	2.15%	4.05%	12.46%	22.25%	34.72%
5	0.82%	1.44%	3.54%	13.49%	23.96%	38.69%
6	1.19%	1.56%	3.62%	14.32%	24.81%	41.75%
7	1.11%	1.17%	3.37%	15.10%	25.86%	45.15%
8	1.45%	1.45%	3.75%	16.19%	26.09%	43.80%
9	1.79%	1.64%	3.77%	16.86%	26.61%	45.47%
10	2.55%	2.52%	4.43%	17.85%	27.04%	46.13%

### CAERUS Strategic Ethical Active - Profile B

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	FROM INCEPTION (01.03.2012)
<b>Risk Grade</b>						
1	0.93%	1.54%	1.77%	4.27%	8.90%	14.91%
2	0.54%	1.17%	2.21%	6.92%	13.68%	22.10%
3	0.67%	1.44%	3.14%	9.97%	19.54%	31.69%
4	0.64%	1.29%	3.24%	11.04%	21.81%	36.62%
5	0.42%	0.75%	2.89%	12.34%	24.01%	41.50%
6	0.88%	1.04%	3.13%	13.44%	25.52%	45.17%
7	0.96%	0.91%	3.13%	14.66%	27.25%	49.31%
8	1.40%	1.37%	3.66%	16.04%	28.20%	51.63%
9	1.79%	1.64%	3.77%	16.86%	29.32%	55.04%
10	2.55%	2.52%	4.43%	17.85%	30.27%	57.40%

Please refer to Important Notes on page 6 for how performance figures are calculated. Performance data is correct as of 30th June 2016. Past performance is not an indication of future returns. The value of Investments and any income from them is not guaranteed and can go down as well as up.

## CAERUS Strategic Ethical Active - Profile C

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	FROM INCEPTION [01.03.2012]
<b>Risk Grade</b>						
1	0.93%	1.54%	1.77%	4.27%	8.75%	15.14%
2	1.32%	2.04%	2.68%	6.69%	12.81%	22.10%
3	1.83%	2.75%	3.84%	9.61%	18.25%	31.41%
4	1.81%	2.59%	3.94%	10.67%	20.41%	35.91%
5	1.58%	2.04%	3.57%	11.96%	22.56%	40.41%
6	1.65%	1.90%	3.58%	13.18%	24.29%	44.25%
7	1.73%	1.76%	3.57%	14.39%	26.01%	48.11%
8	2.17%	2.22%	4.11%	15.77%	26.76%	50.38%
9	2.17%	2.07%	3.99%	16.72%	28.20%	53.75%
10	2.55%	2.52%	4.43%	17.85%	29.49%	56.24%

## CAERUS Strategic Ethical Active - Profile D

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	FROM INCEPTION [01.03.2012]
<b>Risk Grade</b>						
1	0.95%	1.54%	1.84%	4.42%	8.92%	15.23%
2	1.30%	1.98%	2.71%	6.97%	13.25%	22.43%
3	1.78%	2.63%	3.84%	10.03%	19.14%	32.17%
4	1.71%	2.40%	3.86%	11.13%	21.51%	36.95%
5	1.39%	1.72%	3.40%	12.27%	23.55%	41.42%
6	1.41%	1.51%	3.30%	13.44%	25.40%	45.45%
7	1.43%	1.31%	3.19%	14.60%	27.24%	49.52%
8	1.87%	1.78%	3.67%	16.01%	28.03%	51.83%
9	1.83%	1.56%	3.49%	16.85%	29.38%	55.17%
10	2.19%	2.00%	3.91%	17.95%	30.65%	57.66%

Please refer to Important Notes on page 6 for how performance figures are calculated. Performance data is correct as of 30th June 2016. Past performance is not an indication of future returns. The value of investments and any income from them is not guaranteed and can go down as well as up.

## CAERUS Strategic Ethical Active (Profile A-D): asset class returns to period end 30th June 2016

Emerging Markets Equity has outperformed all other asset groups with the exception of Ethical Profile A. Whilst Corporate Bonds (and UK Government Bonds for Ethical Profile A) have outperformed over shorter periods, UK and International Equity continue to outperform over 2 years, 3 years and since inception.

### CAERUS Strategic Ethical Active - Profile A

Asset Class	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	FROM INCEPTION (01.03.2012)
Managed Liquidity	0.12%	0.24%	0.19%	1.57%	4.47%	8.73%
UK Ethical Corporate Bonds	2.82%	4.57%	5.49%	10.73%	19.85%	30.40%
UK Government Bonds	7.81%	13.41%	13.56%	25.15%	27.56%	30.73%
Property	-4.91%	-4.15%	0.62%	12.82%	24.61%	27.65%
UK Ethical Equity Growth	-6.12%	-9.59%	-7.61%	4.82%	19.13%	45.98%
UK Ethical Equity Income	-2.23%	-3.90%	-1.71%	11.25%	27.87%	56.53%
International Ethical Equity	4.26%	4.91%	7.54%	15.91%	24.34%	42.63%
Ethical Emerging Markets Equity	10.19%	13.64%	14.31%	33.63%	32.53%	40.07%

### CAERUS Strategic Ethical Active - Profile B

Asset Class	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	FROM INCEPTION (01.03.2012)
Managed Liquidity	0.12%	0.24%	0.19%	1.57%	4.47%	8.73%
UK Ethical Corporate Bonds	2.82%	4.57%	5.49%	10.73%	19.85%	30.40%
Property	-4.91%	-4.15%	0.62%	12.82%	25.32%	32.47%
UK Ethical Equity Growth	-6.12%	-9.59%	-7.61%	4.82%	19.13%	45.98%
UK Ethical Equity Income	-2.23%	-3.90%	-1.71%	11.25%	27.87%	56.53%
International Ethical Equity	4.26%	4.91%	7.54%	15.91%	24.34%	42.63%
Ethical Emerging Markets Equity	10.19%	13.64%	14.31%	33.63%	44.77%	80.43%

### CAERUS Strategic Ethical Active - Profile C

Asset Class	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	FROM INCEPTION (01.03.2012)
Managed Liquidity	0.12%	0.24%	0.19%	1.57%	4.47%	8.73%
UK Ethical Corporate Bonds	2.82%	4.57%	5.49%	10.73%	19.30%	31.27%
UK Ethical Equity Growth	-6.12%	-9.59%	-7.61%	4.82%	18.69%	45.91%
UK Ethical Equity Income	-2.23%	-3.90%	-1.71%	11.25%	26.45%	52.04%
International Ethical Equity	4.26%	4.91%	7.54%	15.91%	22.97%	41.41%
Ethical Emerging Markets Equity	10.19%	13.64%	14.31%	33.63%	44.77%	80.43%

### CAERUS Strategic Ethical Active - Profile D

Asset Class	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	FROM INCEPTION (01.03.2012)
Managed Liquidity	0.12%	0.24%	0.19%	1.57%	4.47%	8.73%
UK Ethical Corporate Bonds	2.87%	4.58%	5.71%	11.27%	19.89%	31.57%
UK Ethical Equity Growth	-7.65%	-11.71%	-8.89%	3.00%	17.51%	44.88%
UK Ethical Equity Income	-2.23%	-3.90%	-1.71%	11.25%	26.45%	52.04%
International Ethical Equity	4.28%	4.95%	6.78%	17.69%	27.54%	46.39%
Ethical Emerging Markets Equity	10.19%	13.64%	14.31%	33.63%	44.77%	80.43%



# PORTFOLIO CHANGES

**Portfolios affected:** CAERUS Active, Passive, Blended

## Sub-asset allocation changes to Fixed Interest

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Index Linked Gilts moved from overweight (15%) to neutral (10%), in view of extended valuations and increasing levels of volatility, however relatively attractive breakeven rates in the face of potentially rising inflation expectations warranted a neutral position. Global Strategic Bonds moved from overweight (45%) to neutral (40%). Relatively attractive yields within high yield and ABS are being offset by increasing leverage and potential for default in the high yield sector. UK Investment Grade Corporate Bonds moved from underweight (25%) to overweight (35%) in view of attractive spreads (given the sell-off in Q1) and a desire to increase the general credit quality in fixed interest.

**Portfolios affected:** CAERUS Active, Passive, Blended

**SELL** Artemis Income

**BUY** Equally invested into the five remaining UK Equity Income funds.

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Fund switch following a meeting with the fund managers and ongoing concerns with performance and increasing volatility. On a look through analysis the fund contributed significantly to stock overlap and therefore led to questions over the benefit of diversification. We have therefore sold the fund and reinvested into the remaining five within the asset class.

**Portfolios affected:** CAERUS Passive, Blended and Income

**SELL** Vanguard Pacific Index

**BUY** L&G Pacific Index

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The Vanguard Pacific ex Japan Stock Index fund aims to track the MSCI Pacific ex Japan index which has a very high weighting to Australia. PIM believe that falling commodity prices and the developed nature of the Australian market means that more attractive investment opportunities lie in developing Asia. Therefore, we made the decision to switch to the L&G Pacific Index fund which tracks the FTSE World Asia Pacific ex Japan index which is far more diverse by both country and constituent.



# INDEX AND PEER GROUP RETURNS

## Index and peer group returns to period end 30th June 2016

Performance data for comparative indices is included below over various market periods.

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	5 YEAR RETURN
<b>Comparative Indices</b>						
IA Mixed Investment 0-35% Shares	2.46%	3.77%	3.33%	6.84%	11.94%	20.95%
IA Mixed Investment 20-60% Shares	2.15%	2.74%	1.87%	6.67%	14.21%	24.77%
IA Mixed Investment 40-85% Shares	2.43%	2.46%	1.89%	8.84%	17.73%	30.64%
IA Flexible Investment	2.66%	2.40%	1.18%	8.27%	16.74%	26.19%
LIBOR GBP 12m	0.25%	0.50%	1.03%	2.04%	2.97%	5.95%
IBOXX Sterling Gilts All Maturities	5.98%	11.52%	13.63%	24.13%	27.15%	45.15%
Citi UK Inflation-Linked Securities Index	-0.38%	5.55%	4.28%	19.04%	23.58%	44.99%
IBOXX Sterling Corporates All Maturities	3.95%	7.01%	8.61%	15.35%	24.45%	45.24%
Barclays Global Aggregate GBP (H)	2.56%	5.95%	7.52%	11.23%	17.30%	27.87%
PIM Property Index	-3.32%	-2.77%	0.83%	11.50%	24.29%	26.99%
FTSE All Share	2.47%	2.05%	0.03%	2.63%	16.09%	32.63%
IA UK Equity Income	-1.15%	-2.61%	-1.82%	5.07%	20.18%	44.07%
FTSE North America	7.63%	12.11%	17.90%	35.65%	50.59%	97.08%
FTSE Europe Ex UK	2.09%	3.08%	3.97%	4.43%	20.67%	21.98%
FTSE Asia Pacific Ex Japan	5.53%	10.42%	3.85%	12.73%	17.93%	19.58%
FTSE Japan	7.59%	3.00%	6.59%	26.87%	24.70%	50.03%
FTSE World ex UK	6.36%	9.78%	12.84%	24.90%	37.14%	62.28%
FTSE Emerging	6.72%	16.11%	1.02%	7.82%	9.11%	1.00%

Please refer to Important Notes on page 6 for how performance figures are calculated. Performance data is correct as of 30th June 2016. Past performance is not an indication of future returns. The value of Investments and any income from them is not guaranteed and can go down as well as up.

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