



# CAERUS SELECT

QUARTER ONE 2016  
INVESTMENT REVIEW



**CAERUS**  
Portfolio Management





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# CHIEF EXECUTIVE'S STATEMENT



**Keith Carby**

Chief Executive  
CAERUS Capital Group Limited

At the end of the last quarter, I mentioned the 'January effect' which, in a nut shell, proposed that when stock prices exhibited a downward trend in the first month of the year, that trend has only continued in 45% of recorded instances.

Looking back - hindsight has always been 20/20. The FTSE 100 tumbled from the 2015 year end peak of 6242.32 through a mid-month low before climbing back to 6083.79 at the end of the January; a downward trend. The pattern appeared to be repeating in February, but scrambled back to end the month above the start figure; an upward trend. In March, the index continued a steady rise, again finishing higher than it started. So, are we in a 55% year? Maybe, maybe not!

World and domestic events will always influence the markets. A year is very much a 'short term' as judged by wise Investors, although the past few years have brought an ever-increasing number of major changes across the globe. Perhaps the most significant being the supply and price of crude oil. A recent headline summed up the situation; "It never was cheap oil that threatened our economies...it is the next oil supply crunch we should fear most".

The March Budget was preceded by speculation over the removal of tax relief for those providing for their retirement via a pension tax wrapper. In the event, the speculators got it wrong, but that option remains in the Chancellor's armoury.

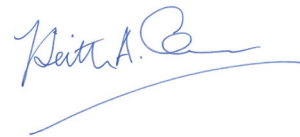
Not many 'speculators' called it right in the Grand National. An outstanding and emotionally charged day for David Mullins, at just 19 taking his first National victory, and for Mouse Morris, trainer of the real hero, Rule the World. At 33-1, this magnificent horse brought a smile - and a pocketful of cash - to those who backed him. Of course, many more will have lost out, but that is the excitement and the disappointment of any speculative wager.

Horse racing, along with many other 'betable' activities, would be classified by the majority of Investment analysts as high risk; right off the scale for those who need to provide for events requiring specific cash flows or lump sums, in the future. Sporting events, by their nature, are 'sudden death' and mostly short term.

In contrast, buying specific shares is usually done with a longer time frame in mind. Moreover, if the chosen stock starts to fall, the speculator has the option to exit the 'wager' and limit the loss - not an option with the Grand National!

The temptation to speculate is reinforced by the almost overwhelming volume of information available to all of us; whether it is 'form' as background to any sporting event, or the mass of commentary and suggestion about shares in quoted companies. All very informative, but all are produced with the benefit of 20/20 vision. The caveat which is required by the Regulator of Financial Services is straight forward and to the point. In essence, "Investments can fall as well as rise; past performance is no indicator of the future".

With that in mind, it is reassuring to have access to Investment options that, whilst they can never be guaranteed, are designed and managed to deliver performance based on the level of risk the Investor is willing and able to accept. Whilst it is unlikely that any such Investment will come in at 33-1, it is much more unlikely that it will fall at the first.



Keith Carby  
Chief Executive  
CAERUS Capital Group Limited

# MANAGING DIRECTOR'S REVIEW



## **Andy Ferns**

Managing Director  
CAERUS Capital Group Limited

### **Spring is here**

I am very pleased to be writing to you again, in what has been a spell of really glorious spring weather, with news that after their late winter difficulties, Investment markets appear to have entered a stronger phase.

Our most popular mid-risk portfolios have now recovered their losses of the first half of 2015 and are standing at a small gain over twelve months.

### **Risk Off, Risk On**

At the start of this year, the markets went through a crisis of confidence. This was the case around the world, but the figures for the UK are representative of the concern that the US might return to recession. The market in the UK's leading shares, as reflected in the FTSE 100 index, fell from its level at year end of 6,242, by over 11% in the six weeks to mid-February. Happily, we have subsequently seen it recover all those losses and are ahead on the year to date. Investors are becoming used to this volatility which appears to be on the increase.

The best answers to managing volatility are to maintain a really well diversified portfolio, not to put all the eggs in one basket, research the managers whose proven approach can cope and to take confidence that the return to fortune is usually just as quick as the falls. Selling at the bottom is never the right strategy. An example of the way different asset classes help deliver good outcomes can be seen in the comparison of property and equity. While equities have had a switchback ride this quarter, commercial property has been relatively serene and it is our best performing asset class over one year, producing over 8% in steady returns. Assets combined in the right proportions for Investors of different risk appetite mean the overall portfolio outcome is right for the individual Investor.

A particular bright spot in the first quarter was our Emerging Market Investments which have seen their best three months' return for some while. This is very much welcomed at the top end of the risk scale.

### **Ethical Portfolios: A tough quarter**

The CAERUS Ethical portfolios are an integral element of our range of Investment options. They allow Investors to hold portfolios which not only balance up with their own attitudes to risk but also offer four levels of Investor engagement. Full details are set out on pages 22 to 29 of this report. Compared to our flagship portfolios, our Ethical range has performed strongly over the last two years, matching and exceeding the returns of their conventional equivalents. However, the recent rally in markets was, in part, triggered by rising confidence in the huge oil companies which represent around 5% of the world economy (Source: Investopedia, 2015), as crude oil jumped from \$32 to \$40 a barrel (Source: NASDAQ.com, 2016). The Ethical portfolios, for obvious reasons, are not invested in oil, and have not participated in this rally but continue to return profits. With good exposure to mid cap and smaller companies we know they are well placed for further growth.

### **The Brexit Decision: In or Out?**

Before I write to you again, one of the biggest decisions for our democracy in recent years will have been made on 23 June, in the Euro Referendum. We anticipate that the UK market, in equities and bonds, to a similar extent, will be in a cautious mood until a clear result is seen.

### **More Change from the Chancellor**

George Osborne added a number of incentives for Investors in his recent budget. We will be looking carefully at the Lifetime ISA opportunity and the £5000 tax free Dividend Allowance, but of immediate interest is the cut in Capital Gains Tax to 10% for basic rate tax payers. This, and the cut in CGT to 20% for higher rate tax payers, will make the CAERUS Select Portfolios suitable for some larger portfolios, held in GIAs, outside the tax exempt wrappers. Your Adviser will be glad to discuss reducing the tax bill on your Investments by utilising all the available reliefs.



# 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 31st March 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 year has begun with a volatile quarter. Take for example the US stock market. In the first six weeks of 2016 it fell 10% (local currency) amid concern that economic growth was less robust than forecast and manufacturing weaker than expected.

However employment data showed that the US continuing to create jobs at a healthy pace. The market was also helped by hints from Janet Yellen (Head of the Federal Reserve) that interest rate rises would be more subdued than initially thought at the time of the first increase in December last year. The stock market managed to claw back the losses and ended up by 1.3% (local currency) by the end of the quarter. Similarly the UK followed a similar path with a rise of just 0.1%. (Source: JP Morgan)

Oil and gold both had an interesting quarter. The oil price rebounded by 40% from a low of \$28 in February (Source: FE Analytics) encouraged by the possibility of a deal between Saudi Arabia and Russia to control output. The oil price fall was caused by a combination of the US output doubling over the past 10 years and Saudi Arabia increasing its output. Looking ahead the comeback of Iranian production will not help prices, and it remains to be seen whether uneconomic projects can be closed quickly enough to restore equilibrium between demand and supply. Bizarrely although a fillip for consumers via lower petrol prices, a low oil price does not help central banks trying to generate an inflation rate of 2% or more. Uncertainty helped gold to gain 16%, mostly during the first half of the quarter owing to the stock market turmoil and geopolitical concerns, with investors viewing the metal as a safe haven investment.

The hunt for yield has become even more acute in a "negative" interest rate environment. The European Central Bank (ECB), Switzerland and Japan all have negative interest rate policy. The mechanics are as follows; commercial banks often deposit monies with their respective central banks on which they earn a rate of interest. However now the central bank charges them for such deposits i.e. the commercial banks have to pay to deposit these monies with the central bank.

The hope is that the commercial banks instead of earning a negative return will lend the monies to companies /individuals and encourage investment and /or consumption by the latter and hence increase economic growth. In this environment of negative rates, low inflation and low yields from short dated investments, returns from long dated government debt often exceeded that of stock markets as investors scrambled for income. UK government bonds returned 5.2% in the first quarter. (Source: JP Morgan)

After a diabolical 2015 emerging markets were one of the bright spots for stock markets, up nearly 10 % in sterling terms. The good news is that China does not appear to be experiencing a "hard landing". Slowly its economy is moving away from one based upon manufacturing to services and consumption. Although investors cannot expect the double digit growth of yesteryear, it is important to remember it is still growing at a healthy 5-6%. Emerging markets have also benefitted from a weakening dollar. With expected interest rate rises to be more subdued in the US, the dollar may not strengthen as much as has been feared which makes it less expensive for emerging market companies to repay the dollar borrowings.

Over the next few months there is some political risk in both the UK and US. Looking ahead, one cannot ignore the forthcoming BREXIT referendum in the UK. The uncertainty over the outcome is already causing volatility in the sterling currency market, which may increase as the date approaches. And in the US, the rise of Donald Trump as the Republican candidate may cause some uncertainty as November comes closer. By the time of writing the next market commentary, the result of the BREXIT referendum will be known and, hopefully, at least UK investors can plan ahead with greater clarity.





**Stephen Lennon**  
Investment Manager  
Parmenion Investment Management

BREXIT is a term which has worked its way into British language over the past year or so and is now commonplace, particularly in the financial press.

One could argue that the term coined in reference to the referendum to be held on the 23 June implies that Britain is certain to leave the European Union (EU) and is, therefore, overly negative (a view supported by Bank of America who have apparently banned the use of the term).

The outcome is far from certain with the “don’t knows” making up a good proportion of the vote. According to the FT poll of polls, the remain camp represents 45% of the vote, leave 42% and undecided the remaining 13% as of the 3rd April. Clearly the outcome is finely balanced if we are to trust this data but, as the General Election highlighted, polling agencies are far from infallible.

The economic impact of Britain leaving the EU has been well debated and so I would like to focus on the potential impact on financial markets. As we all know, markets despise uncertainty which has already been felt in the currency markets. The chart opposite shows that sterling has fallen significantly versus the US Dollar since the middle of June and also against the Euro more recently.

There is a distinct possibility that the volatility in sterling will continue until the outcome of the referendum is known.

But what is the impact on other financial assets? Well, the UK equity market has a large proportion of exporting companies with circa 70% of FTSE 100 earnings coming from overseas. These exporting companies all of a sudden start to look more attractive as their goods effectively become cheaper for overseas buyers. This should be supportive of equities. However, Investor sentiment towards the UK could sour in the run up to the referendum and the UK market is fully valued at around 26 x price to earnings (source; FT 5th April 2016). These factors could provide significant headwind to any progress in the equity market.

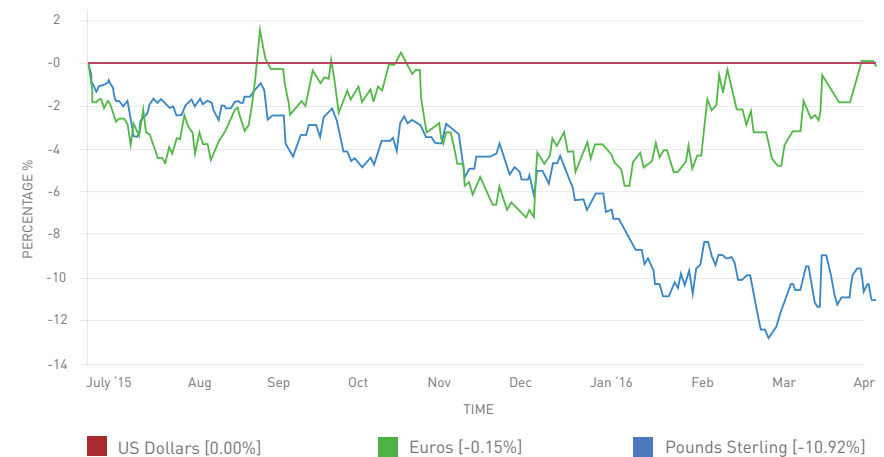
The gilt market is influenced by low interest rates, which look set to stay low, helping to keep gilt yields suppressed. However, as the 10 year gilt yield is a mere 1.40% at the time of writing, there is plenty of room for an increase in yields should we leave the EU and the UK is perceived as a riskier place in which to invest. This would feed through into the corporate bond markets where uncertainty over future trade with Europe could cause credit spreads to widen causing capital

losses for bond holders. The counter argument is that the bond markets may see inflows in the face of volatility in other asset classes as Investors seek safer assets to protect capital and diversify their portfolios serving to keep yields contained.

Commercial property ought to be fairly well insulated although there is a key risk that the market slows as corporate leaders hold off investing in their businesses. According to the Deloitte CFO survey, BREXIT worries are having a major impact on the perception of financial and economic uncertainty despite 53% of responding CFOs saying that they have made no contingency plans for a possible exit from the EU.

Whilst some professional investors are relatively sanguine over the impact of the referendum, others are less so and the effect on financial securities are numerous and varied. The referendum may affect UK assets far more than European holdings although the potential effects on Europe are also unclear. As ever, this all serves to highlight the importance of diversification and professional investment management.

### Sterling and Euros versus US Dollars



Source: FE Analytics. Returns are shown bid to bid, with income reinvested, excluding charges and tax over the period 22/06/2015 to 06/04/2016.



# 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	0.23%	0.55%	0.63%	0.67%	0.77%	0.82%	0.85%	0.92%	0.96%	1.01%
Historic Yield	0.99%	2.13%	2.31%	2.31%	2.32%	2.31%	2.28%	2.05%	1.85%	1.55%

Fund OCF and Historic Yield data correct as at 29th March 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%	0.17%	0.16%	0.16%	0.19%	0.21%	0.19%	0.13%
Historic Yield	0.87%	1.94%	2.21%	2.57%	2.80%	2.96%	3.05%	3.05%	2.93%	2.76%

Fund OCF and Historic Yield data correct as at 29th March 2016

## Portfolio holdings as at 31st March 2016

The current portfolio holdings for CAERUS Active and Passive are shown in the tables below, as at 31st March 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 - Ignis UK Property Income Feeder	Artemis 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	Rathbone Income	JOHCM UK Opportunities	JPM US Equity Income	PFS Somerset Emerging Markets Dividend Growth
	Invesco Perpetual Corporate Bond	Threadneedle UK Property	Invesco Perpetual Income	Jupiter UK Special Situations	Pioneer US Fundamental Growth	Fidelity Emerging Markets
	PFS TwentyFour Dynamic Bond		Threadneedle UK Equity Income	Liontrust Special Situations	Stewart Investors Asia Pacific Leaders	Schroder Global Emerging Markets
	M&G Index Linked Bond		Trojan Income	Schroder UK Smaller Companies	Jupiter European	
	M&G Optimal Income		Unicorn UK 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 - Ignis UK Property 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			L&G Japan Index	
	Vanguard UK Government Bond Index				Vanguard Pacific ex Japan Stock Index	

## CAERUS Active - portfolio returns to period end 31st March 2016

All portfolios perform in line up until Risk Grades 6-8 over 1 to 5 years, owing to the strong relative performance of Property and Developed Markets Equity (and UK Equity Growth and UK Value and Income over 3 and 5 years) versus Fixed Interest and Emerging Markets Equity. Over 6 months all portfolios are in line owing to the strong relative performance of Developed and Emerging Markets Equity however over 3 months performance is distorted as Fixed Interest and Emerging Markets have outperformed other asset classes.

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	5 YEAR RETURN
<b>Active</b>						
1	0.53%	0.55%	-0.18%	3.30%	3.35%	10.15%
2	1.25%	1.74%	0.79%	8.53%	10.33%	24.98%
3	1.27%	2.48%	1.02%	10.25%	13.19%	30.17%
4	0.81%	3.26%	1.62%	11.43%	17.23%	35.61%
5	0.89%	4.54%	2.10%	13.98%	21.32%	42.10%
6	0.88%	5.24%	2.45%	15.29%	23.79%	45.95%
7	1.08%	5.83%	2.52%	15.69%	24.39%	45.13%
8	1.69%	7.77%	1.85%	16.91%	24.98%	44.06%
9	2.43%	8.61%	0.58%	15.53%	21.16%	39.27%
10	3.23%	9.90%	-0.99%	14.34%	17.45%	35.26%

## CAERUS Passive - portfolio returns to period end 31st March 2016

All portfolios perform in line up until Risk Grade 6 over 3 and 5 years, owing to the strong relative performance of Property and Developed Markets Equity (and UK Equity Growth and UK Value and Income over 5 years) versus Fixed Interest and Emerging Markets Equity. Over 1 and 2 years performance is distorted by the strong relative performance of Property and Developed Markets Equity over the latter period. All Risk Grades perform in line over 6 months, whilst over 3 months performance is distorted by the relative outperformance of Fixed Interest and Emerging Markets versus other asset classes.

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	5 YEAR RETURN
<b>Passive</b>						
1	0.77%	0.79%	0.18%	4.16%	4.39%	11.40%
2	1.93%	2.32%	1.00%	10.10%	12.04%	27.34%
3	1.99%	2.97%	0.72%	10.99%	13.88%	32.00%
4	1.32%	3.35%	-0.34%	9.48%	14.30%	33.95%
5	1.33%	4.48%	-0.64%	10.77%	17.03%	39.06%
6	1.23%	5.07%	-0.93%	11.11%	18.35%	41.53%
7	1.36%	5.55%	-1.10%	11.02%	18.17%	38.95%
8	1.90%	7.28%	-2.04%	11.19%	17.62%	35.46%
9	2.72%	8.21%	-3.03%	10.36%	14.53%	29.56%
10	3.58%	9.53%	-4.48%	9.40%	11.30%	24.41%

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 31st March 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 31st March 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%	0.26%	-0.10%	1.94%	2.25%	5.68%
Fixed Interest	2.16%	1.73%	-0.49%	8.87%	7.77%	27.29%
Property	0.99%	3.50%	8.01%	21.98%	32.88%	36.63%
UK Value and Income	-1.36%	3.30%	1.43%	11.05%	27.43%	57.34%
UK Growth	-0.02%	3.88%	3.95%	9.36%	21.77%	48.42%
Developed Markets	2.02%	12.17%	2.43%	27.19%	35.26%	55.46%
Emerging Markets	7.31%	11.74%	-7.89%	2.83%	-5.60%	4.03%

### CAERUS Passive

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	5 YEAR RETURN
Managed Liquidity	0.12%	0.26%	-0.10%	1.94%	2.25%	5.68%
Fixed Interest	3.39%	2.92%	1.30%	13.45%	13.27%	34.26%
Property	0.99%	3.50%	8.01%	21.98%	32.88%	36.63%
UK Value and Income	-0.79%	2.31%	-5.98%	0.44%	9.69%	43.18%
UK Growth	-0.44%	3.48%	-4.00%	2.25%	11.16%	31.43%
Developed Markets	2.07%	11.40%	-0.44%	20.50%	30.54%	54.61%
Emerging Markets	8.29%	12.01%	-9.21%	2.24%	-8.51%	-11.17%

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 31st March 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	0.20%	0.45%	0.51%	0.55%	0.62%	0.66%	0.69%	0.74%	0.77%	0.79%
Historic Yield	0.96%	2.08%	2.28%	2.38%	2.44%	2.47%	2.47%	2.30%	2.12%	1.85%

Fund OCF and Historic Yield data correct as at 29th March 2016

### CAERUS 50% Active & 50% Passive

Fund OCF	0.17%	0.36%	0.39%	0.42%	0.47%	0.49%	0.52%	0.56%	0.57%	0.57%
Historic Yield	0.93%	2.03%	2.26%	2.44%	2.56%	2.63%	2.67%	2.55%	2.39%	2.15%

Fund OCF and Historic Yield data correct as at 29th March 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	0.90%	1.98%	2.23%	2.51%	2.68%	2.80%	2.86%	2.80%	2.66%	2.46%

Fund OCF and Historic Yield data correct as at 29th March 2016

## CAERUS 75% Active & 25% Passive - portfolio returns to period end 31st March 2016.

All portfolios perform in line up until Risk Grades 6-8 over 1 to 5 years, owing to the strong relative performance of Property and Developed Markets Equity (and UK Equity Growth and UK Value and Income over 3 and 5 years) versus Fixed Interest and Emerging Markets Equity. Over 6 months all portfolios are in line owing to the strong relative performance of Developed and Emerging Markets Equity however over 3 months performance is distorted as Fixed Interest and Emerging Markets have outperformed other asset classes.

Risk Grade	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	5 YEAR RETURN
1	0.59%	0.61%	-0.09%	3.51%	3.61%	10.46%
2	1.42%	1.88%	0.85%	8.93%	10.76%	25.57%
3	1.45%	2.60%	0.95%	10.44%	13.36%	30.63%
4	0.94%	3.28%	1.13%	10.94%	16.49%	35.20%
5	1.00%	4.53%	1.41%	13.18%	20.24%	41.34%
6	0.97%	5.20%	1.60%	14.24%	22.41%	44.85%
7	1.15%	5.76%	1.61%	14.51%	22.81%	43.58%
8	1.74%	7.65%	0.87%	15.46%	23.11%	41.88%
9	2.51%	8.51%	-0.33%	14.23%	19.48%	36.80%
10	3.32%	9.81%	-1.87%	13.09%	15.89%	32.48%

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 31st March 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 31st March 2016

All portfolios perform in line up until Risk Grade's 6 and 8 over 3 and 5 years, owing to the strong relative performance of Property and Developed Markets Equity (and UK Equity Growth and UK Value and Income over 5 years) versus Fixed Interest and Emerging Markets Equity. Over 1 and 2 years performance is distorted by the strong relative performance of Property and Developed Markets Equity over the latter period. All Risk Grades perform in line over 6 months, whilst over 3 months performance is distorted by the relative outperformance of Fixed Interest and Emerging Markets versus other asset classes.

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	5 YEAR RETURN
<b>Risk Grade</b>						
1	0.65%	0.67%	0.00%	3.73%	3.87%	10.78%
2	1.59%	2.03%	0.90%	9.32%	11.19%	26.17%
3	1.63%	2.72%	0.87%	10.63%	13.54%	31.09%
4	1.06%	3.31%	0.64%	10.45%	15.76%	34.79%
5	1.11%	4.51%	0.73%	12.37%	19.17%	40.59%
6	1.06%	5.15%	0.75%	13.19%	21.05%	43.75%
7	1.22%	5.69%	0.70%	13.34%	21.25%	42.03%
8	1.80%	7.53%	-0.11%	14.03%	21.26%	39.73%
9	2.58%	8.41%	-1.23%	12.93%	17.82%	34.36%
10	3.41%	9.72%	-2.74%	11.85%	14.34%	29.74%

### CAERUS 25% Active & 75% Passive - portfolio returns to period end 31st March 2016

All portfolios have performed in line over the last quarter. For lower Risk Grades portfolio performance is distorted over 6 months and 2 years due to the relative underperformance of UK Equities (Growth plus Value and Income) versus Fixed Income and Property. Over 1, 3 and 5 years, the portfolios perform in line up until Risk Grades 6 owing to the strong performance of Property, UK and Developed Markets Equity versus Emerging Markets.

	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	3 YEAR RETURN	5 YEAR RETURN
<b>Risk Grade</b>						
1	0.71%	0.73%	0.09%	3.94%	4.13%	11.09%
2	1.76%	2.17%	0.95%	9.71%	11.61%	26.76%
3	1.81%	2.85%	0.79%	10.81%	13.71%	31.55%
4	1.19%	3.33%	0.15%	9.97%	15.03%	34.37%
5	1.22%	4.50%	0.05%	11.57%	18.10%	39.83%
6	1.14%	5.11%	-0.09%	12.15%	19.69%	42.64%
7	1.29%	5.62%	-0.20%	12.17%	19.71%	40.48%
8	1.85%	7.40%	-1.07%	12.60%	19.43%	37.58%
9	2.65%	8.31%	-2.13%	11.64%	16.16%	31.95%
10	3.49%	9.62%	-3.61%	10.61%	12.80%	27.04%

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 31st March 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 31st March 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%	0.26%	-0.10%	1.94%	2.25%	5.68%
Fixed Interest	2.47%	2.03%	-0.04%	10.02%	9.15%	29.03%
Property	0.99%	3.50%	8.01%	21.98%	32.88%	36.63%
UK Value and Income	-1.22%	3.05%	-0.42%	8.40%	23.00%	53.80%
UK Growth	-0.13%	3.78%	1.96%	7.58%	19.12%	44.17%
Developed Markets	2.03%	11.98%	1.71%	25.52%	34.08%	55.25%
Emerging Markets	7.56%	11.81%	-8.22%	2.68%	-6.33%	0.23%

#### 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%	0.26%	-0.10%	1.94%	2.25%	5.68%
Fixed Interest	2.78%	2.33%	0.41%	11.16%	10.52%	30.78%
Property	0.99%	3.50%	8.01%	21.98%	32.88%	36.63%
UK Value and Income	-1.08%	2.81%	-2.28%	5.75%	18.56%	50.26%
UK Growth	-0.23%	3.68%	-0.03%	5.81%	16.47%	39.93%
Developed Markets	2.05%	11.79%	1.00%	23.85%	32.90%	55.04%
Emerging Markets	7.80%	11.88%	-8.55%	2.54%	-7.06%	-3.57%



## 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%	0.26%	-0.10%	1.94%	2.25%	5.68%
Fixed Interest	3.08%	2.62%	0.85%	12.31%	11.90%	32.52%
Property	0.99%	3.50%	8.01%	21.98%	32.88%	36.63%
UK Value and Income	-0.93%	2.56%	-4.13%	3.09%	14.13%	46.72%
UK Growth	-0.34%	3.58%	-2.01%	4.03%	13.81%	35.68%
Developed Markets	2.06%	11.59%	0.28%	22.17%	31.72%	54.82%
Emerging Markets	8.05%	11.94%	-8.88%	2.39%	-7.78%	-7.37%

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 29th March 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 12M LOSS	MAX 12 MONTH GAIN	OCF
<b>Risk Grade</b>							
1	3.00%	2.37%	4.89%	2.97%	-3.94%	9.29%	0.54%
2	3.25%	3.04%	6.24%	4.94%	-10.16%	12.42%	0.62%
3	3.50%	3.58%	7.27%	6.56%	-14.17%	15.45%	0.68%
4	3.75%	3.95%	7.90%	7.81%	-17.41%	18.61%	0.71%
5	4.00%	4.23%	8.28%	8.87%	-19.91%	21.36%	0.73%
6	4.25%	4.41%	8.50%	10.14%	-21.73%	24.41%	0.74%
7	4.50%	4.59%	8.64%	11.15%	-23.38%	26.14%	0.75%
8	4.75%	4.83%	8.75%	12.27%	-25.39%	28.43%	0.76%
9	5.00%	5.07%	8.77%	13.47%	-27.29%	30.83%	0.76%
10	5.25%	5.22%	8.73%	14.44%	-27.94%	33.66%	0.76%

\*Correct as at 29th March 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 31st March 2016

The current fund holdings for CAERUS Tactical Income portfolios are shown in the table below, as at 31st March 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%
	PFS 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	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	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	Vanguard Pacific ex Japan Stock Index	0.00%	0.00%	0.00%	0.67%	1.67%	2.67%	3.33%	4.33%	5.67%	6.67%
	Henderson Asian Dividend Income	0.00%	0.00%	0.00%	0.66%	1.66%	2.66%	3.33%	4.33%	5.66%	6.66%
	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 31st March 2016

All portfolios continue to achieve their target yields except for Risk Grades 1, 2 and 10. Over positive return periods (all periods bar 1 year), most portfolios are performing sequentially, thanks to strong contributions from US, Asia and Global Equity Maximiser. Exceptions are Risk Grade 5 over 2 years, boosted by the strong returns from Property, and Risk Grade 10 over 3 months, 2 years and since inception, where lower exposure to the US has held it back. Over 1 year, performance is essentially reversed with higher risk portfolios underperforming, with the exception of Risk Grade 2.

Risk Grade	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	FROM INCEPTION (01.02.2014)
1	1.00%	1.87%	0.64%	7.06%	7.06%
2	1.07%	2.94%	0.65%	8.91%	8.91%
3	1.13%	3.22%	0.10%	9.63%	9.63%
4	1.26%	3.92%	-0.12%	10.27%	10.27%
5	1.42%	4.71%	-0.30%	10.88%	10.88%
6	1.58%	5.58%	-0.70%	10.61%	10.61%
7	1.69%	6.30%	-0.81%	11.01%	11.01%
8	1.70%	6.84%	-1.08%	11.02%	11.02%
9	1.81%	7.56%	-1.39%	11.00%	11.00%
10	1.79%	7.67%	-2.26%	9.92%	9.92%

## CAERUS Tactical Income - asset class returns to period end 31st March 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.

Asset Class	3 MONTH RETURN	6 MONTH RETURN	1 YEAR RETURN	2 YEAR RETURN	FROM INCEPTION (01.02.2014)
Managed Liquidity	0.65%	0.92%	0.39%	2.50%	2.50%
Corporate Bonds	1.28%	1.43%	-1.05%	8.07%	8.07%
High Yield Bonds	0.98%	2.43%	1.49%	3.05%	3.05%
Property	1.17%	5.68%	4.42%	19.00%	19.00%
UK Equity Income	-0.98%	3.15%	-1.81%	6.73%	6.73%
US Equity	6.95%	18.18%	3.39%	29.36%	29.36%
Europe ex UK	0.31%	8.76%	-2.07%	8.66%	8.66%
Asia Pacific ex Japan	5.94%	14.76%	-5.91%	9.53%	9.53%
Global Equity Income Maximiser	3.32%	9.23%	-3.80%	12.25%	12.25%

Please refer to Important Notes on page 6 for how performance figures are calculated. Performance data is correct as of 31st March 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 over 80% of clients 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 31st March 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%	0.82%
Historic Yield	1.30%	1.81%	2.42%	2.55%	2.54%	2.31%	2.10%	1.90%	1.77%	1.64%

\* Fund OCF and Historic Yield data correct as at 29th March 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%	0.38%	0.52%	0.58%	0.66%	0.69%	0.74%	0.77%	0.80%	0.82%
Historic Yield	1.46%	2.00%	2.69%	2.81%	2.75%	2.47%	2.18%	1.93%	1.77%	1.64%

\* Fund OCF and Historic Yield data correct as at 29th March 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%	0.49%	0.55%	0.62%	0.67%	0.72%	0.75%	0.79%	0.82%
Historic Yield	1.46%	2.01%	2.70%	2.82%	2.76%	2.47%	2.19%	1.93%	1.77%	1.64%

\* Fund OCF and Historic Yield data correct as at 29th March 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%	0.63%	0.67%	0.71%	0.74%	0.77%	0.79%
Historic Yield	1.45%	1.99%	2.67%	2.79%	2.73%	2.45%	2.17%	1.92%	1.75%	1.63%

\* Fund OCF and Historic Yield data correct as at 29th March 2016

### CAERUS Strategic Ethical Active (A-D): portfolio holdings as of 31st March 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 31st March 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				
	L&G UK Property Feeder				
Ethical UK Equity Growth	Threadneedle UK Property				
	Standard Life Investment UK Ethical				
	Kames Ethical Equity				
	Alliance Trust Sustainable Future UK Growth				
	EdenTree Amity UK				
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				
Ethical Emerging Markets Equity	Alliance Trust Sustainable Future Global Growth				
	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 31st March 2016

All portfolios in Ethical Profiles B to D have performed in line up to Risk Grades 9-10 over 6 months, 2 years, 3 years and since inception, owing to the strong relative returns in Property, Developed Markets and Emerging Markets Equity. Over 3 months and 1 year performance is distorted by the relative outperformance of Fixed Interest versus Developed Markets Equity in the former and UK Equity over Emerging Markets Equity in the latter. Performance is similar over all periods for Ethical Profile A with the exception of 3 years and since inception where performance is distorted for Risk Grades 8 to 10 due to the relative outperformance of Developed versus Emerging Markets Equity.

### 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	0.81%	1.01%	-0.33%	5.10%	6.46%	13.55%
2	0.84%	1.93%	0.59%	8.34%	11.54%	20.59%
3	1.07%	2.90%	1.16%	11.65%	15.39%	28.22%
4	0.95%	3.47%	1.23%	12.57%	18.11%	33.13%
5	0.56%	4.02%	1.23%	13.90%	20.49%	37.48%
6	0.33%	4.79%	0.65%	14.22%	20.80%	40.03%
7	0.01%	5.59%	0.43%	15.01%	22.17%	43.49%
8	-0.03%	6.38%	0.14%	15.84%	22.14%	41.68%
9	-0.17%	6.78%	-0.40%	16.15%	21.96%	42.86%
10	-0.05%	7.16%	-0.99%	16.51%	20.94%	42.47%

### 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	0.60%	0.97%	-0.44%	4.69%	6.48%	13.85%
2	0.60%	1.87%	0.46%	7.85%	11.66%	21.41%
3	0.73%	2.82%	0.97%	10.92%	15.30%	30.77%
4	0.60%	3.39%	1.04%	11.83%	18.10%	35.68%
5	0.28%	3.95%	1.07%	13.30%	20.98%	40.84%
6	0.12%	4.73%	0.53%	13.76%	22.28%	43.85%
7	-0.09%	5.56%	0.37%	14.78%	24.26%	47.83%
8	-0.07%	6.37%	0.12%	15.77%	25.31%	49.48%
9	-0.17%	6.78%	-0.40%	16.16%	25.85%	52.27%
10	-0.05%	7.16%	-0.99%	16.52%	25.53%	53.47%

Please refer to Important Notes on page 6 for how performance figures are calculated. Performance data is correct as of 31st March 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	0.60%	0.97%	-0.44%	4.70%	6.56%	14.08%
2	0.71%	1.79%	-0.31%	6.78%	9.78%	20.51%
3	0.90%	2.69%	-0.20%	9.26%	13.51%	29.04%
4	0.76%	3.26%	-0.13%	10.15%	16.05%	33.49%
5	0.44%	3.82%	-0.11%	11.59%	18.71%	38.21%
6	0.23%	4.64%	-0.25%	12.60%	20.56%	41.88%
7	0.02%	5.47%	-0.42%	13.60%	22.41%	45.57%
8	0.04%	6.28%	-0.67%	14.56%	22.57%	47.16%
9	-0.12%	6.73%	-0.79%	15.54%	24.10%	50.45%
10	-0.05%	7.16%	-0.99%	16.48%	24.86%	52.34%

## 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	0.59%	0.98%	-0.52%	4.83%	6.75%	14.14%
2	0.67%	1.81%	-0.49%	7.24%	10.23%	20.86%
3	0.83%	2.73%	-0.50%	10.08%	14.45%	29.85%
4	0.67%	3.30%	-0.48%	11.24%	17.18%	34.63%
5	0.32%	3.85%	-0.42%	12.67%	19.79%	39.48%
6	0.09%	4.68%	-0.58%	13.89%	21.74%	43.41%
7	-0.13%	5.50%	-0.75%	15.09%	23.68%	47.38%
8	-0.11%	6.31%	-1.04%	16.27%	23.83%	49.02%
9	-0.28%	6.76%	-1.13%	17.21%	25.30%	52.37%
10	-0.20%	7.19%	-1.32%	18.14%	26.02%	54.25%

Please refer to Important Notes on page 6 for how performance figures are calculated. Performance data is correct as of 31st March 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 31st March 2016

International and Emerging Markets Equity have outperformed all other asset groups over 6 months. Property has performed well over 1 and 2 years for Ethical Profiles A and B. Other than Profile A, over longer periods UK and Emerging Markets have significantly outperformed all other asset groups owing to the strong performance of the underlying funds held.

### 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%	0.46%	-0.50%	2.36%	3.88%	8.60%
UK Ethical Corporate Bonds	1.71%	2.14%	-0.32%	10.24%	12.66%	26.83%
UK Government Bonds	5.20%	2.85%	1.46%	17.56%	12.23%	21.26%
Property	0.55%	2.97%	7.60%	21.69%	32.68%	33.77%
UK Ethical Equity Growth	-3.75%	2.27%	1.14%	8.92%	27.71%	55.39%
UK Ethical Equity Income	-1.73%	3.40%	2.11%	13.96%	31.13%	60.07%
International Ethical Equity	0.62%	9.75%	-1.38%	10.89%	17.70%	36.80%
Ethical Emerging Markets Equity	3.12%	10.56%	-4.16%	29.42%	11.48%	27.12%

### 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%	0.46%	-0.50%	2.36%	3.88%	8.60%
UK Ethical Corporate Bonds	1.71%	2.14%	-0.32%	10.24%	12.66%	26.83%
Property	0.55%	2.97%	7.60%	21.69%	33.82%	38.97%
UK Ethical Equity Growth	-3.75%	2.27%	1.14%	8.92%	27.71%	55.39%
UK Ethical Equity Income	-1.73%	3.40%	2.11%	13.96%	31.13%	60.07%
International Ethical Equity	0.62%	9.75%	-1.38%	10.89%	17.70%	36.80%
Ethical Emerging Markets Equity	3.12%	10.56%	-4.16%	29.42%	27.04%	63.74%

### 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%	0.46%	-0.50%	2.36%	3.88%	8.60%
UK Ethical Corporate Bonds	1.71%	2.14%	-0.32%	10.27%	12.97%	27.67%
UK Ethical Equity Growth	-3.75%	2.27%	1.14%	8.96%	27.33%	55.33%
UK Ethical Equity Income	-1.73%	3.40%	2.11%	13.85%	29.23%	55.48%
International Ethical Equity	0.62%	9.75%	-1.38%	10.78%	16.82%	35.63%
Ethical Emerging Markets Equity	3.12%	10.56%	-4.16%	29.42%	27.04%	63.74%

### 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%	0.46%	-0.50%	2.36%	3.88%	8.60%
UK Ethical Corporate Bonds	1.66%	2.18%	-0.61%	10.72%	13.60%	27.89%
UK Ethical Equity Growth	-4.43%	2.25%	1.32%	9.31%	27.37%	56.82%
UK Ethical Equity Income	-1.73%	3.40%	2.11%	13.85%	29.23%	55.48%
International Ethical Equity	0.65%	9.82%	-2.62%	15.88%	20.52%	40.39%
Ethical Emerging Markets Equity	3.12%	10.56%	-4.16%	29.42%	27.04%	63.74%



# PORTFOLIO CHANGES

## Portfolios affected: CAERUS Tactical Income

**SELL** Schroder Global Real Estate Securities

**BUY** Henderson UK Property, L&G UK Property Feeder, Threadneedle UK Property and Fidelity Global Enhanced Income

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Fund switch owing to a change in the income targeted by the Schroders Global Real Estate Securities fund given yield targets within CAERUS Tactical Income into the three bricks and mortar property funds and Fidelity Global Enhanced Income which has offered attractive risk adjusted returns with a consistently high yield.

## Portfolios affected: CAERUS Active, Passive, Blended

**SELL** Aberdeen Japan Equity

**BUY** CF Morant Wright Nippon Yield

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Fund switch into CF Morant Wright Nippon Yield as this fund has offered more consistent risk adjusted returns than Aberdeen Japan. The former is a stock picking fund with a current emphasis on exposure to the domestic Japanese economy via smaller and medium sized companies. The experienced team (between 15 and 30 years) look for companies with strong financials and/or business franchises, believing that their detailed analysis gives them an information edge. The holding period for companies is between 3 and 5 years resulting in low portfolio turnover.



# INDEX AND PEER GROUP RETURNS

## Index and peer group returns to period end 31st March 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	1.27%	2.87%	-1.75%	5.57%	6.88%	19.00%
IA Mixed Investment 20-60% Shares	0.57%	3.55%	-2.46%	5.91%	9.77%	22.87%
IA Mixed Investment 40-85% Shares	0.03%	4.84%	-2.94%	7.38%	13.43%	27.89%
IA Flexible Investment	-0.25%	5.11%	-4.28%	6.81%	11.72%	22.87%
LIBOR GBP 12m	0.25%	0.51%	1.03%	2.03%	2.94%	6.10%
IBOXX Sterling Gilts All Maturities	4.63%	3.19%	2.71%	17.77%	14.71%	39.71%
Citi UK Inflation-Linked Securities Index	4.84%	1.66%	0.60%	19.32%	14.40%	50.12%
IBOXX Sterling Corporates All Maturities	2.57%	3.60%	-0.26%	13.11%	15.94%	41.63%
Barclays Global Aggregate GBP (Hedged)	3.22%	3.32%	2.58%	10.61%	12.30%	26.79%
PIM Property Index	0.49%	2.38%	6.03%	18.55%	29.96%	32.73%
MSCI United Kingdom	0.15%	3.67%	-5.85%	-0.10%	6.25%	24.39%
IA UK Equity Income	-1.47%	3.22%	-1.21%	7.10%	22.06%	48.36%
MSCI North America	3.88%	13.15%	2.90%	28.14%	40.20%	75.64%
MSCI Europe Ex UK	-0.11%	6.02%	-5.25%	1.37%	18.61%	22.76%
MSCI Pacific Ex Japan	4.40%	16.19%	-6.69%	4.48%	-3.42%	15.36%
MSCI Japan	-4.14%	7.72%	-4.01%	20.80%	18.30%	35.90%
MSCI World Ex UK	2.35%	11.39%	0.18%	20.51%	30.93%	55.66%
MSCI Emerging Markets Index	8.41%	12.14%	-9.14%	2.49%	-7.98%	-9.69%

Please refer to Important Notes on page 6 for how performance figures are calculated. Performance data is correct as of 31st March 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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SN5 6NX.

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