



LEVELS OF **DIVERSIFICATION**

At Architas we believe that diversification is central to any investment portfolio. Being too concentrated in any one investment can possibly lead to higher risk and greater ups and downs in investment returns.

Diversification means spreading the portfolio across different types of investment. Put simply, it's not 'putting all your eggs in one basket'.

We spread investments by:







Using different asset classes

Investing in different geographic regions

Using several different investment managers

Why is diversification important?

While there are no guarantees, this approach may reduce the combined risk of the overall portfolio and means that you are not relying on the performance of a narrow selection of investments. It may help to achieve more consistent investment returns than if you just invested in one asset class or with any one fund manager.



Past performance is not a guide to future performance. The value of investments and any income from them can go down as well as up and is not guaranteed, and you could get back less than you invest.

HOW DO WE DIVERSIFY?

Diversification across asset classes

There are five main asset classes – money markets, bonds, property, alternatives and shares. By spreading investments across different classes, you could possibly benefit from more consistent returns than a fund which invests in only one.

It may help to reduce the ups and downs of investment returns, as the potential losses in one asset class could possibly be softened by gains in another.

Diversification within asset classes

Within each asset class it is possible to diversify further. Each one offers a range of investment options – for example across countries, industries, types of properties and bonds.

Spreading investment across countries, industries, types of properties and types of bonds helps to balance the overall portfolio.

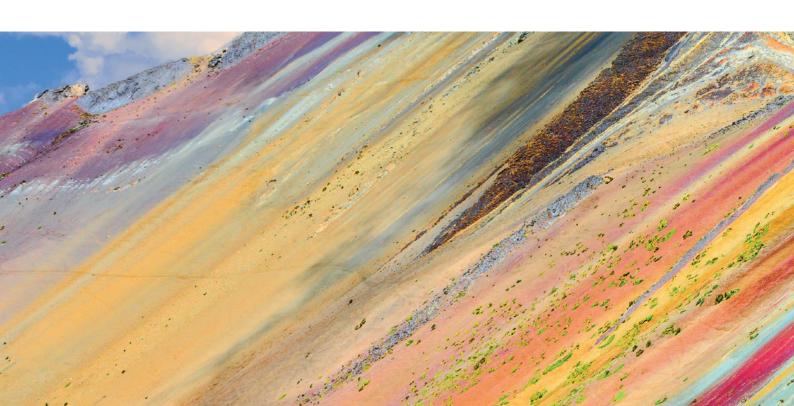
Spreading it out even further within asset classes means that the portfolio is not concentrated in any one area and may help to reduce the effect of a downturn in a specific asset class or geographic region.

Diversification across investment managers

Our funds invest in funds managed by other investment managers. This technique is commonly referred to as a 'fund of funds' structure.

Investment managers with different investment styles tend to perform better at different times under different economic and market conditions. We combine a range of investment managers with complementary styles using sophisticated techniques to make sure we achieve a spread of investments.

This means that the portfolio is not overly exposed to any one style and, as a result, when one investment style is out of favour, the overall portfolio is not affected in a significant way.



We use a selection of investment managers from a range of well-known firms including:



























ARCHITAS INVESTMENT PROCESS

We have a dedicated and talented team of in-house professionals from across the financial industry. They constantly research, monitor and manage a combination of specialist investment managers across different asset classes to provide effective and diversified portfolios.







EValue, an external financial modelling company, provide asset allocation recommendations for each risk profile.

This gives, what we believe to be, the most efficient diversification across asset classes to achieve a level of return for a given amount of risk taken.

2. FINDING **FUNDS**

Finding skilful managers

 not lucky ones

Here we need to choose underlying funds to fill the Architas funds across the asset allocation model.

We start by screening the investments available and come to a list of funds that could be suitable. We also aim to exclude managers that have been lucky with their performance rather than skilful.





- We carry out research focusing on the quality of investments
- We make a recommendation
- The fund approval forum approve the relevant funds

We research the quality of funds that make it to this stage in the process by using methods such as questionnaires or face-to-face meetings.

Funds that make it through the qualitative research are scored and sent to a fund approval forum for approval.



4. BUILDING A **PORTFOLIO**

 Funds are selected making sure they complement each other within the portfolio



5. MONITORING AND RISK MANAGEMENT

• We monitor funds and managers

The approved funds are available for our fund managers to use to make up the Architas portfolios.

These funds (also known as the underlying managers) are monitored to make sure they are performing in line with our expectations.

If they are not, we may remove the fund from the buy list and replace it with a more suitable fund.



What are the benefits of our investment process?

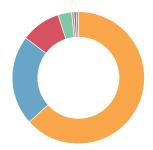
We constantly monitor and review our investments. We do this by carrying out thorough research, constantly reviewing the investments and regular rebalancing (buying and selling funds to maintain the correct levels of each asset class). We monitor our underlying funds with the aim of making sure they perform as expected and do not take on risk we cannot justify.

ARCHITAS MULTI-ASSET (MA) BLENDED **RESERVE FUND**

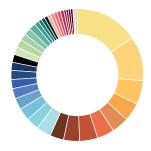
The fund aims to achieve a return for investors over the medium to long term based on a combination of capital growth and income, with a low level of ups and downs. DIVERSIFICATION ACROSS ASSET CLASSES



DIVERSIFICATION ACROSS GEOGRAPHIC REGIONS



DIVERSIFICATION ACROSS INVESTMENT MANAGERS





Past performance is not a guide to future performance.

Bonds	64.95%
UK gilts	32.67 %
UK corporate	14.27 %
Global government	6.99 %
Global	4.53 %
Global convertible	4.48 %
High yield	2.02 %

Equities	23.89%
North America	9.68%
UK	9.41%
Japan	3.44 %
Europe including UK	0.47 %
Asia Pacific but not Japan	0.45%
Global emerging markets	0.42 %
Furone but not UK	0.02%

Other	11.16%
Property	6.21%
Alternatives	4.02 %
Cash – money markets	0.93%

63.50 %
22.02 %
9.68 %
3.44 %

Europe 0.49 %
Asia Pacific but not Japan 0.45 %
Emerging markets 0.42 %

BlackRock UK Gilts All Stocks Index	16.44 %
 SPDR® Barclays 1-5 Year Gilt ETF 	11.66 %
 BlackRock Overseas Government Bond Index 	5.99 %
Vanguard UK Long Duration Gilt Index	4.58 %
Jupiter Global Convertibles	4.53 %
Artemis US Extended Alpha	4.50 %
 SPDR® Thomson Reuters Global Convertible Bond ETF 	4.48 %
BlackRock Corporate Bond Index	4.22 %
TB Evenlode Income Fund	3.60 %
AXA Sterling Corporate Bond	3.59 %
F&C Commercial Property	3.48 %
Majedie UK Equity	2.98 %
BlackRock Edge S&P 500 Minimum Volatility ETF	2.92 %
JO Hambro UK Equity Income	2.83 %
AXA Sterling Index Linked Bond	2.29 %
BlackRock North American Equity Index	2.25 %
TwentyFour Dynamic Bond	2.10 %
 Kames Investment Grade Bond 	2.08 %
CVC Credit Partners European Opportunities	2.02 %

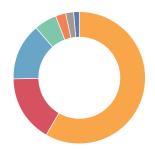
John Laing Infrastructure	2.01%
MedicX	1.97 %
Baillie Gifford Japan Fund	1.73 %
Man GLG Japan Core Alpha	1.69 %
 CATCo Reinsurance Opportunities 	1.04 %
 BlackRock Overseas Corporate Bond Index 	0.99%
Amedeo Air Four Plus	0.97%
 JP Morgan Sterling Liquidity 	0.88%
BlackRock Global Property Securities Equity Index	0.77%
Oyster Continental European Selection	0.47 %
Fidelity Asia Pacific Opportunities Fund	0.43 %
 RWC Global Emerging Markets 	0.40 %
Cash	0.06%
 BlackRock Continental European Equity Index 	0.02 %
 BlackRock Emerging Markets Equity Index 	0.02 %
BlackRock Japan Equity Index	0.02 %
BlackRock UK Equity Index	0.01%
BlackRock Pacific ex Japan Equity Index	0.01%
Hermes Asia ex Japan Equity Fund	0.01%

ARCHITAS MULTI-ASSET (MA) BLENDED **MODERATE FUND**

The fund aims to achieve a return for investors over the medium to long term based on a combination of capital growth and income, with a below average level of ups and downs. DIVERSIFICATION ACROSS ASSET CLASSES



DIVERSIFICATION ACROSS GEOGRAPHIC REGIONS



DIVERSIFICATION ACROSS INVESTMENT MANAGERS





Past performance is not a guide to future performance.

Bonds	44.10%
UK corporate	19.68 %
UK gilts	14.58 %
Global government	4.13 %
Global convertible	2.28 %
High yield	1.79 %
Global	1.65 %

Equities	39.26%
North America	16.40 %
UK	11.56%
Japan	5.67%
Global emerging markets	1.98%
Europe but not UK	1.62 %
Asia Pacific but not Japan	1.23 %
Europe including UK	0.79 %

Other	16.63%
Property	7.00 %
Cash – money markets	5.52 %
Alternatives	4.11%

• UK	58.34%
US	16.40 %
Global	13.96 %
Japan	5.67 %

Europe	2.41 %
Emerging markets	1.98 %
 Asia Pacific but not Japan 	1.23 %

BlackRock Corporate Bond Index	12.17%
BlackRock UK Gilts All Stocks Index	12.12%
Artemis US Extended Alpha	5.74 %
BlackRock North American Equity Index	5.11%
JP Morgan Sterling Liquidity	4.01%
Kames Investment Grade Bond	3.99 %
■ BlackRock Overseas Government Bond Index	3.72 %
Majedie UK Equity	3.32 %
BlackRock Edge S&P 500 Minimum Volatility ETF	3.20 %
JO Hambro UK Equity Income	3.10 %
TwentyFour Dynamic Bond	2.98 %
BlackRock Global Property Securities Equity Index	2.95%
Man GLG Japan Core Alpha	2.91%
Baillie Gifford Japan Fund	2.75 %
TB Evenlode Income Fund	2.65 %
■ BlackRock UK Equity Index	2.50 %
Vanguard UK Long Duration Gilt Index	2.45 %
■ AB SICAV I – Concentrated US Equity Portfolio	2.35 %
SPDR® Thomson Reuters Global Convertible Bond ETF	2.28 %

RWC Global Emerging Markets	1.97 %
F&C Commercial Property	1.85 %
 CVC Credit Partners European Opportunities 	1.79 %
Jupiter Global Convertibles	1.65 %
BlackRock Continental European Equity Index	1.62 %
Amedeo Air Four Plus	1.59 %
 John Laing Infrastructure 	1.53 %
● Cash	1.51%
Ediston Property Investment Company	1.24 %
 CATCo Reinsurance Opportunities 	1.00 %
MedicX	0.95 %
Fidelity Asia Pacific Opportunities Fund	0.81%
Oyster Continental European Selection	0.67 %
 AXA Sterling Index Linked Bond 	0.54 %
Hermes Asia ex Japan Equity Fund	0.41%
BlackRock Overseas Corporate Bond Index	0.41%
BGF European Equity Income Fund	0.12 %
BlackRock Pacific ex Japan Equity Index	0.01%
 BlackRock Emerging Markets Equity Index 	0.01%
BlackRock Japan Equity Index	0.01%

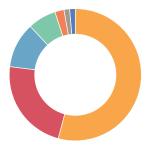
ARCHITAS MULTI-ASSET (MA) BLENDED INTERMEDIATE FUND

The fund aims to achieve a return for investors over the medium to long term based on a combination of capital growth and income, with a medium level of ups and downs.

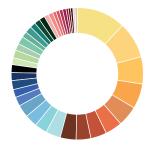
DIVERSIFICATION ACROSS ASSET CLASSES



DIVERSIFICATION ACROSS GEOGRAPHIC REGIONS



DIVERSIFICATION ACROSS INVESTMENT MANAGERS





Past performance is not a guide to future performance.

Equities	50.82 %
North America	22.73%
UK	16.31%
Japan	7.03 %
 Global emerging markets 	1.52 %
Europe but not UK	1.34 %
 Asia Pacific but not Japan 	1.20 %
Europe including UK	0.69 %

Bonds	31.97%
UK corporate	19.13 %
UK gilts	5.72 %
Global government	2.23 %
High yield	1.76 %
 Global convertible 	1.73 %
Global	1 41 %

Other	17.20%
Property	6.68%
Cash – money markets	6.58 %
Alternatives	3.94%

 uk 	54.42 %
US	22.73 %
Global	11.07 %
Japan	7.03 %

2.03 % Europe Emerging markets $1.52\,\%$ Asia Pacific but not Japan 1.20 %

BlackRock Corporate Bond Index	11.89 %
BlackRock North American Equity Index	8.63 %
BlackRock UK Equity Index	6.37%
Artemis US Extended Alpha	6.02 %
JP Morgan Sterling Liquidity	5.11%
AB SICAV I – Concentrated US Equity Portfolio	4.99 %
Kames Investment Grade Bond	3.83 %
BlackRock UK Gilts All Stocks Index	3.79 %
JO Hambro UK Equity Income	3.79 %
Baillie Gifford Japan Fund	3.62 %
Man GLG Japan Core Alpha	3.40 %
Majedie UK Equity	3.25 %
BlackRock Edge S&P 500 Minimum Volatility ETF	3.09 %
BlackRock Global Property Securities Equity Index	3.03%
TwentyFour Dynamic Bond	3.02 %
TB Evenlode Income Fund	2.90 %
 BlackRock Overseas Government Bond Index 	1.97%
Vanguard UK Long Duration Gilt Index	1.93 %
CVC Credit Partners European Opportunities	1.76 %

SPDR® Thomson Reuters Global Convertible Bond ETF	1.73 %
F&C Commercial Property	1.70 %
John Laing Infrastructure	1.54 %
 RWC Global Emerging Markets 	1.51%
Cash	1.47 %
 Amedeo Air Four Plus 	1.43 %
Jupiter Global Convertibles	1.41%
 BlackRock Continental European Equity Index 	1.34 %
Ediston Property Investment Company	1.15 %
 CATCo Reinsurance Opportunities 	0.98%
MedicX	0.79 %
Fidelity Asia Pacific Opportunities Fund	0.74 %
 Oyster Continental European Selection 	0.69 %
Hermes Asia ex Japan Equity Fund	0.46 %
 AXA Sterling Index Linked Bond 	0.38 %
 BlackRock Overseas Corporate Bond Index 	0.26 %
 BlackRock Japan Equity Index 	0.01%
BlackRock Pacific ex Japan Equity Index	0.01%

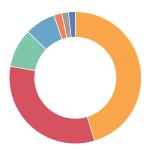
ARCHITAS MULTI-ASSET (MA) BLENDED **PROGRESSIVE FUND**

The fund aims to achieve a return for investors over the medium to long term based on a combination of capital growth and income, with an above-average level of ups and downs.

DIVERSIFICATION ACROSS ASSET CLASSES



DIVERSIFICATION ACROSS GEOGRAPHIC REGIONS



DIVERSIFICATION ACROSS INVESTMENT MANAGERS





Past performance is not a guide to future performance.

Equities	69.75%
North America	32.37%
• UK	22.69%
Japan	9.50%
 Global emerging markets 	1.71%
Europe including UK	1.70 %
 Asia Pacific but not Japan 	1.48 %
Europe but not UK	0.29%

Other	15.29%
Property	6.64 %
Cash – money market	5.18 %
Alternatives	3.47 %

Bonds	14.97%
UK corporate	8.99%
UK gilts	1.93 %
Global convertible	1.66 %
High yield	1.65 %
Global government	0.73 %

• UK	45.43 %
US	32.37 %
Japan	9.50 %
Global	7.51%

1.99 % Europe Emerging markets $1.71\,\%$ Asia Pacific but not Japan 1.48 %

BlackRock North American Equity Index	11.54%
BlackRock UK Equity Index	10.85 %
AB SICAV I – Concentrated US Equity Portfolio	9.46%
Artemis US Extended Alpha	8.29 %
JO Hambro UK Equity Income	5.06%
Majedie UK Equity	4.73 %
Baillie Gifford Japan Fund	4.64%
Man GLG Japan Core Alpha	4.46 %
JP Morgan Sterling Liquidity	3.61%
BlackRock Corporate Bond Index	3.59 %
Names Investment Grade Bond	3.31%
BlackRock Edge S&P 500 Minimum Volatility ETF	3.08%
BlackRock Global Property Securities Equity Index	2.89 %
TwentyFour Dynamic Bond	2.10 %
TB Evenlode Income Fund	2.05 %
BlackRock UK Gilts All Stocks Index	1.90 %
RWC Global Emerging Markets	1.71%
Oyster Continental European Selection	1.69 %

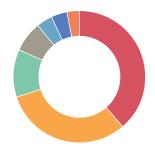
	Ediston Property Investment Company	1.68 %
•	SPDR® Thomson Reuters Global Convertible Bond ETF	1.66 %
	CVC Credit Partners European Opportunities	1.65 %
	F&C Commercial Property	1.58 %
	Cash	1.56 %
	Amedeo Air Four Plus	1.39 %
•	John Laing Infrastructure	1.09 %
•	CATCo Reinsurance Opportunities	0.99%
•	Fidelity Asia Pacific Opportunities Fund	0.94%
	BlackRock Overseas Government Bond Index	0.53 %
	Hermes Asia ex Japan Equity Fund	0.52 %
	MedicX	0.48 %
•	BlackRock Japan Equity Index	0.40 %
	BlackRock Continental European Equity Index	0.29 %
•	BlackRock Overseas Corporate Bond Index	0.21%
	Vanguard UK Long Duration Gilt Index	0.03 %
•	BlackRock Pacific ex Japan Equity Index	0.01%
•	BGF European Equity Income Fund	0.01%
	BlackRock Emerging Markets Equity Index	0.01%

ARCHITAS MULTI-ASSET (MA) BLENDED **GROWTH FUND**

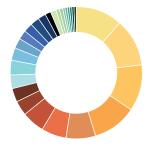
The fund aims to achieve a return for investors over the medium to long term based on a combination of capital growth and income, with a moderately high level of ups and downs. DIVERSIFICATION ACROSS ASSET CLASSES



DIVERSIFICATION ACROSS GEOGRAPHIC REGIONS



DIVERSIFICATION ACROSS INVESTMENT MANAGERS





Past performance is not a guide to future performance.

Equities	88.22%
North America	38.63%
UK	23.71%
Japan	11.70%
 Global emerging markets 	7.34%
 Asia Pacific but not Japan 	3.80%
Europe including UK	3.03%
Europe but not UK	0.01%

Other	9.22%
Property	6.26%
Cash – money markets	1.58 %
Alternatives	1.38 %

Global

Europe

Asia Pacific but not Japan

Bonds	2.56%
Global convertible	2.56%

3.93 %

3.80 %

3.04 %

• US	38.63 %
• UK	31.55 %
Japan	11.70 %
Emerging markets	7.34 %

AB SICAV I – Concentrated US Equity Portfolio	11.98%
Artemis US Extended Alpha	11.76%
BlackRock UK Equity Index	11.15%
BlackRock North American Equity Index	11.10 %
Baillie Gifford Japan Fund	6.22 %
 RWC Global Emerging Markets 	6.10 %
TB Evenlode Income Fund	5.70 %
Man GLG Japan Core Alpha	5.46%
BlackRock Edge S&P 500 Minimum Volatility ETF	3.79%
Majedie UK Equity	3.55%
Hermes Asia ex Japan Equity Fund	3.36 %
JO Hambro UK Equity Income	3.30 %
Oyster Continental European Selection	3.02 %
 SPDR® Thomson Reuters Global Convertible Bond ETF 	2.56 %

BlackRock Global Property Securities Equity Index	2.37 %
F&C Commercial Property	2.28 %
Cash	1.51 %
 Ediston Property Investment Company 	1.36 %
BlackRock Emerging Markets Equity Index	1.24 %
 CATCo Reinsurance Opportunities 	0.75 %
John Laing Infrastructure	0.63 %
 BlackRock Pacific ex Japan Equity Index 	0.43 %
MedicX	0.25 %
JP Morgan Sterling Liquidity	0.07 %
BlackRock Japan Equity Index	0.01%
BGF European Equity Income Fund	0.01%
BlackRock Continental European Equity Index	0.01%

GLOSSARY

ALTERNATIVES

The 'alternatives' asset class covers a range of investments.

The main parts are commodities (such as oil), hedge funds, absolute return funds (an absolute return fund aims to make positive returns by using investment management techniques and asset classes that differ from traditional funds), and infrastructure (such as communication and transport).

BONDS

Bonds are contracts that allow a number of investors to pool together to loan money to a company, government or other institution over a fixed term.

The holders of the bonds then receive interest payments over the length of the term and get their initial investment (capital) back at the end. Bonds are usually issued by banks on behalf of the borrowing institution. If the borrowing institution fails, there is a risk that you will not receive back either the interest due or your original capital.

GEOGRAPHIC REGION

It is possible to invest in bonds, property and shares from different countries and regions across the world.

MONEY MARKET

Investors are usually very familiar with cash investments. These types of investments are not without risk as interest rates may be lower than inflation. However, they are usually lower risk than other asset classes and are normally very accessible (easy to cash in). Although, there is also a possible risk if the institutions go out of business.

PROPERTY

We can invest in companies which own and manage a range of properties. The value of property is a matter of the valuer's opinion and not fact. Property will not contribute to diversifying your portfolio if you already hold a substantial percentage of your investments in property. There could be delays involved with property (disinvestments and switches) due to the fact that property can take time to sell.

SHARES

Shares of companies are a popular choice for long-term investors. As a shareholder you share in the value of the company's assets through the share price and in the company's profits by possibly receiving dividends.

IMPORTANT INFORMATION

We will not accept any legal responsibility for any advice provided in relation to this document. We provide and manage the Architas funds and do not assess the suitability of our funds for individual investors. If any financial adviser, or network of advisers, is named on this document, it does not mean we have any knowledge of, or influence over, advice that you have received or will receive. Your financial adviser alone is responsible for any financial advice or recommendations provided in relation to your investment decisions.

Past performance is not a guide to future performance. The value of investments and any income from them can go down as well as up and is not guaranteed, and you could get back less than you invest.

The funds are allowed to invest over 35% of their assets in investments issued by a single local, national or supranational government. The funds can invest entirely in units of collective investment schemes.

The value of investments can fall as well as rise purely on account of exchange rate fluctuations.

You can invest in these funds through a number of financial products. These funds may not be appropriate for investors who plan to withdraw their money within five years.

We take charges to cover the costs of managing the fund. If you are investing using a financial product, the product provider may take extra charges, and, if so, should give you details of these charges before you invest.

If you need more information on any of our funds, you can ask us for a free copy of the Key Investor Information document (KIID) and the prospectus. The KIID is designed to help you make an informed decision before investing. You can also view or download all of our funds' KIIDs from our website at architas.com, by following the Key Investor Information documents link from the home page and in the Information Centre.

The blended funds referred to in this document are all collective investment schemes authorised and regulated by the Financial Conduct Authority. AXA is a worldwide leader in financial protection and wealth management. Architas operates three legal entities in the UK; Architas Multi-Manager Limited (AMML), Architas Advisory Services Limited (AASL) and Architas Limited. Both AMML and AASL are owned by Architas Limited, which is 100% owned by AXA UK plc (a company registered in England & Wales), with the ultimate parent and controlling company being AXA SA (a company registered in France).

Architas Multi-Manager Limited is an investment company that provides access to other investment managers' services through a range of multi-manager solutions, including regulated collective investment schemes. Architas Multi-Manager Limited in the UK works with strategic partners and AXA Group internal fund managers, to find out more information about this please visit architas.com/inhousestratpartners/. Architas Multi-Manager Limited is a company limited by shares and authorised and regulated by the Financial Conduct Authority (Firm Reference Number 477328). It is registered in England: No. 06458717. Registered Office: 5 Old Broad Street, London, EC2N 1AD.

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