

## Market and portfolio review

In December markets mostly saw a positive month to end what had been an exceptional year. Investor confidence grew with the moves by the US and China to reach a compromise on their trade dispute, as well as a decisive outcome to the election in the UK. Domestically-oriented elements of the UK market rallied sharply in relief at the sizeable Conservative victory and Sterling saw a small further rise. A fiscal boost as austerity ends will be important to stimulate a mildly moribund economy as will private investment which has been impacted by the uncertainty of recent years. For now the Bank of England has opted to keep interest rates as they are. The Federal Reserve in the US has said that its moves to cut interest rates should be seen as part of a new strategy until there were a significant increase in inflation, rather than as a temporary measure to insure against slower growth. In the US there is already a focus on the election. Markets may yet maintain their momentum if corporate profits prove resilient and if political or geopolitical problems do not preclude them. There remain some considerable challenges in debt burdens, inequality, weather patterns, mortality and the like while by definition this drawn-out economic cycle is closer to its end, even if it is not at all clear when that will be. For the portfolio the total return for the month was +1.1%. Man GLG UK Income was the largest contributor to performance at +0.17%, with Vanguard US Government Bond Index the largest detractor at -0.17%.

## Portfolio information

<b>Launch date:</b>	September 2015
<b>Initial charge:</b>	Nil
<b>Investment management fee:</b>	0.375% + VAT
<b>Ongoing Charge Figure (OCF):</b>	0.67%
<b>Dealing costs:</b>	Nil
<b>Portfolio yield:</b>	3.5%
<b>Re-balancing strategy:</b>	Quarterly
<b>Risk profiling:</b>	Dynamic Planner

### Platform availability:

Aegon; Ascentric; Aviva; Elevate; Novia;  
Old Mutual; Standard Life; Succession.

## Investment objective

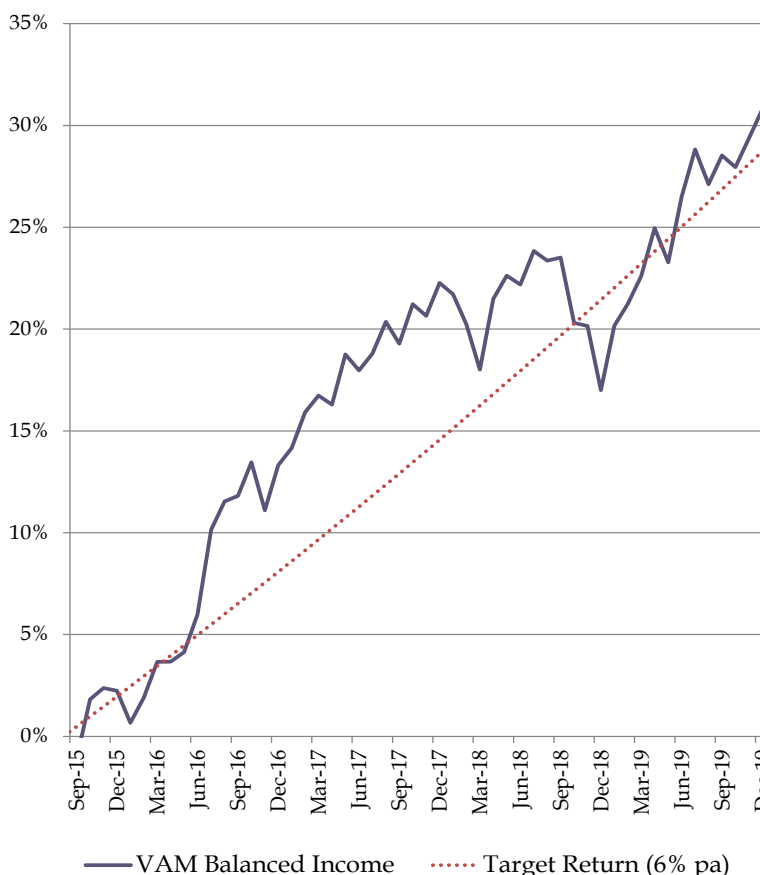
The Balanced Income portfolio targets returns of 5-7% p.a. net of fees over a rolling three-year period and is expected to have a Dynamic Planner score of 5 or less, similar to the Balanced portfolio with a higher proportion of the total return generated from income. The investment manager has discretion to weight the portfolio towards any of the asset classes comprising bonds, equities, alternatives and cash provided that any such investment is compatible with the objectives.

The OCF represents the average charge of funds in which the portfolio is invested; it is an indicative figure (excluding transaction and ancillary costs which are 0.18% and 0.00% respectively) calculated at each quarter rebalancing, as is the portfolio yield.

## Historical performance (as of 31st December 2019)

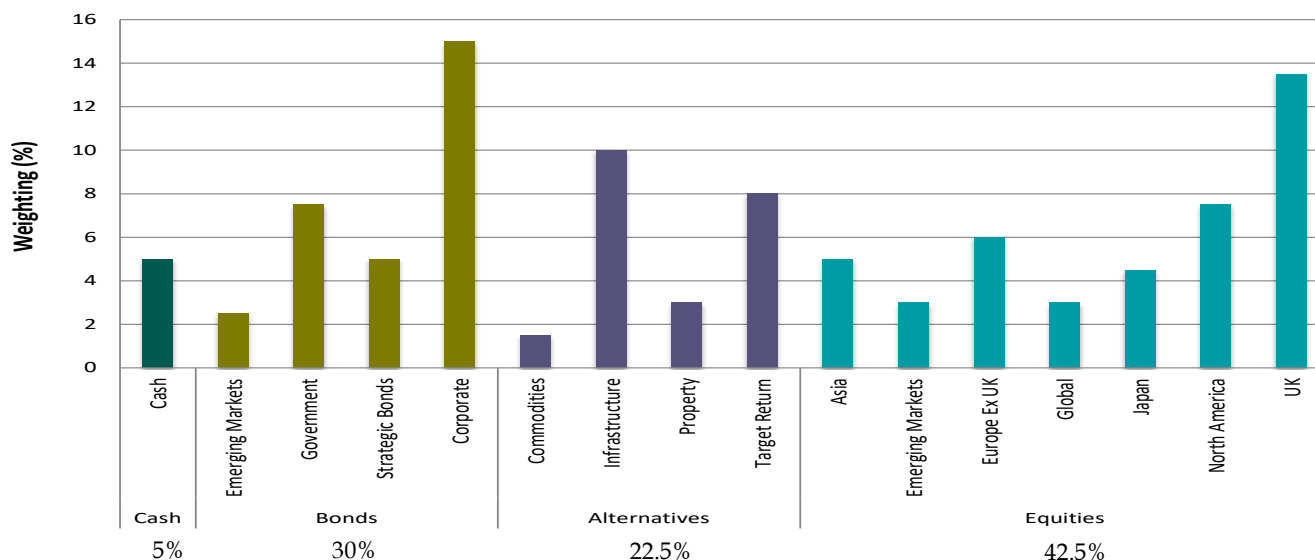
Rolling	1 mth	3 mth	1 yr	3 yr	From inception
VAM Balanced Income	+1.1%	+1.8%	+11.8%	+15.5%	+30.8%

Annual	2016	2017	2018	2019
VAM Balanced Income	+10.8%	+7.9%	-4.3%	+11.8%



Please note that past performance is no guarantee of future returns and that capital in the portfolio is at risk of loss. The figures are based on a model and may vary between platforms if holdings differ due to availability. Performance is shown net of the OCF, transaction and ancillary costs and the investment management fee (deducted monthly) but gross of platform (and adviser) fees; it is calculated using Financial Express with Bloomberg for contribution analysis and assumes no frictional dealing costs nor any delay during model rebalancing. The target return is set at 6% p.a. compounded monthly.

## Asset allocation\*



\*This is based upon VAM's classification of each holding by asset class and sector, taking into account the holding's investment strategy, and does not purport to aggregate the asset distribution of each holding's underlying investments, which may vary from that represented above. The asset allocation and top 10 holdings are shown as of the quarterly re-balance.

## Top 10 portfolio holdings (excluding cash)

Weight	Holding	Weight	Holding
5.0%	Henderson Preference & Bond	5.0%	Vanguard US Government Bond Index
5.0%	JPM US Equity Income Hedged	5.0%	Foresight UK Infrastructure Income
5.0%	Rathbone Ethical Bond	5.0%	Fidelity Short Dated Corporate Bond
5.0%	Royal London Short Duration Credit	5.0%	Gravis UK Infrastructure Income
5.0%	Schroder Asian Income	5.0%	Seneca Diversified Income

## About Vintage Asset Management

Vintage Asset Management (VAM) is an independent and boutique discretionary fund management company which was established in 2008. We provide bespoke portfolio management for private clients, companies and trusts advised by financial intermediaries for whom we offer a model-based Managed Portfolio Service on a number of platforms. This service comprises a range of strategies for Cautious, Cautious Balanced, Balanced, Balanced Growth and Growth mandates as well as a Balanced Income offering. Our investment philosophy aims to achieve a steady return for clients whilst maintaining a focus on capital preservation. VAM is authorised and regulated by the Financial Conduct Authority (FCA) with number 489408 for investment business in the UK only. More information about VAM's business and investment services can be found on our website or please feel free to contact a member of the team.

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