

## Market and portfolio review

Investor confidence was rattled in January first by events in the Gulf and then by the new coronavirus outbreak even as the US signed a compromise agreement on the trade dispute with China and as corporate earnings generally met expectations. Equity markets mostly started the year well but then faltered, while fixed interest holdings rallied as bond yields again contracted. The potential impact on the global economy of the coronavirus that emanated from Wuhan is still unknown. China imposed the largest quarantine in history and the draconian measures should restrict the contagion but will impact economic output, already down to an annual rate of 6% so barely half that in 2003 when the SARS virus led to a sharp contraction in growth (if followed by a swift recovery). Then China accounted for some 4% of global GDP whereas in 2019 this had risen to 16%. The UK left the European Union forty-seven years after joining the Common Market and the country is for now in a sort of limbo until 31<sup>st</sup> December by when it should have a trade agreement. The Bank of England opted to keep interest rates unchanged although its Monetary Policy Committee said it was ready to cut if the post-election bounce in confidence fades. The US economy has been robust but growing at 2% rather than the 3% Donald Trump targets, and the focus is increasingly on the presidential election. GDP fell in the fourth quarter in both France and Italy; eurozone inflation has increased if still standing some way off the target rate of 2% for the European Central Bank, which is expected to provide a further stimulus. For the portfolio the total return for the month was -0.01%. Vanguard US Government Bond Index was the largest contributor to performance at +0.14%, with Schroder European Alpha Income the largest detractor at -0.15%.

## Portfolio information

<b>Launch date:</b>	October 2011
<b>Initial charge:</b>	Nil
<b>Investment management fee:</b>	0.375% + VAT
<b>Ongoing Charge Figure (OCF):</b>	0.62%
<b>Dealing costs:</b>	Nil
<b>Portfolio yield:</b>	2.6%
<b>Re-balancing strategy:</b>	Quarterly
<b>Risk profiling:</b>	Dynamic Planner

### Platform availability:

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

## Investment objective

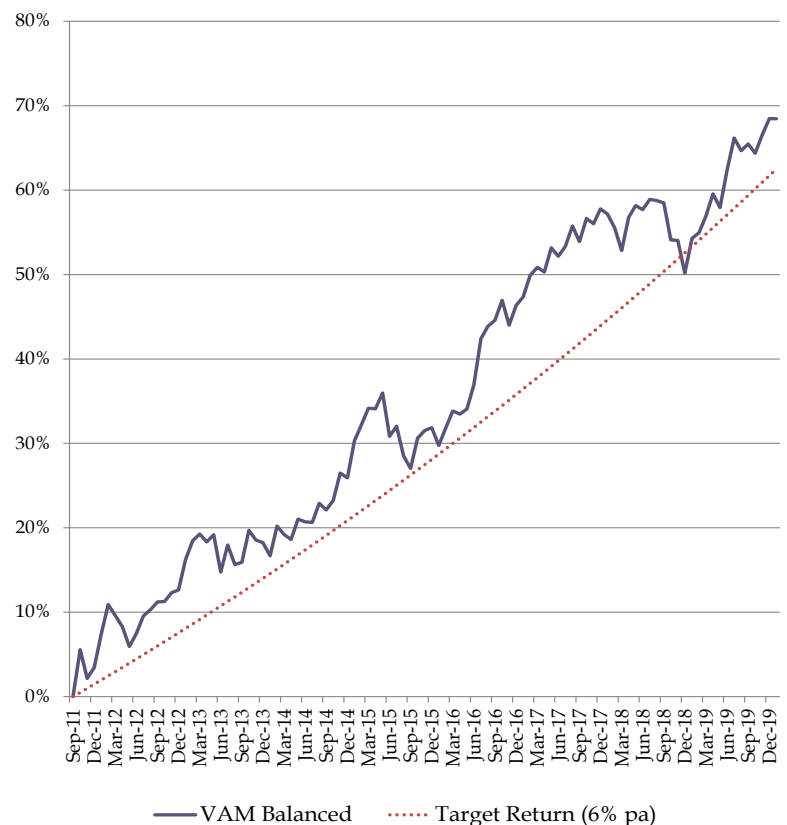
The Balanced portfolio has assumed returns of 5-7% p.a. net of fees over a rolling three-year period and is expected to have a Dynamic Planner score of 5 or less. The investment manager has discretion to weight the portfolio towards any of the asset classes comprising bonds, equities, alternatives and 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 0.20% and 0.01% respectively) calculated at each quarter re-balancing, as is the portfolio yield.

## Historical performance (as of 31st January 2020)

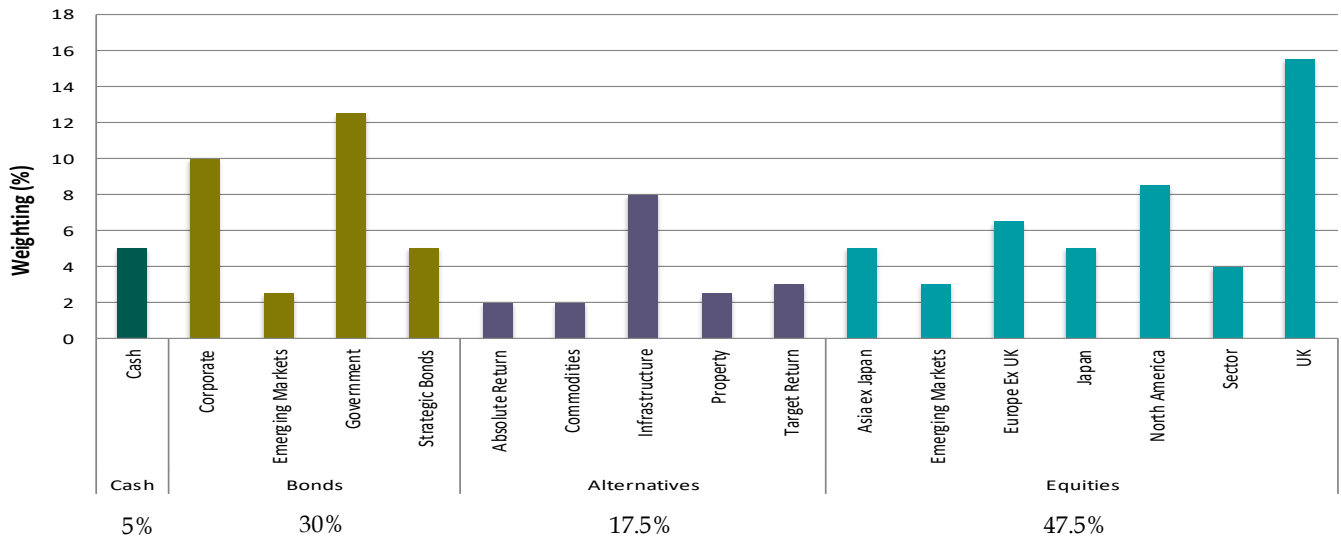
Rolling	1 mth	3 mth	1 yr	3 yr	From inception
VAM Balanced	0.0%	+2.5%	+9.2%	+14.3%	+68.5%

Annual	2016	2017	2018	2019	2020 to date
VAM Balanced	+11.0%	+7.8%	-4.8%	+12.2%	0.0%



**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 (which was agreed in January 2020 and implemented in early February 2020).

## Top 10 portfolio holdings (excluding cash)

Weight	Holding	Weight	Holding
5.0%	HSBC FTSE All-Share Index	5.0%	Royal London Short Duration Credit
5.0%	Schroder Asian Income	5.0%	Rathbone Ethical Bond
5.0%	Henderson Preference & Bond	5.0%	Vanguard US Government Bond Index Hedged
5.0%	Vanguard US Government Bond Index	4.5%	Man GLG UK Income
5.0%	JPM US Equity Income Hedged	4.5%	Gravis UK Infrastructure 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.

Vintage Asset Management Limited (VAM) is registered in England and Wales under number 06694183 and its registered office is at 7a Wyndham Place, London W1H 1PN. Vintage Asset Management is authorised and regulated by the Financial Conduct Authority. FCA number 489408. This document has been prepared for information purposes only and is not a solicitation or an offer to buy or sell any security. It does not purport to be a complete description of our investment policy, markets or any securities referred to in the material. The information on which the document is based is deemed to be reliable, but we have not independently verified such information and we do not guarantee its accuracy or completeness. You may not recover what you invest. Changes in exchange rates may have an adverse effect on the value, price or income of foreign currency denominated securities. The level of yield actually achieved on your investment will be dependent on the tax treatment of the product you have invested in and your personal tax circumstances. Levels and bases of taxation can change, investments or investment services referred to may not be suitable for all recipients. Real portfolio performance may vary from model performance due to the timing of investment. This factsheet does not provide individually tailored advice. It has been prepared without regard to the individual financial circumstances and objectives of persons who receive it. The securities discussed in this factsheet may not be suitable for all investors. VAM recommends that investors independently evaluate particular investments and strategies and encourages investors to seek the advice of a financial advisor. The appropriateness of a particular strategy will depend on an investors individual circumstances and objectives.

## Contact details

**Darren Hymos** – Business Development Manager

020 7989 0535

[darren@vintageassetmanagement.co.uk](mailto:darren@vintageassetmanagement.co.uk)

**Edward Hands** – Investment Director

020 7989 3120

[edward@vintageassetmanagement.co.uk](mailto:edward@vintageassetmanagement.co.uk)

**Vintage Asset Management Ltd.**

7a Wyndham Place | London

W1H 1PN

+44 (0)20 7989 3110

[www.vintageassetmanagement.co.uk](http://www.vintageassetmanagement.co.uk)