VINTAGE ASSET MANAGEMENT

Growth

Platform-based Managed Portfolio Service

February 2020

defaqto 2020 ★★★★★ DFM MPS on Platform

Market and portfolio review

Markets saw sharp falls in February as investors reacted to the spread of the coronavirus Covid-19 and its impact on economic growth or on individual companies. Diageo, Microsoft and Rio Tinto warned on lower revenue and profits mostly in relation to business in China which has seen a sharp drop in output. The draconian quarantine China imposed has appeared to be successful in limiting the spread outside of Hubei province although concerns mounted as the virus took hold in Italy, Iran, and South Korea. Central banks will provide support and the US Federal Reserve has cut interest rates again, although a monetary stimulus may have limited effect on what has been a supply and demand shock. Governments will need to combine adroitness in containing the disease with ambition in counteracting its impact. There is a good chance that markets will recover, although there is likely to be continued volatility. It is not as if there were not enough going on in the UK and the rest of the world. Boris Johnson has kept a low profile as flood waters rose and as civil servants sparred with ministers, one of whom resigned leaving a new Chancellor of the Exchequer in Rishi Sunak to present a Budget that may be limited by global issues and another one of whom, as Home Secretary, introduced a new law on immigration. The US elections are heating up, European politics has proved problematic still in France and Germany, the religious divisions in India have been costly and the crisis in Syria took another turn for the worse, even as the prospect of peace in Afghanistan improved. For the portfolio the total return for the month was –5.9%. Vanguard US Government Bond Index was the largest contributor to performance at +0.20%, with JPM US Equity Income Hedged the largest detractor at -0.61%.

Portfolio information

Launch date:	October 2011
Initial charge:	Nil
Investment management fee:	0.375% + VAT
Ongoing Charge Figure (OCF):	0.72%
Dealing costs:	Nil
Portfolio yield:	2.2%
Re-balancing strategy:	Quarterly
Risk profiling:	Dynamic Planner

Platform availability:

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

Investment objective

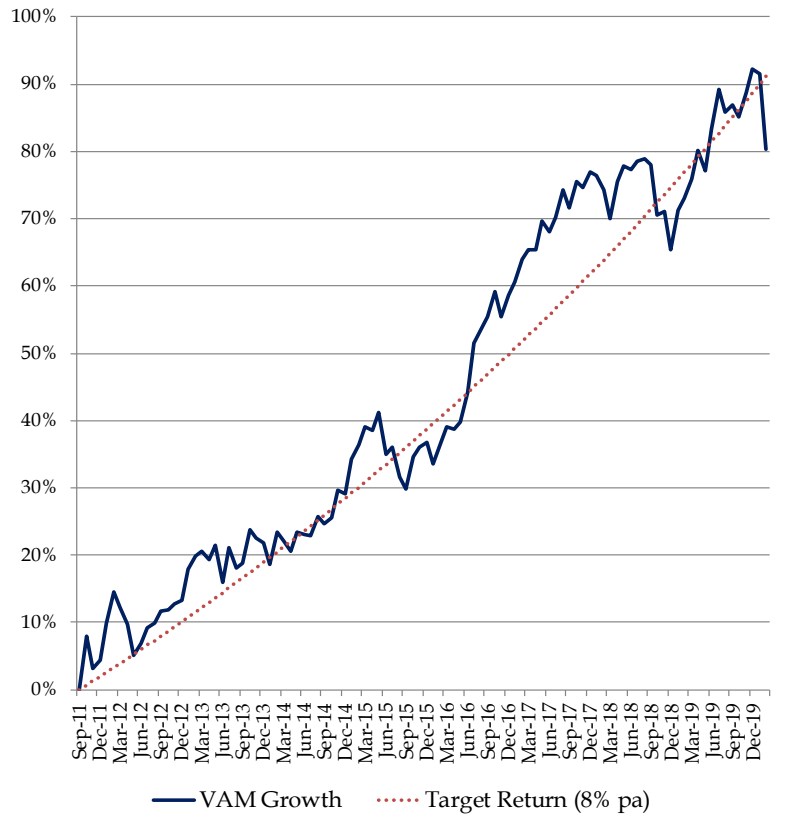
The Growth portfolio has assumed returns of 7-9% p.a. net of fees over a rolling three-year period and is expected to have a Dynamic Planner score of 7 or less. The investment manager has discretion to weight the portfolio towards any of the asset classes comprising bonds, equities, alternatives and 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 0.24% and 0.01% respectively) calculated at each quarter re-balancing, as is the portfolio yield.

Historical performance (as of 29th February 2020)

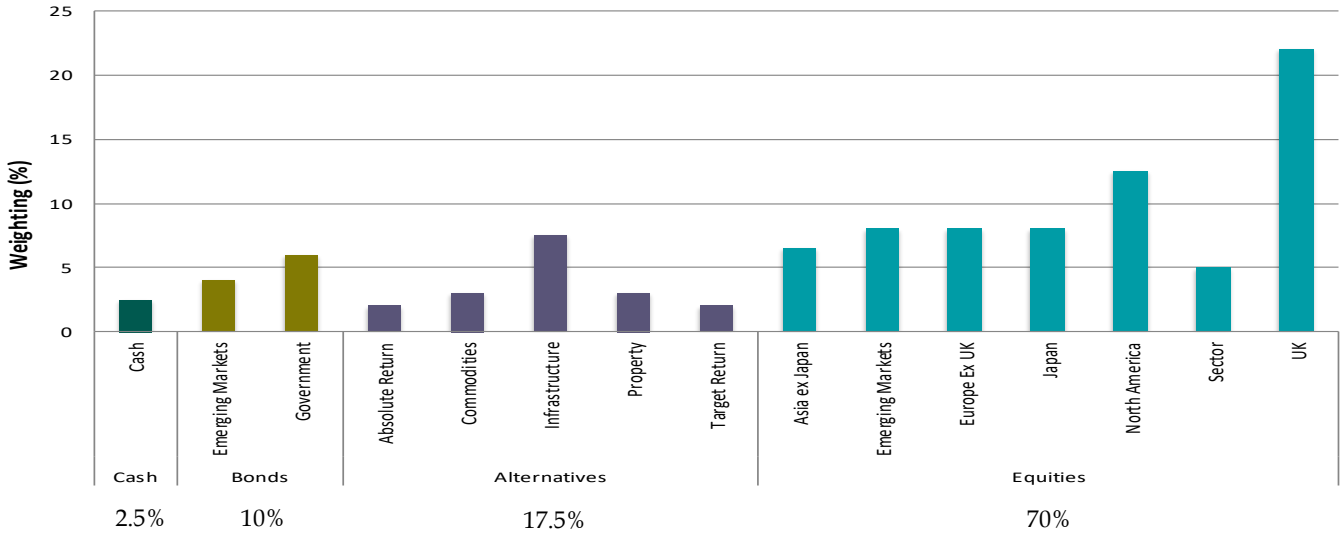
Rolling	1 mth	3 mth	1 yr	3 yr	From inception
VAM Growth	-5.9%	-4.5%	+4.2%	+10.0%	+80.3%

Annual	2016	2017	2018	2019	2020 to date
VAM Growth	+16.0%	+11.6%	-6.5%	+16.3%	-6.3%



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 8% 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%	HSBC American Index
5.0%	Schroder Asian Income	5.0	Evenlode Income
5.0%	Crux European Special Situations	5.0%	Man GLG Undervalued Assets
5.0%	Baillie Gifford Japanese Income Growth	4.0%	Threadneedle UK Smaller Companies
5.0%	JPM US Equity Income Hedged	4.0%	M&G Emerging Market Bond

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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