Balanced Income

Platform-based Managed Portfolio Service

September 2020

defaqto 2020 DFM MPS on Platform

Market and portfolio review

The month of September saw greater volatility in equity markets on the resurgence of the coronavirus Covid-19 and renewed political concerns, in spite of further positive economic developments and the continued support of central banks. As the incidences of the virus rise again, the decisions that governments take on the scale of renewed restrictions entail a conflict between the need to curtail the current pandemic and the costs of further lock-downs to health, education and the broader economy. Uncertainty continues to dampen business investment and consumer demand, as will rising unemployment as support schemes reduce. There seems to be no shortage of tension in the world. The pending US election has seen a deepening political divide and the outcome is likely to be close, even as polls suggest a victory for the Democratic candidate Joe Biden; markets are concerned about higher corporate taxes but an uncertain outcome would be worse. In Asia, China has been increasing the pressure on Taiwan while there is uncertainty too over the eventual outcome of the UK's negotiations with the European Union. There has been some encouraging economic news as China saw increases in industrial output, exports and retail sales, and global trade has also recovered. Central banks have also broadly committed to maintain their current policy of asset purchases and minimal interest rates, yet equity markets struggled, with enthusiasm for the technology sector fading in part on valuation, even as bond markets saw positive returns for higher quality fixed interest. Sterling weakened against the US$ in the month.

For the portfolio the total return in September was +0.2%. Baillie Gifford Japanese Income Growth was the largest contributor to performance at +0.23%, with Man GLG UK Income the largest detractor at -0.20%.

Portfolio information

Launch date:	September 2015
Initial charge:	Nil
Investment management fee:	0.375% + VAT
Ongoing Charge Figure (OCF):	0.61%
Dealing costs:	Nil
Portfolio yield:	2.9%

Platform availability:

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

Investment objective

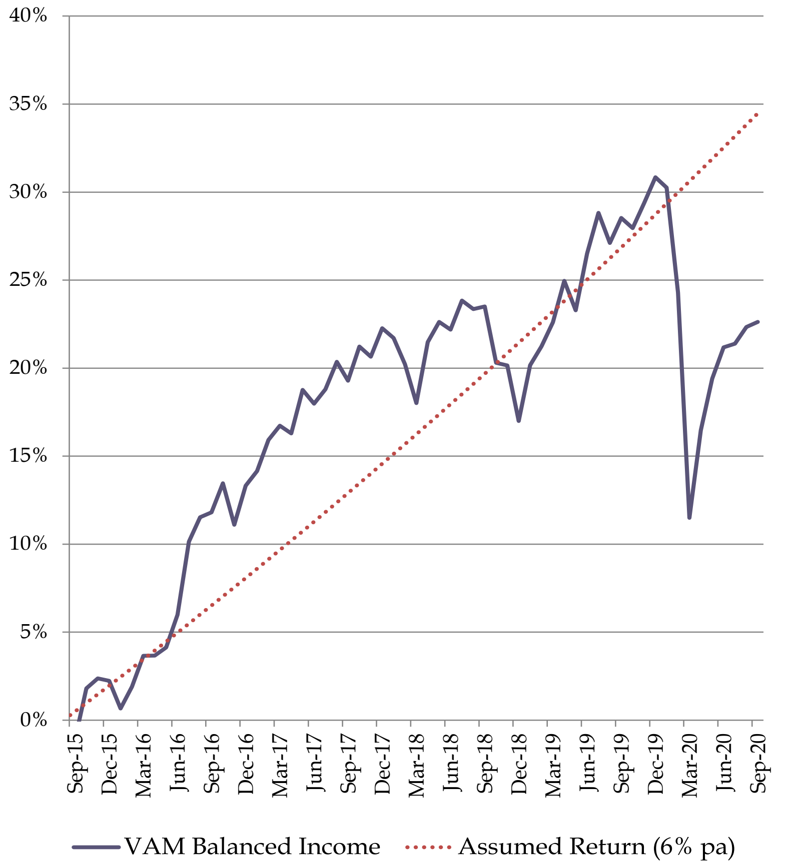
The Balanced Income portfolio has assumed returns of 5-7% p.a. net of fees over a rolling three- year period, similar to the Balanced portfolio with a higher portion of the total return generated from income. The investment manager has discretion to weight the portfolio towards any of the asset classes 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 0.20% and 0.04% respectively) calculated at each quarter re-balancing, as is the portfolio yield. As well as the regular quarterly re-balance we may re-position the portfolios on an ad hoc basis and at each occasion we assess the risk profile.

Historical performance (as of 30th September 2020)

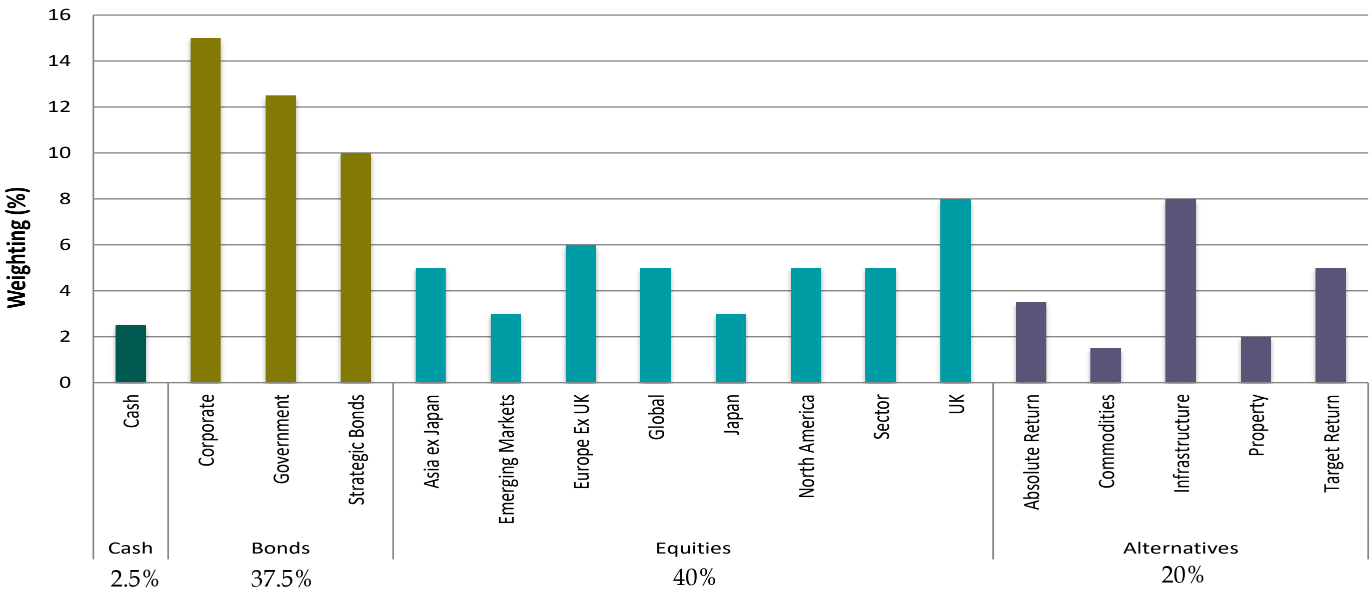
Rolling	1 mth	3 mth	1 yr	3 yr	From inception
VAM Balanced Income	+0.2%	+1.2%	-4.6%	+2.8%	+22.6%

Annual	2016	2017	2018	2019	2020 to date
VAM Balanced Income	+10.8%	+7.9%	-4.3%	+11.8%	-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 assumed 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 re-balance (which was implemented on 28th July 2020).

Top 10 portfolio holdings (excluding cash and money market funds)

Weight	Holding	Weight	Holding
5.0%	Fidelity Global Enhanced Income	5.0%	Rathbone Ethical Bond
5.0%	Henderson Preference & Bond	5.0%	Vanguard US Government Bond Index
5.0%	Vanguard US Government Bond Index Hedged	5.0%	JPM Global Macro Opportunities
5.0%	Royal London Short Duration Credit	5.0%	Gravis UK Infrastructure Income
5.0%	HSBC American Index	5.0%	Schroder Asian 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 active 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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