

Market and portfolio review

The month of February saw equity markets rise on optimism over an improving economic outlook for 2021, although concerns over higher inflation brought increased volatility later in the month and impacted bond markets. The optimism comes with hopes that the worst effects of the Covid-19 pandemic will soon be over, as the vaccination programmes roll out across the world, if still at a varied pace. For now governments will continue to provide further support for businesses and individuals, as with the Chancellor of the Exchequer in his latest Budget. Central banks have continued to buy assets and to provide liquidity into the financial system. The US Federal Reserve has stressed the need to reach and maintain full employment, and expects that recent price rises would not be sustained. Commodity prices have certainly been on the up, with the oil price reaching its highest level in over a year. The yield on ten-year US Treasuries also reached its highest level in over a year, reflecting fears that inflation might rise too quickly and prompting some volatility. Sectors such as financials and commodities are seen as the beneficiaries of higher inflation and interest rates, and so have participated in what is known as the reflationary trade – which has helped the UK market given its sector composition, in spite of a stronger Sterling.

For the portfolio the total return in February was -0.6%. BlackRock World Energy was the largest contributor to performance at +0.21%, with Ninety One Global Gold the largest detractor at -0.17%.

Portfolio information

Launch date:	September 2015
Initial charge:	Nil
Investment management fee:	0.375% + VAT
Ongoing Charge Figure (OCF):	0.68%
Dealing costs:	Nil
Portfolio yield:	2.5%

Platform availability:

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

Investment objective

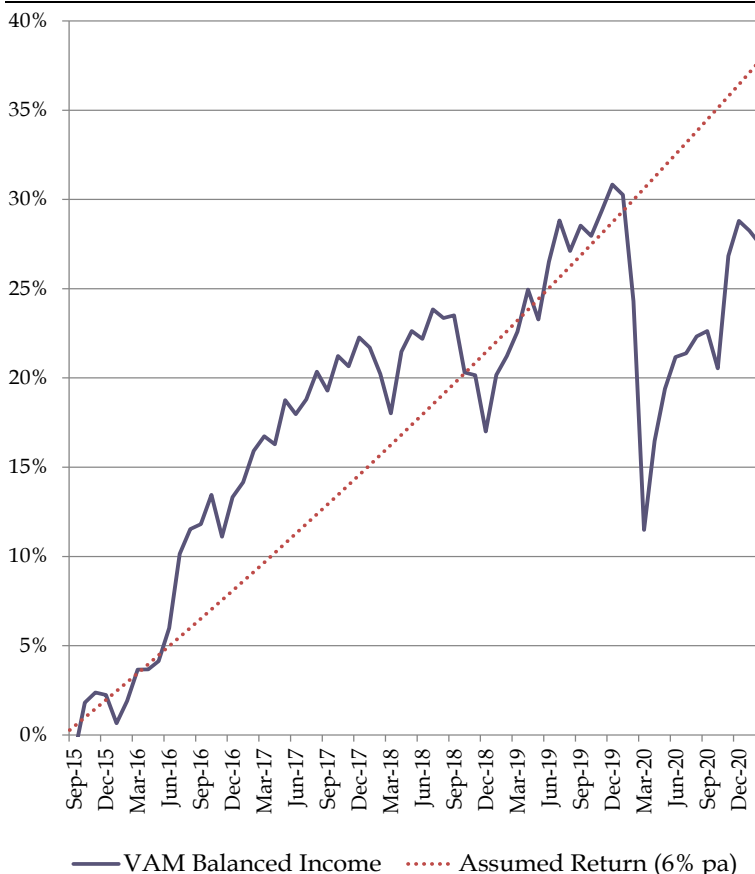
The Balanced Income portfolio has assumed returns of 5-7% p.a. net of fees over a rolling three- year period, similar to the Balanced portfolio with a higher portion of the total return generated from income. The investment manager has discretion to weight the portfolio towards any of the asset classes 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 0.22% and 0.03% 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 28th February 2021)

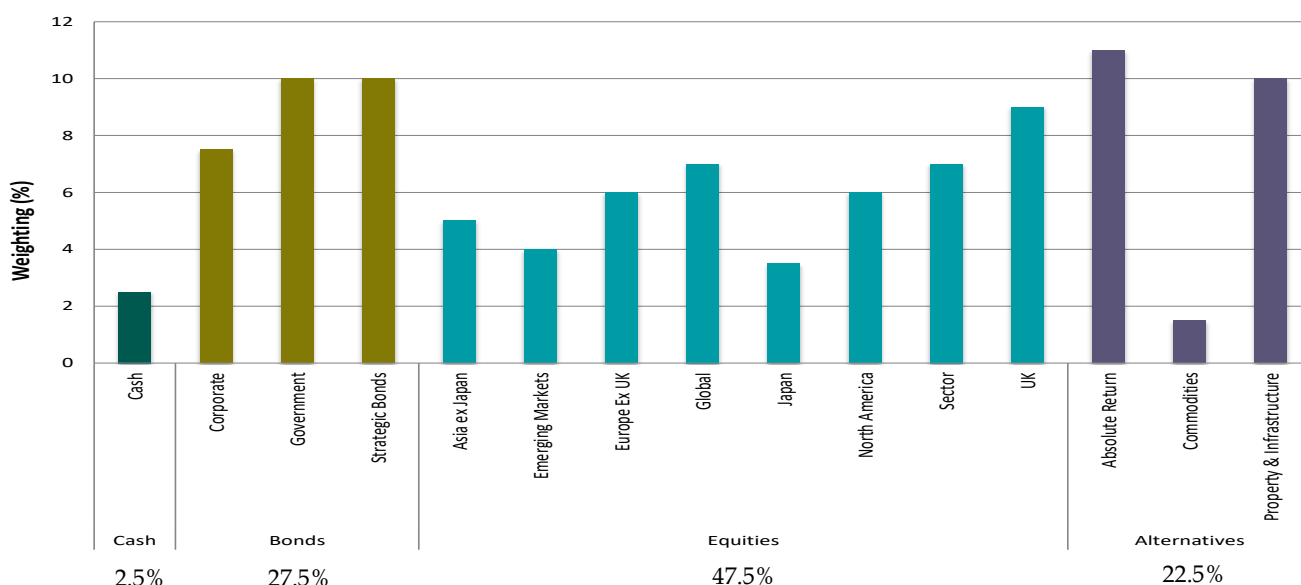
Rolling	1 mth	3 mth	1 yr	3 yr	From inception
VAM Balanced Income	-0.6%	+0.5%	+2.6%	+6.0%	+27.5%

Annual	2017	2018	2019	2020	2021 to date
VAM Balanced Income	+7.9%	-4.3%	+11.8%	-1.6%	-1.0%



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 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 latest re-balance (which was implemented on 26th January 2021).

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

Weight	Holding	Weight	Holding
5.0%	Janus Henderson Preference & Bond	5.0%	JPM Macro Opportunities
5.0%	Allianz Strategic Bond	5.0%	Rathbone Ethical Bond
5.0%	Fidelity Global Enhanced Income	5.0%	Gravis UK Infrastructure Income
5.0%	Man GLG UK Income	5.0%	Vanguard US Government Bond Index Hedged
5.0%	Schroder Asian Income	4.0%	Evenlode 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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