

## Market and portfolio review

The month of March saw equity markets make further gains even as optimism over improving economic prospects increased concerns over the potential level of inflation. The vaccination programmes against the coronavirus, while not uniform worldwide and with political complications, have boosted expectations of growth: the OECD raised its forecast for an increase in global production in 2021 to 5.6%, compared to the 4.2% it had predicted in December. Many consumers are ready to spend savings although there is a risk from new waves or further variants, notably on the Continent or in emerging markets. Governments have continued their support and the Biden administration in the US won approval for its \$1.9tn stimulus package while a further \$3tn infrastructure stimulus is planned. Asia has seen a strong recovery and displayed its substantial longer-term potential, led as often by China which introduced a new five-year plan that envisages a further increase in research and development. Prospects are more subdued for the UK, if better given the impressive rate of vaccination. The Chancellor of the Exchequer's budget reflected both a need to provide economic support as well as to use taxes to help to curtail substantial deficits, if gradually. The substantial level of debt around the world remains affordable if interest rates stay low, even as inflation moves higher, and the US Federal Reserve says it does not expect to raise rates until 2024.

For the portfolio the total return in March was +1.9%. HSBC American Index was the largest contributor to performance at +0.49%, with L&G Emerging Market Bond Index the largest detractor at -0.14%.

## Portfolio information:

<b>Launch date:</b>	January 2020
<b>Initial charge:</b>	Nil
<b>Investment management fee:</b>	0.15%
<b>Ongoing Charge Figure (OCF):</b>	0.14%
<b>Transaction costs:</b>	0.05%
<b>Incidental costs:</b>	0.00%
<b>Portfolio yield:</b>	2.4%
<b>Re-balancing strategy:</b>	Quarterly

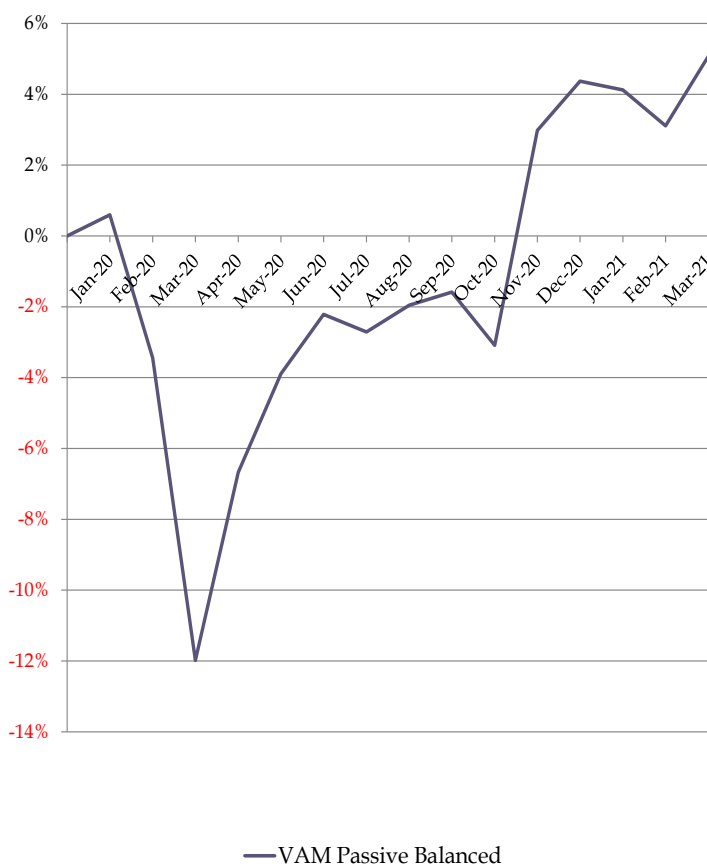
## Investment objective:

Our MPS Passive models are intended to provide investors with a low-cost exposure to investment markets through a diversified portfolio of index-tracking funds. We expect to maintain a constant broad allocation to the asset class of Bonds, Equities, Alternatives and Cash while actively selecting the component funds.

The MPS Passive Balanced model has a bias to the UK as to one-half of the allocation to Bonds and one-third as to Equities. We re-set the international equity weightings annually at least to reflect a blend of market capitalisation and Gross Domestic Product for countries, which results in a higher relative weighting to developing economies than when based on market capitalisation alone. The portfolios include an allocation to alternative or real asset sectors such as infrastructure and real estate through equity-based tracker funds.

## Historical performance (as of 31st March 2021)

Rolling	1 mth	3 mth	1 yr	3 yr	From inception
VAM Passive Balanced	+1.9%	+0.7%	+19.4%	-	+5.1%

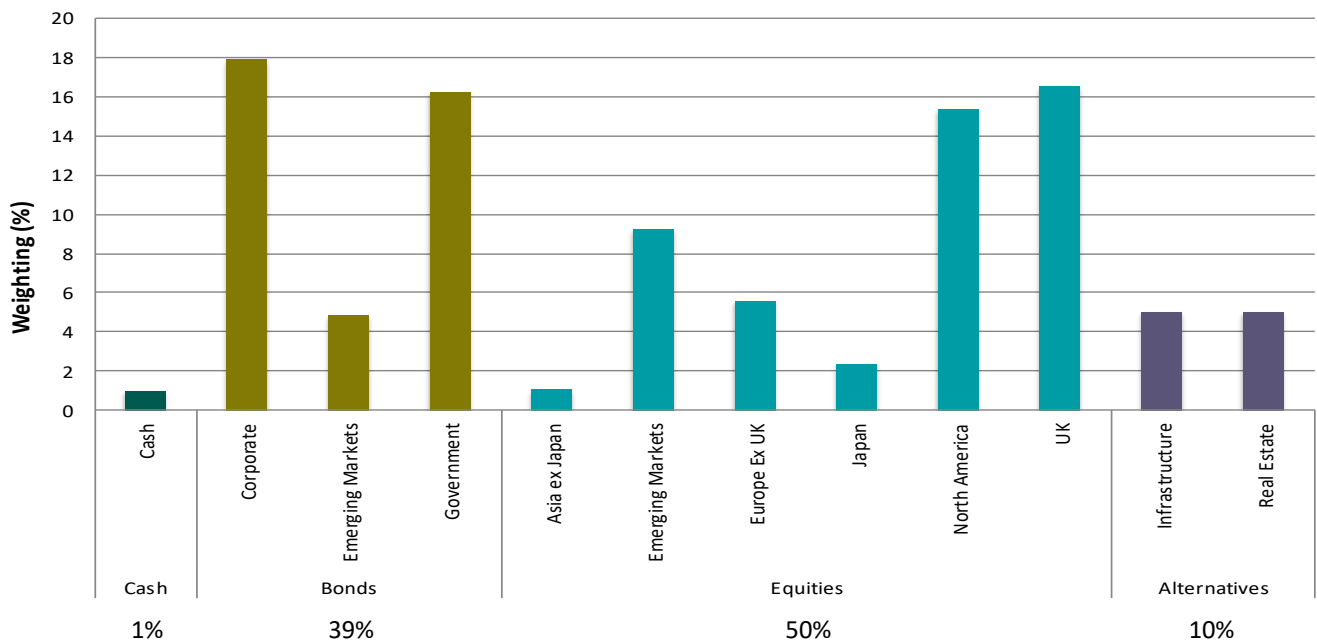


Please note that past performance is no guarantee of future returns and that capital in the portfolio is at risk of loss. The figures are based on a model and may vary between platforms if holdings differ due to availability. Performance is shown net of the OCF, transaction and ancillary costs and the 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 investment management fee was liable to VAT until end March 2021 and so equivalent to 0.18%.

## Top 10 portfolio holdings

Weight	Holding	Weight	Holding
13.0%	iShares Corporate Bond Index	6.5%	Fidelity UK Index
10.0%	HSBC FTSE All-Share Index	5.6%	Fidelity Europe ex UK Index
10.0%	HSBC American Index	5.4%	Fidelity US Index
9.8%	Vanguard Global Bond Index Hedged	5.0%	L&G Global Infrastructure Index
9.2%	Vanguard Emerging Markets Stock Index	5.0%	L&G Global Real Estate Dividend Index

## 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).

## 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 model portfolios for different mandates across active, passive and ESG offerings. 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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