

## Market and portfolio review

The month of May saw further optimism over the world's improving economic prospects offset to an extent by concerns over the persistence of the coronavirus and the emergence of increasing inflation. The OECD has forecast increased worldwide growth of 5.8% in 2021 followed by 4.4% in 2022. The main drivers for economic growth have been the release of pent-up consumer demand, business confidence and continued substantial support from governments, especially in the US. There remain challenges to the recovery, too, with new strains of the coronavirus, a move to higher taxation to cover the costs of government support and a rise in unemployment as furlough schemes end. Businesses have also faced issues in supply chains, with a shortfall in computer chips in particular and a shortage of labour. The main risk would come from a rise in interest rates to counter the increasing change in the rate of inflation, which has reflected higher commodity prices as well as consumer demand for the likes of used cars. The debate is over the extent to which such price increases are temporary, as central banks still maintain, or enough to prompt a change in interest rates; this is likely to be modest, but the rise in bond yields from exceptionally low levels can have an impact on fixed interest markets and bring greater volatility.

For the portfolio the total return in May was +0.3%. Ninety One Global Gold was the largest contributor to performance at +0.15%, with Polar Global Technology the largest detractor at -0.10%.

## Portfolio information

<b>Launch date:</b>	September 2015
<b>Initial charge:</b>	Nil
<b>Investment management fee:</b>	0.375%
<b>Ongoing Charge Figure (OCF):</b>	0.64%
<b>Transaction costs:</b>	0.18%
<b>Ancillary costs:</b>	0.01%
<b>Dealing costs:</b>	Nil
<b>Portfolio yield:</b>	2.7%

### Platform availability:

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

## Investment objective

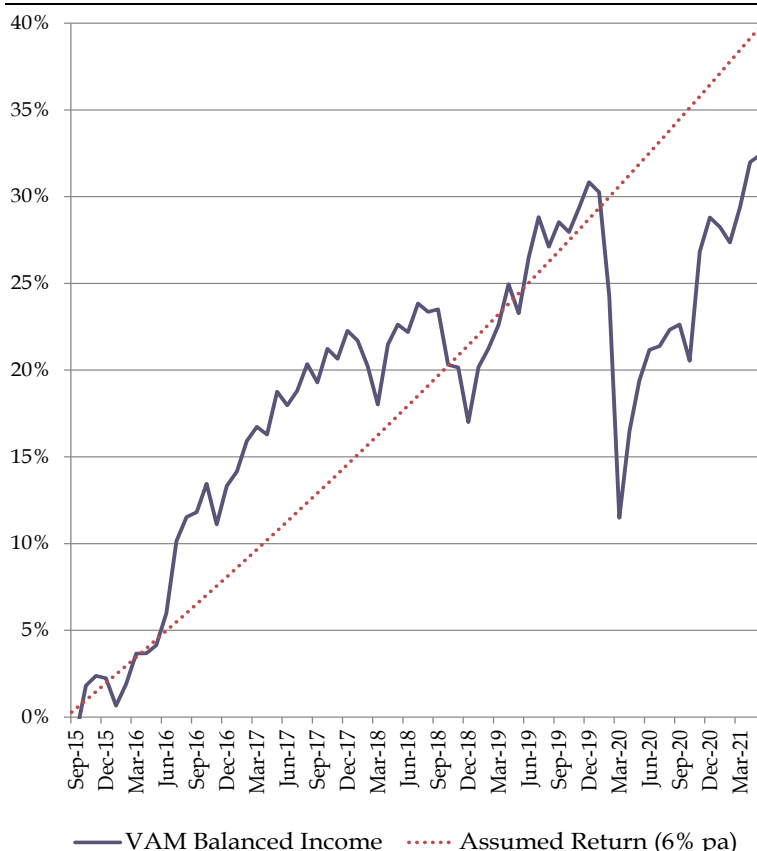
The Balanced Income portfolio has assumed returns of 5-7% p.a. net of fees over a rolling three- year period, similar to the Balanced portfolio with a higher portion of the total return generated from income. The investment manager has discretion to weight the portfolio towards any of the asset classes comprising bonds, equities, alternatives and cash provided that any such investment is compatible with the objectives.

The OCF and other costs represent the average charge of funds in which the portfolio is invested; it is an indicative figure calculated at each quarter 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

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

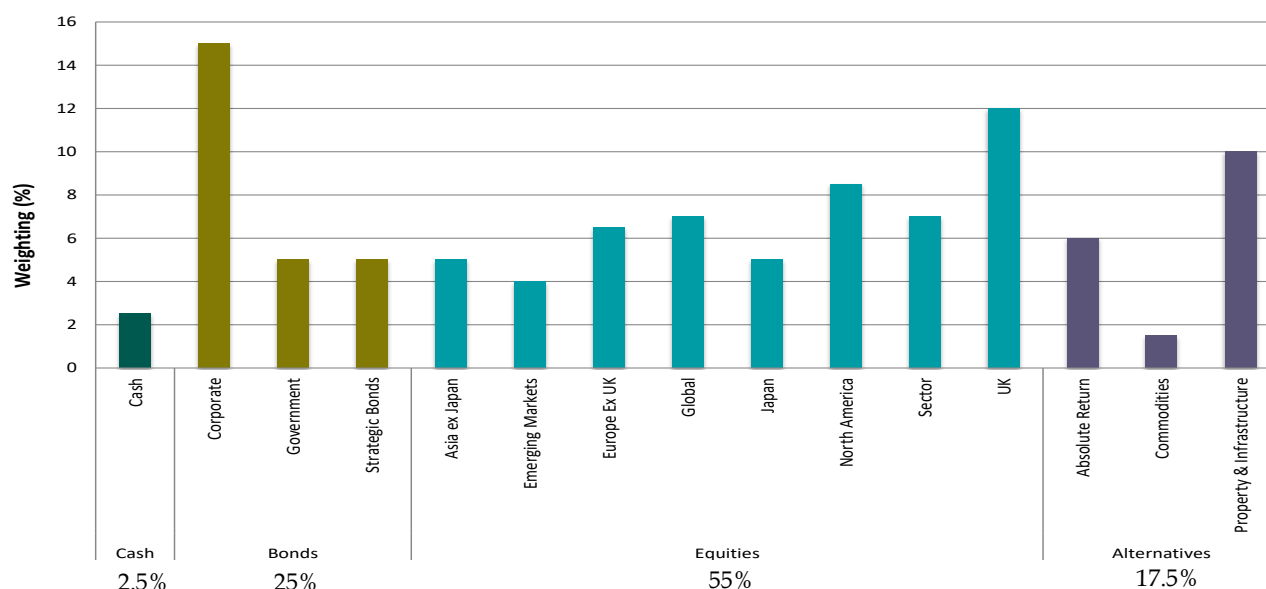
Rolling	1 mth	3 mth	1 yr	3 yr	From inception
VAM Balanced Income	+0.3%	+4.0%	+10.9%	+8.0%	+32.4%

Annual	2017	2018	2019	2020	2021 to date
VAM Balanced Income	+7.9%	-4.3%	+11.8%	-1.6%	+2.8%



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 0.45%; the fee is 0.37% on those platforms that only calculate to two decimal places. 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 22nd April 2021).

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

Weight	Holding	Weight	Holding
5.0%	Schroder Asian Income	5.0%	Royal London Short Duration Credit
5.0%	Allianz Strategic Bond	5.0%	Fidelity Short Dated Corporate Bond
5.0%	Fidelity Global Enhanced Income	5.0%	Gravis UK Infrastructure Income
5.0%	Man GLG UK Income	5.0%	Baillie Gifford Japanese Income Growth
5.0%	Rathbone Ethical Bond	4.5%	JPM US Equity 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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