

Market and portfolio review

The month of July saw optimism over the world’s improving economic prospects challenged by concerns over the persistence of the coronavirus, as well as the Chinese state’s regulation of business which impacted certain sectors. The International Monetary Fund increased its growth forecasts for developed economies, the UK included, although it has trimmed those for developing ones. The latest data indicates that the US economy has surpassed its size before the pandemic and there has been a stronger rate of growth in the eurozone than was forecast. There is a threat from a new phase in the pandemic, with infections from Covid-19 rising to 540,000 per week and nearly 70,000 deaths, even before the likely emergence of the next variants. Business confidence has been resilient, in spite of challenges in supply chains and in high shipping costs. Governments are ready to maintain, if readying to withdraw, the fiscal stimulus that they have provided through the pandemic. Central banks have bought over \$10trn of assets as support and have started to adjust their approach, in part as the global rate of inflation has been high. The motivation for China’s regulatory pressure on businesses is in large part ideological, such as to prevent the issue of inequality in education. Social inequality has increased in the world, which has seen a flourish of fires and floods as we approach the COP-26 summit on climate change.

For the portfolio the total return in July was +1.1%. Montanaro Better World was the largest contributor to performance at +0.26%, with Alquity Future World the largest detractor at -0.36%.

Investment objective

The VAM Sustainable Future Growth strategy is best suited to clients who are looking for investment returns with a high-medium risk from a portfolio that, with a focus on environmental, social and governance factors, seeks to invest through funds into companies that are contributing to a more sustainable future. The portfolio seeks to provide a consistent exposure to the sustainable investment theme.

The portfolio is diversified across a growing number of funds that integrate a range of sustainable strategies into their own investment process. We undertake in-depth research to populate an investable ESG universe with funds that reflect our belief that engagement with global and national initiatives plays an important role in enabling a transparent and effective approach to sustainable investing.

Portfolio information

Launch date:	November 2020
Initial charge:	None
Investment management fee:	0.3%
Ongoing Charge Figure (OCF):	0.90%
Transaction costs:	0.17%
Incidental costs:	0.00%
Portfolio yield:	0.9%
Re-balancing strategy:	Quarterly

Platform availability:

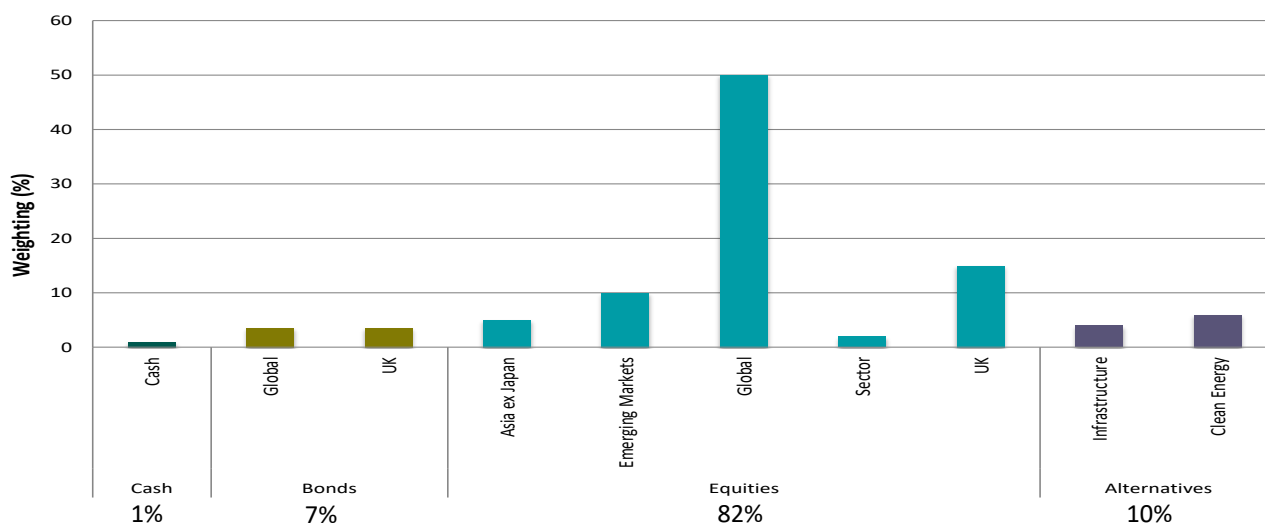
Aviva; Quilter (formerly Old Mutual)

Historical performance (as of 31st July 2021)

Rolling	1 mth	3 mth	1 yr	3 yr	From inception
VAM Sustainable Future Growth	+1.1%	+3.7%	-	-	+12.1%

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 0.375% until end June 2021 (0.37% on those platforms that only calculate to two decimal places) and it was liable to VAT until end March 2021, so equivalent to 0.45%.

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 29th July 2021).

Top 10 Portfolio holdings

Weight	Holding	Weight	Holding
5.0%	UBAM Positive Impact Emerging Markets	5.0%	Triodos Pioneer Impact
5.0%	Liontrust UK Ethical	5.0%	Wellington Global Impact
5.0%	Ninety One UK Sustainable Equity	5.0%	Stewart Asia Pacific Sustainability
5.0%	Montanaro Better World	5.0%	Pictet Global Environmental Opportunities
5.0%	Alquity Future World	5.0%	Baillie Gifford Positive Change

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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