

## Market and portfolio review

In August markets mostly made decent progress in spite of concerns over the Delta variant of the coronavirus and issues in supply chains. The economic pressure comes from the dent to consumer sentiment, as in the US, and from the disruption to the production of goods and to trade in south-east Asia and in China, which is dealing with a further outbreak of the virus with a rigorous approach to quarantine. China has seen a lower rate of growth than expected in industrial production and retail sales, with some disruption from the weather, a pattern across much of the globe. The challenge in supply chains was evident in the decision by Toyota, the world’s largest carmaker, to cut production by 40% this month given the shortage of computer chips. A lower rate of growth would help to moderate the rate of inflation, still high in the US at 5.4% while in the eurozone now at a rate of 3% for the first time in a decade, which would also help central banks to achieve a gradual easing of their support. The US Federal Reserve is set to reduce its \$120bn asset purchase programme later in 2021 and to raise interest rates by early 2022, while the Bank of England is edging towards modest tightening too. Meanwhile governments have been keen to spend even with rising deficits while corporate profits have remained robust in many areas.

For the portfolio the total return in August was +3.0%. HSBC American Index was the largest contributor to performance at +0.62%, with Vanguard Global Bond Index the largest detractor at -0.00%.

## 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>	0.13%
<b>Transaction costs:</b>	0.06%
<b>Incidental costs:</b>	0.00%
<b>Portfolio yield:</b>	2.0%
<b>Re-balancing strategy:</b>	Quarterly
<b>Platform availability:</b>	Aviva

## Investment objective:

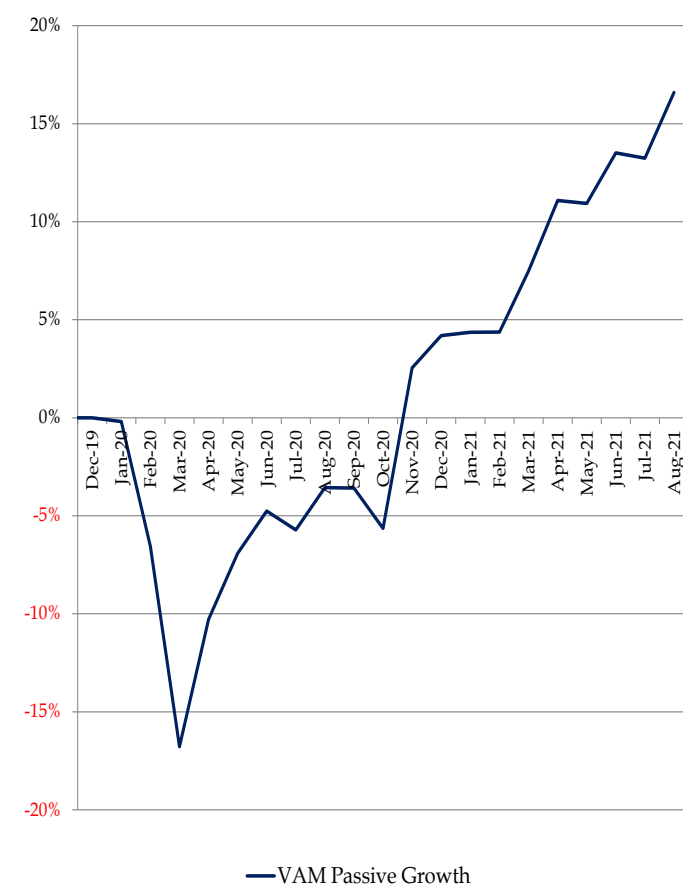
Our MPS Passive models are intended to provide investors with a low-cost exposure to investment markets through a diversified portfolio of index-tracking funds. We expect to maintain a constant broad allocation to the asset class of Bonds, Equities, Alternatives and Cash while actively selecting the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

The MPS Passive Growth model has a bias to the UK, which accounts for one-third of the allocation to Bonds and one-quarter of Equities. For the international equity weightings we reflect a blend of market capitalisation and Gross Domestic Product for countries, which results in a higher relative weighting to developing economies, and we re-calibrate this annually. The portfolios include an allocation to alternative or real asset sectors such as infrastructure and real estate through equity-based tracker funds.

**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%.

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

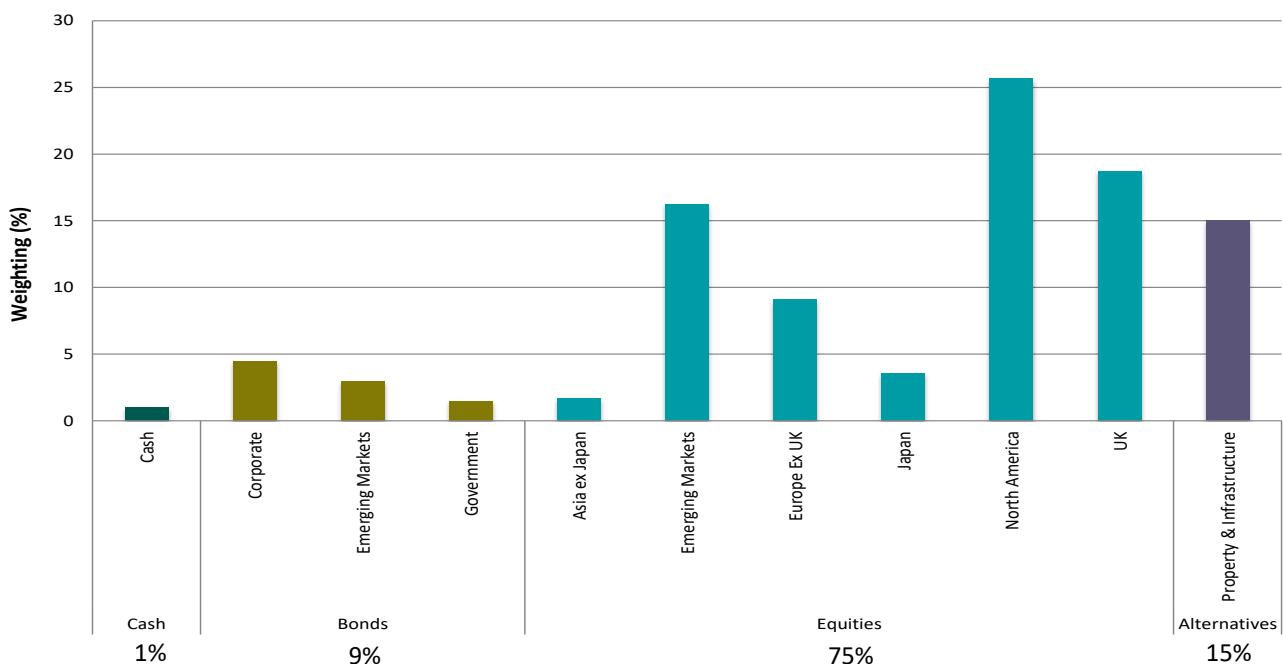
Rolling	1 mth	3 mth	1 yr	3 yr	From inception
VAM Passive Growth	+3.0%	+5.1%	+20.9%	-	+16.6%



## Top 10 portfolio holdings

Weight	Holding	Weight	Holding
15.0%	HSBC American Index	8.8%	Fidelity UK Index
10.7%	Fidelity US Index	7.5%	L&G Global Infrastructure Index
10.0%	Vanguard Emerging Markets Stock Index	7.5%	L&G Global Real Estate Dividend Index
10.0%	HSBC FTSE All-Share Index	6.2%	Fidelity Emerging Markets Index
9.1%	Fidelity Europe ex UK Index	3.6%	HSBC Japan 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 29th July 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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