

## Market and portfolio review

The month of October saw equity markets mostly make gains as corporate earnings offset concerns over higher energy prices and the rate of inflation. There has been encouraging data on company profits, in the US in particular, and in the UK there has been a decent recovery in dividend payments. While the vaccination roll-out remains unequal it has gained momentum with indications of the efficacy of booster jabs and countries have re-opened their borders. The economic pressure from the disruption to the supply chain should ease, although the pressure on the automotive industry has persisted. Energy prices moved higher after OPEC and its associates said they would only allow gradual increases in output. There has been a marked slow-down in the rate of economic growth in China, in part structural and also cyclical. Inflation has been high, if not at the sustained rate in the 1970s: in the US the Consumer Prices Index rose by 5.4% year-on-year in September and in Germany the inflation rate rose to 4.1%, the highest level since 1992. Central banks have moved to counter the inflationary pressures, while still being patient on the basis that they are temporary. The Bank of England is expected to agree a rise in its interest rate from 0.1% to 0.25% by March next year, and perhaps in November. The COP26 summit in Glasgow might be a conference of the parties but is not as yet a confluence of minds; much may depend on technology, from carbon capture or hydrogen fuel, for example.

For the portfolio the total return in October was +1.1%. iShares Index Linked Gilt Index was the largest contributor to performance at +0.49%, with iShares Overseas Government Bond Index the largest detractor at -0.23%.

## 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>	0.12%
<b>Transaction costs:</b>	0.03%
<b>Incidental costs:</b>	0.00%
<b>Portfolio yield:</b>	1.3%
<b>Re-balancing strategy:</b>	Quarterly
<b>Platform availability:</b>	Aviva

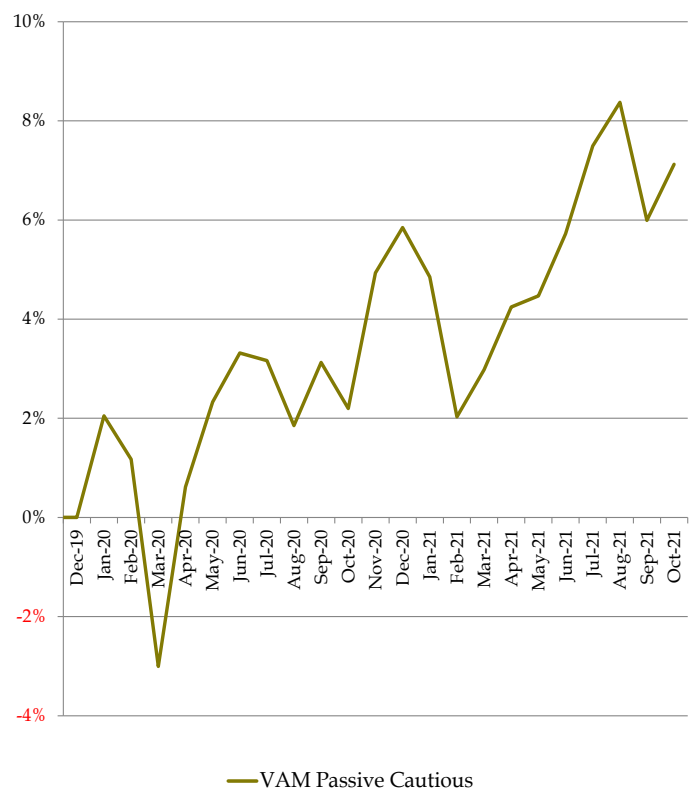
## Investment objective:

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 Cautious model has a bias to the UK, which accounts for two-thirds of the allocation to Bonds and one-half 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.

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

Rolling	1 mth	3 mth	1 yr	3 yr	From inception
VAM Passive Cautious	+1.1%	-0.3%	+4.8%	-	+7.1%

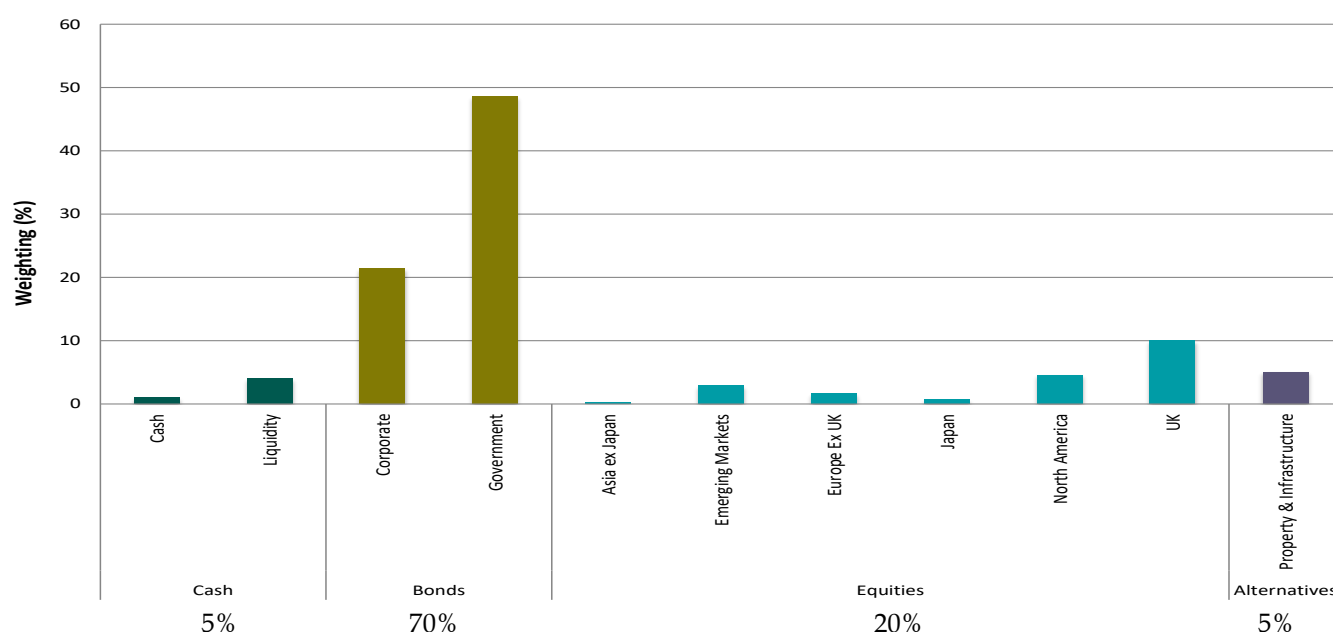


Please note that past performance is no guarantee of future returns and that capital in the portfolio is at risk of loss. The figures are based on a model and may vary between platforms if holdings differ due to availability. Performance is shown net of the OCF, transaction and ancillary costs and the 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 (excluding cash and money market funds)

Weight	Holding	Weight	Holding
15.0%	iShares UK Gilts All Stocks Index	7.8%	iShares Index Linked Gilt Index
10.0%	iShares Corporate Bond Index	7.5%	iShares Overseas Government Bond Index
10.0%	Vanguard Global Bond Index Hedged	5.8%	Vanguard Global Corporate Bond Index Hedged
10.0%	HSBC FTSE All-Share Index	5.6%	Vanguard UK Investment Grade Bond Index
8.3%	Vanguard UK Government Bond Index	4.6%	HSBC American 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 October 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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