Alpha Beta PARTNERS

Alpha Beta Portfolios AB5 Core

as at 28 Feb 2022

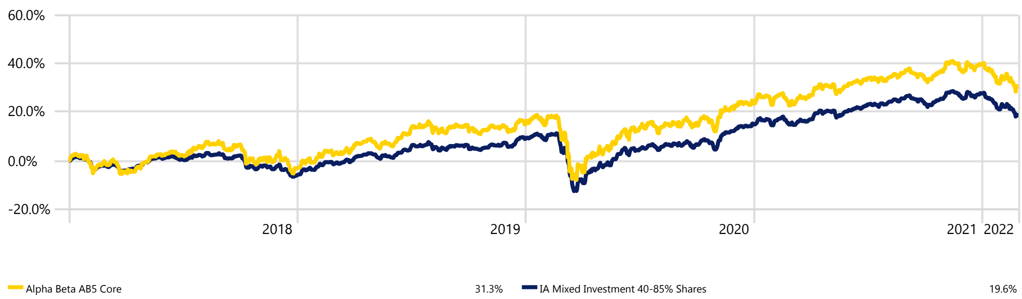
Investment Objectives

Our objective is to outperform RPI UK + 4% over the medium to long term, keeping within the prescribed volatility limits whilst investing in low cost ETFs or Index funds, physically invested and with a low tracking error.

To achieve the investment objective we deploy quantitative and qualitative techniques and extensive research that shape our macro economic views.

Investment Growth

Time Period: 01/01/2018 to 28/02/2022



Snapshot

Base Currency	Pound Sterling
12 Mo Yield	1.94%
Ongoing Charge	0.20%
Management Fee (VAT where applicable)	0.20%
Portfolio Cost	0.40%

Calendar Year Returns

Data Point: Return

	3Month	6Month	YTD	2021	2020	2019	Since Inception [01-01-2018]
Alpha Beta AB5 Core	-3.97	-4.00	-5.91	12.89	7.59	18.71	31.27
IA Mixed Investment 40-85% Shares	-4.84	-5.03	-6.31	11.10	5.50	15.94	19.59

Benchmark

Benchmark	UK RPI+4%
Comparator Benchmark	IA Mixed Investment 40-85%

Risk Profile

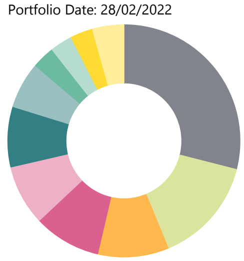
Defaqto Risk Rating	7

Risk

	Sharpe Ratio	Std Dev
Alpha Beta AB5 Core	0.24	7.97
IA Mixed Investment 40-85% Shares	-0.01	7.41

Asset Allocation

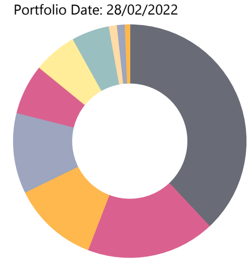
Portfolio Date: 28/02/2022



	%
US Equity Large Cap Blend	29.0
Europe Equity Large Cap	14.8
Japan Equity	9.9
UK Equity Large Cap	9.4
Global Emerging Markets Equity	8.4
Asia ex-Japan Equity	8.4
Infrastructure Sector Equity	6.5
UK Equity Mid/Small Cap	3.2
Sterling Fixed Income	3.1
Cash	3.1
Other	4.4
Total	**100.0**

Equity Regional Exposure

Portfolio Date: 28/02/2022



	%
North America	38.0
Europe dev	17.8
United Kingdom	11.9
Japan	11.1
Australasia	6.9
Asia dev	6.1
Asia emrg	5.2
Africa/Middle East	1.1
Latin America	1.1
Europe emrg	0.6

Top 10 Holdings

Portfolio Date: 28/02/2022

	Portfolio Weighting %
iShares North American Eq Idx (UK) D Acc	21.40%
Vanguard FTSE Dev €pe ex-UK Eq Idx £ Acc	14.80%
Vanguard Jpn Stk Idx £ Acc	9.87%
Vanguard FTSE UK All Shr Idx Unit Tr£Acc	9.35%
Vanguard Em Mkts Stk Idx £ Acc	8.39%
Vanguard Pac exJpn Stk Idx £ Acc	8.39%
Vanguard U.S. Eq Idx £ Acc	7.57%
First Sentier Glb Lstd Infra B GBP Acc	6.45%
HSBC FTSE 250 Index C Acc	3.16%
CASH	3.12%
	92.51%

Investment Team

Investment Manager	Asim Javed, CFA

Manager's Commentary

The economic consequences of Russia's invasion of Ukraine continue to unfold but this action coupled with strong inflationary pressure and a tightening cycle for monetary policy have given rise to a challenging beginning to 2022.

The situation in Ukraine worsened during the month and it introduced another dose of sentiment driven selling to an already fragile market. Interestingly, these turn of events have not had a material impact on interbank liquidity. Economists are busy recalibrating possible trajectories for inflation given the current squeeze on energy prices, particularly oil. US Consumer Price Inflation may exceed previous reading for February, before falling back to c5% by year-end due to price inflation in agricultural and energy commodities.

The FOMC later this month is going to propose its first-rate hike and by all indications, it is going to be in the region of 25bps. The Fed Chairman has cited geopolitical risks to the US economy in his recent communication, suggesting we may have a relatively dovish tone in the upcoming FOMC.

With US 10-year breakeven inflation indicators sitting around 2.8%, the market certainly expects a moderation in inflation looking further ahead. Indeed, we expect supply chain bottlenecks to ease significantly as we progress through the year, and base effects are likely to bring down the headline inflation figures beginning in quarter two this year. This however, is very much dependent on the resolution of current live risk.

The People's Bank of China have now cut rates and is actively supporting the Chinese economy. The Chinese GDP growth target for this year is 5.5%. We expect an upward rebound in growth and equity valuations as the economy reopens and a reopening China will also help to pull back inflationary pressure in the West. This however is dependent on the conclusion of the reforms drive, ending covid restrictions and wider geopolitical risk.

The US equity and European equity indices registered material drawdowns during the month. Europe remains exposed to energy and food security risk if the situation in Ukraine escalates. The UK market has performed well, aided by sector composition benefitting from commodity price increases recently.

All portfolios remained inside their allocated risk corridors during the month. We anticipate markets moving higher before we contemplate our next move whilst retaining a clear and vivid focus on the risks in play.

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defaqto EXPERT RATED DFM MPS (Platform) Family 2022

defaqto EXPERT RATED DFM MPS on Platform 2022

Source: Morningstar Direct