

Investment Objectives

Our objective is to outperform RPI UK + 3% 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.

Snapshot

Base Currency	Pound Sterling
12 Mo Yield	1.62%
Ongoing Charge	0.23%
Management Fee (VAT where applicable)	0.20%
Portfolio Cost	0.43%

Benchmark

Benchmark	UK RPI+3%
Comparator Benchmark	IA Mixed Investment 40-85%

Risk Profile

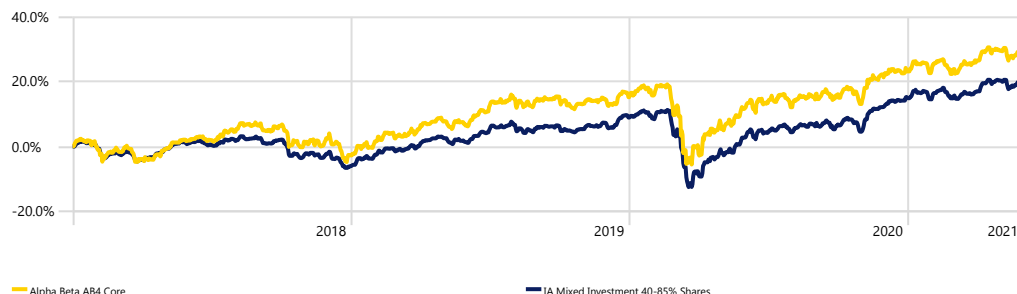
Defaqto Risk Rating	6
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Risk

	Sharpe Ratio	Std Dev
Alpha Beta AB4 Core	2.35	8.75
IA Mixed Investment 40-85% Shares	2.29	8.15

Investment Growth

Time Period: 01/01/2018 to 31/05/2021

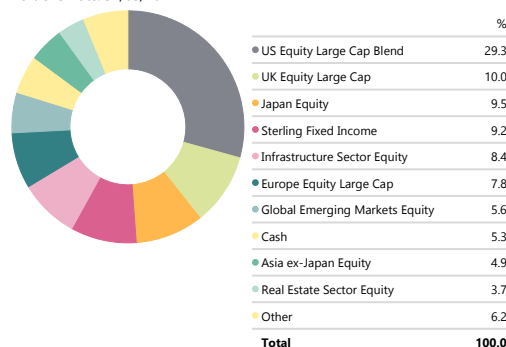


Calendar Year Returns

Data Point: Return	3Month	6Month	YTD	2020	2019	2018	Since inception [01/01/2018]
Alpha Beta AB4 Core	5.68	6.60	5.00	6.92	18.50	-2.79	29.33
IA Mixed Investment 40-85% Shares	4.68	7.19	4.65	5.50	15.94	-6.07	20.23

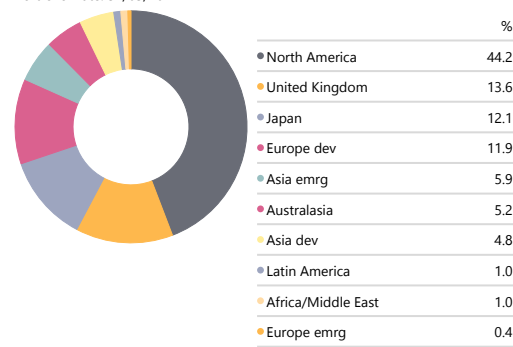
Asset Allocation

Portfolio Date: 31/05/2021



Equity Regional Exposure

Portfolio Date: 31/05/2021



Top 10 Holdings

Portfolio Date: 31/05/2021

	Portfolio Weighting %
iShares North American Eq Idx (UK) D Acc	20.08%
Vanguard FTSE UK All Shr Idx Unit TrEAcc	10.04%
Vanguard Jpn Stk Idx £ Acc	9.51%
Vanguard U.S. Eq Idx £ Acc	9.22%
First Sentier Gbl Lstd Infra B GBP Acc	8.35%
Vanguard FTSE Dev €pe ex-UK Eq Idx £ Acc	7.80%
Vanguard Em Mkts Stk Idx £ Acc	5.62%
CASH	5.35%
Vanguard Pac exJpn Stk Idx £ Acc	4.88%
Baillie Gifford High Yield Bond B Acc	3.75%
Total	84.61%

Manager's Commentary

Blue Chip Equity indices barely registered any gains in May, with the S&P 500 index and FTSE 100 index both advancing by less than one percent in local currency terms, compared to a modest rise of 1.33% for the MSCI All Companies World Index. Some consolidation in US equities seemed inevitable with most of our fundamental and technical measures of the market appearing stretched for the past few months.

A major cause of the market consolidation has been expectations regarding inflation and Fed policy. While the Fed has signalled that it expects inflation to run a little hot over the next few quarters, as the US economy suffers some supply side constraints relating to the Covid-19 interruption to markets, the Consumer Price Index print for April certainly surprised the market, with the 0.8% MOM and 4.2% YOY readings, considerably higher than expectations.

For now, however, the US treasury market appears to be siding with the Fed that the inflationary uplift will prove temporary. Treasury yields remained within a tight envelope in May (the big losses and rise in yields coming in the preceding six months) not signifying any stress in the market or an inflation expectation above the breakeven number. This may be down to the demand and supply of treasury securities from liability driven mandates or a precursor of a risk-off trade in the short term.

Commodities, especially Copper, Silver, Gold and Oil posted positive returns. This points to the reopening theme still at play and a supply squeeze in Oil. Gold and silver movement may also point to a jittery market that is ready to take cover should the economic data point to a non-transitory inflation in the US.

We remain cognisant of what economic recovery could mean for both monetary policy and fiscal policy further downstream. The unemployment numbers remain below consensus for now and may help keep the monetary policy unchanged but that's only one factor. However, if the inflation and growth numbers keep rising, the Fed may be forced to taper in Q4 2021.

For now, we remain cautiously risk on. However, we are keeping a close eye on inflation and the potential for any correction in developed market equities from here.

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