Alpha Beta PARTNERS

Alpha Beta Portfolios
AB5 Core

RISK RATING 7 defaqto

as at 30 April 2022

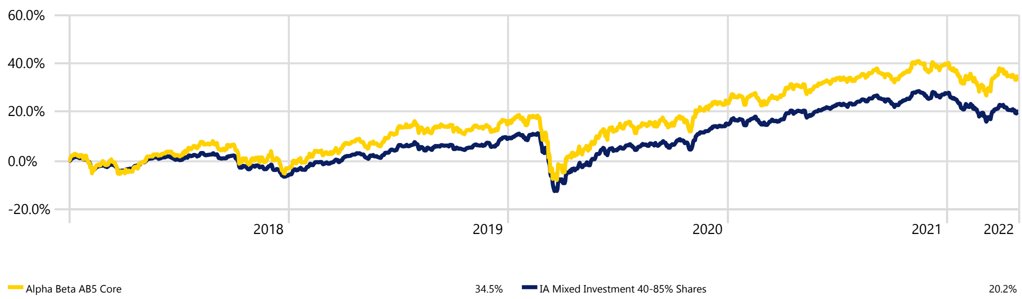
Investment Objectives

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 30/04/2022



Snapshot

Base Currency	Pound Sterling
12 Mo Yield	1.88%
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	0.86	-1.56	-3.61	12.89	7.59	18.71	34.48
IA Mixed Investment 40-85% Shares	-1.13	-4.12	-5.81	11.10	5.50	15.94	20.22

Benchmark

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

Risk Profile

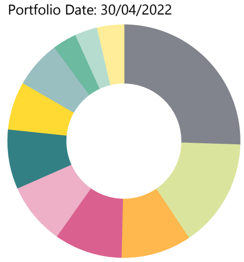
Defaqto Risk Rating	7

Risk

	Sharpe Ratio	Std Dev
Alpha Beta AB5 Core	-0.55	8.50
IA Mixed Investment 40-85% Shares	-0.84	7.55

Asset Allocation

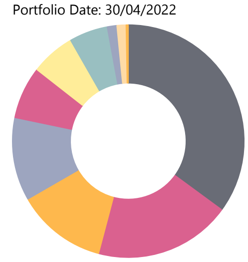
Portfolio Date: 30/04/2022



	%
US Equity Large Cap Blend	25.5
Europe Equity Large Cap	15.1
Japan Equity	9.8
UK Equity Large Cap	9.4
Global Emerging Markets Equity	8.6
Asia ex-Japan Equity	8.2
Cash	6.7
Infrastructure Sector Equity	6.6
UK Equity Mid/Small Cap	3.3
Sterling Fixed Income	3.1
Other	3.7
Total	**100.0**

Equity Regional Exposure

Portfolio Date: 30/04/2022



	%
North America	35.0
Europe dev	19.1
United Kingdom	12.6
Japan	11.6
Australasia	7.3
Asia dev	6.2
Asia emrg	5.4
Latin America	1.3
Africa/Middle East	1.3
Europe emrg	0.3

Top 10 Holdings

Portfolio Date: 30/04/2022

	Portfolio Weighting %
iShares North American Eq Idx (UK) D Acc	18.28%
Vanguard FTSE Dev €pe ex-UK Eq Idx £ Acc	15.09%
Vanguard Jpn Stk Idx £ Acc	9.77%
Vanguard FTSE UK All Shr Idx Unit Tr£Acc	9.45%
Vanguard Em Mkts Stk Idx £ Acc	8.58%
Vanguard Pac exJpn Stk Idx £ Acc	8.25%
Vanguard U.S. Eq Idx £ Acc	7.23%
CASH	6.67%
First Sentier Glb Lstd Infra B GBP Acc	6.55%
HSBC FTSE 250 Index C Acc	3.33%
	93.21%

Manager's Commentary

The geopolitical risk emanating from Russia-Ukraine conflict continued to affect the market. The wider impact of this conflict can be felt across energy and agricultural commodity prices, ultimately finding its way to the inflation numbers.

With CPI inflation in the United States standing at 8.5%, created by the Covid-19 supply shock and exacerbated by mountains of central bank liquidity, the vampire-like effect of spiraling price rises across the board is a serious headwind to progress. A possible summer of discontent at home takes us back to images of the 1970s. Central banks face a tough challenge of slaying the inflation vampire whilst maneuvering delicately to avoid a recession. Raising rates multiple times and removing excess liquidity by a new tool called quantitative tightening will slow economic growth. However, economies are simultaneously slowing down quite naturally following the turbo charged recovery from the worst effects of the pandemic. So, the distinct possibility of central bank policy error must be calculated and factored into our forthcoming asset allocation decisions.

The Federal Reserve announced has raised FFR again in May's FOMC as expected. Interestingly, the accompanying Q&A session revealed the limitations of monetary policy in curbing the supply-side inflation. It is however, destroying the demand side of the equation. This leads us back to thinking if the fed is behind the curve again. Care should be taken not to raise rates aggressively as we progress through the year. There is scope for central bank policy error in this regard and we remain alert to early signals.

US 10-year treasury yields hit 3%, the highest level since 2018. The world's supply of negative yielding bonds has evaporated before our eyes as the bond bubble steadily deflates. Higher bond yields prove a disruptor for equity valuations, particularly for those levered firms and those whose stock prices have risen perhaps too high. Then there is a case of curve inversion – we have seen both the Treasury 10/2 and OIS 30/5 curve inverted – signaling tighter borrowing conditions for economic agents in the near term.

We believe now is time for some sensible housekeeping. There is still scope for equity bounce, of that we have little doubt, but the risk reward balance has shifted. We are now favoring changes to duration, cash and at the next upside failure we intend to take some of the equity exposure off. All portfolios remained inside their allocated risk corridors during the month.

Investment Team

Investment Manager	Asim Javed, CFA

Please contact :
Andrew Thompson or Geoff Brooks on 0208 059 0253
Alpha Beta Partners
Northgate House, Upper Borough Walls, Bath BA11RG

defaqto EXPERT RATED DFM MPS (Platform) Family 2022

defaqto EXPERT RATED DFM MPS on Platform 2022

Source: Morningstar Direct