Alpha Beta Portfolios
AB2 Core

as at 31 Aug 2021

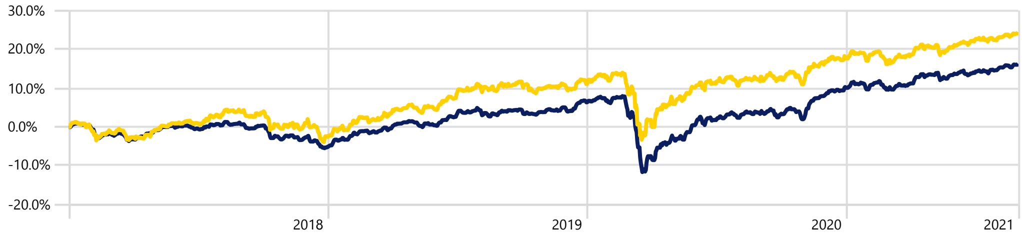
Investment Objectives

Our objective is to outperform RPI UK + 1% 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 31/08/2021



Alpha Beta AB2 Core 24.4% IA Mixed Investment 20-60% Shares 16.3%

Snapshot

Base Currency	Pound Sterling
12 Mo Yield	1.49%
Ongoing Charge	0.21%
Management Fee (VAT where applicable)	0.20%
Portfolio Cost	0.41%

Calendar Year Returns

Data Point: Return

	3Month	6Month	YTD	2020	2019	2018	Since Inception [01-01-2018]
Alpha Beta AB2 Core	3.26	7.06	5.71	5.98	13.92	-2.54	24.37
IA Mixed Investment 20-60% Shares	2.56	6.07	5.64	3.49	12.08	-5.11	16.27

Benchmark

Benchmark	UK RPI+1%
Comparator Benchmark	IA Mixed Investment 20-60%

Risk Profile

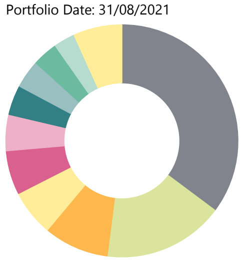
Defaqto Risk Rating	4

Risk

	Sharpe Ratio	Std Dev
Alpha Beta AB2 Core	1.32	5.45
IA Mixed Investment 20-60% Shares	1.21	6.40

Asset Allocation

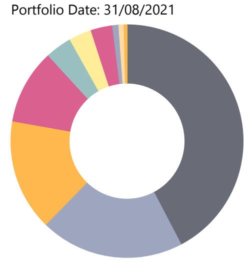
Portfolio Date: 31/08/2021



	%
Sterling Fixed Income	35.2
US Equity Large Cap Blend	16.8
Japan Equity	9.1
Cash	6.4
UK Equity Large Cap	6.1
Global Fixed Income	5.0
US Fixed Income	4.1
Europe Equity Large Cap	3.9
Infrastructure Sector Equity	3.5
Real Estate Sector Equity	3.0
Other	6.8
Total	**100.0**

Equity Regional Exposure

Portfolio Date: 31/08/2021



	%
North America	42.3
Japan	20.0
United Kingdom	15.4
Europe dev	10.4
Asia emrg	3.7
Asia dev	3.1
Australasia	3.0
Latin America	0.9
Africa/Middle East	0.7
Europe emrg	0.4

Top 10 Holdings

Portfolio Date: 31/08/2021

	Portfolio Weighting %
Royal London Short Duration Gilts M Inc	10.08%
Vanguard U.S. Eq Idx £ Acc	9.09%
Vanguard Jpn Stk Idx £ Acc	9.05%
BlackRock Corporate Bond 1-10 Year D Acc	8.41%
iShares North American Eq Idx (UK) D Acc	7.74%
CASH	6.43%
Vanguard FTSE UK All Shr Idx Unit Tr£Acc	6.13%
Baillie Gifford High Yield Bond B Acc	5.35%
L&G Global Inflation Linked Bd Idx I Acc	5.04%
Vanguard UK Govt Bd Idx £ Acc	4.86%
	72.17%

Investment Team

Investment Manager	Asim Javed, CFA

Manager's Commentary

The efficient market hypothesis assumes that stock markets are very efficient discounting mechanisms and price in all available information, including present and potential future known events. This, along with the extraordinary amount of liquidity provided by the central banks, helps understand why equities have recovered to register all-time highs since the start of pandemic. We now stand on the verge of a full reopening and potential immunity from the virus. The inoculation drive throughout the developed world has helped deliver some form of immunity to the prevalent variants. Of course, there is always a chance that a more deadly variant may emerge to wreck it all, but the progress made in the last 18 months is impressive.

With all the extraordinary monetary and fiscal measures taken by the central banks and governments, asset prices are now stretched on most of the fundamental measures we look at relative to the outlook for the real economy. Consequently, how inflation, global growth and corporate earnings play out from here will play an even more crucial role in determining the direction of markets.The month was positive for the risk assets. US equities (S&P 500 Index) made new highs after a dovish statement from Chairman Powell at the Jackson Hole meeting. The US unemployment rate fell to 5.2% percent although the non-Farm payrolls data considerably undershot expectations. We remain cognisant of the potential changes in the Fed's posture and the economic data points that can drive such a change. Chairman Powell previously hinted upon creating a taper committee and was widely expected to expand on that subject at Jackson Hole but delivered little on the subject of substance.

For now, the US Treasury markets remain resilient, and yields remain range bound despite an increase in the inflation breakeven numbers. However, inflation pressure continues to build for now, despite a general cooling of the global economy, with supply-side squeezes now accentuated by Covid factors and by disruptive weather. We are keeping a close eye on wage pressures and service sector inflation which continue to suggest that inflation is not yet contained. We recently decreased our interest rate sensitivity to protect against an increase in rates.

Equities, especially the US equities, remain overbought both fundamentally and technically and we have taken some precaution in our portfolios and have moved to cautiously risk-on in the short term and risk-on medium to long term.

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defaqto EXPERT RATED DFM MPS (Platform) Family 2021

defaqto EXPERT RATED DFM MPS on Platform 2021

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Source: Morningstar Direct