ROCKHOLD

ROCKHOLD 50% ACTIVE 50% PASSIVE BALANCED

INVESTMENT OBJECTIVES

Our objective is to outperform UK RPI+2% over the medium to long term, keeping within the prescribed volatility limits whilst predominantly investing in a combination of actively managed funds and low cost Index funds, physically invested and with a low tracking error. To achieve the Investment Objectives we deploy quantitative and qualitative techniques and extensive research that shape our macro economic views and select active funds where they can add value. In addition, we maintain a constant exposure to our own multi-asset managed funds, which adds further diversification and risk control. Where we don't believe a suitable active fund is available, we retain the flexibility to use passive funds.

SNAPSHOT

Base Currency	**Pound Sterling**
12 Mo Yield	1.52%
Ongoing Charge	0.39%
Management Fee	0.21%
Portfolio Cost	0.60%

BENCHMARK

Benchmark	UK RPI + 2%
Comparator Benchmark	IA Mixed Investment 20-60% Shares

RISK

	Sharpe Ratio	Std Dev
Rockhold 50% Active 50% Passive Balanced	-1.22	6.82
IA Mixed Investment 20-60% Shares	-1.48	5.16

TOP TEN HOLDINGS

Portfolio Date: 31/05/22

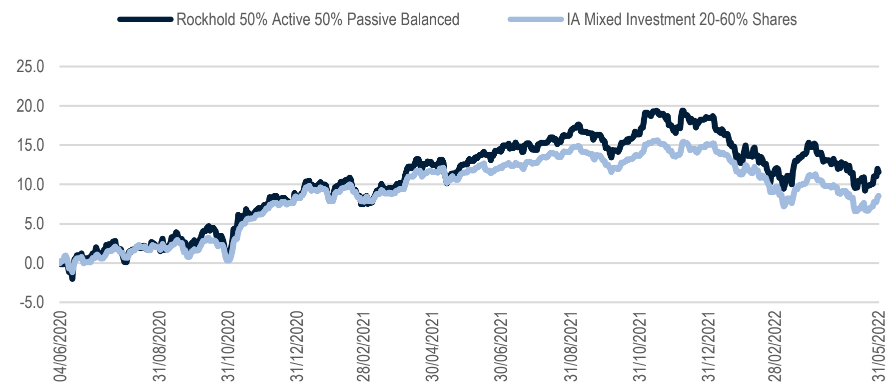
	Portfolio Weighting %
US Equity Large Cap Blend	16.4
Sterling Fixed Income	15.9
Japan Equity	10.5
US Fixed Income	7.5
Global Equity Large Cap	6.6
Cash	6.5
Europe Equity Large Cap	6
UK Equity Large Cap	5.7
Infrastructure Sector Equity	4.7
Fixed Income Miscellaneous	3.4

defaqto EXPERT RATED DFM MPS on Platform 2022

defaqto EXPERT RATED DFM MPS (Platform) Family 2022

INVESTMENT GROWTH

Time Period: 04/06/20 – 31/05/22

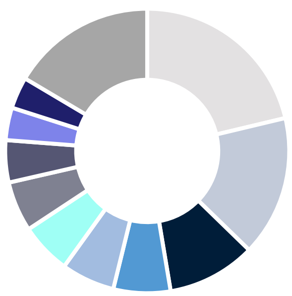


CALENDAR YEAR RETURNS

	3 Months	6 Months	YTD	2021	2020	Since Inception (04/06/20)
Rockhold 50% Active 50% Passive Balanced	-0.25	-4.50	-5.80	9.38	—	11.58
IA Mixed Investment 20-60% Shares	-0.92	-4.43	-5.67	6.28	3.49	8.54

ASSET ALLOCATION

Portfolio Date: 31/05/22



	%
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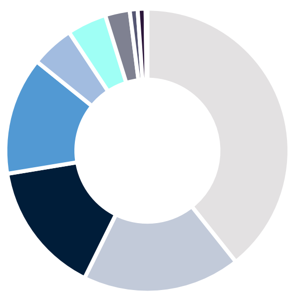
US Fixed Income	7.5
Global Equity Large Cap	6.6
Cash	6.5
Europe Equity Large Cap	6
UK Equity Large Cap	5.7
Infrastructure Sector Equity	4.7
Fixed Income Miscellaneous	3.4
Other	16.8
Total	**100.0**

EQUITY REGIONAL EXPOSURE

Portfolio Date: 31/05/22



	%
North America	42.9
Europe dev	17.3
United Kingdom	16.7
Japan	11.6
Asia emrg	4.4
Asia dev	3.7
Australasia	1.7
Latin America	0.8
Africa/Middle East	0.6
Europe emrg	0.2

CONTACT

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DISCLAIMER

Source: Morningstar Direct.

MANAGER'S COMMENTARY

The geopolitical risk emanating from the Russia-Ukraine conflict continued to affect the markets in May, with the wider impact of the conflict continuing to be felt across energy and agricultural commodity prices and in to inflation numbers. With inflation rates elevated and at 40 plus year highs throughout G7 and beyond, markets are now primarily responding to the central banks response and monetary policy risks and with an increasing probability of a recession in the next 12-18 months being factored in. The broader based US S&P 500 index saw 7-straight weeks of consecutive falls culminating in an intra-day bear market, where losses reached 20% from their peak. This was followed by a strong rally as equity markets had become over sold, with the S&P 500 index up 6.6% during a single week. Quite a roller coaster ride of a year so far. We raised cash in portfolios across the board most recently and had previously reduced duration in fixed income allocations which has certainly helped buffer portfolios against market gyrations so far along with the unhedged US dollar exposure which has performed heroically. With CPI inflation in the United States standing at 8.6%, raising rates multiple times and removing excess liquidity by quantitative tightening will slow economic growth whilst the inflation emanating from services sector may remain sticky. This can lead to a stagflationary environment. So, the distinct possibility of central bank policy error is factored into our asset allocation decisions. The theme of economic slowdown is global in nature. In Europe the ECB is expected to raise rates as German, French and Spanish inflation hit a high point. Japan has seen the yen hit a 20-year low as the Bank of Japan seeks to control borrowing costs at ultra-low levels. In China the slowdown is somewhat more pronounced, although the stringent zero Covid-19 policy appears to be abating with restrictions being lifted in the economically important Shanghai area. US 10-year treasury yields hit 3% which is almost at the market implied Fed Fund Terminal Rate. We know markets are a hugely efficient discounting mechanism, looking forwards anddiscounting back future probabilities to today's stock and bond prices. This means markets are already pricing in much of the slowdown and potential recession we could see in due course. Therefore, it begs the question – "why would a sensible investor cash in his/her portfolio today?" As higher rates get closer it can be reasonably expected that future, longer term rates are likely to begin falling based upon the expectation of the slowdown passing and a recovery getting underway. We have shifted focus within some of the fixed income allocation towards the longer duration end of the yield curve. 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 are now favoring changes to duration and cash and intend to take some further equity exposure off into any sign of strength. All portfolios remained inside their allocated risk corridors during the month.