ROCKHOLD ACTIVE BALANCED GROWTH

SNAPSHOT

Base Currency	**Pound Sterling**
12 Mo Yield	1.17%
Ongoing Charge	0.62%
Management Fee	0.275%
Portfolio Cost	0.895%

BENCHMARK

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

RISK

	Sharpe Ratio	Std Dev
Rockhold Active Balanced Growth	-0.93	8.56
IA Mixed Investment 40-85% Shares	-1.15	7.61

TOP TEN HOLDINGS Portfolio Date: 31/05/22

	Portfolio Weighting %
IFSL Rockhold Global Equity A GBP Acc	15.09
Fidelity Index US P Acc	13.97
Jupiter Japan Income I Acc	6.42
M&G Global Listed Infras GBP I Acc	5.12
IFSL Rockhold Fixed Interest A GBP Acc	4.88
M&G North American Dividend GBP I Acc	4.79
AXA Framlington American Growth Z Acc	4.71
Vanguard U.S. Govt Bd Idx £ H Acc	4.39
Janus Henderson European Sel Opps I Acc	3.75
JOHCM UK Dynamic Y GBP Acc	3.47

defaqto EXPERT RATED DFM MPS on Platform 2022

defaqto EXPERT RATED DFM MPS (Platform) Family 2022

CONTACT

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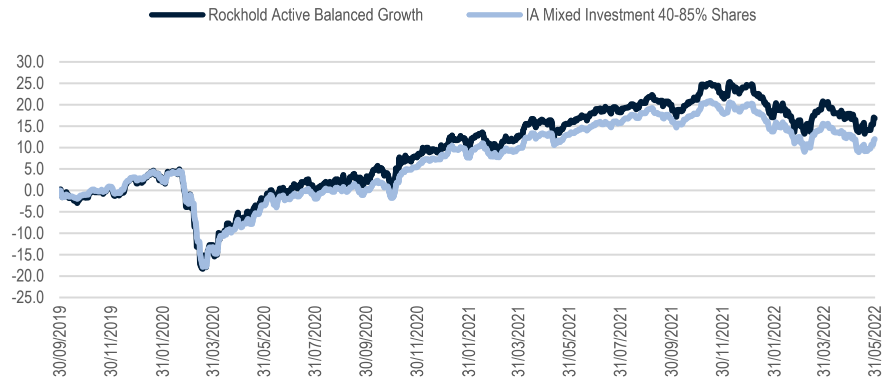
INVESTMENT OBJECTIVES

Our objective is to outperform UK RPI+3% over the medium to long term, keeping within the prescribed volatility limits whilst predominantly investing in actively managed funds. 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.

INVESTMENT GROWTH Time Period: 30/09/19 – 31/05/22



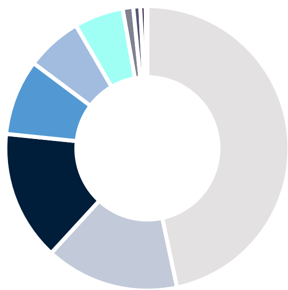
CALENDAR YEAR RETURNS

	3 Months	6 Months	YTD	2021	2020	Since Inception (30/09/2019)
Rockhold Active Balanced Growth	0.69	-4.15	-6.15	13.28	8.15	16.83
IA Mixed Investment 40-85% Shares	-0.37	-5.18	-6.65	11.10	5.50	11.98

ASSET ALLOCATION Portfolio Date: 31/05/22

	%
US Equity Large Cap Blend	18.8
Global Equity Large Cap	15.1
Japan Equity	9.8
Sterling Fixed Income	7.5
Infrastructure Sector Equity	7.3
UK Equity Large Cap	6.9
Europe Equity Large Cap	5.8
Fixed Income Miscellaneous	4.9
US Equity Large Cap Growth	4.7
US Fixed Income	4.4
Other	14.9
Total	**100.0**

EQUITY REGIONAL EXPOSURE Portfolio Date: 31/05/22



	%
North America	45.9
Japan	14.5
United Kingdom	13.8
Europe dev	12.1
Asia emrg	5.9
Asia dev	5.2
Australasia	1.1
Latin America	0.8
Africa/Middle East	0.5
Europe emrg	0.2

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.

DISCLAIMER

Source: Morningstar Direct.