ROCKHOLD

# ROCKHOLD PASSIVE BALANCED GROWTH

## SNAPSHOT

| | |
|---|---|
| **Base Currency** | **Pound Sterling** |
| 12 Mo Yield | 1.93% |
| Ongoing Charge | 0.21% |
| Management Fee | 0.15% |
| Portfolio Cost | 0.36% |

## BENCHMARK

| | |
|---|---|
| Benchmark | IA Mixed Investment 40-85% |
| Comparator Benchmark | Composite Benchmark |

## RISK

| | Sharpe Ratio | Std Dev |
|---|---|---|
| **Rockhold Passive Balanced Growth** | -1.24 | 9.37 |
| **IA Mixed Investment 40-85% Shares** | -1.52 | 8.45 |

## TOP TEN HOLDINGS Portfolio Date: 30/06/22

| | Portfolio Weighting % |
|---|---|
| Vanguard Jpn Stk Idx £ Acc | 12.24 |
| Vanguard U.S. Eq Idx £ Acc | 10.12 |
| iShares US Equity Index (UK) D Acc | 9.86 |
| iShares North American Eq Idx (UK) D Acc | 9.35 |
| First Sentier Glb Lstd Infra B GBP Acc | 9.27 |
| Vanguard FTSE UK All Shr Idx Unit Tr£Acc | 8.40 |
| Vanguard FTSE Dev €pe ex-UK Eq Idx £ Acc | 7.02 |
| Vanguard U.S. Govt Bd Idx £ H Acc | 5.72 |
| Vanguard Em Mkts Stk Idx £ Acc | 4.18 |
| CASH | 4.12 |

defaqto EXPERT RATED DFM MPS on Platform 2022

defaqto EXPERT RATED DFM MPS (Platform) Family 2022


## CONTACT
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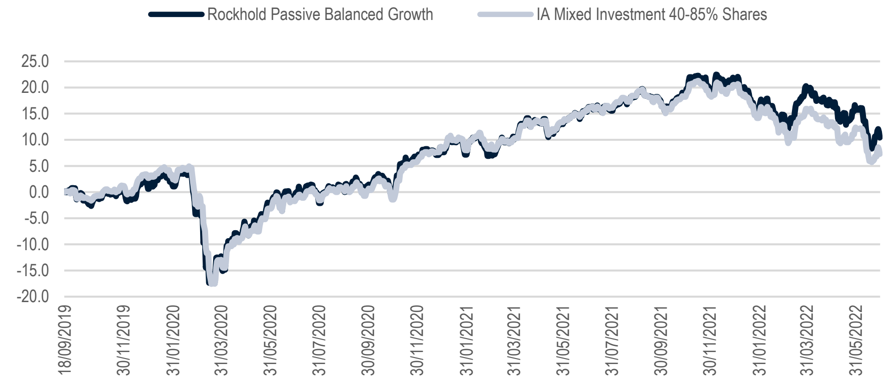
Source: Morningstar Direct.

## INVESTMENT OBJECTIVES

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

## INVESTMENT GROWTH Time Period: 18/09/19 – 30/06/22



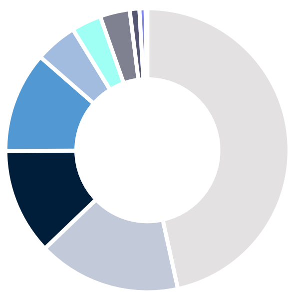

## CALENDAR YEAR RETURNS

| | 3 Months | 6 Months | YTD | 2021 | 2020 | Since Inception (18/09/19) |
|---|---|---|---|---|---|---|
| Rockhold Passive Balanced Growth | -7.79 | -9.18 | -9.18 | 12.98 | 6.97 | 10.43 |
| IA Mixed Investment 40-85% Shares | -7.45 | -10.86 | -10.86 | 11.10 | 5.50 | 7.29 |

## ASSET ALLOCATION Portfolio Date: 30/06/22

| | % |
|---|---|
| US Equity Large Cap Blend | 29.3 |
| Japan Equity | 12.2 |
| Sterling Fixed Income | 9.6 |
| Infrastructure Sector Equity | 9.3 |
| UK Equity Large Cap | 8.4 |
| Europe Equity Large Cap | 7 |
| US Fixed Income | 5.7 |
| Global Emerging Markets Equity | 4.2 |
| CASH | 4.1 |
| Asia ex-Japan Equity | 3.8 |
| Other | 6.3 |
| **Total** | **100.0** |

## EQUITY REGIONAL EXPOSURE Portfolio Date: 30/06/22



| | % |
|---|---|
| North America | 46.6 |
| Japan | 16.3 |
| United Kingdom | 12.1 |
| Europe dev | 11.5 |
| Australasia | 4.8 |
| Asia dev | 3.4 |
| Asia emrg | 3.4 |
| Latin America | 1.1 |
| Africa/Middle East | 0.7 |
| Europe emrg | 0.2 |

## MANAGER'S COMMENTARY

The geopolitical risk emanating from the Russia-Ukraine conflict continued to affect the markets in June, with the wider impact of the conflict continuing to be felt across energy and agricultural commodity prices and into inflation numbers. After a prolonged period "behind the curve" the Federal Reserve and other central banks have woken up to the issues presented by strong inflationary pressure. Interest rates have been raised twice in US and similarly around the world to control rising prices. Excess liquidity will be removed using quantitative tightening, a relatively new technique and whose side-effects for markets is not fully understood. Simultaneously economies, led by the United States, are naturally slowing and so the ability to create an economic "soft landing" will be tough indeed. The pathway to avoid a recession is narrowing. 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. As markets anticipate a possible recession, an earnings slowdown will be factored in and could impact valuations as results are announced. Consumer behavior will be important from here. For us, the S&P 500 index level of around 3200-3000 would be a clear re-entry point and a strong buying envelope, provided there is no new exogenous risk. With the current PE ratio hovering around 19-times earnings today, these levels point to a more modest PE of around 14 times. Significant falls in value have been recorded with even US treasuries down 10%. The culprit is of course inflation and the knock-on anticipation of rising interest rates which has dragged yields higher and capital values lower. Higher yielding corporate bonds have suffered more so as their default risk has risen. The benchmark 10-year treasury hit 3.49% yield, very close to our target level of 3.5%. However, glimmers of hope are now appearing – longer dated treasury yields have begun to fall along with some early indications that inflation may have peaked. Commodity prices for many industrial metals including the leading indicator copper have begun to fall back. 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.We are now favouring 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.