

VT Blackfinch Defensive Portfolio  
Fund Factsheet  
**June 2022**



Targeting CPI

**+1%**

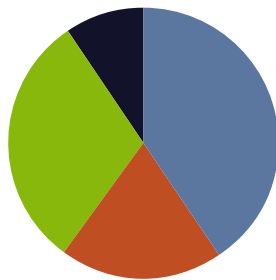
per annum, over a rolling  
5 year basis net of fees.

## Investment Objective

The Defensive portfolio is designed to achieve a total return in excess of the Consumer Price Index plus 1% per annum, over a rolling 5 year basis net of fees. The portfolio is globally diversified and contains multi asset investments including fixed income, equities, property, alternatives and cash. Exposure to fixed income, equities, property, alternatives is via collective investment schemes. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period. Capital at risk.

## Asset Allocation (as at 30/06/2022)

Fixed Income	<b>39.85%</b>
Equities	<b>18.94%</b>
Property	<b>0.00%</b>
Alternatives	<b>32.20%</b>
Cash	<b>9.02%</b>



## Tactical Deviation

Fixed Income	<b>-0.05%</b>	Underweight
Equities	<b>-0.66%</b>	Underweight
Property	<b>-6.00%</b>	Underweight
Alternatives	<b>7.40%</b>	Overweight
Cash	<b>-0.68%</b>	Underweight

## Market Commentary

Inflation concerns and geopolitical tensions continued to weaken market sentiment in June. The negative outlook for financial markets was exacerbated further by central banks as they continued their programmes of interest rate rises.

Against this backdrop, US inflation for May rose by a seasonally adjusted 1.0% month-on-month, stretching the annual rate to 8.6%, against a reading of 8.3% in April. This resulted in the US Federal Reserve (Fed) raising interest rates by a further 0.75%, the largest rate hike since 1994.

In the UK, the year-on-year cost of services and food prices continued to rise, with energy prices accelerating further. Sterling weakness also continued, placing further pressure on the price of imported goods. All of which added to the cost-of-living crisis in the UK and abroad which has the potential to evolve into a recession, depending on how far central banks go to control inflation. Echoing the move by the Fed, the Bank of England raised interest rates by 0.25% to 1.25%, marking the fifth consecutive hike.

The European Central Bank (ECB) also signposted its intentions to raise Eurozone interest rates from zero to 0.25% in July, followed by another, possibly larger, increase in September, and with more rate increases likely before the end of the year.

Asian equity markets struggled early in the month, as lockdown restrictions across major cities including Shanghai and Beijing returned, causing social unrest and online outrage. A strong recovery in exports saw China's trade balance expand to \$78.75bn in May, and markets subsequently improved on fresh stimulus hopes after President Xi Jinping pledged to roll-out more measures to support the economy and minimise the impact of COVID-19.

Japan's core consumer price index rose 2.1% year-on-year in May, topping the Bank of Japan's 2.0% inflation target for the second consecutive month as the cost of non-fresh food and household durables increased.

## Performance

3 months	<b>-6.09%</b>
6 months	<b>-10.24%</b>
12 months	<b>-9.06%</b>
Since Inception*	<b>0.03%</b>

*Past performance is no guarantee of future performance.*

*\*Date of inception: 1st May 2020.*

*All Blackfinch unitised fund performance figures are quoted net of AMC and fund OCFs. The above performance is that of the F Accumulation Share Class.*

## Portfolio Holdings (as at 30/06/2022)

BNY Mellon - Global Dynamic Bond	8.82%
Ninety One - Diversified Income	8.56%
JPM - Global Macro Opportunities	7.79%
Vanguard - FTSE 100 Index Unit Trust	6.93%
Rathbone - Ethical Bond	6.84%
Vanguard - Global Bond Index Hedged	6.73%
iShares - US Equity Index (UK)	5.95%
Pimco GIS - Income	5.77%
Vanguard - UK Government Bond Index	5.56%
Brandywine - Global Income Optimiser	5.14%
Liontrust - Monthly Income Bond	4.94%
Federated Hermes - Unconstrained Credit	4.87%
FP Foresight - Global Real Infrastructure	4.03%
VT RM - Alternative Income	3.00%
HSBC - European Index	2.40%
Jupiter - Japan Income	2.29%
Comgest - Growth Japan	1.37%
Cash	9.02%

### All data as at 30th June 2022, unless specified otherwise.

Blackfinch Asset Management is an appointed representative of Blackfinch Investments Limited which is authorised and regulated by the Financial Conduct Authority. Registered address: 1350-1360 Montpellier Court, Gloucester Business Park, Gloucester, GL3 4AH. Registered Company in England & Wales under No. 11639647. The Blackfinch Asset Management Portfolios are actively managed by Blackfinch Investments Limited. Blackfinch Asset Management Limited act as the promoter and distributor of the model portfolios. Capital at risk. This factsheet is based on a model portfolio. No guarantee can be made as to the composition of any individual portfolio. All figures are correct at the time of compilation. Any decision to invest in this service should not be based solely on this factsheet but rather made in conjunction with the information contained in the brochure, and the terms and conditions. Prospective investors must rely on their own examination of the legal, taxation, financial and other consequences of investing and the risk involved. Prospective investors should not treat the contents of this factsheet as advice relating to legal, taxation or other matters. If in any doubt about the proposal discussed in this factsheet, its suitability, or what action should be taken, the investor should consult their own professional advisers. Percentage figures may not add up to 100 due to rounding. The expected yield is based upon the underlying holdings. This figure is for information purposes and will not be distributed as cash income. It is automatically reinvested and contributes to the total investment return of the portfolio.

## This Month's Activity

Equity markets in the UK, US and Europe continued to struggle in June, as inflation and interest rate rises dominated market sentiment. Asian and Emerging Market equities performed relatively well by comparison, although still posted negative returns over the month. We made marginal adjustments to our Asian equity allocations, moving investment to more domestically-focused sectors. These should benefit from the continued easing of lockdown restrictions and provide more shelter from the inflationary pressures being experienced in the west.

Our alternatives allocations once again proved a vital component of our portfolios, in a month where both equities and bonds posted losses. The diversification benefits that these assets provide helps to reduce portfolio volatility, and this reinforces our current overweight position to this segment of the market.

**Please note:** EValue risk tolerance scores are based on a 10-year time horizon. The mappings are only for use by financial advisers licensed to use EValue's risk profiling system and does not constitute financial advice.



## Portfolio Information

Class S Accumulation Share ISIN      Class S Management Fee      Class S Underlying fund charges

**GB00BLF82B02      0.55%      0.48%**

Class F Accumulation Share ISIN      Class F Management Fee      Class F Underlying fund charges

**GB00BKP3DS21      0.45%      0.48%**

Estimated Annual Income Yield

**2.26%**

Number of holdings

**17**

## Investment Directors



Gareth Deacon and Alex Sumner co-manage the Blackfinch Asset Management multi-asset portfolio range. They bring expertise in the construction of mainstream investment products, managing private client portfolios and working closely with financial advisers. Each is a chartered fellow of the Chartered Institute for Securities & Investment.

# ESG at Blackfinch Asset Management

## *Working towards a more sustainable world*

We believe environmental, social and governance (ESG) factors are core to the future success of any business, and that investing in companies aligned with ESG principles can lead to superior returns. We see a positive correlation between companies focused on improving their ESG factors and share price growth. Our aim is to invest in funds that either have a focus on improving sustainability issues, or businesses with strong metrics relating to ESG criteria. Our focus on ESG factors is core to our investment process and integral to how we work. We apply these principles to every portfolio we manage.

### Positive Screening Approach

As stewards of capital, we have a pivotal role in ensuring that the companies we invest in are answerable to ESG concerns. Our positive screening process makes it possible to unearth and support forward-thinking companies, and invest in them via responsible fund managers who actively engage and monitor their ESG targets. We strongly feel fund managers should exercise their power as shareholders to shape the direction of investee companies, and to positively impact the way such businesses are run.

### We invest with a **core focus** on the UN Global Compact Principles

We invest with a central focus on ESG considerations

We take a forward-looking approach to investment selection using positive screening

We encourage 'engagement' with both sustainability 'leaders' and 'improvers'

We're committed to transparency on ESG and reflect this in our investment approach

### ESG in Action

We're pleased to share our ESG insights with you, as well as to highlight some of the positive engagement activities undertaken by funds within our portfolios and the companies they invest in.

#### **ENGAGING WITH A SOUTH AMERICAN SOVEREIGN NATION**

Colombia is a nation with a long history of political tension within the government, and while significant social tensions persist, its government has been making some positive progress, as well as implementing a set of ambitious environmental commitments. One of our fixed income strategies, managed by a large fund house, maintains regular dialogue with the Colombian government, doing its part to encourage the government's path to environmental sustainability. The size and scale of the fund house allows it to use its vast pool of managed assets to create real impact at the country level.

As stewards of capital and as international investors, it is important to see Colombia make progress on its stated sustainability goals and to thoughtfully balance the trade-offs between conservation policy and the push for greater economic development that relies on extractive industries – activities that extract raw materials from the earth (such as oil, metals, mineral and aggregates). While there is room for improvement on several key environmental, social and governance (ESG) factors, we are encouraged by the meaningful outcomes of Colombia's environmental sustainability agenda – it has emissions reduction and zero deforestation goals for 2030 and a carbon tax that has been in place since 2017, driving innovation in carbon pricing.



Request our ESG Policy document for more information.

VT Blackfinch Cautious Portfolio  
Fund Factsheet  
**June 2022**



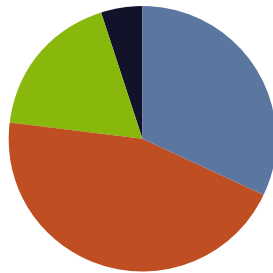
Targeting CPI  
**+2%**  
per annum, over a rolling  
5 year basis net of fees.

## Investment Objective

The Cautious portfolio is designed to achieve a total return in excess, of the Consumer Price Index plus 2% per annum, over a rolling 5 year basis net of fees. The portfolio is globally diversified and contains multi asset investments including fixed income, equities, property, alternatives and cash. Exposure to fixed income, equities, property, alternatives is via collective investment schemes. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period. Capital at risk.

## Asset Allocation (as at 30/06/2022)

Fixed Income	<b>31.68%</b>
Equities	<b>42.08%</b>
Property	<b>0.00%</b>
Alternatives	<b>21.37%</b>
Cash	<b>4.86%</b>



## Tactical Deviation

Fixed Income	<b>-1.32%</b>	Underweight
Equities	<b>2.08%</b>	Overweight
Property	<b>-6.50%</b>	Underweight
Alternatives	<b>5.87%</b>	Overweight
Cash	<b>-0.14%</b>	Underweight

## Market Commentary

Inflation concerns and geopolitical tensions continued to weaken market sentiment in June. The negative outlook for financial markets was exacerbated further by central banks as they continued their programmes of interest rate rises.

Against this backdrop, US inflation for May rose by a seasonally adjusted 1.0% month-on-month, stretching the annual rate to 8.6%, against a reading of 8.3% in April. This resulted in the US Federal Reserve (Fed) raising interest rates by a further 0.75%, the largest rate hike since 1994.

In the UK, the year-on-year cost of services and food prices continued to rise, with energy prices accelerating further. Sterling weakness also continued, placing further pressure on the price of imported goods. All of which added to the cost-of-living crisis in the UK and abroad which has the potential to evolve into a recession, depending on how far central banks go to control inflation. Echoing the move by the Fed, the Bank of England raised interest rates by 0.25% to 1.25%, marking the fifth consecutive hike.

The European Central Bank (ECB) also signposted its intentions to raise Eurozone interest rates from zero to 0.25% in July, followed by another, possibly larger, increase in September, and with more rate increases likely before the end of the year.

Asian equity markets struggled early in the month, as lockdown restrictions across major cities including Shanghai and Beijing returned, causing social unrest and online outrage. A strong recovery in exports saw China's trade balance expand to \$78.75bn in May, and markets subsequently improved on fresh stimulus hopes after President Xi Jinping pledged to roll-out more measures to support the economy and minimise the impact of COVID-19.

Japan's core consumer price index rose 2.1% year-on-year in May, topping the Bank of Japan's 2.0% inflation target for the second consecutive month as the cost of non-fresh food and household durables increased.

## Performance

3 months	<b>-6.00%</b>
6 months	<b>-10.81%</b>
12 months	<b>-9.40%</b>
Since Inception*	<b>5.38%</b>

*Past performance is no guarantee of future performance.*

*\*Date of inception: 1st May 2020.*

*All Blackfinch unitised fund performance figures are quoted net of AMC and fund OCFs. The above performance is that of the F Accumulation Share Class.*

## Portfolio Holdings (as at 30/06/2022)

Vanguard - FTSE 100 Index Unit Trust	9.64%
iShares - US Equity Index (UK)	6.50%
JPM - Global Macro Opportunities	5.55%
Rathbone - Ethical Bond	4.90%
Ninety One - Diversified Income	4.88%
FP Foresight - Global Real Infrastructure	4.45%
Pimco GIS - Income	4.44%
JPM - Emerging Markets Sustainable Equity	4.39%
Federated Hermes - Unconstrained Credit	4.17%
Capital Group - Global High income Opportunities	4.13%
Liontrust - Monthly Income Bond	4.10%
Jupiter - Japan Income	4.09%
Brandywine - Global Income Optimiser	4.08%
Vanguard - Global Bond Index Hedged	3.43%
BNY Mellon - Global Dynamic Bond	3.41%
HSBC - European Index	3.36%
VT RM - Alternative Income	3.07%
JPM - US Equity Income	3.04%
Brown Advisory - US Sustainable Growth	2.92%
Vanguard - UK Government Bond Index	2.44%
Veritas - Asian	2.15%
Comgest - Growth Japan	2.07%
Franklin - UK Equity Income	2.03%
Liontrust - Special Situations	1.89%
Cash	4.86%

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## This Month's Activity

Equity markets in the UK, US and Europe continued to struggle in June, as inflation and interest rate rises dominated market sentiment. Asian and Emerging Market equities performed relatively well by comparison, although still posted negative returns over the month. We made marginal adjustments to our Asian equity allocations, moving investment to more domestically-focused sectors. These should benefit from the continued easing of lockdown restrictions and provide more shelter from the inflationary pressures being experienced in the west.

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## Portfolio Information

Class S Accumulation Share ISIN	Class S Management Fee	Class S Underlying fund charges
<b>GB00BLF82D26</b>	<b>0.55%</b>	<b>0.55%</b>
Class F Accumulation Share ISIN	Class F Management Fee	Class F Underlying fund charges
<b>GB00BKP3DX73</b>	<b>0.45%</b>	<b>0.55%</b>
Estimated Annual Income Yield	Number of holdings	
<b>2.32%</b>	<b>24</b>	

## Investment Directors



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# ESG at Blackfinch Asset Management

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### Positive Screening Approach

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As stewards of capital and as international investors, it is important to see Colombia make progress on its stated sustainability goals and to thoughtfully balance the trade-offs between conservation policy and the push for greater economic development that relies on extractive industries – activities that extract raw materials from the earth (such as oil, metals, mineral and aggregates). While there is room for improvement on several key environmental, social and governance (ESG) factors, we are encouraged by the meaningful outcomes of Colombia's environmental sustainability agenda – it has emissions reduction and zero deforestation goals for 2030 and a carbon tax that has been in place since 2017, driving innovation in carbon pricing.



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VT Blackfinch Balanced Portfolio  
Fund Factsheet  
**June 2022**



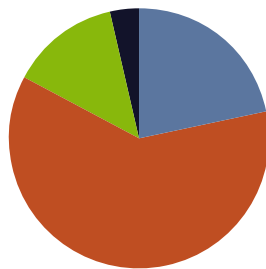
Targeting CPI  
**+3%**  
per annum, over a rolling  
5 year basis net of fees.

## Investment Objective

The Balanced portfolio is designed to achieve a total return in excess, of the Consumer Price Index plus 3% per annum, over a rolling 5 year basis net of fees. The portfolio is globally diversified and contains multi asset investments including fixed income, equities, property, alternatives and cash. Exposure to fixed income, equities, property, alternatives is via collective investment schemes. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period. Capital at risk.

## Asset Allocation (as at 30/06/2022)

Fixed Income	<b>22.16%</b>
Equities	<b>57.36%</b>
Property	<b>0.00%</b>
Alternatives	<b>17.02%</b>
Cash	<b>3.47%</b>



## Tactical Deviation

Fixed Income	<b>-0.84%</b>	Underweight
Equities	<b>1.36%</b>	Overweight
Property	<b>-6.00%</b>	Underweight
Alternatives	<b>5.02%</b>	Overweight
Cash	<b>0.47%</b>	Overweight

## Market Commentary

Inflation concerns and geopolitical tensions continued to weaken market sentiment in June. The negative outlook for financial markets was exacerbated further by central banks as they continued their programmes of interest rate rises.

Against this backdrop, US inflation for May rose by a seasonally adjusted 1.0% month-on-month, stretching the annual rate to 8.6%, against a reading of 8.3% in April. This resulted in the US Federal Reserve (Fed) raising interest rates by a further 0.75%, the largest rate hike since 1994.

In the UK, the year-on-year cost of services and food prices continued to rise, with energy prices accelerating further. Sterling weakness also continued, placing further pressure on the price of imported goods. All of which added to the cost-of-living crisis in the UK and abroad which has the potential to evolve into a recession, depending on how far central banks go to control inflation. Echoing the move by the Fed, the Bank of England raised interest rates by 0.25% to 1.25%, marking the fifth consecutive hike.

The European Central Bank (ECB) also signposted its intentions to raise Eurozone interest rates from zero to 0.25% in July, followed by another, possibly larger, increase in September, and with more rate increases likely before the end of the year.

Asian equity markets struggled early in the month, as lockdown restrictions across major cities including Shanghai and Beijing returned, causing social unrest and online outrage. A strong recovery in exports saw China's trade balance expand to \$78.75bn in May, and markets subsequently improved on fresh stimulus hopes after President Xi Jinping pledged to roll-out more measures to support the economy and minimise the impact of COVID-19.

Japan's core consumer price index rose 2.1% year-on-year in May, topping the Bank of Japan's 2.0% inflation target for the second consecutive month as the cost of non-fresh food and household durables increased.

## Performance

3 months	<b>-6.37%</b>
6 months	<b>-11.62%</b>
12 months	<b>-9.56%</b>
Since Inception*	<b>8.90%</b>

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\*Date of inception: 1st May 2020.

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## Portfolio Holdings (as at 30/06/2022)

Vanguard - FTSE 100 Index Unit Trust	9.86%
iShares - US Equity Index (UK)	7.87%
FP Foresight - Global Real Infrastructure	6.07%
Jupiter - Japan Income	5.84%
JPM - Global Macro Opportunities	5.57%
JPM - Emerging Markets Sustainable Equity	5.53%
VT RM - Alternative Income	5.38%
JPM - US Equity Income	4.00%
Rathbone - Ethical Bond	3.95%
Brown Advisory - US Sustainable Growth	3.86%
Capital Group - Global High income Opportunities	3.45%
Vanguard - Global Bond Index Hedged	3.18%
Franklin - UK Equity Income	3.11%
Federated Hermes - Unconstrained Credit	3.02%
Comgest - Growth Japan	2.90%
Liontrust - Monthly Income Bond	2.85%
HSBC - European Index	2.45%
M&G - Emerging Markets Bond	2.23%
Brandywine - Global Income Optimiser	2.07%
iShares - Pacific ex Japan Equity Index	1.99%
T. Rowe Price - US Smaller Companies Equity	1.98%
Veritas - Asian	1.91%
Man GLG - Continental European Growth	1.58%
Premier Miton - European Opportunities	1.55%
Liontrust - Special Situations	1.51%
Vanguard - UK Government Bond Index	1.42%
Montanaro - UK Income	1.41%
Cash	3.47%

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## Portfolio Information

Class S Accumulation Share ISIN	Class S Management Fee	Class S Underlying fund charges
<b>GB00BLF82K92</b>	<b>0.55%</b>	<b>0.61%</b>
Class F Accumulation Share ISIN	Class F Management Fee	Class F Underlying fund charges
<b>GB00BKMSP30</b>	<b>0.45%</b>	<b>0.61%</b>
Estimated Annual Income Yield	Number of holdings	
<b>2.15%</b>	<b>27</b>	

## Investment Directors



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# VT Blackfinch Income Portfolio Fund Factsheet June 2022



Targeting  
**3.5%**  
Net income per annum

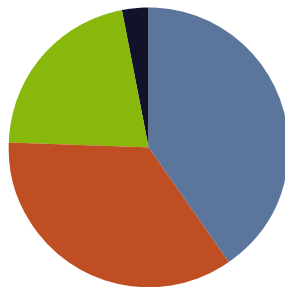
Payments from the Income Fund are made monthly

## Investment Objective

The Income portfolio is designed to achieve a yield of 3.5% per annum net of fees. The portfolio is globally diversified and contains multi asset investments including fixed income, equities, property, alternatives and cash. Exposure to fixed income, equities, property, alternatives is via collective investment schemes. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period. Capital at risk.

## Asset Allocation (as at 30/06/2022)

Fixed Income	<b>40.33%</b>
Equities	<b>34.06%</b>
Property	<b>0.00%</b>
Alternatives	<b>22.98%</b>
Cash	<b>2.63%</b>



## Tactical Deviation

Fixed Income	<b>2.13%</b>	Overweight
Equities	<b>-3.54%</b>	Underweight
Property	<b>-10.00%</b>	Underweight
Alternatives	<b>11.78%</b>	Overweight
Cash	<b>-0.37%</b>	Underweight

## Market Commentary

Inflation concerns and geopolitical tensions continued to weaken market sentiment in June. The negative outlook for financial markets was exacerbated further by central banks as they continued their programmes of interest rate rises.

Against this backdrop, US inflation for May rose by a seasonally adjusted 1.0% month-on-month, stretching the annual rate to 8.6%, against a reading of 8.3% in April. This resulted in the US Federal Reserve (Fed) raising interest rates by a further 0.75%, the largest rate hike since 1994.

In the UK, the year-on-year cost of services and food prices continued to rise, with energy prices accelerating further. Sterling weakness also continued, placing further pressure on the price of imported goods. All of which added to the cost-of-living crisis in the UK and abroad which has the potential to evolve into a recession, depending on how far central banks go to control inflation. Echoing the move by the Fed, the Bank of England raised interest rates by 0.25% to 1.25%, marking the fifth consecutive hike.

The European Central Bank (ECB) also signposted its intentions to raise Eurozone interest rates from zero to 0.25% in July, followed by another, possibly larger, increase in September, and with more rate increases likely before the end of the year.

Asian equity markets struggled early in the month, as lockdown restrictions across major cities including Shanghai and Beijing returned, causing social unrest and online outrage. A strong recovery in exports saw China's trade balance expand to \$78.75bn in May, and markets subsequently improved on fresh stimulus hopes after President Xi Jinping pledged to roll-out more measures to support the economy and minimise the impact of COVID-19.

Japan's core consumer price index rose 2.1% year-on-year in May, topping the Bank of Japan's 2.0% inflation target for the second consecutive month as the cost of non-fresh food and household durables increased.

## Performance

3 months	<b>-5.33%</b>
6 months	<b>-8.68%</b>
12 months	<b>-5.40%</b>
Since Inception*	<b>9.85%</b>

*Past performance is no guarantee of future performance.*

\*Date of inception: 1st May 2020.

All Blackfinch unitised fund performance figures are quoted net of AMC and fund OCFs. The above performance is that of the F Accumulation Share Class.

## Portfolio Holdings (as at 30/06/2022)

Ninety One - Diversified Income	7.49%
Pimco GIS - Income	7.00%
VT RM - Alternative Income	6.44%
Capital Group - Global High income Opportunities	6.30%
Vanguard - FTSE 100 Index Unit Trust	5.57%
Brandywine - Global Income Optimiser	5.42%
Fidelity - Asian Dividend	5.19%
Rathbone - Ethical Bond	5.08%
FP Foresight - Global Real Infrastructure	4.99%
iShares - Overseas Corporate Bond Index	4.77%
Federated Hermes - Unconstrained Credit	4.38%
Sanlam - Real Assets	4.06%
Montanaro - European Income	3.93%
Liontrust - Monthly Income Bond	3.79%
JPM - US Equity Income	3.72%
M&G - Emerging Markets Bond	3.59%
Fidelity - Index US	3.37%
Artemis - Income	3.34%
Jupiter - Japan Income	3.24%
BlackRock - Continental European Income	2.91%
Montanaro - UK Income	2.79%
Cash	2.63%

### All data as at 30th June 2022, unless specified otherwise.

Blackfinch Asset Management is an appointed representative of Blackfinch Investments Limited which is authorised and regulated by the Financial Conduct Authority. Registered address: 1350–1360 Montpellier Court, Gloucester Business Park, Gloucester, GL3 4AH. Registered Company in England & Wales under No. 11639647. The Blackfinch Asset Management Portfolios are actively managed by Blackfinch Investments Limited. Blackfinch Asset Management Limited act as the promoter and distributor of the model portfolios. Capital at risk. This factsheet is based on a model portfolio. No guarantee can be made as to the composition of any individual portfolio. All figures are correct at the time of compilation. Any decision to invest in this service should not be based solely on this factsheet but rather made in conjunction with the information contained in the brochure, and the terms and conditions. Prospective investors must rely on their own examination of the legal, taxation, financial and other consequences of investing and the risk involved. Prospective investors should not treat the contents of this factsheet as advice relating to legal, taxation or other matters. If in any doubt about the proposal discussed in this factsheet, its suitability, or what action should be taken, the investor should consult their own professional advisers. Percentage figures may not add up to 100 due to rounding. The expected yield is based upon the underlying holdings. This figure is for information purposes and will not be distributed as cash income. It is automatically reinvested and contributes to the total investment return of the portfolio.

## This Month's Activity

Equity markets in the UK, US and Europe continued to struggle in June, as inflation and interest rate rises dominated market sentiment. Asian and Emerging Market equities performed relatively well by comparison, although still posted negative returns over the month. We made marginal adjustments to our Asian equity allocations, moving investment to more domestically-focused sectors. These should benefit from the continued easing of lockdown restrictions and provide more shelter from the inflationary pressures being experienced in the west.

Our alternatives allocations once again proved a vital component of our portfolios, in a month where both equities and bonds posted losses. The diversification benefits that these assets provide helps to reduce portfolio volatility, and this reinforces our current overweight position to this segment of the market.

**Please note:** EValue risk tolerance scores are based on a 10-year time horizon. The mappings are only for use by financial advisers licensed to use EValue's risk profiling system and does not constitute financial advice.



## Portfolio Information

Class S Accumulation Share ISIN <b>GB00BLF82M17</b>	Class S Management Fee <b>0.55%</b>	Class S Underlying fund charges <b>0.72%</b>
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Class S Income Share ISIN  
**GB00BLF82N24**

Class F Accumulation Share ISIN  
**GB00BKMPST77**

Class F Income Share ISIN  
**GB00BKMPSS60**

Estimated Annual Income Yield  
**3.59%**

Number of holdings  
**21**

## Investment Directors



Gareth Deacon and Alex Sumner co-manage the Blackfinch Asset Management multi-asset portfolio range. They bring expertise in the construction of mainstream investment products, managing private client portfolios and working closely with financial advisers. Each is a chartered fellow of the Chartered Institute for Securities & Investment.

# ESG at Blackfinch Asset Management

## *Working towards a more sustainable world*

We believe environmental, social and governance (ESG) factors are core to the future success of any business, and that investing in companies aligned with ESG principles can lead to superior returns. We see a positive correlation between companies focused on improving their ESG factors and share price growth. Our aim is to invest in funds that either have a focus on improving sustainability issues, or businesses with strong metrics relating to ESG criteria. Our focus on ESG factors is core to our investment process and integral to how we work. We apply these principles to every portfolio we manage.

### Positive Screening Approach

As stewards of capital, we have a pivotal role in ensuring that the companies we invest in are answerable to ESG concerns. Our positive screening process makes it possible to unearth and support forward-thinking companies, and invest in them via responsible fund managers who actively engage and monitor their ESG targets. We strongly feel fund managers should exercise their power as shareholders to shape the direction of investee companies, and to positively impact the way such businesses are run.

### We invest with a **core focus** on the UN Global Compact Principles

We invest with a central focus on ESG considerations

We take a forward-looking approach to investment selection using positive screening

We encourage 'engagement' with both sustainability 'leaders' and 'improvers'

We're committed to transparency on ESG and reflect this in our investment approach

### ESG in Action

We're pleased to share our ESG insights with you, as well as to highlight some of the positive engagement activities undertaken by funds within our portfolios and the companies they invest in.

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