

Fund Update

All fund data as at 31st Jul 2021 unless otherwise stated.

Fund Aim

The Fund will use a broadly balanced investment strategy with the aim of achieving capital growth over the medium to longer term.

Investment Approach

To generate the potential for above average returns over the medium to long term by blending a diversified selection of funds, including quality UK and overseas equity and bonds. This portfolio is focused mainly towards equities including overseas. Investors in this portfolio will accept the risk of short to medium term losses, which may be substantial with the aim of achieving their long term investment goals.

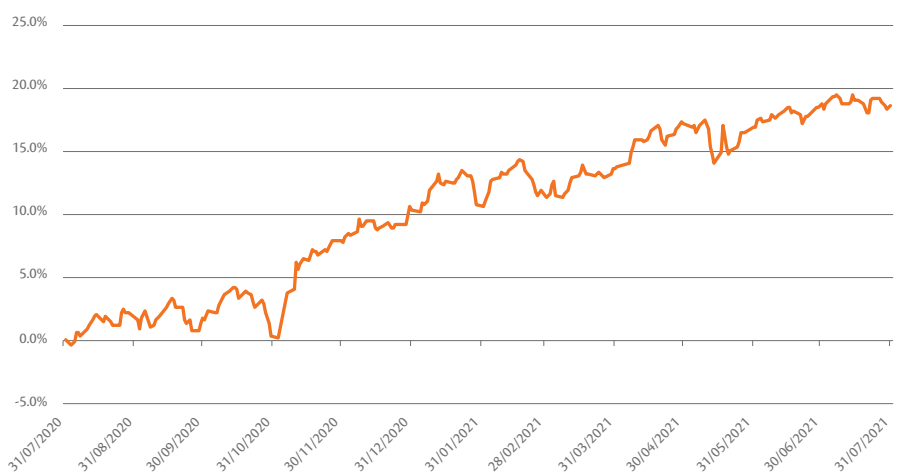
5YR CUMULATIVE PERFORMANCE

Performance from 31st Jul 2016 – 31st Jul 2021



1YR CUMULATIVE PERFORMANCE

Performance from 31st Jul 2020 – 31st Jul 2021



CUMULATIVE PERFORMANCE

Since trading (01/03/10)	106.7%
5 Year to 31/07/2021	38.8%
1 Year to 31/07/2021	18.6%

DISCRETE ANNUAL PERFORMANCE

WS Verbatim Portfolio 6 B Acc	Total returns for the periods shown (Sterling)
01/08/2016 - 31/07/2017	12.6%
01/08/2017 - 31/07/2018	5.5%
01/08/2018 - 31/07/2019	4.8%
01/08/2019 - 31/07/2020	-6.0%
01/08/2020 - 31/07/2021	18.6%

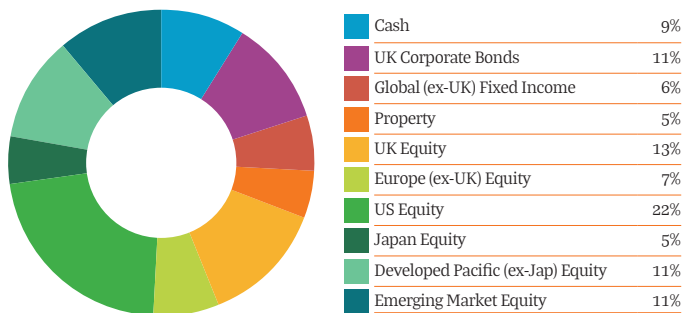
CHARGES

Share Class B (£) (Institutional) Annual charge	0.65%
OCF (Institutional)	1.52%
OCF Date	31/12/20

Source for performance graphs and data is the Authorised Corporate Director. Fund data based on B Accumulation shares, percentage growth total return mid to mid in UK Sterling. Past performance is no guarantee of future performance.

STRATEGIC ASSET ALLOCATION

The Strategic Asset Allocation shown is valid as at 31/07/2021



KEY INFORMATION

Fund Managers	John Hussenbee & James Klempster <i>Liontrust Investment Partners LLP</i>
First dealing date	1 March 2010
Fund size (millions)	£58.54m
Comparative sector	IA Unclassified
Number of holdings	35
Ex-dividend date (first business day of the month)	Jan
Payment date (last calendar day of the month)	Feb
Product availability	ISA & OEIC sub-funds
Share type	Accumulation
ISIN number	Institutional GB00B3MPJG29 Retail GB00B3PRL253
Citicode	Institutional IBF7 Retail IBF6
SEDOL codes	Institutional B3MPJG2 Retail B3PRL25

TOP 10 FUND HOLDINGS

JPM US Equity Income Fund C	8.90%
Sterling	8.63%
UBS US GRW GBP-C-AC	6.51%
LIONTRUST EUROPEAN GROWTH I INC	5.83%
ARTEMIS GLOBAL EMERGING MARKETS I AC GBP	5.12%
SCHRODER ASIAPACIFIC FUND	4.40%
AXA STERLING BUY AND MAINTAIN CRDT Z GRO	4.34%
FIDELITY INDEX US PA	4.24%
LIONTRUST ASIA INCOME FUND	4.04%
BARING EUROPE SELECT TRUST -I- GBP	3.86%

5 LIPPER CONSISTENT RETURN 5 YEAR PERIOD AS AT 31ST JUL 2021

The Lipper rating for Consistent Return identifies a fund that has provided relatively superior consistency and risk-adjusted returns when compared to a group of similar funds.

Source: www.lipperleaders.com

LIPPER L



Please remember that the value of your investment may fall as well as rise and is not guaranteed. You may not get back your initial investment. Past performance is not an indicator of future performance. For full information concerning the Fund and its risks please read the Prospectus available on our website. Investment advice should be obtained from an authorised financial adviser.

Issued by Verbatim Portfolio Management which is a limited company registered number 7037051 and is authorised and regulated by the Financial Conduct Authority. Registered office: Fintel House, St. Andrews Road, Huddersfield, West Yorkshire, England, HD1 6NA. A list of members is open to inspection at the registered office. The authorised corporate director of the WS Verbatim Funds is Waystone Management (UK) Limited which is authorised and regulated by the Financial Conduct Authority, Registered Office: 20-22 Bedford Row, Holborn, London, WC1R 4EB, United Kingdom.

Market Commentary

Delta variant fears swirled around markets over a partially sweltering July, with the majority of restrictions in England now lifted - at least for now.

Of course, this was surrounded with the usual series of gaffes and U-turns, with nightclubs declared super spreader hotspots hours after opening, masks on, off and on again, and, amid hundreds of thousands hit by the so-called pingdemic as the track and trace app ran wild, we had the prime minister and chancellor initially refusing to isolate before bowing to pressure. Even the weather joined in, with high temperatures giving way to torrential rain and flooding - and we will be returning to that theme later.

For anyone hoping the UK's so-called Freedom Day on 19 July might see Covid's role as the main driver of sentiment start to diminish, the month was a stark reminder that the virus remains central, even as politicians attempt to start moving the narrative from pandemic to endemic.

We have been saying for some time that a fall in markets is overdue and while still yet to see an overall decline of 5% in the S&P 500 in 2021 - as a reference, such falls tend to happen at least three times a year - certain sectors were down considerably more mid-month amid those rising variant concerns. Many of the more cyclical areas that have propelled markets this year fell over 10% from peaks, with some airlines dipping into bear territory (down 20%) as confusion continues over travel restrictions. Showing its elasticity, however, the index had rallied back to highs by month end, potentially on the back of dip buying.

Looking around the world, Asian markets in general had a tougher July, weighed down by gradual tightening in monetary policy and a sweeping regulatory overhaul in China, which has seen the government clamp down on lending practices of several big tech companies, including Alibaba, Tencent and Meituan.

While remaining positive on risk assets, we feel relentless moves upwards over recent months have left some markets exhausted and obscured growing turbulence beneath the surface, not just from inflation fears picking up but also as vaccine euphoria gives way to concerns about durability of recovery. This has led to economists warning the speed of economic recovery may be unsustainable, with the UK predicted to grow 6.8% this year and the US 7%. While the pent-up demand used to justify such predictions is clearly there for things denied during lockdown, such as eating out, live entertainment and travel, there is far less appetite to repeat spending sprees on cars and home furnishings. We have therefore seen a huge pull forward in demand and while that supports the transitory inflation argument, it may also pave the way to cooling economies that miss aggressive growth predictions, and we saw early signs of that in the US.



John Husselbee
*Liontrust Investment
Partners LLP*



James Klempster
*Liontrust Investment
Partners LLP*

Fund Managers

John and James are managers of the portfolio growth funds at Verbatim and are two of the most high-profile multi-asset managers, with 47 years of combined investment experience. Since Liontrust were selected to manage the funds in July 2016, they have grown in stature, obtaining top performance ratings from Morningstar and Lipper. In 2017, the entire fund range was rated by RSMR, one of the leading fund research agencies.

John has been Head of the Multi-Asset team at Liontrust since 2013. John was previously Director of Multi-Manager Investments at Henderson Global Investors and launched the portfolio management service at Rothschild Asset Management. James joined Liontrust in February 2020 as Deputy Head of the Liontrust Multi-Asset team. James joined Liontrust from Momentum Global Investment Management, where he spent 14 years and was most recently Director of Investment and led the global investment team and solutions strategy.

Market Commentary

In the meantime, UK inflation edged up in June, reaching a three-year high of 2.5%, while the US Federal Reserve met again in July in the wake of prices hitting a 13-year high, driven by a rise in the cost of used cars. While the Federal Open Market Committee is increasingly divided between hawks, doves and centrists on how - and, more importantly, when - to tighten policy, anyone expecting definitive statements on tapering or rate rises was left waiting once again. The Fed held its benchmark interest rate near zero and said the substantial further progress on employment and inflation that would spark rate hikes or slowing, and ultimately stopping, bond purchases still has 'some ground to cover'.

That said, the Bank acknowledged progress on these measures and remains positive on the economy overall, despite the threat of the Delta variant, with Q2 GDP growth coming in at an annualised rate of 6.5% for Q2. While well below the projected 8.5%, this latest surge puts GDP above its pre-crisis peak for the first time and, reinforcing Fed comments, the labour market remains far from fully healed, although output has now fully retraced its virus-fuelled decline.

Powell also attempted to calm inflation fears yet again: at a recent congressional meeting, he said the US is not going into a period of high inflation for a long period of time because it has the tools to address that, but is keen not to use them 'in a way that is unnecessary or interrupts the rebound of the

economy'. Given this underlying prudence, all eyes now turn to the annual Jackson Hole conference of central bankers in August for potential updates on hikes or tapering. The likelihood of a rate rise in 2022 increased to 62% after the Fed meeting, with futures now fully pricing in the first hike by March 2023.

While aggressive tightening is clearly not on the agenda, the world needs to get comfortable with a new status quo where crisis-level monetary policy is no longer essential. Assuming vaccination efforts continue and the pandemic recedes, we see the global economy moving into a mid-cycle expansion, with the focus shifting from recovery to more sustained growth. Following recent peaks in policy support, growth and markets, we would expect to see global GDP moderate to above-trend levels next year and more active stock selection will be required in such an environment, with the broad rally since last year's vaccine announcements thinning out.

Risk assets such as equities and credit tend to perform well in a mid-cycle phase but with significant differentiation and it will be interesting to see how more value-orientated sectors like financials and industrials fare as we move beyond the recovery stage. As always, while we have had a slight bias to value since last year, we continue to believe portfolios able to tilt between styles while keeping a foot in several camps offer a compelling and diversified risk/reward balance.