Managed Model Portfolio **RSMR 9**

verbatim
Asset Management

Portfolio Update

All portfolio data as at 30th June 2020 unless otherwise stated.

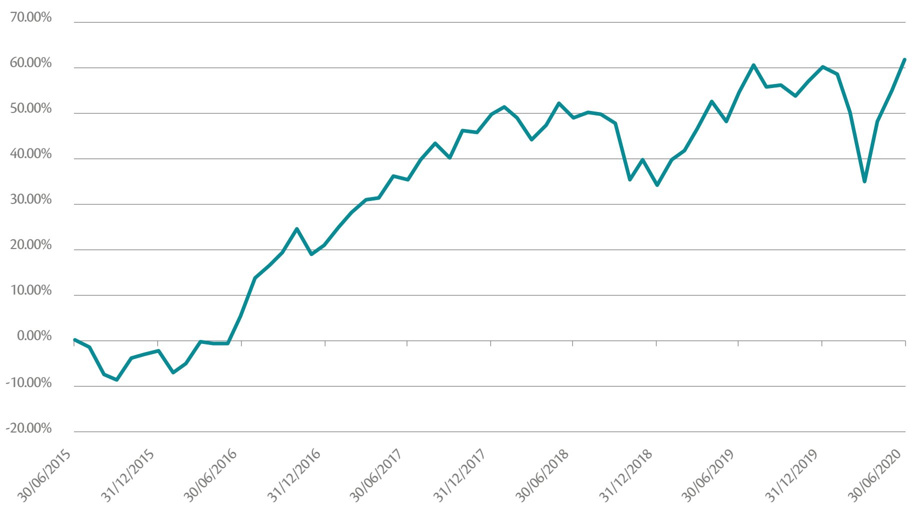
Portfolio Aims

The portfolio will be managed in a manner that retains a Defaqto risk profile of 9 for what we class as a very high risk investor. The investments will contain a large percentage of higher-risk investments such as overseas shares.

RSMR will only include securities, funds and other holdings in a model portfolio if they are allowable holdings for an Individual Savings Account (ISA) as defined by the current rules issued by HMRC.

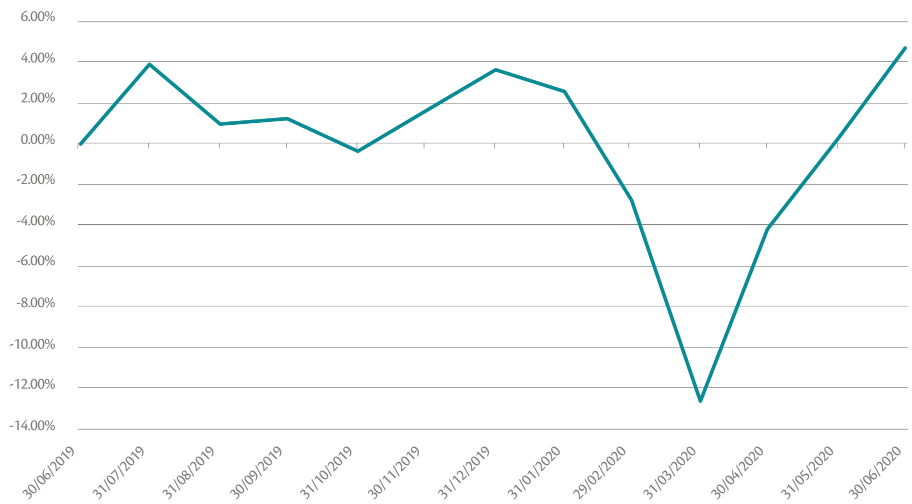
5YR CUMULATIVE PERFORMANCE

Performance from 30th Jun 2015 – 30th Jun 2020



1YR CUMULATIVE PERFORMANCE

Performance from 30th Jun 2019 – 30th Jun 2020



CUMULATIVE PERFORMANCE

Since trading (01/08/12)	124.06%
5 Year to 30/06/2020	61.57%
1 Year to 30/06/2020	4.69%

DISCRETE ANNUAL PERFORMANCE

Managed Model Portfolio RSMR 9	Total returns for the periods shown (Sterling)
01/07/2015 - 30/06/2016	5.50%
01/07/2016 - 30/06/2017	28.37%
01/07/2017 - 30/06/2018	9.88%
01/07/2018 - 30/06/2019	3.71%
01/07/2019 - 30/06/2020	4.69%

Source for performance graphs and data is Statpro. Returns are net of income reinvested in GBP. Past performance is not a reliable indicator of future results.

Verbatim Managed Model Portfolio **RSMR 9**

STRATEGIC ASSET ALLOCATION

The Strategic Asset Allocation shown is valid as at 30/06/2020

Cash	3%
Property	3%
UK Equity	11%
Europe (ex-UK) Equity	11%
North America Equity	27%
Japan Equity	8%
Developed Pacific (ex- Japan) Equity	18%
Emerging Market Equity	19%

PORTFOLIO SUMMARY

Investment Adviser	Ken Rayner - RSMR
Launch Date	Aug-12
Platform Availability	Aviva, Standard life, Transact, Zurich

CHARGES

AMC Charge	0.25% +VAT
Est. Underlying Holdings Charge as at 30/06/20	0.85%

DISCLAIMER

Estimated Charge: Weighted average of the OCF of all holdings. The actual charge may vary dependent upon Platform.

TOP FUND HOLDINGS

Artemis US Select	8.01%
Dodge & Cox US Stock	7.17%
Fidelity (Fil Investment Svcs – Fidelity Asia W Acc	6.69%
First State Investment Mgmt (U – First State Asia Focus B Acc Gbp	6.44%
Fidelity European W Acc	6.33%
Jpmorgan Asset Managment (Uk) – Jpm Us Select C Net Acc	6.22%
Brown Advisory US Sustainable Growth	6.18%
Jpmorgan Asset Managment (Uk) – Jpm Emerging Markets B Net Acc	5.89%
Ifds Managers Ltd – Fp Crux European Special Sit I Acc Gbp	5.19%
Lindsell Train Ltd (Capita) – Lf Lindsell Train Uk Equity Acc	4.99%

RISK RATING

The portfolio will be managed in a manner that retains a Defaqto risk profile of 9.

defaqto 9 RISK RATING VERY HIGH RISK

Market Commentary

Portfolios

Following the significant falls in global equity markets during the majority of the first quarter, the rally seen towards the end of March continued into the second quarter, leading to a significant rebound overall, albeit with continued heightened volatility. Central banks and governments globally moved to support economies through unprecedented levels of monetary and fiscal policy intervention, plus social restrictions were gradually relaxed towards the end of the quarter. Investors tried to look through the very short-term economic impact of the ongoing coronavirus crisis towards some form of economic recovery.

Having underperformed by a large margin in Q1, the main UK equity market was again a major underperformer in both sterling and local currency terms. It did produce a double-digit return but remains very negative for the year to date and significantly behind the other major markets, as it is over 1, 3 and 5-year periods. Once again, the US market led the way, rising over 20% in sterling and dollar terms and, in contrast to the UK, is in positive territory for 2020. Europe, Asia and emerging markets performed strongly with returns enhanced in sterling terms due to the relative currency movements. Australia was a strong performer within the Asia Pacific region. Within emerging markets there were no significant differences between the main sub-regions of Latin America, Europe and Asia. Japan produced a double-digit return but, like the UK, this was significantly behind the other major markets, although it had fallen much less in Q1 leading to better year to date performance.

Within equities, growth continued to significantly outperform value, which is relatively unusual during such a strong market rebound. This occurred across all the major regions with the exception of Europe where value marginally outperformed. Quality was another outperforming factor, again continuing the recent trend. Smaller companies outperformed their larger counterparts by large margins across all the major regions with the widest differential seen in Asia.

Fixed income saw a reversal of the previous quarter's relative performance with high yield, emerging market debt and investment grade bonds producing strong returns and significantly outperforming conventional government bonds. UK and global government bonds were positive but there were stronger returns from index/inflation-linked bonds despite the large drop in short-term inflation. Longer-dated UK conventional and index-linked gilts outperformed their shorter-dated counterparts. The performance of currency hedged assets was negatively impacted by the relative movements of sterling.

In other asset classes, UK commercial property returns were again marginally negative, influenced by ongoing difficulties in the retail sector, and also by the broader economic impact of the coronavirus on other sectors, such as leisure and hotels. Globally, property securities performance was very positive, mainly benefiting from the gains in equity markets with Asia and the US the strongest performers. After falling significantly in Q1, the oil price rose over the second quarter as a whole, but this was after further significant falls in the first few weeks of the quarter due to ongoing global demand concerns and lack of reaction to supply from oil producers. The gold price saw another double-digit rise, but it was significantly outperformed by the rise in the silver price.

Ken Rayner

Investment Director at Rayner Spencer Mills Research

Ken Rayner, in his role as Investment Director at Rayner Spencer Mills Research, is the portfolio manager responsible for the Verbatim Managed Model Portfolios. After graduating from Leeds University with a Degree in Economics and Economic History, Ken joined Sun Life which provided an excellent grounding in the life, pension and investment industry. He joined Bradford & Bingley in 1990, where he held a number of product and marketing roles and latterly had responsibility for all financial services product development and pricing. In addition he was Investment Fund Manager for Bradford & Bingley's PEP and ISA Discretionary Management business where he controlled in excess of £700m of client funds. Ken sits on the Verbatim Investment Committee and numerous other Investment Committees for a number of key advisory clients helping them to deliver their investment strategies.

PLEASE NOTE: RSMR is the investment adviser on the models, responsible for the initial selection and ongoing management of the underlying holdings. Verbatim Discretionary Managers are responsible for the implementation of the models.

Portfolios and Covid-19

This continues to be a difficult environment to negotiate, however this quarter we have seen a significant recovery in performance. We should not get too enthused by this, as over six months the returns still range from being marginally negative to marginally positive. Given the depth of the crisis created by coronavirus we cannot assume we are now on a pain free path to positive returns. There will many more twists and turns to negotiate on the way to a full removal of the lockdown restrictions. Not all industries and sectors have fared the same, and stock market returns have been boosted by significant government and central bank intervention. What happens as this support is removed is still a concern and we remain cautious in the short term and expect continued volatility to occur as sentiment fluctuates on news flow.

Property Funds

Property funds continue to be suspended, having been gated since 18th March 2020. All physical property funds have been forced into this position because commercial property valuers have declared a 'material uncertainty' about the value of the properties held within them, reflecting the unprecedented ramifications of the global Covid-19 outbreak. In this situation we are continuing to advise that for any new investments the allocation to property be maintained in cash until we have more information about the re-opening of the funds.