Managed Model Portfolio
Square Mile 7

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 7 for what we class as a highest medium risk investor. The investments will mainly include higher-risk investments such as shares with a few lower- and medium-risk investments such as bonds and property.

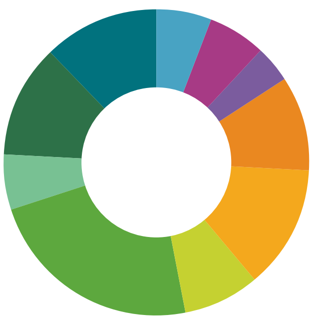
Square Mile will only include securities, funds and other holdings in a model portfolio if they are allowable holdings for an Individual Savings Account (ISA) as defined by the current rules issued by HMRC.

TOP FUND HOLDINGS

Vanguard US Equity Index	19.21%
Stewart Investors Asia Pacific Leaders	8.27%
MI Somerset Emerging Markets Dividend Growth	7.20%
Lazard Emerging Markets	6.10%
Artemis US Smaller Companies	5.26%
Liontrust Special Situations	4.81%
L&G Cash Trust	4.60%
BlackRock Continental European Income	4.33%
Threadneedle European Select	4.23%
Schroder Asian Alpha Plus	4.19%

STRATEGIC ASSET ALLOCATION

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



Cash	6%
UK Corporate Bonds	6%
Global (ex-UK) Fixed Income	4%
Property	10%
UK Equity	13%
Europe (ex-UK) Equity	8%
North America Equity	23%
Japan Equity	6%
Developed Pacific (ex- Japan) Equity	12%
Emerging Market Equity	12%

SQUARE MILE INVESTMENT CONSULTING & RESEARCH

PORTFOLIO SUMMARY

Investment Adviser	Jason Broomer - Square Mile
Launch Date	Jul-19
Platform Availability	Aviva, Standard Life, Transact, Zurich

CHARGES

AMC Charge	0.25% +VAT
Est. Underlying Holdings Charge as at 30/06/2020	0.60%

DISCLAIMER

Estimated Charge: Weighted average of the OCF of all holdings.

The actual charge may vary dependent upon Platform.

As the portfolio has not reached it's one year anniversary there is insufficient data to provide a useful indication of past performance.

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.

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 portfolio and its risks please read the Managed Model Portfolio section of our website. Investment advice should be obtained from an authorised financial adviser.

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Market Commentary

Financial markets performed strongly over the quarter as they recovered their poise following the frenetic selling that occurred in March. Economic activity is rebounding and markets have responded favourably to the determination displayed by governments and central banks to support businesses and consumers through this period. Prices of bonds issued by solid companies have recovered, returning to levels seen at the beginning of the year. Yields on developed market government bonds remain at record low levels thanks to the on-going support of central banks. Stock markets around the world have rallied and in the US have been led higher by the internet related technology giants, leaving them either above or not far off where they were at the year's open. However, outside of the US, many stock markets are still trading significantly below where they started the year. For instance, the UK's FTSE 100 is down 17% this year, despite the 9% recovery over the second quarter.

It is not easy to comprehend the enormity of what has and is occurring around the world. We are all seeing first-hand the effects of the virus and subsequent shutdowns on our lives; this is happening across nations and continents. Central banks have issued colossal quantities of new money to provide finance for businesses and governments. Governments in turn have deployed these loans as aid through furlough schemes and direct grants to both businesses and consumers. The scale of these packages goes way beyond what happened in 2008 and the cost is comparable to the expense of a major war. Trying to gauge whether this will be sufficient to offset the severity of the crisis is very difficult, though governments in the UK, Europe and US are drafting further budgets to help prop up their economies.

The avalanche of monetary and fiscal responses by authorities around the world is reinforcing pent-up demand, ensuring a surge in activity as economies reopen. Yet, the virus has not been tamed and large sections of the economy face huge challenges, such as travel & leisure, which face a lengthy delay before activity returns to anything like normal. In short, the recovery will happen, but the lasting damage will linger. It will take many quarters before the lost GDP can be fully regained. Worryingly, these worst affected industries are big employers. As such, many people have been made unemployed and the UK unemployment rate could touch 10% this year as the furlough scheme is withdrawn.

Those who remember the 1970s may have concerns about this slew of freshly printed money and its impact on inflation. It will have escaped few that trips to the supermarket have become noticeably more expensive. However, it should be recognised that the monetary injections have been put in place to offset the lost activity caused by the shutdown. Spending will jump once lockdowns are relaxed but consumers are going to be much more cautious over the coming months of uncertainty, particularly those whose jobs are threatened. While prices for some goods will go up, incomes are unlikely to. In effect, we will all end up a little poorer as a consequence but an inflationary spiral is very unlikely to develop in the near term.

In the near term, the current market rally may be running out of steam and we should not be surprised if stock prices slip back a little. Clearly a resurgence in the pandemic is a threat, which is difficult to quantify, but there are other factors that could act as a catalyst. Companies will shortly be announcing their second quarter results, which should provide markets with a better idea of the difficulties that many of them are facing. Politics could also present unwelcome distractions. President Trump is now well behind in the polls and he may be tempted to play to his nationalist support base with further trade spats.

Overall, investors should be able to take some solace from the continued support of governments, which will offset the worst of the impact of the pandemic. Though we suspect that financial markets may face some further turbulence over the coming months, we believe this is unlikely to be as sudden or severe as the impact experienced in March.

Jason Broomer

In his role as Head of Investment at Square Mile, Jason Broomer is responsible for the Verbatim Managed Model Portfolios. Jason commenced his financial services career in 1995 at Bentley Reid. He has extensive experience in fund research and running portfolios for private clients. Between 2008 and 2013 Jason worked at Butterfield Private Bank heading up the London based fund research team and he was a senior member of the Asset Allocation Committee. Jason holds the ASIP qualification and he is an Associate of the CFA.