BLACKFINCH
ASSET MANAGEMENT

VT Blackfinch Cautious Portfolio Fund Factsheet

April 2024

ESG Committed

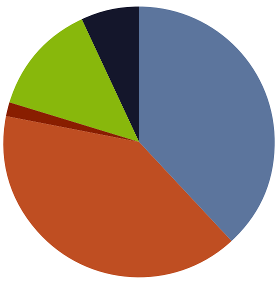
Targeting CPI +2%
per annum, over a rolling 5 year basis net of fees.

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 30/04/2024)

Fixed Income	**38.21%**
Equities	**40.01%**
Property	**1.53%**
Alternatives	**13.31%**
Cash & Equivalent	**6.94%**



Tactical Deviation

Fixed Income	**2.71%**	Overweight
Equities	**0.01%**	Overweight
Property	**-3.47%**	Underweight
Alternatives	**-1.19%**	Underweight
Cash & Equivalent	**1.94%**	Overweight

Market Commentary

April proved to be a tale of mixed fortunes for investment markets, as conflicting economic data changed the outlook for developed economies. The US, widely expected to be the first to cut interest rates, suffered the sharpest adjustment of expectations. Company valuations followed suit, giving back some of the strong gains made in the first quarter of the year.

The turnaround came after data confirmed the US economy expanded at an annualised rate of 1.6% in the first quarter, well below consensus estimates of 2.5% and the slowest pace of growth in nearly two years. To compound this bad news, inflation concerns resurfaced, with the core personal consumption expenditures (PCE) index increasing at an annualised rate of 3.7% for the first quarter, missing estimates again and well above the Federal Reserve's 2% long-term target.

The outlook for Europe appeared more optimistic, however, as multiple European Central Bank (ECB) policymakers hinted the first interest rate cut could come as early as June. Headline consumer price index (CPI) inflation for the eurozone continued its descent to target, decelerating more than forecast to an annualised rate of 2.4% in March, down from 2.6% in February.

The star of the show was the UK. Although initially considered one of the laggards in tackling inflation, the Bank of England suggested it could be one of the first central banks to cut interest rates now that inflation was much closer to target. This buoyed investor sentiment markedly in the UK, with company valuations reaching new heights (a barrier many thought unbreakable), and asset valuations have continued to rally.

Performance

3 months	**1.64%**
6 months	**9.26%**
12 months	**5.67%**
Since Inception*	**13.95%**

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.

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Portfolio Holdings (as at 30/04/2024)

Vanguard - FTSE 100 Index	5.09%
CanLife - Sterling Liquidity	4.99%
Man GLG - Sterling Corporate Bond	4.60%
TM Tellworth - UK Select	4.50%
PIMCO - Income	4.49%
HSBC - European Index	4.47%
Liontrust - Sustainable Future Monthly Income Bond	4.06%
Vanguard - Global Bond Index	4.04%
Brown Advisory - US Sustainable Growth	4.01%
Vanguard - US Government Bond Index	4.00%
Capital Group - Global High Income Opportunities	3.98%
Vanguard - UK Government Bond Index	3.98%
JPM - US Equity Income	3.97%
Jupiter - Japan Income	3.92%
JPM - Global Macro Opportunities	3.57%
iShares - Corporate Bond Index (UK)	3.55%
Fidelity - Asian Dividend	3.29%
JPM - Emerging Markets Sustainable Equity	3.28%
Ninety One - Diversified Income	3.20%
Rathbone - Ethical Bond	3.04%
LF Montanaro - UK Income	3.03%
iShares - US Equity Index	3.02%
iShares - ESG Overseas Corporate Bond Index (UK)	2.47%
Man GLG - Continental European Growth	2.46%
BNY Mellon - Global Dynamic Bond	2.04%
Comgest - Growth Japan	1.97%
Blackfinch - NextGen Property Securities	1.53%
Blackfinch - NextGen Infrastructure	1.50%
Cash	1.95%

All data as at 30th April 2024, unless specified otherwise.

This Month's Activity

Shifting interest rate expectations were a key driver of asset returns in April. US growth equities and fixed income markets, both of which had performed strongly on the assumption that interest rate cuts were imminent, moved towards the lower end of the performance table. Japanese equities also gave back part of their impressive 2024 performance in April as the value of the Yen fell against the US Dollar.

China was the standout equity market in April. Investors have shied away from China in recent years, as policymakers have struggled to find ways to stimulate growth. However, data released in April showed economic growth had beaten its target in the first quarter, and further expansionary policies have been successful in attracting investors, although there remains a long way to go to before confidence is fully restored.

Our key holdings in the alternatives space performed strongly, once again proving their worth against a backdrop of volatile markets.

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.

DYNAMIC PLANNER PROFILED 4

defaqto RISK RATING 4 LOW RISK

defaqto EXPERT RATED Risk Focused Fund Family 2023

ev Risk 1 - 5: 3 | Risk 1 - 7: 4 | Risk 1 - 10: 6

Portfolio Information

Class S Accumulation Share ISIN	Class S Management Fee	Class S Underlying fund charges
GB00BLF82D26	**0.55%**	**0.50%**
Class F Accumulation Share ISIN	Class F Management Fee	Class F Underlying fund charges
GB00BKP3DX73	**0.45%**	**0.50%**
Estimated Annual Income Yield		Number of holdings
3.06%		**28**

Investment Directors

Gareth Deacon and Alex Sumner co-manage the Blackfinch Asset Management multi-asset portfolio range. Combined they have over 25 years' experience in investment management. 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.

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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 consider sustainability in its broadest sense at Blackfinch, including the sustainability of a business's economic profits and their duration. We do this by aligning with fund managers that seek to engage with companies with this in mind, improving business operations and efficiencies that can help drive long-term returns. Recently, one of the active fund managers we invest in collaborated with peers as part of the FAIRR sustainable proteins campaign, supported by 85 investors with almost $23trn of assets under management. The campaign targets 23 global food companies, asking them to make food systems more resilient and sustainable, as well as setting time-bound commitments.

As part of the initiative, many of these well-known industry giants have recognised the climate mitigation potential of healthy and sustainable diets and have since included them in their net-zero strategies. By taking a dual approach – engaging with suppliers to encourage them to produce healthier whole food protein products as well as driving consumer demand through marketing – these companies can expand their product offering and improve underlying margins, as well as delivering clear health benefits to the public.

Request our ESG Policy document for more information.

PRI Principles for Responsible Investment

Please read the disclaimer on page 2 of this factsheet.