BLACKFINCH
ASSET MANAGEMENT

VT Blackfinch Balanced Portfolio
Fund Factsheet

March 2023

ESG Committed

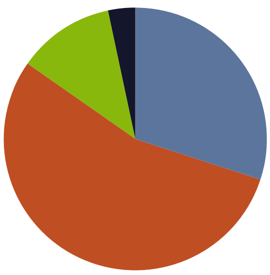
Targeting CPI **+3%**
per annum, over a rolling 5 year basis net of fees.

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 31/03/2023)

Fixed Income	30.03%
Equities	54.94%
Property	0.00%
Alternatives	11.70%
Cash & Equivalent	3.33%



Tactical Deviation

Fixed Income	7.03%	Overweight
Equities	-1.06%	Underweight
Property	-6.00%	Underweight
Alternatives	-0.30%	Underweight
Cash & Equivalent	0.33%	Overweight

Market Commentary

The sense of relative calm that had spread through markets was dealt a significant blow in March, when Silicon Valley Bank, a US regional bank specialising in the tech industry, collapsed. Fear spread that this failure, the second-largest in US history, might trigger a wider banking sector collapse, which was intensified following the closure of Signature Bank two days later. However, swift supporting actions from financial regulators calmed some nerves. It soon became clear the root cause of both failures did not indicate systematic risk across the whole banking sector. While other financial institutions came under pressure, particularly Credit Suisse, fears eased that we were about to witness a repeat of the Global Financial Crisis.

The largest ramifications of the collapse could be on monetary policy, with many economists predicting the US Federal Reserve (Fed) would alter its rate hiking course as a result. Despite this, the Fed went ahead with a further increase of 0.25% to interest rates later in the month. The Bank of England (BoE) followed suit with its own 0.25% increase, in line with market expectations. The BoE also said it believed the outlook for the UK economy had improved slightly and that it no longer faced entering a technical recession this year.

Inflation in the UK surprised markets by showing the first increase in four months. Consumer Price Index (CPI) data showed an annual increase from 10.1% in January to 10.4% in February, reaffirming the UK's stubborn inflationary issues. CPI inflation data was notably better in the US and Europe, which showed falls to 6.0% and 6.9%, respectively.

While UK Chancellor Jeremy Hunt's November 2022 Autumn Statement was a significant event for markets, the Spring Budget passed with little fanfare, and a muted market reaction. The Office for National Statistics released its latest UK gross domestic product (GDP) data, which showed not only that the UK economy grew 0.3% in January, but that the final quarter of 2022 saw national output grow by 0.1%, rather than the 0.01% initially estimated.

Performance

3 months	2.37%
6 months	3.39%
12 months	-3.73%
Since Inception*	11.97%

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 31/03/2023)

Vanguard - FTSE 100 Index	7.58%
Jupiter - Japan Income	5.66%
JPM - US Equity Income	5.47%
Brown Advisory - US Sustainable Growth	5.28%
Montanaro - UK Income	4.78%
TM Tellworth - UK Select	4.18%
Man GLG - Sterling Corporate Bond	4.17%
JPM - Emerging Markets Sustainable Equity	3.98%
HSBC - European Index	3.54%
Capital Group - Global High income Opportunities	3.42%
Fidelity - Asian Dividend	3.37%
iShares - US Equity Index	3.23%
Vanguard - Global Bond Index	3.19%
Comgest - Growth Japan	3.00%
Vanguard - UK Government Bond Index	3.00%
iShares - Corporate Bond Index (UK)	2.99%
Vanguard - US Government Bond Index	2.98%
Rathbone - Ethical Bond	2.97%
Liontrust - Sustainable Future Monthly Income Bond	2.86%
FP Foresight - Global Real Infrastructure	2.52%
JPM - Global Macro Opportunities	2.51%
Man GLG - Continental European Growth	2.51%
Premier Miton - European Opportunities	2.49%
VT RM - Alternative Income	2.49%
iShares - ESG Overseas Corporate Bond Index (UK)	2.25%
M&G - Emerging Markets Bond	2.20%
iShares - Pacific ex Japan Equity Index (UK)	2.03%
T. Rowe Price - US Smaller Companies Equity	2.02%
Cash	3.33%

All data as at 31st March 2023, unless specified otherwise.

This Month's Activity

Markets attempted to factor in two competing forces in March, particularly in the US. The fear of contagion within the banking sector weighed heavily on banking stocks, as Credit Suisse became a further casualty before being bought out by UBS. However, the belief that banking sector issues would shift the Federal Reserve's approach, potentially leading to cuts in US interest rates before the end of the year, gave investors reason to be positive.

We made changes across our US, UK and European equity allocations in March, moving further towards a preference for active management. The banking sector turmoil reinforced our belief that there will be significant disparity between company and sector performance as markets negotiate a period of economic turbulence.

Away from equities, we added two new funds to our portfolio range. First, we diversified our allocation within sterling fixed income by adding a new corporate bond fund which has shown an impressive track record in achieving returns when compared against its peers in recent months. We also invested a proportion of our cash allocation into a money market fund to take advantage of the yields now available on deposits and short-dated bonds.

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 5

defaqto 5 RISK RATING LOW TO MEDIUM RISK

defaqto EXPERT RATED Risk Focused Fund Family 2023

Risk 1 - 5	4
Risk 1 - 7	5
Risk 1 - 10	7

Portfolio Information

Class S Accumulation Share ISIN	Class S Management Fee	Class S Underlying fund charges
GB00BLF82K92	0.55%	0.57%

Class F Accumulation Share ISIN	Class F Management Fee	Class F Underlying fund charges
GB00BKMPSP30	0.45%	0.57%

Estimated Annual Income Yield	Number of holdings
2.26%	28

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.

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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'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.

RAISING AWARENESS OF AN IMPORTANT SOCIAL ISSUE IN MINING COMPANIES

Following the 'Enough is Enough' report of Western Australia's inquiry into sexual harassment of women in the mining industry, one of our active European equity strategies took the lead to investigate whether the issue was also affecting their investee companies in Europe. The investment team wrote to all three of their respective investee companies to understand the actions taken across their global operations to address these issues. The team probed each individual companies' practices and the Key Performance Indicators (KPIs) they were using to monitor progress.

Additionally, the investment team suggested these three companies undertake an annual survey to get details of the percentage of women employees affected by these issues and the percentage of women who reported sexual harassment incidents. We were pleased the investment team reported all three companies were taking continued action to mitigate sexual harassment and take feedback onboard. The team will continue to monitor progress of these companies through their engagement programmes, and ensure sufficient progress is made on this core social issue.

Request our ESG Policy document for more information.

PRI | Principles for Responsible Investment

Please read the disclaimer on page 2 of this factsheet.