BLACKFINCH
ASSET MANAGEMENT

VT Blackfinch Defensive Portfolio Fund Factsheet

March 2024

ESG Committed

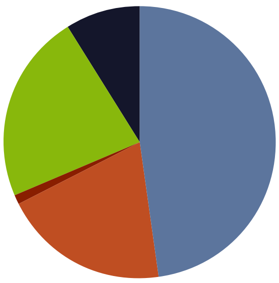
Targeting CPI +1%
per annum, over a rolling 5 year basis net of fees.

Investment Objective

The Defensive portfolio is designed to achieve a total return in excess of the Consumer Price Index plus 1% 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 31/03/2024)

Fixed Income	**47.78%**
Equities	**19.81%**
Property	**1.05%**
Alternatives	**22.57%**
Cash & Equivalent	**8.78%**



Tactical Deviation

Fixed Income	**3.78%**	Overweight
Equities	**-1.19%**	Underweight
Property	**-3.95%**	Underweight
Alternatives	**1.57%**	Overweight
Cash & Equivalent	**-0.22%**	Underweight

Market Commentary

March prompted a flurry of optimism throughout developed markets, as investors interpreted dovish signals from central bank policymakers to mean interest rate cuts were on the horizon. The Bank of England (BoE), Federal Reserve, and European Central Bank all voted to keep interest rates at current levels, but each, in turn, reassured markets that forward-looking data supported reducing borrowing costs over the coming year.

The UK equity market particularly welcomed this news, as the BoE's monetary policy announcement came a day after the publication of February's inflation report. The Consumer Prices Index (CPI) reading showed price growth decelerated from 4.0% in January to 3.4% in February. This marked the lowest inflation rate in more than two years, and many UK company valuations jumped as a result.

Finally, March marked the end of an era for Japan. The Bank of Japan (BoJ) concluded its longstanding negative interest rate policy and increased borrowing costs for the first time since 2007. A member of the BoJ board said this was the first step toward monetary policy normalisation. The decision was taken in response to signs that wages were increasing in tandem with prices, an often-repeated precondition for the BoJ to adjust its monetary policy.

Performance

3 months	**1.21%**
6 months	**6.64%**
12 months	**4.83%**
Since Inception*	**5.11%**

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 31/03/2024)

Vanguard - Global Bond Index	8.99%
CanLife - Sterling Liquidity	6.94%
BNY Mellon - Global Dynamic Bond	6.69%
Vanguard - UK Government Bond Index	6.51%
Ninety One - Diversified Income	6.48%
Vanguard - US Government Bond Index	6.00%
PIMCO - Income	5.77%
Vanguard - FTSE 100 Index	5.09%
Man GLG - Sterling Corporate Bond	5.01%
Liontrust - Sustainable Future Monthly Income Bond	5.00%
TM Tellworth - UK Select	4.92%
HSBC - European Index	4.53%
JPM - Global Macro Opportunities	4.48%
iShares - ESG Overseas Corporate Bond Index (UK)	4.01%
iShares - Corporate Bond Index (UK)	4.00%
Brown Advisory - US Sustainable Growth	2.54%
JPM - US Equity Income	2.52%
Rathbone - Ethical Bond	2.49%
Jupiter - Japan Income	2.23%
Blackfinch - NextGen Infrastructure	1.58%
Comgest - Growth Japan	1.33%
Blackfinch - NextGen Property Securities	1.05%
Cash	1.84%

This Month's Activity

March was a positive month across the board, with all asset classes rising as investors found a multitude of reasons to be cheerful. The UK led the way, with the FTSE 100 topping the performance charts for global markets for the first time in six months. Even UK government debt (Gilts) joined in the rally, with prices on a broad basket of Gilts increasing by nearly 2% in the month, as inflation data and comments from the Bank of England Monetary Policy Committee once again sparked hope of incoming interest rate cuts. Developed market government debt has had a volatile journey in the last few years, but as rate cuts seemingly edge nearer, investors are returning to the asset class.

At the start of the month, we adjusted our European equity exposure, moving our core fund allocation from an active strategy to a passive fund. We anticipate this fund will provide more cost-effective exposure to a sector where active managers are struggling to consistently deliver value for money. We still have active exposure to the asset class in our non-core positions, which provide access to medium and small companies, where the opportunity for active managers to generate returns through stock selection is greater.

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.

Risk 1 - 5	2
Risk 1 - 7	2
Risk 1 - 10	3

Portfolio Information

Class S Accumulation Share ISIN	Class S Management Fee	Class S Underlying fund charges
GB00BLF82B02	0.55%	0.41%

Class F Accumulation Share ISIN	Class F Management Fee	Class F Underlying fund charges
GB00BKP3DS21	0.45%	0.41%

Estimated Annual Income Yield	Number of holdings
3.47%	22

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'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.

THEMATIC ENGAGEMENT ON BOARD DIVERSITY

Over the last two decades, corporate board diversity has been growing steadily across the globe. Building a diverse and inclusive culture leads to better ideas, better business solutions, and better opportunities to attract and retain talent. At Blackfinch, we believe our fiduciary duty as stewards of capital requires us to understand and support these thematic trends. It is also aligned particularly with one of the active fixed income managers we invest in, which has always believed that diverse perspectives lead to better investment outcomes.

This fund manager conducted proprietary research into diversity, equity, and inclusion (DE&I) disclosures, engaging with over 1,500 companies and escalating its DE&I agenda a further 50 times with those companies that didn't have any board gender diversity. This is an ongoing project, but it has already delivered results, as 13 of the 50 companies the fund manager engaged with have since appointed at least one female director, and a further 12 companies have made assurances that this is underway.

Request our ESG Policy document for more information.

PRI Principles for Responsible Investment

Please read the disclaimer on page 2 of this factsheet.