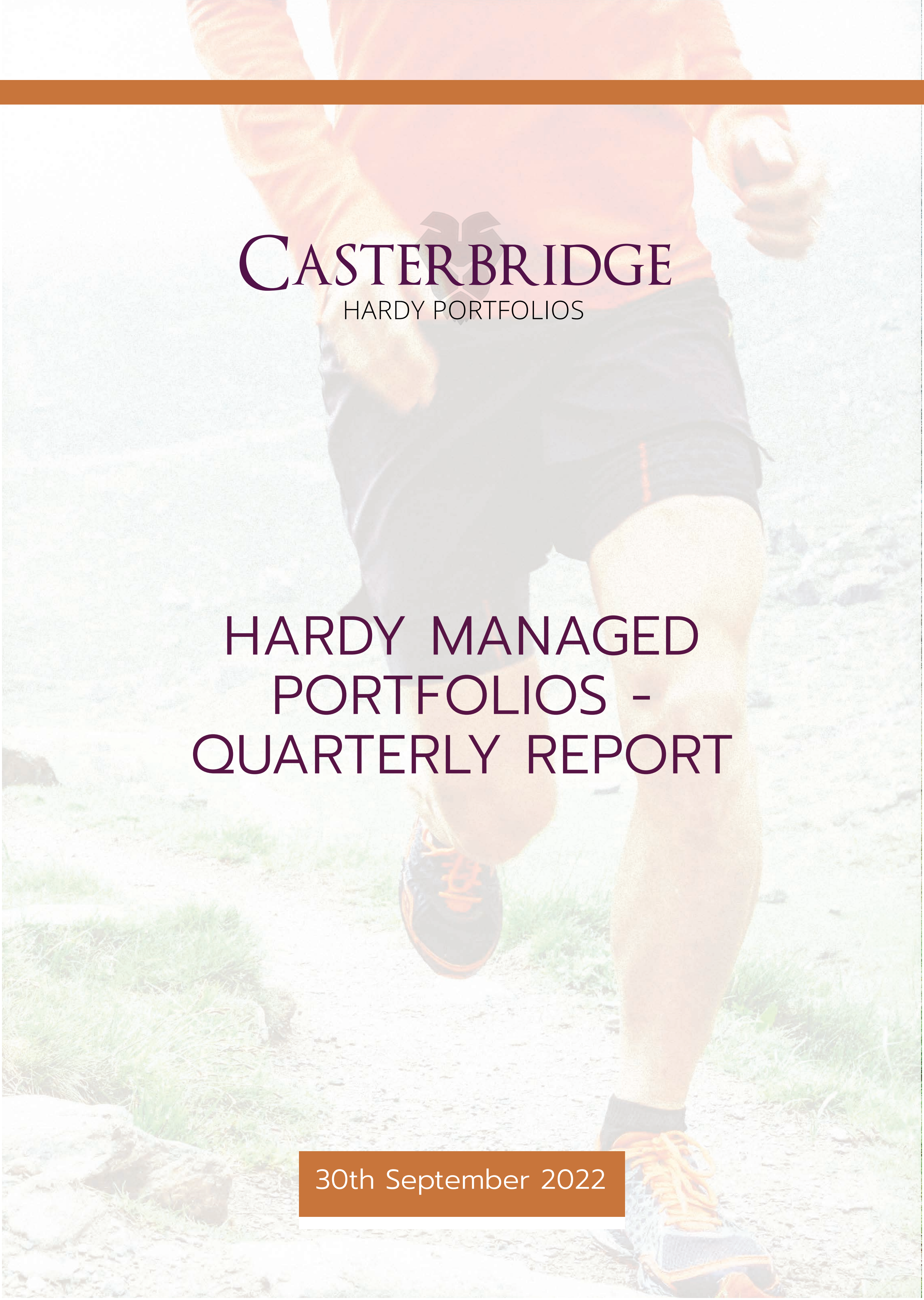


CASTERBRIDGE
HARDY PORTFOLIOS

HARDY MANAGED PORTFOLIOS - QUARTERLY REPORT

30th September 2022

3RD QUARTER SNAPSHOT

UK Equities (FTSE 100) -2.72%

US Equities (S&P 500) 3.05%

Europe Equities (Euro STOXX) -2.52%

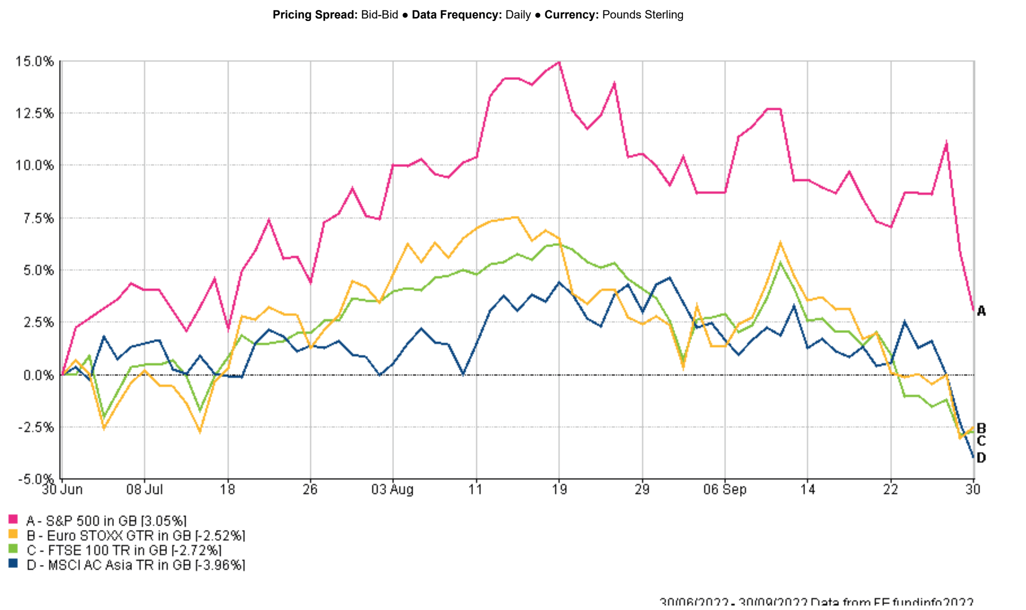
Asia Equities (MSCI AC Asia) -3.96%

UK Inflation 10.10% (YoY)

US Inflation 8.32% (YoY)

UK 10 Year Bond 4.10 %

US 10 Year Bond 3.80%



Source: FE Analytics

WHAT HAPPENED IN GLOBAL MARKETS?

What has happened over the last 3 months...

At the same time as we ushered in a new 'Carolean Era' under King Charles III, the United Kingdom had a new Prime Minister who wasted no time in announcing her intentions to tackle the cost-of-living crisis as inflation has continued to spiral higher. Notably, as we head towards an uncertain winter, Liz Truss, declared that she would freeze household energy bills until 2024 to help people through these inflationary times. This action will certainly ease the burden on households, however, at what cost to national finances. Sterling has through 2022 taken a significant hit against the US Dollar, further adding to our inflationary headache as imports become more expensive with a weaker currency.

Central Banks have continued to chart a course for monetary policy of higher interest rates and thus tighter monetary conditions as they look to rebalance the economy between supply and demand. The US Federal Reserve increased rates by 0.75% for the second consecutive time bringing US interest rates to 2.5%. The Bank of England followed suit with a 0.50% increase in interest rates to 1.75%. The European Central Bank interest rate policy has been more aggressive this quarter as they exited negative interest rates by increasing rates by 0.5% in July bringing the interest rate to 0% from the -0.5% that had been the level since September 2019. In September, the European Central Bank increased rates by a further 1.25%, bringing the European Interest rate to 1.25%.

Such sharp interest rate increases have clearly been achieving the job of quelling demand as key indicators have already begun to point towards a slowdown in manufacturing and services pricing, as well as key commodities including Crude Oil, Wheat, Lumber and Copper, all of which should begin to feed into the inflation numbers over the coming months and quarters. However, as war continues to rage in Ukraine and sanctions against Russia remain, the flow of gas from Russia to Europe has been halted as the Kremlin weaponizes energy resources. This has single handedly ensured the price of gas remains at significantly elevated levels. A key component of inflation reading also remains elevated in the form of 'Shelter' most notably rental pricing which remains stubbornly high as demand continues to exceed supply. Central Banks trying to quash inflation will remain data dependent before reversing course.

Meanwhile, the United States electorate gears up for the Mid Term Elections which could see the Democrats lose outright control of Congress; the resulting political gridlock could be positive for US markets as the threat of radical policies over the next two years subsides.

Market reaction over the last 3 months…

Former British Prime Minister, Harold Wilson once stated that "a week is a long time in politics". The same can be said of the global markets. Through most of 2022, markets have been grappling with inflation, global monetary policy and geopolitics, most notably the war in Ukraine. However, UK fiscal policy was added to that roster of concerns, following the UK government emergency budget on Friday 23rd September with cuts to business and personal taxes as well as measures for deregulation, all designed to stimulate the supply side and promote economic growth. However, the announcement swiftly sent seismic shockwaves through the markets given these measures have been likened to pouring petrol over the inflationary fire, at a time when the Bank of England has been fighting hard to get inflation under control.

The market reaction was swift and violent; Sterling plunged to all time lows, the gilt market reaction was unprecedented for the speed with which government yields rocketed higher, plunging prices lower. The UK stock market took a battering especially the FTSE 250 Index which is more aligned with the domestic market. In short, the UK market was temporarily in chaos with foreign investor money fleeing as the credibility of the UK government and their ability to maintain a stable economy came into question. Thankfully, the Bank of England came to the rescue and began to purchase gilts again, stabilising the gilt market and averting a potential financial crisis. At the time of writing Sterling has rallied off the lows and gilt yields remain elevated but stable. However, we are not alone in this fight against inflation and all markets around the world have had a turbulent September as they have priced in not just the events in the UK, but policies and concerns on their own shores.

Where are we now…

We believe that Central Banks will continue with their tightening of monetary policies, given their number one priority is to 'slay' inflation and a return to price stability. The US Federal Reserve leads this charge which has helped power the US Dollar to near record highs against all major currencies. We continue to see inputs into inflation move lower such as key commodity prices as well as leading indicators pointing towards a slowdown. However, the US housing rental market has remained stubbornly high and employment strong which places upward pressure on wages. Rates will continue to rise until it has become clear that inflation is back to more normalised levels; only then will the Federal Reserve stop raising rates and potentially pivot to a more accommodative stance.

The markets are in a process of re-calibrating towards reduced liquidity, the more expensive cost of borrowing and the potential for tougher economic conditions that will likely lead to a deeper than expected recession. We believe that markets are close to pricing in these concerns, and that eventually opportunities on a geographic, sector and stock level basis will enable us to take advantage of these lower prices for the medium to long term.

CURRENT PORTFOLIO POSITIONING AND THE OUTLOOK...

Our portfolios are well balanced between funds with either more of a “growth” style or “value” / Through the process of transitioning the portfolios we have been actively managing the equity sales and reinvestment during these volatile markets, benefiting from the elevated cash levels before buying the iShares MSCI World ETF in carefully planned tranches when markets had stabilised. Furthermore, we have taken the opportunity as discretionary managers to reduce the equity weighting for portfolios, positioning them at the lower end of our allowable equity allocation, on a short-term tactical basis, whilst maintaining mandate suitability. We anticipate the next few weeks could present additional bouts of volatility as 3rd quarter earnings results are announced, which we believe could signal further challenges for certain sectors and companies in light of central bank policy tightening liquidity and slowing demand.

What have we been doing for clients in our Managed Portfolios...

Our portfolios are well balanced between funds with either more of a “growth” style or “value” / cyclical style, yet it has been those with the tilt to value (with exposure to sectors such as Financials, Energy and Mining) that have been the main contributor to the pleasing performance over the last year. These portfolios were early into the “inflation” trade and so when markets realised that inflation was going to be higher and for longer than expected just a year ago, these sectors started to outperform.

Some of the key questions we face over the coming months, as we mention above, are the paths of inflation, interest rates and recession. We also have the uncertainty of the conflict in Ukraine, particularly as we enter winter. So, markets have a lot of uncertainty to navigate, yet we should also remember that markets are forward-looking and will start to look through the noise into hopefully better times in 2023. Hence, we feel that no significant changes in portfolios are necessary currently.

We remain overweight equities and alternatives, and maximum underweight bonds. Within equities, we are overweight the US market, mainly at the expense of Europe and Japan, as we expect US rates to peak soonest and its economy to regain momentum first; valuations on some sectors and funds have fallen significantly in recent months which is providing interesting opportunities again. We have also been slowly increasing our exposure to commodities, which could be at the start of multi-year outperformance driven by steadily growing demand yet restricted supply.

Finally, latest data shows investor sentiment at close to record lows and cash levels elevated, which have historically been good entry points for longer-term investors.

FINAL THOUGHTS...

2022 to date has been a challenge for investors as the world has had to contend with heightened geopolitical concerns, inflationary pressures not seen for a generation, and the prospect of a challenging recession. As we telegraphed in 2020 during the darkest days of the pandemic, we will again see a return of positivity and a recovery with an economy in better shape than before, and new exciting opportunities to invest into. We had been cautious in portfolios entering 2022 and remained well diversified across the asset classes as well as regions and sectors, which combined with the balance between value and growth exposures has served to limit the downside for investors. As long-term investors, we are excited for the opportunities that will come into view in the coming months and years and look forward to more positive times ahead.

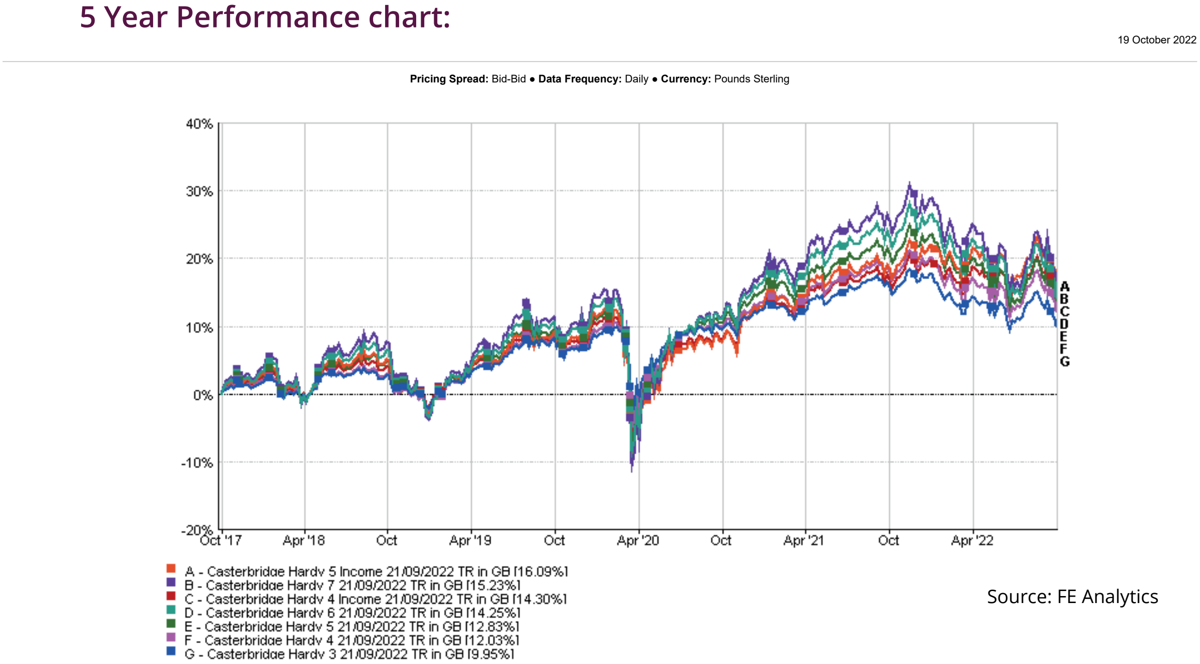
HARDY MANAGED PORTFOLIOS

Cumulative Performance as of 30th of June (%):

PORTFOLIO	3M	6M	1YR	3YR	5YR
Hardy 3	-0.06	-3.75	-5.10	1.73	9.95
Hardy 4	0.20	-4.12	-5.05	3.41	12.03
Hardy 5	-0.11	-5.82	-6.55	3.10	12.83
Hardy 6	-0.06	-6.62	-7.32	3.38	14.25
Hardy 7	-0.13	-7.40	-8.25	3.62	15.23
Hardy 4 Income	-0.17	-3.71	-2.31	5.19	14.30
Hardy 5 Income	-0.39	-4.34	-2.09	6.45	16.09

Source: FE Analytics

5 Year Performance chart:



Source: FE Analytics

Calendar year performance (%):

PORTFOLIO	2022	2021	2020	2019	2018	2017
Hardy 3	-6.48	4.36	4.23	9.95	-3.42	5.65
Hardy 4	-6.70	5.50	4.67	11.04	-4.03	6.70
Hardy 5	-8.67	6.97	4.51	13.37	-5.15	8.78
Hardy 6	-9.67	8.19	4.23	15.36	-5.91	10.25
Hardy 7	-10.67	9.35	4.09	16.84	-6.64	12.15
Hardy 4 Income	-4.55	6.20	2.63	11.46	-3.79	7.97
Hardy 5 Income	-4.80	7.56	2.14	13.61	-5.09	9.44

HARDY MANAGED PORTFOLIOS

Volatility (Figures Annualised) (%):

PORTFOLIO	6M	1yr	3YR	5YR
Hardy 3	7.86	6.22	6.39	5.56
Hardy 4	9.28	7.31	7.52	6.48
Hardy 5	10.45	8.5	8.93	7.89
Hardy 6	11.62	9.54	10.18	9.17
Hardy 7	12.78	10.56	11.52	10.42
Hardy 4 Income	7.94	6.36	7.85	6.48
Hardy 5 Income	8.97	7.32	9.21	8.13

What you should know about investment past performance.

You should be aware that past performance is not an indication of future performance, the value of investments and the income derived from them may fluctuate and you may not receive back the amount you originally invested.

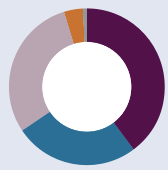
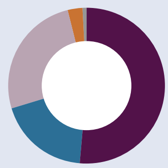
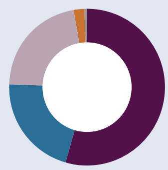
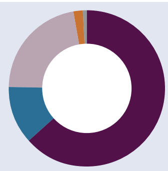
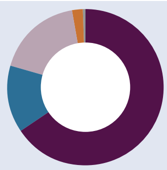
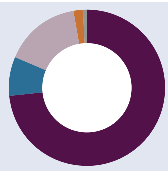
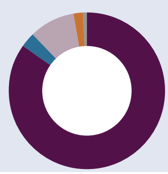
FUND SOUNDBITES:

Our three favourite funds:

FUND	WHY WE LOVE IT
Blackrock Natural Resources Growth & Income	This fund gives exposure to roughly 1/3 energy, 1/3 mining & gold and 1/3 agriculture equities. It is a concentrated portfolio of 40-50 holdings of best ideas, producing attractive combination of growth and income. This is one of the funds run by the BlackRock Thematic, Sectors & Impact Team, and is one of the larger and more experienced teams covering commodities – they combine bottom-up, fundamental analysis of companies with a top-down macro and industry overlay. We are particularly keen on this broad sector and believe it will perform well driven by rising demand, restricted supply and underinvestment in previous years; despite its recent outperformance, many parts of the sector have attractive valuations with appealing dividends.
ES Baker Steel Electrum Growth Portfolios 5-7	This fund aims for capital growth over the long-term from a portfolio consisting primarily of listed mining equities. It also has a particular focus on speciality and precious metals equities, which we expect to do well as the world transitions to being more sustainable. This diversification across different mining sub-sectors gives the managers scope to adjust the fund as and when the opportunities arise in different areas.
TB Evenlode Income Growth Portfolios 3-6	This fund focuses on sustainable real dividend growth from companies with high returns on capital and strong free cash-flow, such as consumer durables which tend to be more defensive in nature. It also invests in small-mid sized companies which are benefitting from technological change. We see this a relatively core and steady UK fund, it tends to protect our portfolios during times of broad market falls (given some of its defensive holdings), but can also lag during periods of strong growth. Given its defensive and income bias we use this fund in lower-medium risk portfolios.

CURRENT POSITIONING:

Current model portfolio positioning as of 31st of March 2022

	Equity	Fixed Income	Alternatives	Cash	
HARDY 3 OCF: 0.64%	40.00%	26.00%	30.00%	4.00%	
HARDY 4 OCF: 0.67%	52.00%	19.00%	26.00%	3.00%	
HARDY 4 INCOME OCF: 0.52%	55.00%	21.00%	22.00%	2.00%	
HARDY 5 OCF: 0.73%	64.00%	12.00%	22.00%	2.00%	
HARDY 5 INCOME OCF: 0.55%	66.00%	14.00%	18.00%	2.00%	
HARDY 6 OCF: 0.74%	74.00%	8.00%	16.00%	2.00%	
HARDY 7 OCF: 0.76%	85.50%	3.00%	9.50%	2.00%	

OUR VIEW ON ASSET CLASSES:

Our current 'House View':

ASSET	OUR VIEW	COMMENT
Bonds	↓	Poor value, at risk from rising inflation and increasingly correlated to equities → more targeted & focused on downside protection
Alternatives	↑	Attractive portfolio diversification
Equities	↑	Continue to provide interesting opportunities, despite the uncertainty surrounding geopolitics and monetary policy.
Real assets	↑	Benefit from economic recovery, inflation and supply constraints

Overview: For our lower and medium risk portfolios we are overweight cash on a short-term tactical basis while we have such high uncertainty in Ukraine and around inflation. For higher risk portfolios, we remain fully invested. Despite these uncertainties, we remain optimistic that the political backdrop will improve and so remain overweight equities as the key driver for longer term returns for portfolios. It is important to remember that the stock market is a forward-looking mechanism so, while many markets are currently experiencing heightened volatility, we remain optimistic for equities longer term.

HARDY MANAGED PORTFOLIOS HOLDINGS REPORT

FUND NAME	HELD IN PORTFOLIOS:	WHY WE HOLD IT
Aegon Absolute Return Bond	Income Portfolios	A hedge fund which takes long & short positions in corporate bonds, aiming to provide steady positive returns (cash + 2-3% net of costs) from bonds with low volatility. It has average duration of less than 1 year, so reduces the risk of interest rate rises. It has flexibility to allocate across sectors and prefers more volatile markets as this is when opportunities arise. We are using this fund as we are concerned about the growing volatility in bond markets which could continue over the coming years.
Artemis UK Select	Growth Portfolios	A high conviction fund where the manager uses different tools and software to screen for the best ideas with the right characteristics. Up to 10% of the fund can be short positions. We like its nimble, go anywhere approach and the fund manager's detailed understanding of industry cyclicality and how different macroeconomic factors will affect each of the underlying companies. This makes it one of our top funds for UK equities.
AXA US Short Duration High Yield Bond	Growth Portfolios 3-6 Only & Income Portfolios	This fund aims to generate a high level of income with low volatility by compounding current income and avoiding principal loss by investing in low duration high yield credit. The short duration nature removes much of the risk of capital loss, while at the same time providing an attractive income.
BlackRock Continental European Income	Income Portfolios	This fund aims to invest defensively into the European (excluding UK) market and generate a steady and above average level of income. It is mainly invested in large and mid-cap companies and has a slight bias to the more cyclical and value businesses with reliable cashflows. Given its income focus, we only use this in Income portfolios.
BlackRock European Absolute Alpha	Growth Portfolios	A hedge fund which takes long & short positions, mainly in continental Europe. It tends to be more focused on a company's fundamentals, rather than focus too much on the macro environment, and usually has a bias to growth companies overall. This has helped it generate impressive returns over the last few years, although it can suffer during periods when "growth" style is out of favour. The fund has a bias to quality within its long positions (held for up to 5 years), whereas its short holdings (held for 6 months to 1 year) are typically companies which appear structurally damaged.
Blackrock Natural Resources Growth & Income	Growth Portfolios	This fund gives exposure to roughly 1/3 energy, 1/3 mining & gold and 1/3 agriculture equities. It is a concentrated portfolio of 40-50 holdings of best ideas, producing an attractive combination of growth and income. This is one of the funds run by the BlackRock Thematic, Sectors & Impact Team, and is one of the larger and more experienced teams covering commodities – they combine bottom-up, fundamental analysis of companies with a top-down macro and industry overlay. We are particularly keen on this broad sector and believe it will perform well, driven by rising demand, restricted supply and underinvestment in previous years; despite its recent outperformance, many parts of the sector have attractive valuations with appealing dividends.

HARDY MANAGED PORTFOLIOS HOLDINGS REPORT

FUND NAME	HELD IN PORTFOLIOS:	WHY WE HOLD IT
BNY Mellon Global Income	Income Portfolios	This fund invests in global equities and follows an unconstrained and low volatility approach which compounds dividends for long-term returns. The manager believes strongly that it is the power of dividend compounding which allows for long term outperformance rather than solely relying upon high growth, higher risk investments. A key part of the process is that the stock must yield at least 25% higher than the market; they are often looking for companies which might be going through temporary problems or companies which might be seeing slower growth but still generating lots of cash. These differentiating factors are why we like the fund, and choose it for our Income models.
Dodge & Cox Worldwide US Stock	Growth Portfolios	This fund invests in large cyclical companies in the US, which have been out of favour but which we expect to outperform given the low valuations compared with many growth companies. The team is less well known to UK investors but they have a long track record in the US managing this fund and are well respected. We expect the fund to add value to our portfolios as / when this style becomes more favourable once again.
ES Baker Steel Electrum	Growth Portfolios 5-7	This fund aims for capital growth over the long-term from a portfolio consisting primarily of listed mining equities. It also has a particular focus on speciality and precious metals equities, which we expect to do well as the world transitions to being more sustainable. This diversification across different mining sub-sectors gives the managers scope to adjust the fund as and when the opportunities arise in different areas.
Fidelity Asia Pacific Opportunities	Growth Portfolios 5-7 Only	This is a concentrated fund (of around 30-35 companies) where the manager is looking for long term growth opportunities in Asian companies. The manager has a broadly style neutral approach, but new positions in the portfolio can exhibit a contrarian / value bias, i.e. they may be out of favour but the manager is patient for the ideas to come to fruition. Given his high conviction and contrarian approach, and overweight to Technology, we currently only use this in our medium-higher risk portfolios.
Fidelity Index Japan	Income Portfolios	A passive fund which aims to track the performance of the MSCI Japan index. It yields a premium over and above many of the active funds for Japan and hence why we use it in our income models.
FP Foresight Global RI Infrastructure	All Portfolios	This fund invests in the publicly traded shares of companies that own or operate real infrastructure or renewable energy assets anywhere in the developed world. Revenue streams are typically directly or indirectly supported by long-term government or public sector contracts and government supported initiatives, and about 65% of the underlying holdings have contracts linked to inflation. This means that the fund has a defensive nature and should not be too affected by changes in a country's economic growth. We see this as providing diversification into global infrastructure, an attractive yield and providing some protection against future inflation.

HARDY MANAGED PORTFOLIOS HOLDINGS REPORT

FUND NAME	HELD IN PORTFOLIOS:	WHY WE HOLD IT
Franklin UK Equity Income	Income Portfolios	This Fund aims to generate an income that is higher than the FTSE All-Share Index, together with growth over a 3-5 year period. It has a fairly high concentration, of 50-70 companies, and mainly to larger companies. It typically takes a 3-5 year time horizon, turnover of the portfolio is relatively low at around 10% and this enables them to continue to be one of the cheapest active managers for UK equities. The high and attractive income yield, low cost and consistent returns are the main reasons why we hold the fund.
iShares Core FTSE 100 ETF	Income Portfolios	A passive fund which aims to track the performance of the FTSE100 index. The low cost, attractive income yield and tracking nature are the main reasons why we hold the fund in our Income models.
iShares Core UK Gilts ETF	Growth Portfolios	This is a low cost passive fund which aims to track the performance of UK Government bonds (Gilts). Even though bonds are likely to prove more volatile than in the past, the fund is held to provide diversification and potential upside if / when equities are falling.
Janus Henderson UK Absolute Return	All Portfolios	A hedge fund which takes long & short positions in UK large-cap equities, it aims to generate steady returns with low volatility. It is one of the less volatile hedge funds we use, and has a small bias to "value" style compared with some of the other funds we utilise.
JPM Emerging Markets Income	Income Portfolios	This fund provides an income by investing in emerging markets companies whilst participating in capital growth over the long-term, in regions where we expect faster growth relative to developed markets. The team has around 100 dedicated portfolio managers and analysts across 8 locations, making it one of the broadest we access for clients: around 60% of the companies yield 3-6%, and the balance is split between those companies offering higher yields (but maybe lower growth) and those offering lower yields (and higher growth).
JPM Global Macro Opportunities	Income Portfolios	This is a global multi-asset fund which aims to produce positive returns over a rolling 3 year period in all market conditions. The fund holds 70-80% in thematic global equities and has delivered returns with correlation different from global equity markets due to its macro-overlay and use of derivatives. This enables our portfolios to benefit from a number of long-term growth themes while having the ability to dampen the volatility and provide some protection on the downside which equity markets will experience from time to time.
JPM Japan	Growth Portfolios	A high conviction fund seeking to find the best high quality companies with superior and sustainable growth potential. It takes a longer 5 year time horizon and tends to have a bias to Technology companies. It has produced strong returns over the long term but is more highly valued than other Japanese equity funds we use and so can be more prone to fall if its growth style is out of favour over short periods.
JPM US Equity Income	Income Portfolios	A US equity fund which provides an above average income by investing in high quality companies with durable business models, consistent earnings, strong cash flows and experienced management teams. The fund can invest in any sector but, given its income requirement, will tend to be biased to more traditional businesses and not the faster-growing technology sectors. It is therefore likely to lag when growth styles are in fashion. Given its focus on quality and income yield, we use this for our Income models.

HARDY MANAGED PORTFOLIOS HOLDINGS REPORT

FUND NAME	HELD IN PORTFOLIOS:	WHY WE HOLD IT
Jupiter Asian Income	Income Portfolios	This fund aims to achieve income and capital growth by investing in equities in the Asia Pacific region (excluding Japan), taking a longer term view of at least 5 years. It can be expected to have a bias to more cyclical and income-producing companies, such as Financials, so is perhaps surprising that its highest sector exposure is to Technology at around 25% of the fund - this illustrates that there is a growing number of such companies who now produce a yield - it oftens starts low but is expected to grow over the coming years. Hence we see this as suitable for our Income portfolios.
LF Lightman European	Growth Portfolios	A concentrated portfolio which seeks to invest in undervalued companies with positive operational momentum. Its holdings are often seen as more cyclical in nature such as Financials and Materials. Even though we are cautious on Europe given its structural and political headwinds, we believe the skill of the manager and style of the fund make it a great addition to our portfolios.
LF Ruffer Diversified Return	Growth Portfolios	This fund is different in that it invests in both “growth” equities and “protection” in the form of assets such as Index Linked Gilts and gold; in addition it holds ~3-5% in derivatives as protection. The team have a long track record, and have produced steady and positive returns over many economic and market cycles, making it a high conviction holding for us.
Liontrust UK Smaller Companies	Growth Portfolios 5-7 Only	This fund invests in smaller UK companies, which are profitable and not "blue sky" businesses. The team typically take a 10 year horizon in companies which they believe can sustain a higher-than-average level of profitability longer than peers; this period of earnings expansion is often missed by most analysts and so should lead to a stronger share price appreciation. Given its long-term approach and investing in smaller companies, we invest in this fund for medium-higher risk portfolios.
Nomura Emerging Market Local Currency Debt	Income Portfolios	This is an unconstrained Emerging Market Debt Fund, which aims to generate a high and attractive yield with its truly active and high conviction (around 40-60 positions) approach. It focuses on quality companies (average credit rating A) and aims to provide smooth returns and avoid significant capital loss, while at the same time exploiting the volatility and inefficiency of the market. The active nature and attractive income yield means it is used in our Income portfolios.
Polar Capital Healthcare Opportunities	Growth Portfolios	This fund is managed by an experienced specialist team and invests in the fast-growing healthcare, pharmaceutical, life sciences and biotechnology sectors. It is high conviction of around 40 holdings. We continue to believe that this sector is one of the strongest growing, irrespective of what the global economy is doing, so we have this fund to boost our exposure in portfolios to such exciting opportunities.
Premier Miton US Opportunities	Growth Portfolios	A concentrated high conviction fund, investing in mid-large sized growth companies while avoiding many of the Big Tech names. The team is unusual in that it is small and based in the UK, but believe its screening process means it doesn't need to be based in the US as it can quickly rule out many companies from possible investment. Its exposure to many high growth, but unknown names make it an interesting addition in our portfolios.

HARDY MANAGED PORTFOLIOS HOLDINGS REPORT

FUND NAME	HELD IN PORTFOLIOS:	WHY WE HOLD IT
Rathbone High quality bond	Growth Portfolios 5-6 Only	A relatively low risk, high conviction corporate bond fund with a focus on capital preservation and a negative correlation to equities. Over 80% of the fund is in higher quality bonds, with a rating of A or higher and with over 60% allocated to G10 countries; a maximum of 10% can be invested in non-rated bonds. Its high conviction nature means the fund has high exposure to Financials (such as banks, insurance and real estate). Despite our concerns about the increasing volatility of bonds, the current yields are attractive for portfolios.
Schroder UK-Listed Equity Income Maximiser	Income Portfolios	A fund which aims to generate an enhanced level of income by investing in the UK's largest companies, and using option strategies to create this extra income. We invest in the newer UK-Listed Equity version rather than the better known Income Maximiser, which takes greater sector positions and so may be more volatile. We currently limit ourselves to how much we hold in such "maximiser" funds but the enhanced yield of 6-7% makes it attractive for our Income portfolios.
Stewart Investors Asia Pacific Sustainability	Growth Portfolios	This fund gives exposure to large and mid-sized high quality companies which are positioned to benefit from, and contribute to, sustainable development in Asia. It is focused on investing in companies which are well positioned to deliver positive long-term returns throughout difficult market environments. It uses the UN inequality-adjusted Human Development Index to aid asset allocation and so invests in companies of countries which are likely to have a low ecological footprint. It has a strong bias to Technology and Healthcare, which are two of our key themes.
TB Evenlode Income	Growth Portfolios 3-6 Only	This fund focuses on sustainable real dividend growth from companies with high returns on capital and strong free cash-flow, such as consumer durables which tend to be more defensive in nature. It also invests in small-mid sized companies which are benefitting from technological change. We see this as a relatively core and steady UK fund, it tends to protect our portfolios during times of broad market falls (given some of its defensive holdings), but can also lag during periods of strong growth. Given its defensive and income bias we use this fund in lower-medium risk portfolios.
Threadneedle US Equity Income	Income Portfolios	This Fund aims to provide income combined with growth over the long term, with the yield higher than the S&P 500 Index. It selects companies that exhibit above average income generation potential and may be chosen from any sector but, given its income focus, tends to be overweight Financials and Industrials, and underweight Technology and Healthcare. Its attractive yield relative to the wider US market means we use it as one of our US equity funds for our Income portfolios.
TM RWC UK Equity Income	All Portfolios	This fund provides exposure to the more cyclical sectors of the UK market, such as Financials and Materials, where we expect outperformance given their low valuations and rising inflation. The long-term decline in interest rates has led to many of the more cyclical and value companies to fall out of favour and trade on attractive valuations. The team managing this fund are one of the most experienced in this field and so we are backing them to add significant performance to our portfolios as / when this style becomes more favourable once again. The attractive dividend yields add to its appeal.

HARDY MANAGED PORTFOLIOS HOLDINGS REPORT

FUND NAME	HELD IN PORTFOLIOS:	WHY WE HOLD IT
Trium ESG Emissions Impact	Growth Portfolios	This long-short market neutral fund is managed by a small specialist team and invests in companies which are looking to transition to becoming more sustainable by reducing their carbon footprint and environmental impact. It capitalises on the global drive to reduce greenhouse gas emissions and the regulatory enforcement of this trend.
Vanguard Global Emerging Markets	Growth Portfolios	An equal blend of 3 different managers: Baillie Gifford (for its growth expertise), Oaktree (for a core blend style) and Pzena (a value and contrarian manager). This therefore give us access to three experienced managers which we would not normally get access to, and the broad diversification makes it our core emerging market equity fund.
Vanguard US Treasury Bonds ETF	All Portfolios	This is a low cost passive fund which aims to track the performance of US Treasury bonds. Even though we believe bonds are becoming more volatile, the fund is held to provide diversification and potential upside if / when equities are falling.

MEET THE TEAM

Investment Team:

Our investment team has over 80 years market experience, spanning four decades - **dedicated to you.**

Keith Edwards
CEO & Lead Investment Manager

Julian Menges
Head of Strategy

Jonathan Smith
Head of Research

Anna Saunders
Research Analyst

Will De Baer
Chartered Wealth Manager

James O'Hara
Junior Investment Manager

Relationship support:

If you would like to know more about our services please contact Matt Cheek.

Matthew Cheek
Managing Director & Relationship Manager

Tel: 07917 080361

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IMPORTANT INFORMATION

What you should know about investment past performance

You should be aware that past performance is not an indication of future performance, the value of investments and the income derived from them may fluctuate and you may not receive back the amount you originally invested.

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