Cantab
ASSET MANAGEMENT

# Cantab 'Defensive' Portfolio

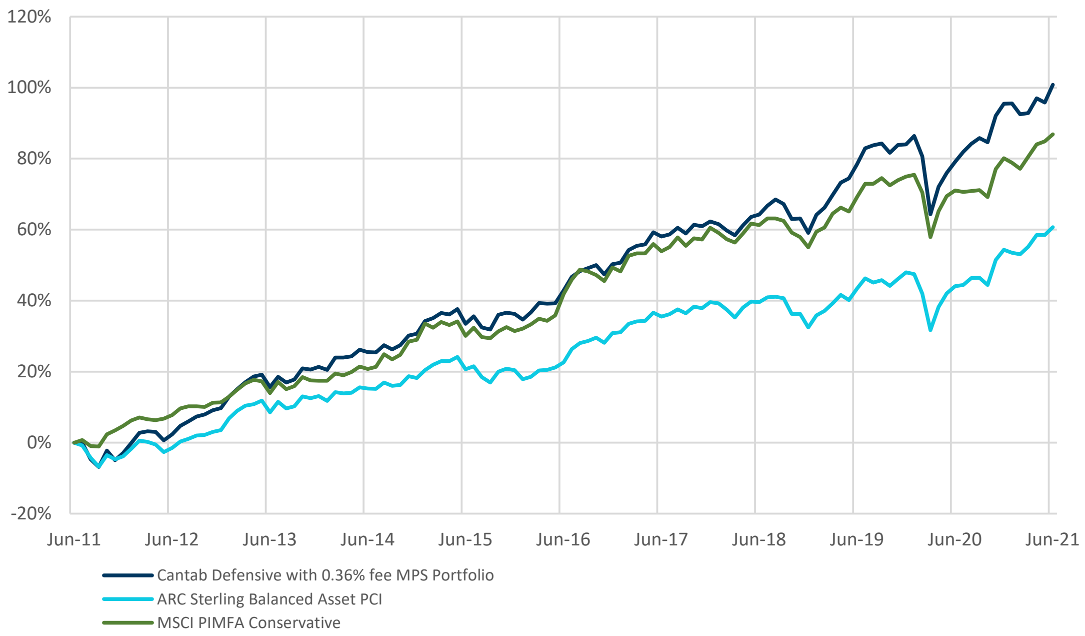
**July 2021**

**All data as at 30 June 2021**

## Portfolio Objective

Defensive portfolios are mainly invested in loans to governments and larger companies but may include some holdings in UK and overseas equities. Typical long-term asset allocation of 35% equities, 65% in assets such as fixed interest, property and alternatives.

## Cumulative Performance



## Discrete Performance

| Year | YTD | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Cantab 'Defensive' (%)** | 2.7 | 6.2 | 15.7 | -2.0 | 8.0 | 10.3 | 4.3 | 7.7 | 10.6 | 12.9 | 0.2 | 11.2 |
| **MSCI PIMFA Conservative (%)** | 3.7 | 3.0 | 12.9 | -3.4 | 7.5 | 13.6 | 1.9 | 9.8 | 5.5 | 6.4 | | |
| **ARC Sterling Balanced Asset (%)** | 4.1 | 11.7 | 11.7 | -5.1 | 6.7 | 8.6 | 1.9 | 4.5 | 9.2 | 7.7 | -2.9 | 9.8 |

ARC data for the most recent quarter is based on estimates and is subject to change

## Market Commentary

Markets were relatively calm in June, as equity markets in all geographies except the UK inched up. Bonds likewise rallied, with longer dated developed market prices recovering most strongly following weakness earlier in the year. This marked a partial shift in market focus from concerns around inflationary pressure and tightening monetary policy. The strong rotation from long duration 'growth' assets into more cyclical sectors continued to unwind, with investors seemingly comfortable with Central Banks' assessment of future inflation as 'transitory'.

The United States led the way in June, as the MSCI US index rose 5.48%. The Federal Reserve's suggestion of rate rises and potentially slowing its asset purchase programme was relatively well received by investors in both equities and bonds. While it triggered short term rotations, major indicators of market sentiment such as the volatility index, implied inflation from inflation-linked government bonds, and equity futures signalled calm. US jobs data aided the overall economic outlook, as the US added 559,000 jobs in May and an expected further 690,000 in June, taking the unemployment rate to 5.7%. President Biden also initiated a much-debated $1 trillion infrastructure spending bill, which gained bipartisan support. The bill focuses on sustainable and 'real' infrastructure, such as roads and bridges, and is seen as a potential stimulus to aid the recovery from the coronavirus pandemic. The Democrats will likely face stronger opposition to a much larger $4 trillion 'social' infrastructure spending bill proposed recently, which will focus on education, healthcare, and social welfare initiatives. Such a combination of fiscal stimulus and a tight labour market has traditionally been an inflationary force, and so informs Federal Reserve policy on interest rate rises.

The MSCI Asia Pacific ex-Japan index rose 1.42% on the month. China signalled that it will release its reserves to keep commodity prices from spiralling out of control, as factories recorded increasingly fast rises in raw material prices leading into June. Coal, copper, aluminium, zinc, and iron ore in particular are viewed as strategically important to the Chinese economy, and prices declined through the month as announcements on various commodities were revealed. However, prices rebounded somewhat in copper, aluminium and other metals when the State Reserve Bureau announced the sale of less than expected quantities to market. This episode illustrates that commodity markets are sensitive to government policy, and market dynamics are often impacted as much by geopolitics and strategy as by industrial supply and demand.

### Launch Date
31 March 2009

### Benchmarks
MSCI PIMFA Conservative
ARC Sterling Balanced Asset

### Investment Team
David Saunderson
Dr Jeremy Davis
Leah Bramwell

### Platforms
Managed Portfolio Service available on Aviva, Novia, Standard Life and Transact

### Annual Yield
2.01% (historic)

### Annual Volatility
6.55% (since inception)

### Charges
Cantab charge 0.36% (no VAT)
Average fund fee/OCF 0.65%
Relevant platform charge

### Rebalancing Strategy
Monthly rebalancing
0.5% tolerance per holding (platform-permitting)

### Currency
£ GBP

FT
FINANCIAL TIMES

Cantab Asset Management listed in first place

*FT Private Client Wealth Management Guide 2017*

Cantab Asset Management's Balanced portfolio had the best 5 year performance out of 44 Wealth Managers and Private Banks.

RISK RATING 4 defaqto

defaqto EXPERT RATED ★★★★★ DFM MPS on Platform 2021

3D 2021 CANTAB ASSET MANAGEMENT LTD AWARDED BY ARC

European equities edged up this month, gaining 0.49%. June provided a slew of positive data for the European economy, as the continent continued to seek a return to normality. Encouraging statistics emerged in travel, household spending, and employment, with some measures moving back towards pre-pandemic levels. In the financial economy, bond yields remained low, limiting borrowing costs to deal with the strains caused by Covid-19. Greece issued 5-year bonds at close to 0% yield in the month, underscoring investor's confidence that the European Central Bank will act to prevent credit crises in weaker nations. During the heights of the Eurozone crisis in 2012, yields of the same 5-year bond peaked around 60% and as recently as 2015 topped out above 30%, as investors believed the Greek government was on the verge of default. Now, only Italy has positive, albeit only nominally above zero, yields on its 5-year bond. While this enables European nations to borrow cheaply to combat the pandemic, it has also caused an explosion of debt, and many formerly distressed economies have government debt levels in excess of 100% of GDP.

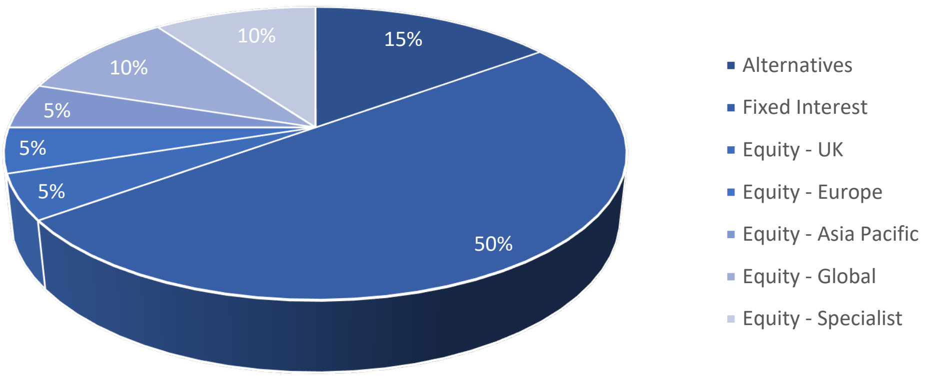
The UK was the only equity market in negative territory, losing 0.40% over the month. The UK's housing market continued to grow in June, registering the fastest price growth figures for 17 years, as buyers sought to complete purchases before the end of the pandemic stamp duty suspension. The Bank of England signalled that inflation was likely to run above 3% for a short period but said that it wouldn't raise interest rates pre-emptively. Departing BoE Chief Economist Andy Haldane warned that inflation would near 4% by the end of the year, posing policy problems not just for monetary but also political and fiscal policymakers too. Even so, British business looks set to capitalize on the country's rapid vaccination programme as all social distancing rules are set to be removed on July 19, according to incoming Health Secretary Sajid Javid.

Japanese equities performed well, with the MSCI Japan index up 2.15%. However, corporate Japan continued to grapple with incursions by activist investors. Toshiba's chairman, Osamu Nagayama, was removed from the position by shareholders after an independent inquiry was published by lawyers detailing the links between Toshiba's board, the country's $1.6 trillion pension fund, and its Ministry of the Economy, Trade, and Industry. The scandal has even drawn in Prime Minister Yoshihide Suga, who was receiving updates on efforts to keep members of Toshiba's board in place, against shareholder resolutions to remove them. The previous head of the pension fund allegedly used his influence to prevent Harvard's endowment fund from backing key proposals to remove board members, instead securing an abstention from the US university. This episode highlights the ongoing corporate governance changes afoot in Japan, as previously the re-election of such a well-connected and respected business leader would have been customary.

The MSCI Emerging Markets index rose 1.66% in June. Many Emerging Market central banks began tightening monetary policy, increasing interest rates in order to cool down overheating economies. Countries such as Brazil and Russia have benefitted from sharply rising commodity prices and are among those seeking to raise interest rates.  These economies face a potential double hit if the reflation trades in commodities reverse and US yields rise. There is also a danger that the lagging vaccination rates in emerging markets could slow or even derail any recovery. Growth in advanced economies is above that of emerging markets since the beginning of the pandemic, widening the gap between those who have the capacity to deal with the virus both economically and epidemiologically, and those who do not have capacity.

As always, Cantab recommends diversified portfolios across geographies and asset classes to seek returns and mitigate risk.

## Asset Allocation



Risks: As with all equity-based and bond-based investments, the value and the income therefrom can fall as well as rise and you may not get back all the money that you invested. The value of overseas securities will be influenced by the rate of exchange which is used to convert these to sterling.  This should therefore be viewed as a medium to long-term investment.  Past performance is not a guide to the future.  Please be aware that if you decide to cancel, and in the meantime the value of your investment has fallen, you may not receive back the full amount you invested.

While recommended investment transactions remain pending, investment markets may rise or fall so there is potential for loss of income or growth.  Further, if you cancel your application during a cooling off period, you will receive back the lesser of your application amount and its market value.

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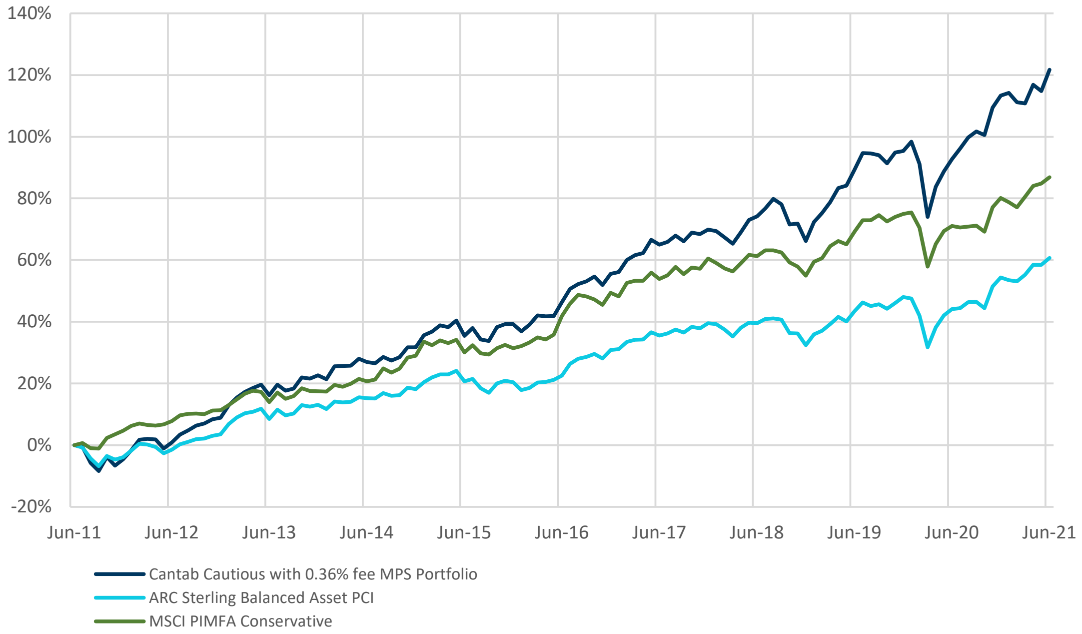
# Cantab 'Cautious' Portfolio

**July 2021**
**All data as at 30 June 2021**

## Portfolio Objective

Cautious portfolios include holdings in UK and overseas equities, together with loans to governments and larger companies. Typical long-term asset allocation of 45% equities, 55% in assets such as fixed interest, property and alternatives.

## Cumulative Performance



## Discrete Performance

| Year | YTD | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Cantab 'Cautious' (%)** | 3.9 | 9.2 | 17.6 | -2.2 | 9.2 | 11.8 | 5.7 | 7.4 | 12.6 | 14.1 | -1.6 | 13.3 |
| **MSCI PIMFA Conservative (%)** | 3.7 | 3.0 | 12.9 | -3.4 | 7.5 | 13.6 | 1.9 | 9.8 | 5.5 | 6.4 | | |
| **ARC Sterling Balanced Asset (%)** | 4.1 | 11.7 | 11.7 | -5.1 | 6.7 | 8.6 | 1.9 | 4.5 | 9.2 | 7.7 | -2.9 | 9.8 |

ARC data for the most recent quarter is based on estimates and is subject to change

## Market Commentary

Markets were relatively calm in June, as equity markets in all geographies except the UK inched up. Bonds likewise rallied, with longer dated developed market prices recovering most strongly following weakness earlier in the year. This marked a partial shift in market focus from concerns around inflationary pressure and tightening monetary policy. The strong rotation from long duration 'growth' assets into more cyclical sectors continued to unwind, with investors seemingly comfortable with Central Banks' assessment of future inflation as 'transitory'.

The United States led the way in June, as the MSCI US index rose 5.48%. The Federal Reserve's suggestion of rate rises and potentially slowing its asset purchase programme was relatively well received by investors in both equities and bonds. While it triggered short term rotations, major indicators of market sentiment such as the volatility index, implied inflation from inflation-linked government bonds, and equity futures signalled calm. US jobs data aided the overall economic outlook, as the US added 559,000 jobs in May and an expected further 690,000 in June, taking the unemployment rate to 5.7%. President Biden also initiated a much-debated $1 trillion infrastructure spending bill, which gained bipartisan support. The bill focuses on sustainable and 'real' infrastructure, such as roads and bridges, and is seen as a potential stimulus to aid the recovery from the coronavirus pandemic. The Democrats will likely face stronger opposition to a much larger $4 trillion 'social' infrastructure spending bill proposed recently, which will focus on education, healthcare, and social welfare initiatives. Such a combination of fiscal stimulus and a tight labour market has traditionally been an inflationary force, and so informs Federal Reserve policy on interest rate rises.

The MSCI Asia Pacific ex-Japan index rose 1.42% on the month. China signalled that it will release its reserves to keep commodity prices from spiralling out of control, as factories recorded increasingly fast rises in raw material prices leading into June. Coal, copper, aluminium, zinc, and iron ore in particular are viewed as strategically important to the Chinese economy, and prices declined through the month as announcements on various commodities were revealed. However, prices rebounded somewhat in copper, aluminium and other metals when the State Reserve Bureau announced the sale of less than expected quantities to market. This episode illustrates that commodity markets are sensitive to government policy, and market dynamics are often impacted as much by geopolitics and strategy as by industrial supply and demand.

### Launch Date
31 December 2008

### Benchmarks
MSCI PIMFA Conservative
ARC Sterling Balanced Asset

### Investment Team
David Saunderson
Dr Jeremy Davis
Leah Bramwell

### Platforms
Managed Portfolio Service available on Aviva, Novia, Standard Life and Transact

### Annual Yield
1.69% (historic)

### Annual Volatility
7.37% (since inception)

### Charges
Cantab charge 0.36% (no VAT)
Average fund fee/OCF 0.66%
Relevant platform charge

### Rebalancing Strategy
Monthly rebalancing
0.5% tolerance per holding (platform-permitting)

### Currency
£ GBP


FT
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Cantab Asset Management listed in first place

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RISK RATING
4
defaqto

defaqto
EXPERT RATED
★★★★★
DFM MPS on Platform 2021

3D
2021
CANTAB ASSET MANAGEMENT LTD
AWARDED BY ARC

European equities edged up this month, gaining 0.49%. June provided a slew of positive data for the European economy, as the continent continued to seek a return to normality. Encouraging statistics emerged in travel, household spending, and employment, with some measures moving back towards pre-pandemic levels. In the financial economy, bond yields remained low, limiting borrowing costs to deal with the strains caused by Covid-19. Greece issued 5-year bonds at close to 0% yield in the month, underscoring investor's confidence that the European Central Bank will act to prevent credit crises in weaker nations. During the heights of the Eurozone crisis in 2012, yields of the same 5-year bond peaked around 60% and as recently as 2015 topped out above 30%, as investors believed the Greek government was on the verge of default. Now, only Italy has positive, albeit only nominally above zero, yields on its 5-year bond. While this enables European nations to borrow cheaply to combat the pandemic, it has also caused an explosion of debt, and many formerly distressed economies have government debt levels in excess of 100% of GDP.

The UK was the only equity market in negative territory, losing 0.40% over the month. The UK's housing market continued to grow in June, registering the fastest price growth figures for 17 years, as buyers sought to complete purchases before the end of the pandemic stamp duty suspension. The Bank of England signalled that inflation was likely to run above 3% for a short period but said that it wouldn't raise interest rates pre-emptively. Departing BoE Chief Economist Andy Haldane warned that inflation would near 4% by the end of the year, posing policy problems not just for monetary but also political and fiscal policymakers too. Even so, British business looks set to capitalize on the country's rapid vaccination programme as all social distancing rules are set to be removed on July 19, according to incoming Health Secretary Sajid Javid.

Japanese equities performed well, with the MSCI Japan index up 2.15%. However, corporate Japan continued to grapple with incursions by activist investors. Toshiba's chairman, Osamu Nagayama, was removed from the position by shareholders after an independent inquiry was published by lawyers detailing the links between Toshiba's board, the country's $1.6 trillion pension fund, and its Ministry of the Economy, Trade, and Industry. The scandal has even drawn in Prime Minister Yoshihide Suga, who was receiving updates on efforts to keep members of Toshiba's board in place, against shareholder resolutions to remove them. The previous head of the pension fund allegedly used his influence to prevent Harvard's endowment fund from backing key proposals to remove board members, instead securing an abstention from the US university. This episode highlights the ongoing corporate governance changes afoot in Japan, as previously the re-election of such a well-connected and respected business leader would have been customary.

The MSCI Emerging Markets index rose 1.66% in June. Many Emerging Market central banks began tightening monetary policy, increasing interest rates in order to cool down overheating economies. Countries such as Brazil and Russia have benefitted from sharply rising commodity prices and are among those seeking to raise interest rates. These economies face a potential double hit if the reflation trades in commodities reverse and US yields rise. There is also a danger that the lagging vaccination rates in emerging markets could slow or even derail any recovery. Growth in advanced economies is above that of emerging markets since the beginning of the pandemic, widening the gap between those who have the capacity to deal with the virus both economically and epidemiologically, and those who do not have capacity.

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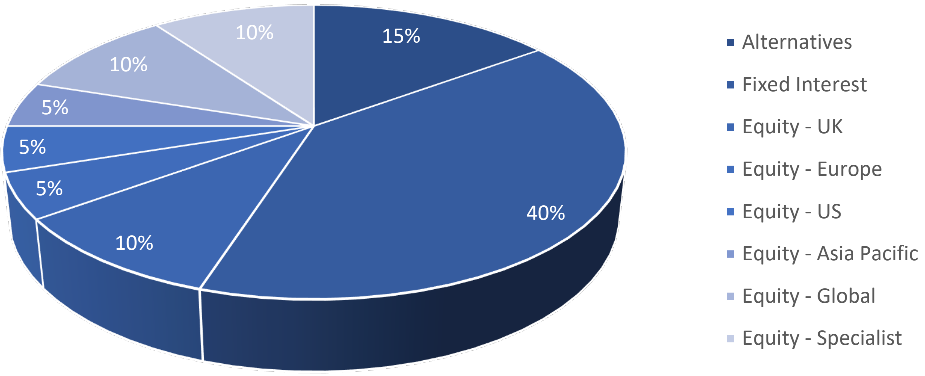
## Asset Allocation



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Cantab
ASSET MANAGEMENT

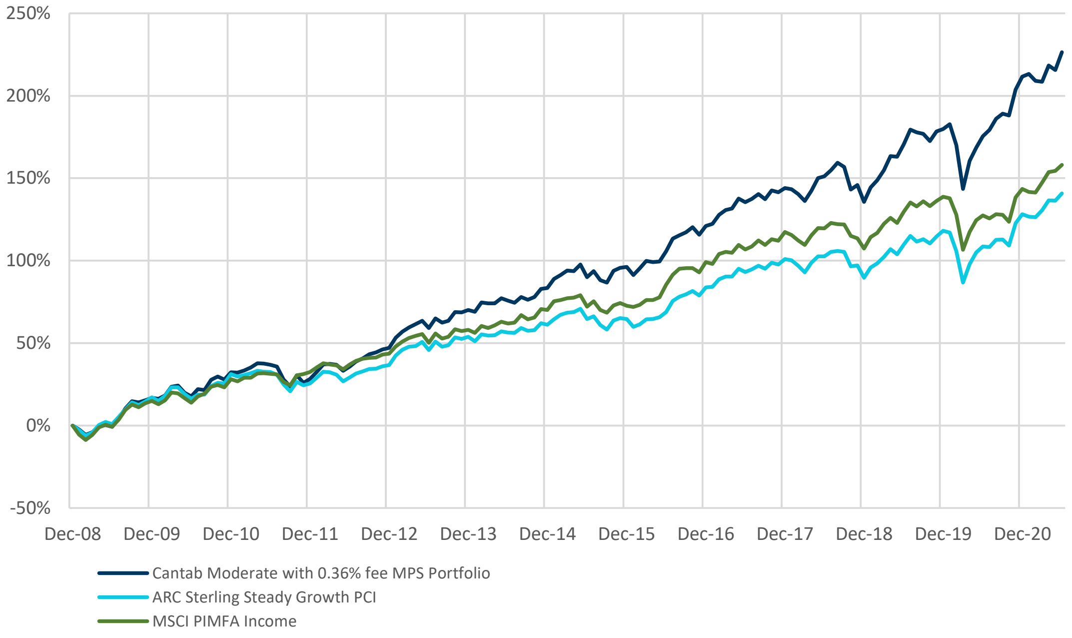
# Cantab 'Moderate' Portfolio

**July 2021**
**All data as at 30 June 2021**

## Portfolio Objective

Moderate portfolios include a substantial holding in UK and overseas equities, in addition to a significant proportion of loans to governments and companies. Typical long-term asset allocation of 60% equities, 40% in assets such as fixed interest, property and alternatives.

## Cumulative Performance



## Discrete Performance

| Year | YTD | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Cantab 'Moderate' (%)** | 4.7 | 11.4 | 18.8 | -3.5 | 10.4 | 12.9 | 7.0 | 7.8 | 15.7 | 14.5 | -2.9 | 13.3 |
| **MSCI PIMFA Income (%)** | 6.0 | 1.9 | 15.2 | -4.6 | 9.2 | 15.3 | 1.5 | 7.7 | 10.0 | 8.3 | 3.5 | 11.5 |
| **ARC Sterling Steady Growth (%)** | 5.6 | 15.0 | 15.0 | -5.6 | 9.4 | 11.6 | 2.3 | 4.7 | 12.5 | 8.9 | -4.2 | 11.9 |

ARC data for the most recent quarter is based on estimates and is subject to change

## Market Commentary

Markets were relatively calm in June, as equity markets in all geographies except the UK inched up. Bonds likewise rallied, with longer dated developed market prices recovering most strongly following weakness earlier in the year. This marked a partial shift in market focus from concerns around inflationary pressure and tightening monetary policy. The strong rotation from long duration 'growth' assets into more cyclical sectors continued to unwind, with investors seemingly comfortable with Central Banks' assessment of future inflation as 'transitory'.

The United States led the way in June, as the MSCI US index rose 5.48%. The Federal Reserve's suggestion of rate rises and potentially slowing its asset purchase programme was relatively well received by investors in both equities and bonds. While it triggered short term rotations, major indicators of market sentiment such as the volatility index, implied inflation from inflation-linked government bonds, and equity futures signalled calm. US jobs data aided the overall economic outlook, as the US added 559,000 jobs in May and an expected further 690,000 in June, taking the unemployment rate to 5.7%. President Biden also initiated a much-debated $1 trillion infrastructure spending bill, which gained bipartisan support. The bill focuses on sustainable and 'real' infrastructure, such as roads and bridges, and is seen as a potential stimulus to aid the recovery from the coronavirus pandemic. The Democrats will likely face stronger opposition to a much larger $4 trillion 'social' infrastructure spending bill proposed recently, which will focus on education, healthcare, and social welfare initiatives. Such a combination of fiscal stimulus and a tight labour market has traditionally been an inflationary force, and so informs Federal Reserve policy on interest rate rises.

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### Launch Date

31 December 2008

### Benchmarks

MSCI PIMFA Income
ARC Sterling Steady Growth

### Investment Team

David Saunderson
Dr Jeremy Davis
Leah Bramwell

### Platforms

Managed Portfolio Service available on Aviva, Novia, Standard Life and Transact

### Annual Yield

1.28% (historic)

### Annual Volatility

8.37% (since inception)

### Charges

Cantab charge 0.36% (no VAT)
Average fund fee/OCF 0.75%
Relevant platform charge

### Rebalancing Strategy

Monthly rebalancing
0.5% tolerance per holding (platform-permitting)

### Currency

£ GBP

FT
FINANCIAL TIMES

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RISK RATING 5 defaqto

defaqto EXPERT RATED ★★★★★ DFM MPS on Platform 2021

3D 2021 CANTAB ASSET MANAGEMENT LTD AWARDED BY ARC

European equities edged up this month, gaining 0.49%. June provided a slew of positive data for the European economy, as the continent continued to seek a return to normality. Encouraging statistics emerged in travel, household spending, and employment, with some measures moving back towards pre-pandemic levels. In the financial economy, bond yields remained low, limiting borrowing costs to deal with the strains caused by Covid-19. Greece issued 5-year bonds at close to 0% yield in the month, underscoring investor's confidence that the European Central Bank will act to prevent credit crises in weaker nations. During the heights of the Eurozone crisis in 2012, yields of the same 5-year bond peaked around 60% and as recently as 2015 topped out above 30%, as investors believed the Greek government was on the verge of default. Now, only Italy has positive, albeit only nominally above zero, yields on its 5-year bond. While this enables European nations to borrow cheaply to combat the pandemic, it has also caused an explosion of debt, and many formerly distressed economies have government debt levels in excess of 100% of GDP.

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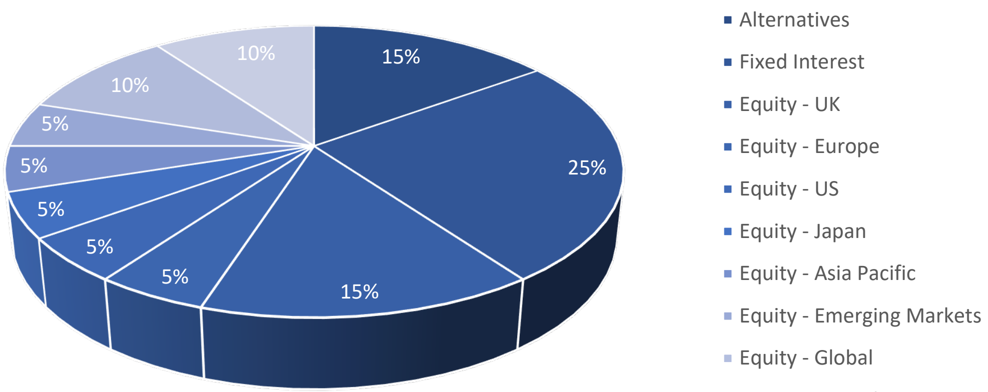
## Asset Allocation



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Cantab
ASSET MANAGEMENT

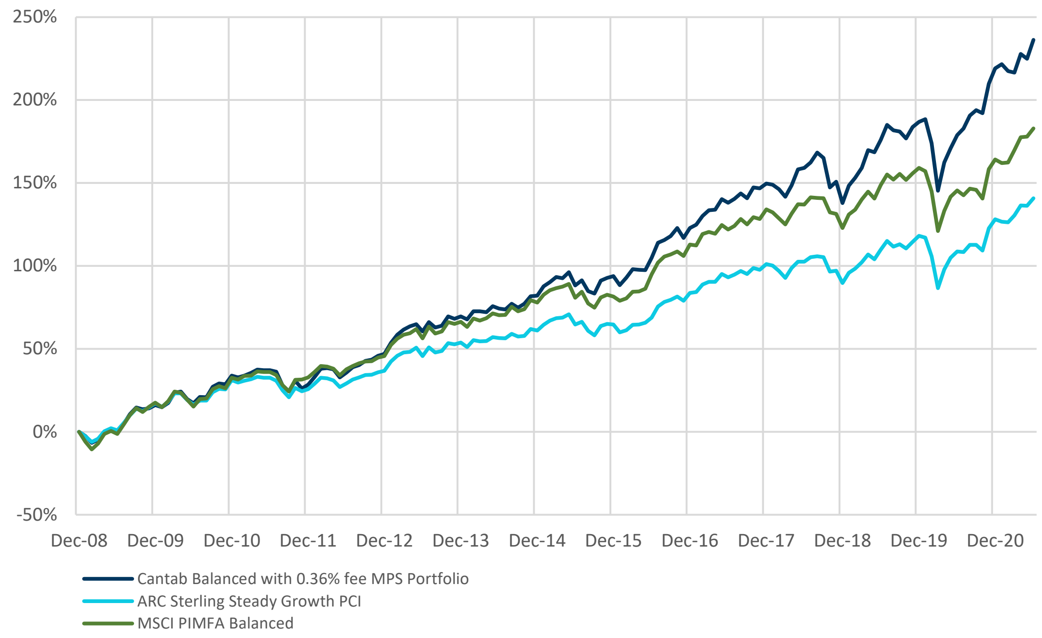
# Cantab 'Balanced' Portfolio

**July 2021**
**All data as at 30 June 2021**

## Portfolio Objective

Balanced portfolios typically contain exposure to major overseas markets, with some exposure to the shares of companies in higher risk developing countries and emerging markets. Typical long-term asset allocation of 75% equities, 25% in assets such as fixed interest, property and alternatives.

## Cumulative Performance



## Discrete Performance

| Year | YTD | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Cantab 'Balanced' (%)** | 5.4 | 11.3 | 20.6 | -4.7 | 12.0 | 15.1 | 6.6 | 7.4 | 15.4 | 14.5 | -4.2 | 15.3 |
| **MSCI PIMFA Balanced (%)** | 7.1 | 2.0 | 16.2 | -4.8 | 9.9 | 17.4 | 2.0 | 6.9 | 14.2 | 9.6 | 0.2 | 12.7 |
| **ARC Sterling Steady Growth (%)** | 5.6 | 15.0 | 15.0 | -5.6 | 9.4 | 11.6 | 2.3 | 4.7 | 12.5 | 8.9 | -4.2 | 11.9 |

ARC data for the most recent quarter is based on estimates and is subject to change

## Market Commentary

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**Launch Date**
31 December 2008

**Benchmarks**
MSCI PIMFA Balanced
ARC Sterling Steady Growth

**Investment Team**
David Saunderson
Dr Jeremy Davis
Leah Bramwell

**Platforms**
Managed Portfolio Service available on Aviva, Novia, Standard Life and Transact

**Annual Yield**
1.22% (historic)

**Annual Volatility**
9.06% (since inception)

**Charges**
Cantab charge 0.36% (no VAT)
Average fund fee/OCF 0.77%
Relevant platform charge

**Rebalancing Strategy**
Monthly rebalancing
0.5% tolerance per holding (platform-permitting)

**Currency**
£ GBP

FT
FINANCIAL TIMES

Cantab Asset Management listed in first place

*FT Private Client Wealth Management Guide 2017*

Cantab Asset Management's Balanced portfolio had the best 5 year performance out of 44 Wealth Managers and Private Banks.

RISK RATING
6
defaqto

defaqto
EXPERT RATED
★★★★★
DFM MPS on Platform 2021

3D
2021
CANTAB ASSET MANAGEMENT LTD
AWARDED BY ARC

European equities edged up this month, gaining 0.49%. June provided a slew of positive data for the European economy, as the continent continued to seek a return to normality. Encouraging statistics emerged in travel, household spending, and employment, with some measures moving back towards pre-pandemic levels. In the financial economy, bond yields remained low, limiting borrowing costs to deal with the strains caused by Covid-19. Greece issued 5-year bonds at close to 0% yield in the month, underscoring investor's confidence that the European Central Bank will act to prevent credit crises in weaker nations. During the heights of the Eurozone crisis in 2012, yields of the same 5-year bond peaked around 60% and as recently as 2015 topped out above 30%, as investors believed the Greek government was on the verge of default. Now, only Italy has positive, albeit only nominally above zero, yields on its 5-year bond. While this enables European nations to borrow cheaply to combat the pandemic, it has also caused an explosion of debt, and many formerly distressed economies have government debt levels in excess of 100% of GDP.

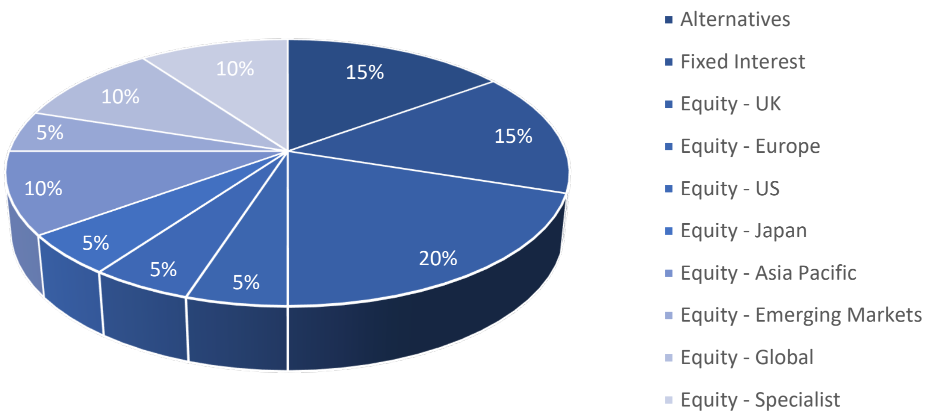
The UK was the only equity market in negative territory, losing 0.40% over the month. The UK's housing market continued to grow in June, registering the fastest price growth figures for 17 years, as buyers sought to complete purchases before the end of the pandemic stamp duty suspension. The Bank of England signalled that inflation was likely to run above 3% for a short period but said that it wouldn't raise interest rates pre-emptively. Departing BoE Chief Economist Andy Haldane warned that inflation would near 4% by the end of the year, posing policy problems not just for monetary but also political and fiscal policymakers too. Even so, British business looks set to capitalize on the country's rapid vaccination programme as all social distancing rules are set to be removed on July 19, according to incoming Health Secretary Sajid Javid.

Japanese equities performed well, with the MSCI Japan index up 2.15%. However, corporate Japan continued to grapple with incursions by activist investors. Toshiba's chairman, Osamu Nagayama, was removed from the position by shareholders after an independent inquiry was published by lawyers detailing the links between Toshiba's board, the country's $1.6 trillion pension fund, and its Ministry of the Economy, Trade, and Industry. The scandal has even drawn in Prime Minister Yoshihide Suga, who was receiving updates on efforts to keep members of Toshiba's board in place, against shareholder resolutions to remove them. The previous head of the pension fund allegedly used his influence to prevent Harvard's endowment fund from backing key proposals to remove board members, instead securing an abstention from the US university. This episode highlights the ongoing corporate governance changes afoot in Japan, as previously the re-election of such a well-connected and respected business leader would have been customary.

The MSCI Emerging Markets index rose 1.66% in June. Many Emerging Market central banks began tightening monetary policy, increasing interest rates in order to cool down overheating economies. Countries such as Brazil and Russia have benefitted from sharply rising commodity prices and are among those seeking to raise interest rates.  These economies face a potential double hit if the reflation trades in commodities reverse and US yields rise. There is also a danger that the lagging vaccination rates in emerging markets could slow or even derail any recovery. Growth in advanced economies is above that of emerging markets since the beginning of the pandemic, widening the gap between those who have the capacity to deal with the virus both economically and epidemiologically, and those who do not have capacity.

As always, Cantab recommends diversified portfolios across geographies and asset classes to seek returns and mitigate risk.

## Asset Allocation



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Cantab
ASSET MANAGEMENT

# Cantab 'Adventurous' Portfolio

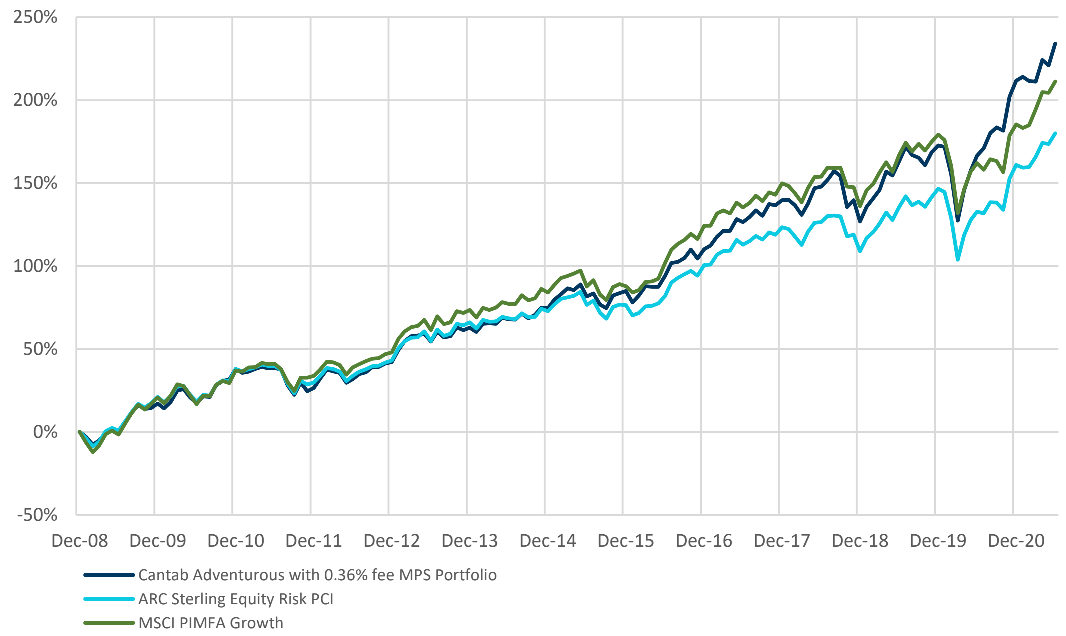
**July 2021**

**All data as at 30 June 2021**

## Portfolio Objective

Adventurous portfolios typically contain a substantial exposure to major overseas markets, with some exposure to the shares of companies in higher risk developing countries and emerging markets. Typical long-term asset allocation of 90% equuties, 10% in assets such as fixed interest, property and alternatives.

## Cumulative Performance



## Discrete Performance

| Year | YTD | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Cantab 'Adventurous' (%)** | 7.2 | 14.3 | 20.2 | -5.3 | 14.0 | 13.8 | 6.0 | 7.3 | 14.5 | 12.4 | -8.3 | 17.9 |
| **MSCI PIMFA Growth (%)** | 9.0 | 2.2 | 18.2 | -5.5 | 11.4 | 19.4 | 2.1 | 6.1 | 17.2 | 10.6 | -2.5 | 13.6 |
| **ARC Sterling Equity Risk (%)** | 7.3 | 18.0 | 18.0 | -6.5 | 11.4 | 13.7 | 2.1 | 4.1 | 16.1 | 10.1 | -5.9 | 14.0 |

ARC data for the most recent quarter is based on estimates and is subject to change

## Market Commentary

Markets were relatively calm in June, as equity markets in all geographies except the UK inched up. Bonds likewise rallied, with longer dated developed market prices recovering most strongly following weakness earlier in the year. This marked a partial shift in market focus from concerns around inflationary pressure and tightening monetary policy. The strong rotation from long duration 'growth' assets into more cyclical sectors continued to unwind, with investors seemingly comfortable with Central Banks' assessment of future inflation as 'transitory'.

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**Launch Date**
31 December 2008

**Benchmarks**
MSCI PIMFA Growth
ARC Sterling Equity Risk

**Investment Team**
David Saunderson
Dr Jeremy Davis
Leah Bramwell

**Platforms**
Managed Portfolio Service available on Aviva, Novia, Standard Life and Transact

**Annual Yield**
0.99% (historic)

**Annual Volatility**
10.18% (since inception)

**Charges**
Cantab charge 0.36% (no VAT)
Average fund fee/OCF 0.83%
Relevant platform charge

**Rebalancing Strategy**
Monthly rebalancing
0.5% tolerance per holding (platform-permitting)

**Currency**
£ GBP


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FINANCIAL TIMES

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RISK RATING 7 defaqto

defaqto EXPERT RATED ★★★★★ DFM MPS on Platform 2021

3D 2021 CANTAB ASSET MANAGEMENT LTD AWARDED BY ARC

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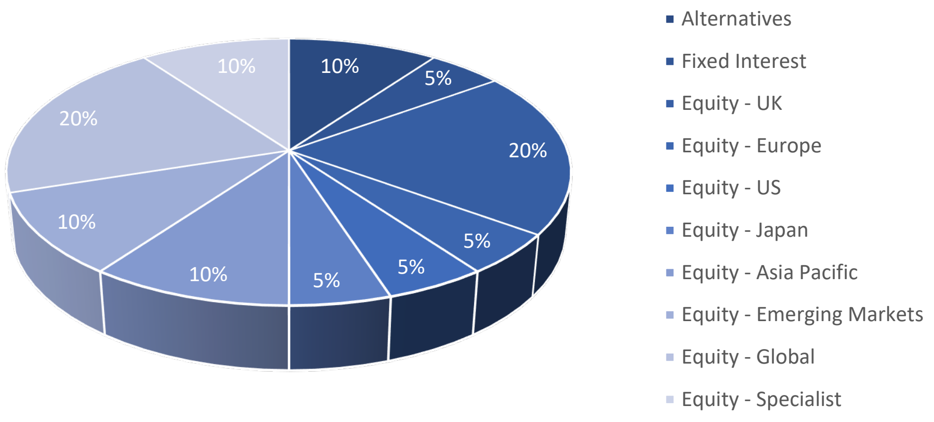

Risks: As with all equity-based and bond-based investments, the value and the income therefrom can fall as well as rise and you may not get back all the money that you invested. The value of overseas securities will be influenced by the rate of exchange which is used to convert these to sterling.  This should therefore be viewed as a medium to long-term investment.  Past performance is not a guide to the future.  Please be aware that if you decide to cancel, and in the meantime the value of your investment has fallen, you may not receive back the full amount you invested.

While recommended investment transactions remain pending, investment markets may rise or fall so there is potential for loss of income or growth.  Further, if you cancel your application during a cooling off period, you will receive back the lesser of your application amount and its market value.

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