progeny

Tempo 60 Portfolio Factsheet

01/10/2022

Risk Profile Description

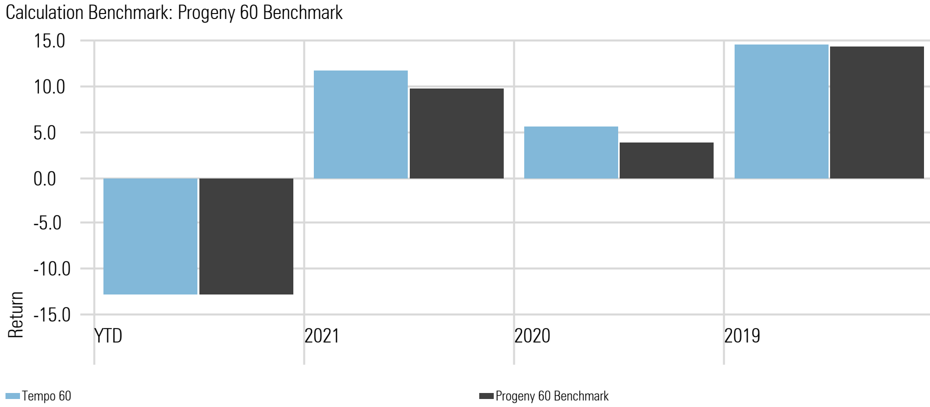
The portfolio aims to have 60% exposure to equity and property assets and 40% exposure to Fixed Interest securities. Over the medium to longer term, the 60% exposure to risks and expected rewards of equity ownership should help to deliver moderate, inflation-plus returns. The equity exposure is invested in both UK equities and overseas equity in both developed and emerging markets. The equity risk is balanced by a 40% allocation to high-quality bonds and investment grade bonds.

Cumulative Tempo 60 returns of £100k invested

Time Period: Since Common Inception (01/10/2016) to 30/09/2022

Calendar Year Returns

Calculation Benchmark: Progeny 60 Benchmark



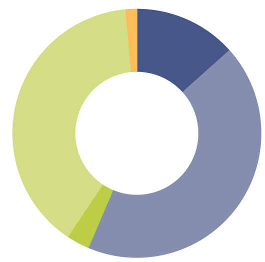
Tempo 60 Performance Metrics	Portfolio	Bmark
Max Drawdown	-18.80	-18.97
Best Month %	6.34	6.39
Worst Month %	-8.33	-8.88
Best Quarter	11.23	10.21
Worst Quarter %	-11.74	-12.40

Tempo 60 - Portfolio Information

Yield	1.39%
OCF	0.38%
Transaction Charge	0.06%
Investment Management Fee	0.05% + VAT
Rebalance	Quarterly
Benchmark	Progeny 60 Benchmark*

*Constructed from MSCI and ICE BofA indices

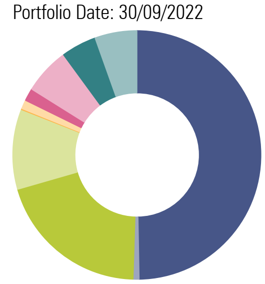
Asset Allocation - Tempo 60



	%
UK Equity	13.4
International Equity	43.0
Commercial Property	3.0
Fixed Interest / Bonds	39.2
Cash	1.4
Total	**100.0**

Equity Regional Exposure - Tempo 60

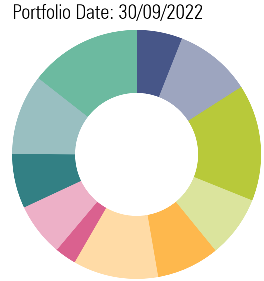
Portfolio Date: 30/09/2022



	%
North America	49.7
Latin America	0.8
United Kingdom	20.1
Europe dev	10.4
Europe emrg	0.1
Africa/Middle East	1.2
Australasia	1.6
Japan	6.0
Asia dev	4.6
Asia emrg	5.5
Total	**100.0**

Equity Sectors (Morningstar) - Tempo 60

Portfolio Date: 30/09/2022



	%
Basic Materials	6.0
Consumer Cyclical	9.9
Financial Services	15.1
Real Estate	8.0
Consumer Defensive	8.2
Healthcare	11.1
Utilities	2.8
Communication Services	6.9
Energy	7.1
Industrials	10.5
Technology	14.4
Total	**100.0**

Portfolio Comments

September has seen some extreme volatility in financial markets, particularly in the UK and we going to look at why markets reacted the way they have over the past few weeks.

Chancellor Kwarteng's mini budget this month was not received well by markets. The long-term cost to the government of funding a surprise higher rate tax cut, saw some investors sell Sterling and UK Government bonds.

This saw Sterling fall to an all-time low against the dollar and created some short-term disfunction in both the currency and the gilt markets. This ultimately led to the Bank of England intervening to buy long-dated gilts to support liability-driven investment funds and defined benefit pension schemes.

Meanwhile on an economic front, the UK is very likely to head into recession (the US has arguably already entered one) and emerge with a K-shaped recovery whereby certain sectors and those at the higher end of income and economic distributions fare relatively better than those at the lower end.

Clearly, higher interest rates will have a direct impact on UK consumers and businesses, further exacerbating an existing cost of living crisis. One positive, however, is that both UK corporates and consumers emerged from covid lockdowns with much healthier balance sheets than pre-pandemic, with a record level of savings balances.

Additionally, the labour market is still tight, with unemployment at historically low levels of 3.6%. These help to offset the impact of generally higher cost of living.

Focussing on growth assets, financial markets are forward-looking discounting machines, i.e. the impact on corporates and their earnings has mostly been baked in and UK valuations are attractive compared to history and peers. What matters more medium-long term is still the actions of the US Federal Reserve and the general global economic backdrop.

In terms of factor performance over the month, unsurprisingly given the volatility, the Quality factor gave one of the best returns, with growth and small cap the worst performing.

Turning to defensive assets, as mentioned, it was a very difficult month for UK Government bonds. However, a lot of bad news appears to be baked into to pricing and on valuation grounds, bonds are looking as attractively priced as they have in many years.

In summary, volatility will remain elevated for some time. For investors, staying diversified and staying invested is important. There is a lot of noise at the moment and it is important to remember the old adage that it is 'time in the markets' not market timing which is important. At times like these, don't let emotions drive investment decisions.

Tempo 60 - Holdings

Holdings	Equity Style Box	Portfolio Weighting %
MGTS Progeny Systematic Equity GBP Acc		60.00
MGTS Progeny Systematic Bond GBP Acc		40.00

Tempo 60 - Underlying Holdings

Holdings	Equity Style Box	Portfolio Weighting %
Vanguard Glb Bd Idx Ins Pl £ H Acc		12.37
HSBC US Multi-Factor Eq Instl A Acc		9.05
Dimensional £InflLnkdIntermDurFI GBP Acc		6.85
abrdn Global Corporate Bond Trckr N Acc		6.39
Vanguard UK Govt Bd Idx Ins Pl £ Acc		6.07
Vanguard Glb Small-Cp Idx Ins Pl £ Acc		5.33
Dimensional Global Value GBP Acc		5.25
HSBC American Index C Acc		5.24
Fidelity Index US P Acc		5.19
Vanguard FTSE UKAllShrIdxUnitTrInsPl£Acc		4.98
Fidelity Idx Sterling Corp Bd P GBP Acc		4.85
Invesco UK Enhanced Index UK Y Acc		4.45
iShares Glb Prpty Secs Eq Idx (UK) D Acc		2.81
Vanguard Em Mkts Stk Idx Ins Pl £ Acc		2.66
Dimensional EM Core Equity Acc		2.42
HSBC European Index Accumulation C		2.10
Vanguard Glb Corp Bd Idx Ins Pl £ H Acc		2.05
abrdn European Equity Enhanced Idx NAcc		1.85
Dimensional UK Value GBP Acc		1.54
Dimensional UK Smlr Coms Acc		1.46
Gbp Cash		1.46
Gbp Cash		1.42
Fidelity Index Japan P Acc		1.23
abrdn Japan Equity Enhanced Index N Acc		1.08
HSBC Pacific Index S Acc		1.03

Composite Benchmark Disclaimer

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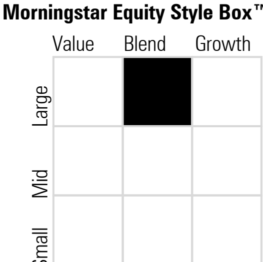
Morningstar Style Box - Tempo 60

Portfolio Date: 30/09/2022

Morningstar Equity Style Box™



Market Cap	%
Market Cap Giant %	36.3
Market Cap Large %	29.4
Market Cap Mid %	24.7
Market Cap Small %	7.9
Market Cap Micro %	1.7

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The model was rebalanced into the MGTS Progeny funds on the 07/03/22 and re-branded at the same time. The risk and objectives of the model have been preserved throughout.

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