progeny

Tempo 80 Portfolio Factsheet

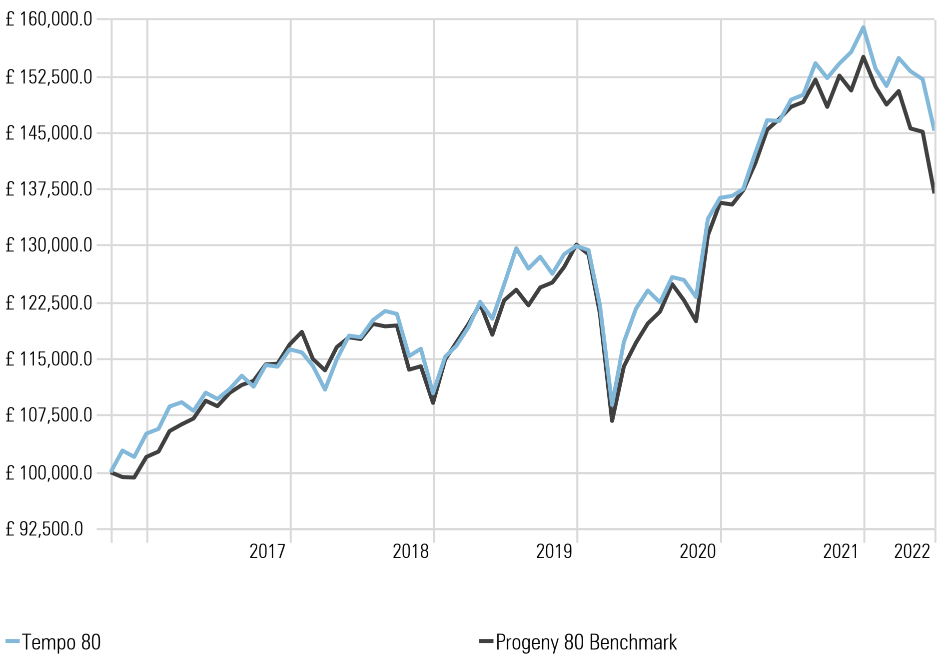
01/07/2022

Risk Profile Description

The portfolio aims to have 80% exposure to equity and property assets and 20% exposure to Fixed Interest securities. Over the medium to longer term, the 80% 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 20% allocation to high-quality bonds and investment grade bonds.

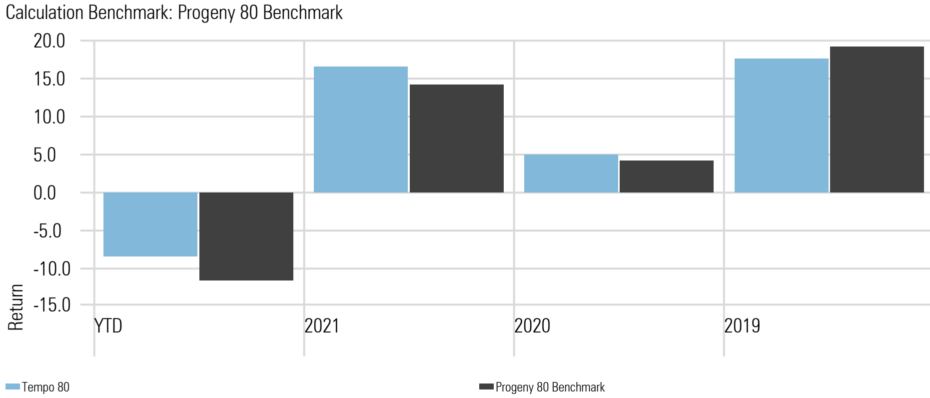
Cumulative Tempo 80 returns of £100k invested

Time Period: Since Common Inception (01/10/2016) to 30/06/2022



Calendar Year Returns

Calculation Benchmark: Progeny 80 Benchmark



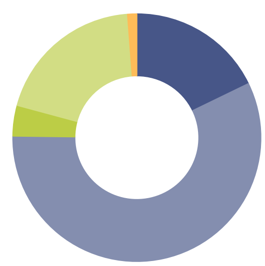
Tempo 80 Performance Metrics	Portfolio	Bmark
Max Drawdown	-24.02	-27.40
Best Month %	8.43	9.49
Worst Month %	-10.84	-11.78
Best Quarter	13.93	12.10
Worst Quarter %	-16.22	-17.96

Tempo 80 - Portfolio Information

Yield	1.45%
OCF	0.40%
Transaction Charge	0.05%
Investment Management Fee	0.05% + VAT
Rebalance	Quarterly
Benchmark	Progeny 80 Benchmark*

*Constructed from MSCI and ICE BofA indices

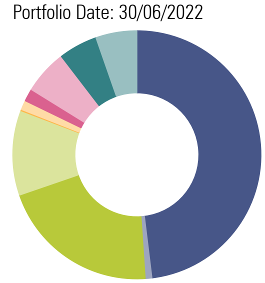
Asset Allocation - Tempo 80



	%
UK Equity	17.8
International Equity	57.4
Commercial Property	4.0
Fixed Interest / Bonds	19.6
Cash	1.2
Total	**100.0**

Equity Regional Exposure - Tempo 80

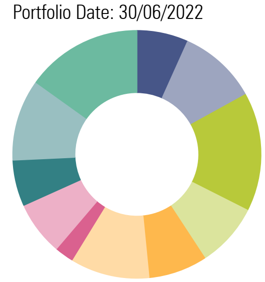
Portfolio Date: 30/06/2022



	%
North America	48.1
Latin America	0.9
United Kingdom	20.8
Europe dev	11.1
Europe emrg	0.2
Africa/Middle East	1.2
Australasia	1.6
Japan	5.8
Asia dev	5.1
Asia emrg	5.3
Total	**100.0**

Equity Sectors (Morningstar) - Tempo 80

Portfolio Date: 30/06/2022



	%
Basic Materials	6.7
Consumer Cyclical	10.3
Financial Services	15.5
Real Estate	8.3
Consumer Defensive	7.7
Healthcare	10.3
Utilities	2.5
Communication Services	7.0
Energy	6.0
Industrials	10.6
Technology	15.1
Total	**100.0**

Portfolio Comments

There have been two constant themes impacting financial markets in the first half of 2022 – inflation and the direction of interest rates. At the end of June, US markets recorded their worst first half performance in more than 50 years, as the Federal Reserve's attempts to curb persistent inflation has led to concerns on how this will impact global growth.

Starting with growth assets, the leading UK market was down by nearly 5% with US and European markets falling by over 7%.

In terms of factor performance over the month, growth stocks were slightly ahead over value. Higher interest rates mean that companies that are going to deliver cash to shareholders soon are more valuable than those whose returns are further in the future. That's why value stocks have been making a comeback recently.

Part of the current noise around inflation is that the Fed kept with the mindset that it will be transitory, meanwhile in reality, the cost of living has been getter higher and higher each month. This has been driven by supply chain problems – put simply demand has overwhelmed shippers' ability to get products to market, resulting in much higher prices.

UK inflation edged up to 9.1% in the year to May – its highest level since 1982. In reaction, the BoE raised the Base Rate to 1.25% with more increases expected to follow. US inflation meanwhile stands at 8.6%, the highest since December 1981. Both the BoE and the Fed have inflation targets of 2%.

The impact of these two major themes has been continued volatility in growth assets. It's also worth noting that a substantial proportion of the total return of stocks over long periods of investing is derived from just a handful of days in those periods. So, the prudent course of action is to remain invested during periods of volatility, rather than jump in and out of the market, otherwise an investor runs the risk of being on the side-lines on days when returns happen to be strongly positive. For example, when the leading US market plunged 21% in the first half of 1970, it promptly reversed those losses to gain 26.5% in the second half.

Turning to defensive assets, UK government and corporate bonds in the UK over the month faced potentially their worst month since 1995. Both the short and long ends of the gilt market have seen a material rise in yields, while corporate bonds have been negatively affected both by rising rates and short-term risk aversion.

In summary, as we move into the second half of the year, the markets are likely to continue to face the same economic issues it did in the first half of 2022. Volatility is likely to continue. However, the key for investors in managing volatility remains a well-diversified portfolio.

Tempo 80 - Holdings

Holdings	Equity Style Box	Portfolio Weighting %
MGTS Progeny Systematic Equity GBP Acc		80.00
MGTS Progeny Systematic Bond GBP Acc		20.00

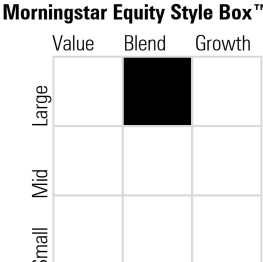
Tempo 80 - Underlying Holdings

Holdings	Equity Style Box	Portfolio Weighting %
HSBC US Multi-Factor Eq Instl A Acc		11.37
Dimensional Global Value GBP Acc		7.18
Vanguard Glb Small-Cp Idx Ins Pl £ Acc		6.92
Vanguard FTSE UKAllShrIdxUnitTrInsPl£Acc		6.83
Fidelity Index US P Acc		6.49
HSBC American Index C Acc		6.45
Invesco UK Enhanced Index UK Y Acc		6.06
Vanguard Glb Bd Idx Ins Pl £ H Acc		5.81
iShares Glb Prpty Secs Eq Idx (UK) D Acc		3.75
Vanguard Em Mkts Stk Idx Ins Pl £ Acc		3.74
Dimensional £InflLnkdIntermDurFI GBP Acc		3.48
Dimensional EM Core Equity Acc		3.25
Vanguard UK Govt Bd Idx Ins Pl £ Acc		3.24
iShares Overseas Corp Bd Idx (UK) D Acc		3.09
HSBC European Index Accumulation C		2.86
Gbp Cash		2.76
abrdn European Equity Enhanced Idx NAcc		2.52
Fidelity Idx Sterling Corp Bd P GBP Acc		2.48
Dimensional UK Value GBP Acc		2.14
Dimensional UK Smlr Coms Acc		2.07
Fidelity Index Japan P Acc		1.61
abrdn Japan Equity Enhanced Index N Acc		1.43
HSBC Pacific Index S Acc		1.36
abrdn Asia Pacific Eq Enh Idx N Acc		1.20
Vanguard Glb Corp Bd Idx Ins Pl £ H Acc		0.96

Morningstar Style Box - Tempo 80

Portfolio Date: 30/06/2022

Morningstar Equity Style Box™



Market Cap	%
Market Cap Giant %	36.0
Market Cap Large %	29.4
Market Cap Mid %	25.4
Market Cap Small %	7.8
Market Cap Micro %	1.5

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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