HFP
Independent Financial Advice and Planning

In association with
BROOKS MACDONALD

Quarterly Portfolio Report
Q1 2023

Enhancing Our Service To You

About the HFP Managed Portfolio Service

The Harrold Financial Planning Managed Portfolio Service aims to source the very best investment solutions that the market can provide. We believe that the best investment solutions involve blending the expertise of active fund management, where we feel an advantage can be gained, with the direct nature of index tracking funds within a single portfolio. The ideal portfolio for our clients will allocate assets from the widest range of asset classes and ensure they mirror the client's risk pro¬le. Once this is established, the portfolio should be regularly rebalanced to adjust to changes in global markets and maintain a consistent level of investment risk. Our desire is to deliver all of this whilst offering our clients the value for money they deserve.

We have given the discretionary fund manager, Brooks Macdonald, the mandate to build these portfolios on our chosen platforms. Designed by Harrold Financial Planning for the benefit of you, our clients, managed by Brooks Macdonald.

Market outlook

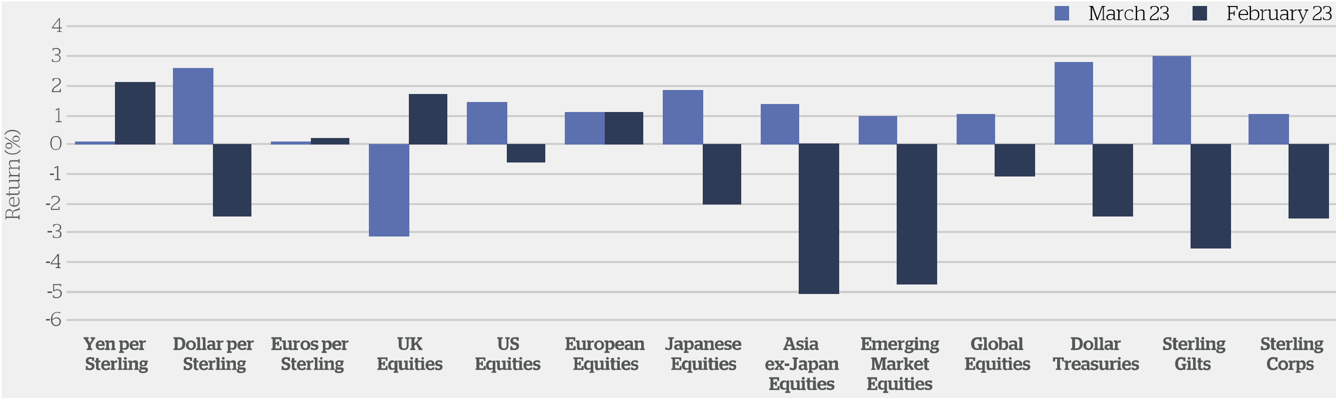
During Q1, the US consumer has continued to spend in the face of one of the fastest interest rate hiking cycles in decades, supported by a still low unemployment rate and coupled with the unwind of pandemic accrued household savings. China's policy makers have buoyed their economy with low interest rates and government spending, supporting a rapid reopening coming out of three years of lockdowns. And Europe, following its second-warmest winter on record, has averted risks of energy rationing, and arguably also for next year's winter as well. To be clear, no-one is claiming any of these economies are running at full tilt, but the relative change in levels of economic growth, even if only modest, are still more than was expected just a few months ago. During Q1 the International Monetary Fund upgraded its estimate for annual global GDP growth, both for the outgoing year 2022, as well as the calendar year ahead 2023.

The flipside of a relatively improved global economic backdrop though is what it might bring with it: the risk of even-stickier inflation. While China's inflation is still contained for now, the inflation picture in the US and Europe is arguably still challenging. In the US, after some softer than expected inflation data at the end of last year, the latest month-on-month price data showed inflation continuing to prove sticky. Europe meanwhile is still grappling with the fear that the underlying inflation peak might not yet have passed, with core euro area consumer price inflation making fresh cycle highs earlier in the quarter. Closer to home, UK inflation data for February has also seen renewed upward pressure. The risk for central banks is that interest rates, which work with a lag on the real economy, might be less effective with even longer lags this time around. Large shares of households and businesses on pandemic era low borrowing fixed-rates are still partly sheltered from the monetary tightening that policy makers are trying to administer, perhaps more so in the case of the US where very long-term fixed-rate mortgages are commonplace. This complicates the policy response that central banks need to make, risking still-higher rates and worries of a harder economic landing.

Also complicating the investment picture was the failure in March of three US regional banks (Silvergate Bank, Silicon Valley Bank, and Signature Bank), as well as the downfall and subsequent rescue of a systemically more important bank in Switzerland, Credit Suisse. In each case, specific factors arguably sowed the seeds of their downfall, whether because of alleged poor risk-management, or the risk of too great a concentration in terms of industry exposure or depositor, or of long-running restructuring plans finally testing investor patience. Despite central banks and regulators moving at pace to implement measures to contain the fall-out, broader market sentiment weakened. In turn, central banks found themselves in the unenviable position of trying to separate the fight against inflation from the need to promote financial stability, while mindful of the risks that raising interest rates to curb inflation might carry unintended consequences. In mid-March, markets moved to anticipate a lower peak for interest rates, as well as more cuts thereafter.

For investors, it has always been the case of starting with what is priced into markets. Following a relatively improved economic growth outlook, markets have been catching up, and higher global equity valuations are now closer to long-term averages. At the same time, those same improved valuations have arguably left equity prices more vulnerable to unforeseen risks: whether that might include stickier inflation pressures, or broader financial market risk-aversion, or any escalation in the ongoing Russian invasion of Ukraine. We continue to retain a constructive outlook across our asset allocation settings, with a preference for equities over bonds, while keeping our global equity investment-style barbell balance between value and growth. In bonds, we recognise that with higher rates, 'income' is back in fixed income again, but here we are focused on bonds with shorter weighted-average maturities which are relatively less sensitive to any changes in the interest rate outlook ahead. In between equities and bonds, our allocations to alternative asset classes, such as convertibles but also more uncorrelated assets, help us to provide both balance and diversification to our overall expected returns. Recognising an uncertain economic outlook, our goal is to position our asset allocation framework so that it can deliver under more than just one macro-economic outcome.

Asset market return



Sterling-denominated market performance, net total return performance figures. Past performance is not a reliable indicator of future results. Source: Bloomberg, MSCI: please see important information. Data from 28.02.23 to 31.03.23

HFP Ultra Cautious - as at 31 March 2023

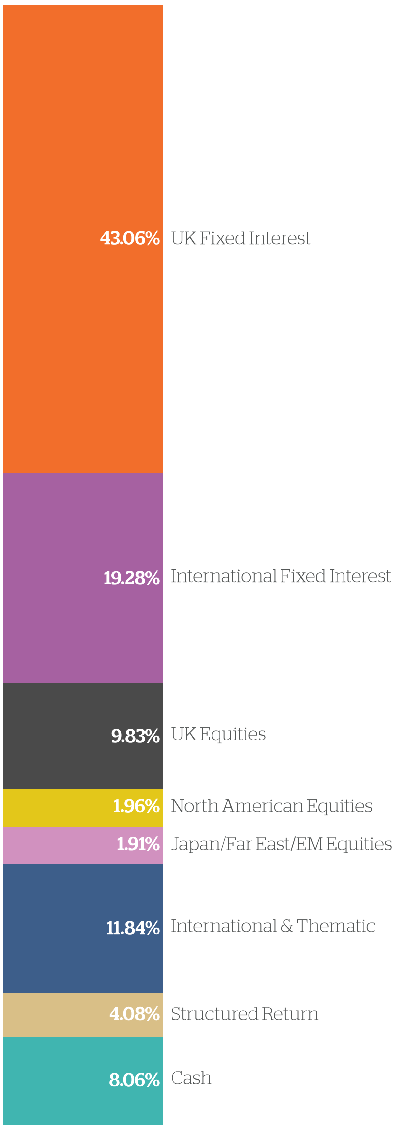
Key facts Currency.....£ Yield......2.03%

Objectives

The primary objective of this portfolio is to produce a higher level of income than the Bank of England base rate over the longer term by investing in a range of relatively defensive diversified UK and international investments. Equity exposure is likely to range between 0-30% and is likely to be limited to shares in companies paying higher than average dividends.

Portfolio Breakdown

Holdings	%
UK Fixed Interest	**43.06**
L&G Short Dated Sterling Corp Bd Idx Fd	14.94
L&G Sterling Corporate Bond Index Fund	12.98
Royal London Short Duration Gilts Fund	11.10
Vanguard UK Government Bond Index Fund	4.04
International Fixed Interest	**19.28**
Vanguard Global Bd Idx	12.20
Vanguard US Government Bond Index Fund	7.08
UK Equities	**9.83**
L&G UK 100 Index Trust	2.96
Vanguard FTSE UK All Share Index UT	6.86
North American Equities	**1.96**
Fidelity Index US Fund	1.96
Japan Far East & EM	**1.91**
Vanguard Pac ex-Japan Stk Idx	1.91
International & Thematic	**11.84**
Fidelity Index World Fund	9.80
L&G Global Health & Pharma Idx Tr	0.99
L&G Global Technology Index Trust	1.04
Structured Return	**4.08**
Atlantic House Defined Returns	4.08
Cash	**8.06**
British Pounds	8.06



HFP Cautious - as at 31 March 2023

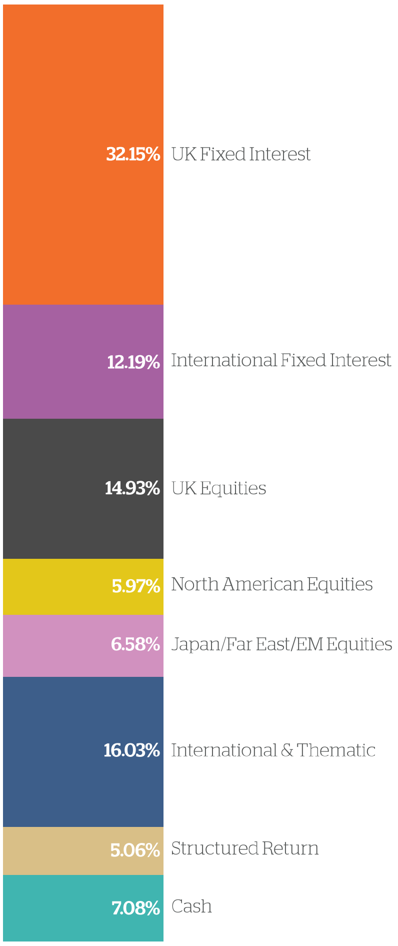
Key facts Currency.....£ Yield......1.97%

Objectives

The objective of this portfolio is to provide a combination of income and capital growth. The portfolio gives limited exposure to capital markets through a diversified range of UK and international investments and aims to achieve above inflation investment returns over the longer term. Equity exposure is likely to range between 30-55% with limited exposure to international investments.

Portfolio Breakdown

Holdings	%
UK Fixed Interest	**32.15**
L&G Short Dated Sterling Corp Bd Idx Fd	11.98
L&G Sterling Corporate Bond Index Fund	8.01
Royal London Short Duration Gilts Fund	9.10
Vanguard UK Government Bond Index Fund	3.06
International Fixed Interest	**12.19**
Vanguard Global Bd Idx	8.16
Vanguard US Government Bond Index Fund	4.02
UK Equities	**14.93**
L&G UK 100 Index Trust	4.99
Vanguard FTSE UK All Share Index UT	9.94
North American Equities	**5.97**
Fidelity Index US Fund	5.97
Japan Far East & EM	**6.58**
Vanguard Pac ex-Japan Stk Idx	6.58
International & Thematic	**16.03**
Fidelity Index World Fund	11.91
L&G Global Health & Pharma Idx Tr	1.99
L&G Global Technology Index Trust	2.13
Structured Return	**5.06**
Atlantic House Defined Returns	5.06
Cash	**7.08**
British Pounds	7.08



HFP Balanced - as at 31 March 2023

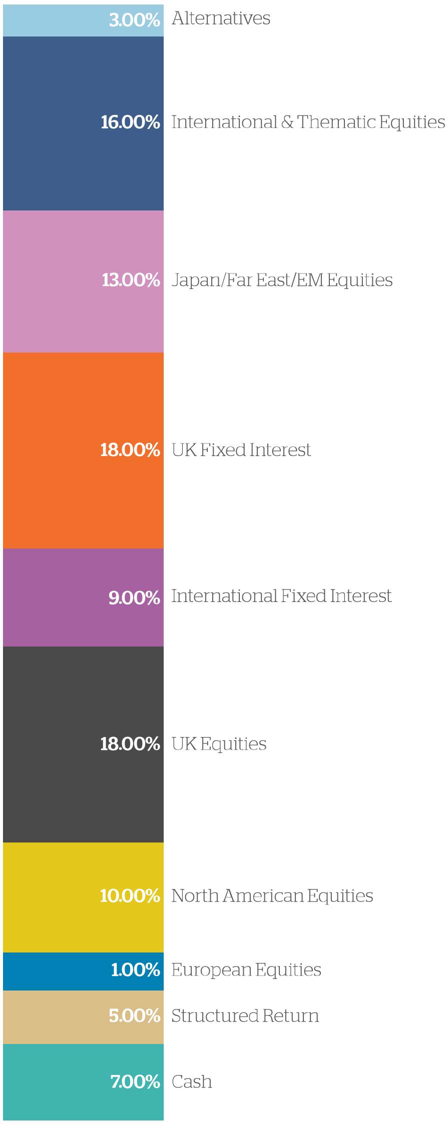
Key facts Currency.....£ Yield.....1.63%

Objectives

The primary objective of this portfolio is to generate income and capital growth over the longer term. The portfolio will give significant exposure to a range of UK and international investments. Equity exposure is likely to range between 55-75%.

Portfolio Breakdown

Holdings	%
Alternatives	**3.00**
Neuberger Berman Uncorrelated Strats Fd	3.00
International & Thematic Equities	**16.00**
Fidelity Index World Fund	3.00
Fundsmith Equity Fund	3.00
Guinness Global Equity Income	3.00
L&G Global Health & Pharma Idx Tr	3.00
L&G Global Technology Index Trust	2.00
Ninety One Global Environment Fund	2.00
Japan/Far East/Emerging Markets Equities	**13.00**
Federated Hermes Asia ex-Japan Eq	5.00
L&G Japan Index Trust	3.00
Stewart Investors APAC Ldrs Sstby Fd	5.00
UK Fixed Interest	**18.00**
Allianz Gilt Yield Fund	2.00
L&G Short Dated Sterling Corp Bd Idx Fd	7.00
Royal London Short Duration Gilts Fund	7.00
Royal London Short Term Fixed Inc Enh	2.00
International Fixed Interest	**9.00**
JPM Unconstrained Bond Fund	3.00
Vanguard Global Bd Idx	3.00
Vanguard US Government Bond Index Fund	3.00
UK Equities	**18.00**
CT UK Equity Income Fund	4.00
JOHCM UK Equity Income Fund	4.00
Liontrust Special Situations Fund	2.00
Vanguard FTSE UK All Share Index UT	8.00
North American Equities	**10.00**
Dodge & Cox Worldwide US Stock Fund	3.00
Fidelity Index US Fund	4.00
JPM US Equity Income Fund	3.00
European Equities	**1.00**
L&G European Index Trust	1.00
Structured Return	**5.00**
Atlantic House Defined Returns	3.00
Skyline Fortem Capital Progressive Gr Fd	2.00
Cash	**7.00**
British Pounds	7.00



HFP Adventurous - as at 31 March 2023

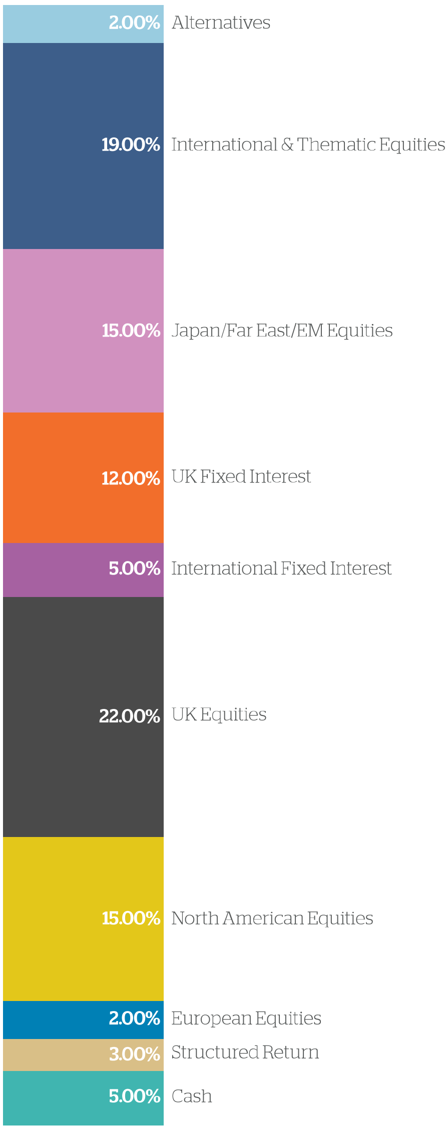
Key facts Currency.....£ Yield.....1.63%

Objectives

The objective of this portfolio is to generate capital growth primarily from equity markets. The portfolio will be very significantly exposed to UK and international equity investments. Equity exposure is likely to range between 75-95%. The majority of the portfolio will be invested in risky investments offering the potential for large losses or gains.

Portfolio Breakdown

Holdings	%
Alternatives	**2.00**
Neuberger Berman Uncorrelated Strats Fd	2.00
International & Thematic Equities	**19.00**
Fidelity Index World Fund	3.00
Fundsmith Equity Fund	3.00
Guinness Global Equity Income	3.00
L&G Global Health & Pharma Idx Tr	4.00
L&G Global Technology Index Trust	3.00
Ninety One Global Environment Fund	3.00
Japan/Far East/Emerging Markets Equities	**15.00**
Federated Hermes Asia ex-Japan Eq	5.00
L&G Japan Index Trust	3.00
Stewart Investors APAC Ldrs Sstby Fd	4.00
Vanguard Pac ex-Japan Stk Idx	3.00
UK Fixed Interest	**12.00**
L&G Short Dated Sterling Corp Bd Idx Fd	4.00
Royal London Short Duration Gilts Fund	6.00
Royal London Short Term Fixed Inc Enh	2.00
International Fixed Interest	**5.00**
Vanguard Global Bd Idx	3.00
Vanguard US Government Bond Index Fund	2.00
UK Equities	**22.00**
CT UK Equity Income Fund	5.00
JOHCM UK Equity Income Fund	4.00
Liontrust Special Situations Fund	4.00
Vanguard FTSE UK All Share Index UT	9.00
North American Equities	**15.00**
Dodge & Cox Worldwide US Stock Fund	6.00
Fidelity Index US Fund	6.00
JPM US Equity Income Fund	3.00
European Equities	**2.00**
L&G European Index Trust	2.00
Structured Return	**3.00**
Atlantic House Defined Returns	3.00
Cash	**5.00**
British Pounds	5.00



HFP Speculative - as at 31 March 2023

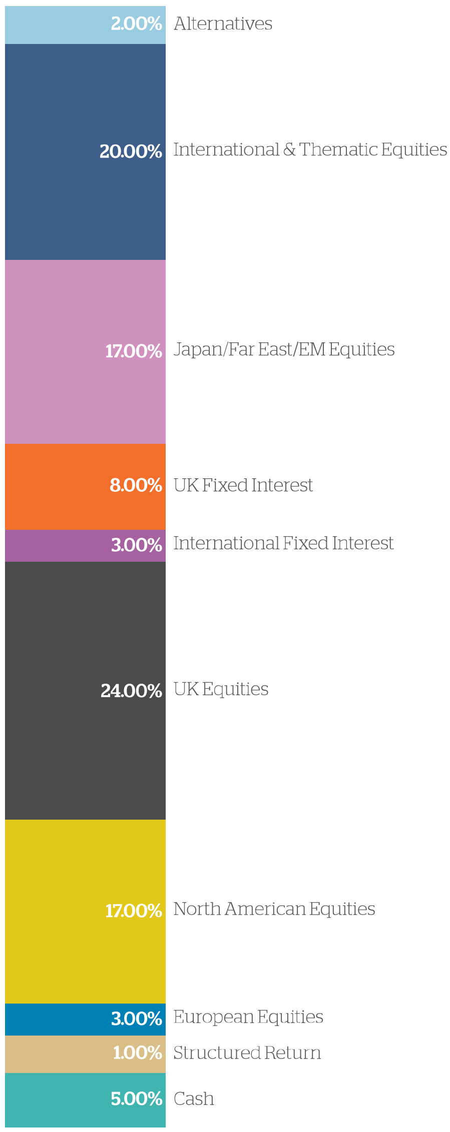
Key facts Currency.....£ Yield......1.73%

Objectives

The objective of the portfolio is to grow its value, primarily by investing in equity markets. Equity exposure is likely to range between 90-100%. The portfolio is likely to be fully invested at all times in equities that produce capital growth, with particular emphasis on international equities and on investments that borrow money (leverage) in order to achieve a higher potential investment return. Investing in international equities, which exposes the portfolio to currency fluctuations, and investment techniques that involve borrowing money, both substantially increase the risk that the portfolio represents.

Portfolio Breakdown

Holdings	%
Alternatives	**2.00**
Neuberger Berman Uncorrelated Strats Fd	2.00
International & Thematic Equities	**20.00**
Fidelity Index World Fund	3.00
Fundsmith Equity Fund	4.00
Guinness Global Equity Income	3.00
L&G Global Health & Pharma Idx Tr	4.00
L&G Global Technology Index Trust	3.00
Ninety One Global Environment Fund	3.00
Japan/Far East/Emerging Markets Equities	**17.00**
Federated Hermes Asia ex-Japan Eq	5.00
L&G Japan Index Trust	3.00
Stewart Investors APAC Ldrs Sstby Fd	5.00
Vanguard Pac ex-Japan Stk Idx	4.00
UK Fixed Interest	**8.00**
L&G Short Dated Sterling Corp Bd Idx Fd	3.00
Royal London Short Duration Gilts Fund	5.00
International Fixed Interest	**3.00**
Vanguard US Government Bond Index Fund	3.00
UK Equities	**24.00**
CT UK Equity Income Fund	6.00
HSBC FTSE 250 Index Fund	1.00
JOHCM UK Equity Income Fund	4.00
Liontrust Special Situations Fund	4.00
Vanguard FTSE UK All Share Index UT	9.00
North American Equities	**17.00**
Dodge & Cox Worldwide US Stock Fund	6.00
Fidelity Index US Fund	7.00
JPM US Equity Income Fund	4.00
European Equities	**3.00**
L&G European Index Trust	3.00
Structured Return	**1.00**
Atlantic House Defined Returns	1.00
Cash	**5.00**
British Pounds	5.00



Fund activity

Due to rounding, the figures shown in these tables may not match exactly with the portfolio breakdowns earlier in the document.

HFP Ultra Cautious

	Action	% Change	New %	Month
Vanguard UK Government Bond Index	Reduce	7.00%	4.00%	February
Royal London Short Duration Gilts	Increase	7.00%	11.00%	February

HFP Cautious

	Action	% Change	New %	Month
Vanguard UK Government Bond Index	Reduce	5.00%	3.00%	February
Royal London Short Duration Gilts	Increase	5.00%	9.00%	February

HFP Balanced

	Action	% Change	New %	Month
FTF Brandywine Income Optimiser	Sell	3.00%	0.00%	February
JPM Unconstrained Bond	Buy	3.00%	3.00%	February

HFP Adventurous

There were no changes to the portfolio during the quarter.

HFP Speculative

There were no changes to the portfolio during the quarter.

Important information

The performance indicated for each sector should not be taken as an expectation of the future performance. Investors should be aware that the price of investments and the income from them can go down as well as up and that neither is guaranteed. Past performance is not a reliable indicator of future results. Investors may not get back the amount invested. Changes in rates of exchange may have an adverse effect on the value, price or income of an investment. Investors should be aware of the additional risks associated with funds investing in emerging or developing markets.

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More information about the Brooks Macdonald Group can be found at www.brooksmacdonald.com.

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