



Quarterly Investment Update

Q2 | 2022



Executive Summary

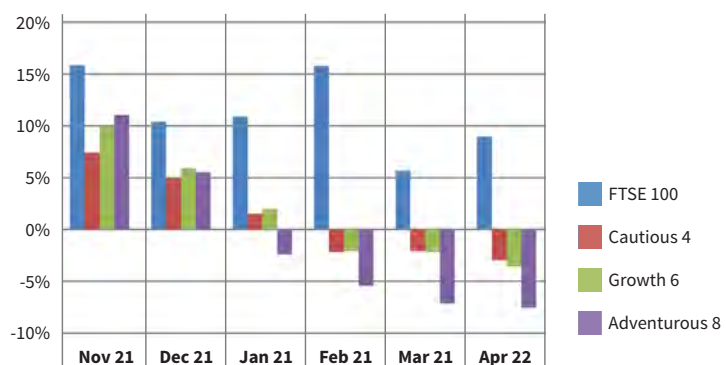
Market Summary

- The FTSE 100 has another large rise over the last 12 months, holding up relatively well recently in spite of global events.
- Over the period of 14th April 2021 – 13th April 2022, the FTSE 100 is up 9.24% gross, outperforming most other global markets. For comparison over the same period the Dow Jones Index is up 2.47% gross over the same period.

Investment Portfolios

- The returns on our Growth portfolios range from -6.00% to 0.03% gross over the same period, all underperforming the FTSE. Over a longer period however the portfolios show more consistent returns, ranging from 18.46% to 28.89% over 5 years compared to 3.46% growth from the FTSE 100.
- Our Income portfolios achieved positive returns and continue to hit targets for yield, with returns ranging from 1.73% to 5.46% gross over the period 14th April 2021 – 13th April 2022.

12 Month Rolling Performance



How we work

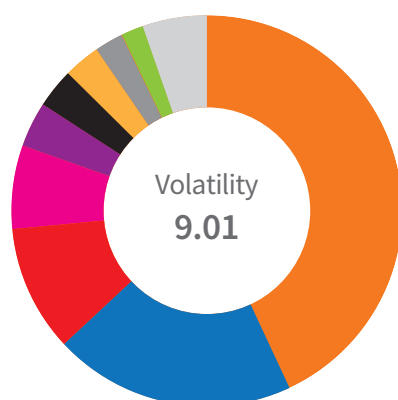
- Funds are selected using criteria in our governance document. The funds are allocated using our strategic plan and which asset classes we feel should be considered over the coming 12 months and longer.
- Our strategic plan is largely decided by our informed view on the economies of the world and individual sectors. We obtain our information by meeting with fund managers and reviewing economic publications.
- By meeting and listening to investment companies, we are able to have constructive conversations on the committee. The committee will take a collective view rather than any individual view.

Aisa's Investment Portfolios

The graphs below show typical holdings in our following risk portfolios. They are not designed to represent the day to day current holdings which may change due to volatility in markets and the investment team quarterly reviews. Potential gain/loss on a portfolio over any short period 3 months, 6 months, 1 year is demonstrated by volatility listed inside the portfolio and shows how much you could lose or gain by being invested typically. However, actual gains or losses can be higher than this and there is no guarantee on performance. They are designed to demonstrate the concept of loss and risk and returns linked to different risk portfolios. The committee will take a collective view rather than any individual view.

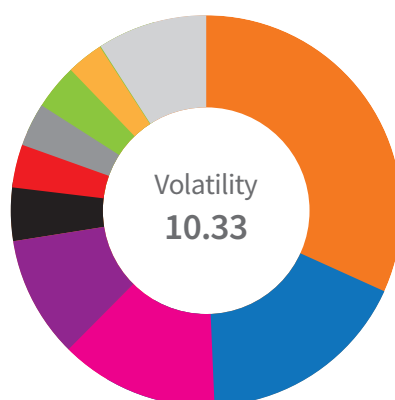
Defensive 3

Target Return
4%



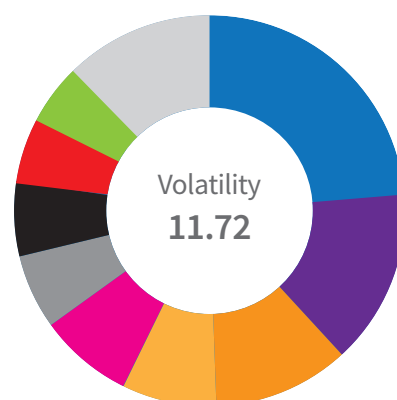
Cautious 4

Target Return
5.5%



Balanced 5

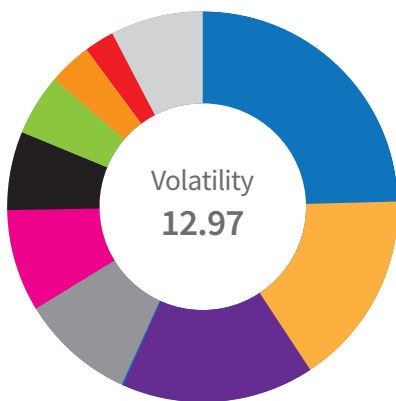
Target Return
6.5%



Volatility: Refers to the amount of uncertainty or risk about the size of changes in a security's value. A higher volatility means that a security's value can potentially be spread out over a larger range of values. This means that the price of the security can change dramatically over a short time period in either direction. A lower volatility means that a security's value does not fluctuate dramatically, but changes in value at a steady pace over a period of time.

Growth 6

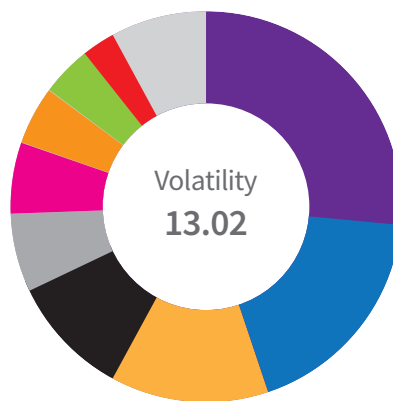
Target Return
7.75%



UK Equities	24.47%
Undisclosed	17.82%
N. American Equities	17.60%
Asia Pacific Em. Eq.	10.75%
Oth. Intl. Equities	10.18%
Commodity & Energy	5.79%
Global Fixed Interest	2.33%
Asia Pacific Equities	2.25%
Convertibles	1.87%
Others	6.94%

Speculative 7

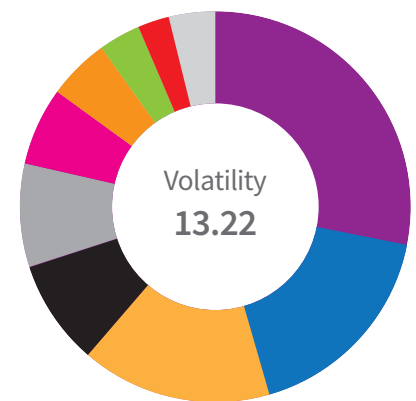
Target Return
8.75%



N. American Equities	26.37%
UK Equities	21.92%
Undisclosed	11.52%
Commodity & Energy	10.94%
Asia Pacific Em. Eq.	9.34%
Oth. Intl. Equities	5.20%
Japanese Equities	3.05%
European Equities	2.22%
Convertibles	1.97%
Others	7.49%

Adventurous 8

Target Return
9.5%



N. American Equities	28.53%
UK Equities	16.86%
Undisclosed	15.28%
Commodity & Energy	9.38%
Asia Pacific Em. Eq.	9.14%
Oth. Intl. Equities	7.34%
Japanese Equities	5.49%
European Equities	2.00%
Money Market	1.63%
Others	4.35%

Aisa Investment Team (AIT) Committee Meeting

Dated: 26th April 2022

Attendees: John Reid (Chairman)
James Pearcy-Caldwell (Member of Board and Compliance Representation)
Geordie Bulmer (Member of Committee)
Max Durrant (Non-Voting Member of Committee)
Alex Pearcy-Caldwell (Guest)
Tereza Bozdechova (Guest)
(Zoom) Josef Myslivec (Aisa International)
(Zoom) Christopher Lean (Aisa International)

Secretary: Danny Setters (Secretary)

1 Review of previous minutes and sign off

After agreement, the minutes of 19th January 2022 were signed as correct by the Chair.

Actions outstanding at previous meeting, and outcomes:

- contacted clients who were affected by the fund change(s) in their portfolio(s).

2 General strategy *(internal eyes only - not for publication)*

3) Presentation(s)

a) Aisa Comment

Once again, this quarter, we find ourselves discussing a set of world events that are impacting negatively on companies and people. The Ukraine “Special Operation” has had a marked impact on inflation and commodity prices.

The concern, which we wrote about last year on 2 occasions, was always that higher inflation was not going to be a short term “blip”. Even without Russian actions it was a question mark for 2022 and 2023. Now, it is a certainty, and no-one is forecasting inflation to fall back to normal levels until well into 2023.

The good news, if it can be deemed as such, is that peak inflation in the UK and the US is happening right now in May 2022. In the EU it may be slightly behind, but it is also approaching peak. The EU is without doubt the most affected territory by the Russian invasion of the Ukraine and in many respects this impact will not be short term either.

For example, Volkswagen used to transport parts on a train through Russia, which meant that in 6 days they could assemble a car in China. Now, they are having to use ships for the same purpose. This is further complicated by port closures due to max capacity, additional energy used, higher costs and constant delays. This is before the main concern of whether German industry can remain operating effectively if gas supplies from Russia are interrupted or worse.

This leaves China and India, being areas that are least affected and with large reserves. However, surprisingly, China has continued to adopt a zero-Covid policy meaning whole regions are being shut down. India has its own structural issues and is not set up to take advantage of the woes of the EU.

Markets are struggling and very volatile. At the time of this writeup they are down again. So, where do you put your investment money?

In the meeting we held in April we had an ESG presentation again, something that will become more and more popular in the public’s mind in our opinion. ESG stands for Environmental Socially-Responsible Governance and is the basis for some fund houses and how they select investments. There is some argument about whether certain industries should be included (or excluded) and we do feel that a one size fits all approach, driven by political correctness, is not one we would like to follow, as we prefer a more nuanced approach.

The other truism when all these problems hit as they are now, is that well run companies who offer good quality outcomes and products will always flourish in the long term. We reviewed a list of companies in the UK and the USA that fit this profile in our meeting, and we want our fund managers to be focusing on the same matters in their considerations moving forward. The days of buying a tech stock purely because of its title are gone.

You can really see the value argument coming back when picking shares compared with “growth” stocks. Our income portfolios have outperformed our growth portfolios for exactly this reason. Income portfolios are largely built up of more traditional companies that are not indebted and provide a yield (income stream) to their shareholders. This is generally far more important right now than finding the next Amazon, which has potential in 15 years’ time and will not generate anything other than losses in the meantime.

b) LGT Wealth Management

Speaking to us this quarter on behalf of LGT Wealth Management were Henry Wilson and Abika Martin. Abika presented to us their sustainable discretionary portfolio range, while Henry gave us a brief talk on LGT's macro-outlook, summarised below.

Macro-Economic Outlook

- Majority of current market rises/falls are being driven by inflation rate rises, with the peak of this inflation rate surge in the UK & US estimated to be this month.
- While in the short term, markets are driven by sentiment and global events, long term markets are powered by value and performance, so focusing on current market spikes/crashes tends to be detrimental.
- US market has been relatively 'insulated' from Russian economy in terms of geography & trade, and is already showing signs of recovery. While Europe (ex UK) on the other hand is exposed to various issues following the Ukraine crisis, with some countries showing signs of recession.

Please note the views of LGT may not reflect the views of Aisa.

Sustainable Investments

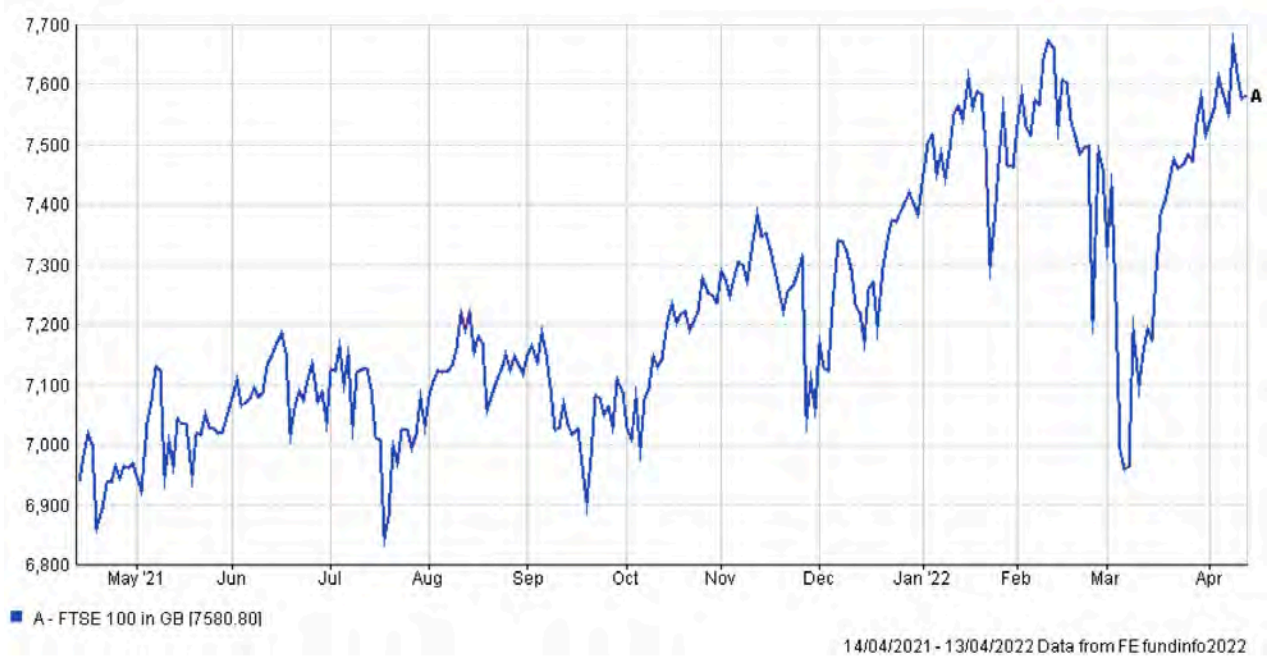
LGT offer a fully diversified sustainable portfolio service, covering a range of needs and risk profiles. These portfolios aim to generate strong and consistent returns while simultaneously supporting their sustainable philosophy. This goal is achieved by investing in areas such as renewable energy, social housing, climate change action, and renewable materials. All portfolios are designed such that all funds invest in companies that are operationally sustainable, or companies that actively produce goods or services that contribute to solving a major global challenge.

All areas of investment align with the United Nations Sustainable Development Goals (see below).

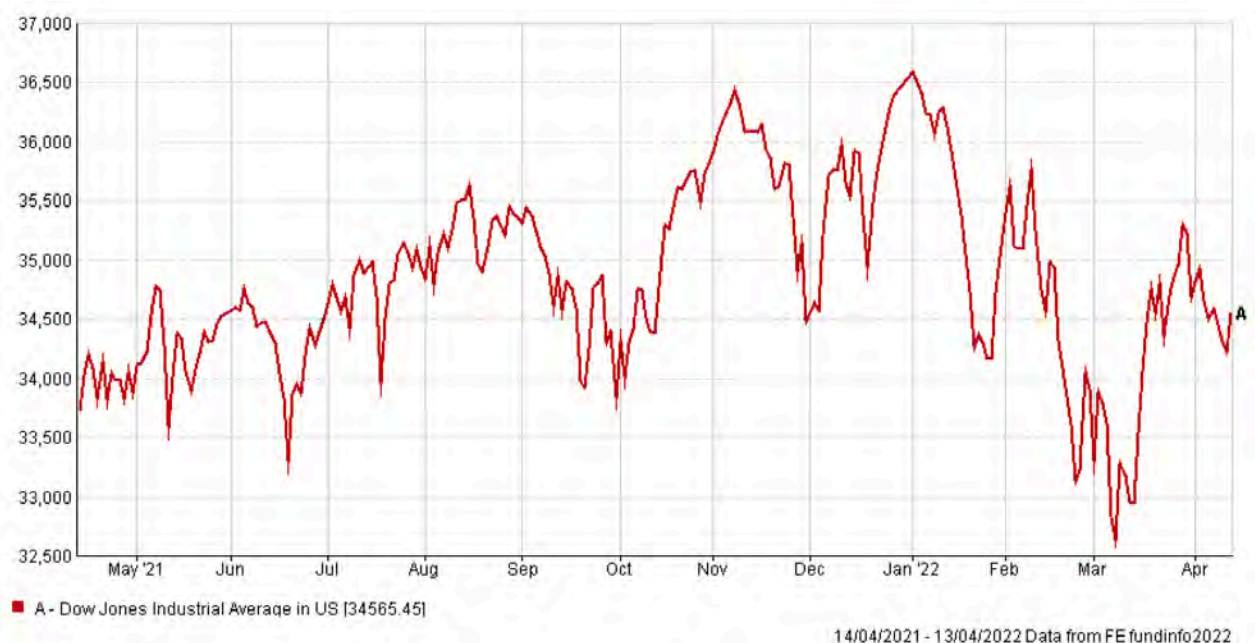


4a) Geographical & Sector Outlook

The FTSE 100 has seen a large rise over the last 12 months, reaching a low of 6,844.39 and a high of 7,672.40. Over the period of 14th April 2021 to 13th April 2022, the FTSE 100 was up 9.24% gross (no charges applied), outperforming many other market indices over the same period.



The US market has seen a less significant rise over the last year, with the Dow Jones Index increasing by 2.47% over the period of 14th April 2021 to 13th April 2022, ending the period at a price of 34,565.45.



4b) Committee Asset Allocation Views

Views

Negative



Neutral



Positive



Outlook



Equity Europe



Equity UK



Equity US



Equity Japan



Asia



Emerging Markets



Emerging Markets Debt



Government Bonds



Investment Grade



High Yield



Commercial Property



Residential Property



Commodities

No change to views on metals. Prices of Gas/Oil and Food are being affected by Ukraine crisis, the effects of this will continue for the foreseeable future.

Currency

Inflation and debt will start showing an impact on major currencies soon.

Investment Trusts

No new views on Investment Trusts.

General

Inflation is the key talking point this quarter with many sectors currently, or soon to be, heavily affected. The recovery period in the UK & US markets will need to be closely monitored.

5a) Fund review for all portfolios *Actual Performance of our clients colour co-ordinated as follows:*

Growth Portfolios

■ Including Charges ■ After Charges

Aisa Portfolio	Risk Grade	3 mths	12 mths	24 mths	36 mths	48 mths	60 mths
Defensive (40)	3	-4.41% -4.78%	-1.93% -3.49%	12.57% 8.88%	11.54% 6.22%	14.86% 7.92%	18.46% 10.25%
Cautious (48)	4	-4.22% -4.57%	-1.49% -2.97%	13.65% 10.13%	12.28% 7.20%	16.27% 9.26%	19.37% 10.41%
Balanced (59)	5	-3.75% -4.11%	0.03% -1.55%	22.17% 18.12%	14.89% 9.56%	22.40% 14.76%	28.89% 18.85%
Growth (68)	6	-4.57% -4.93%	-2.03% -3.57%	19.98% 16.03%	13.13% 7.86%	18.76% 11.09%	25.94% 15.86%
Speculative (75)	7	-4.35% -4.71%	-3.25% -4.78%	19.14% 15.19%	12.21% 6.95%	19.19% 11.69%	28.54% 18.38%
Aggressive (79)	8	-6.37% -6.73%	-6.00% -7.55%	16.36% 12.38%	9.54% 4.24%	19.10% 10.64%	25.88% 15.28%

Income Portfolios

■ Including Charges ■ After Charges

Aisa Portfolio	Risk Grade	Yield	3 mths	12 mths	24 mths	36 mths	48 mths	60 mths
Cautious (53)	4	3.36%	-3.54% -3.88%	1.73% 0.21%	19.56% 15.84%	5.52% 1.00%	9.30% 2.97%	14.88% 6.53%
Balanced (71)	5	3.01%	-2.30% -2.65%	5.28% 3.71%	30.28% 26.24%	11.79% 7.01%	17.15% 10.35%	22.26% 13.35%
Growth (74)	6	3.00%	-1.97% -2.35%	5.46% 3.78%	32.86% 28.46%	12.16% 7.10%	18.71% 11.31%	21.52% 12.21%

It has been agreed by the committee that all the income portfolios must produce a yield of more than the average standard daily saving rate (annualised) plus 1%. Current yields are higher than 3.00%.

Important Note

Past performance should not be a guide to future performance. Returns may vary due to currency variation and tax treatment. Tax is subject to individual circumstances and subject to change due to legislation. Clients retain responsibility for their tax affairs and should consult the relevant tax experts in the relevant jurisdictions.

Aggregate Costs and Cumulative Effect on of costs on returns

The total costs and charges for your investment are made up of a mixture of our charges, the platform or product and investment funds and services. The table above shows how the total costs are allocated over the different time periods by measuring the difference between the gross returns (black) and the net returns (orange). Please note that gross returns are net of the underlying fund management charges, which typically range between 0.2% and 0.9%. (A typical portfolio average would be 0.75%). The total charge deducted for each investment or product will have an impact on the investment return you might receive. Using the tables above you can calculate that impact. For example, if you were a Balanced Investor with 300,000 invested then over the last 12 months the total charges applied were (black minus orange) 1.58%. For 300,000 your charges were therefore $300,000 \times 1.58\% = 4,740$. If there were no charges this is how much more your fund would have grown by. You can therefore do this calculation over any time period up to 5 years for all our portfolios.

5b) 12-Month Rolling Performance

We have analysed the actual performance of our model portfolios over the last three years, compared with a net-adjusted FTSE 100 on a rolling 12-month basis. In the table below, next to each month, we have shown the performance for each growth portfolio over the previous 12 months, i.e. March 2021 to March 2022, April 2021 to April 2022 and so on.

In the twelve-month rolling performance for February – April 2022, growth in our portfolios ranged between -0.46% to -5.45% in the February 2021 - 2022 period, showing a drop in returns over the year, while the FTSE 100 rose by 15.77%. This fall in performance continued into the March and April periods, now with markets being visibly affected by the Ukraine crisis. From April 2021 – 2022 our portfolio's showed returns ranging from -1.55% to -7.55%, compared to an 8.96% increase in the FTSE 100.

Month	FTSE 100	Defensive 3	Cautious 4	Balanced 5	Growth 6	Speculative 7	Adventurous 8
May-19	-7.31%	-0.48%	-1.04%	-0.73%	-1.69%	-1.17%	-1.99%
Jun-19	-5.27%	0.70%	0.40%	0.22%	-0.51%	-0.25%	-1.15%
Jul-19	-2.10%	2.85%	2.89%	3.13%	2.33%	2.79%	3.59%
Aug-19	-4.88%	3.63%	4.05%	2.40%	1.45%	1.96%	2.48%
Sep-19	0.84%	4.32%	5.41%	4.45%	3.67%	4.00%	4.80%
Oct-19	3.48%	5.01%	7.07%	8.55%	7.02%	7.77%	8.74%
Nov-19	4.10%	4.91%	7.01%	9.43%	8.48%	9.06%	10.79%
Dec-19	6.67%	6.02%	8.69%	9.97%	9.29%	9.03%	9.04%
Jan-20	9.81%	9.42%	12.24%	15.12%	14.70%	15.10%	15.21%
Feb-20	2.94%	8.63%	11.49%	12.37%	11.69%	11.54%	11.51%
Mar-20	-25.80%	-1.82%	-1.73%	-4.35%	-5.67%	-6.77%	-7.92%
Apr-20	-21.38%	-2.80%	-2.66%	-6.98%	-6.66%	-7.16%	-7.83%
May-20	-18.11%	1.61%	2.25%	-1.22%	-0.40%	-0.81%	-0.70%
Jun-20	-17.66%	1.40%	1.59%	-2.06%	-1.24%	-1.74%	-1.83%
Jul-20	-18.25%	1.28%	1.72%	-1.49%	-0.13%	-0.86%	-1.45%
Aug-20	-15.13%	2.86%	2.76%	0.36%	1.29%	1.52%	0.93%
Sep-20	-18.67%	2.74%	2.34%	1.60%	1.17%	1.60%	1.20%
Oct-20	-18.15%	4.17%	4.52%	2.82%	3.79%	5.13%	4.81%
Nov-20	-13.79%	5.23%	5.00%	2.67%	4.46%	5.01%	5.35%
Dec-20	-11.30%	6.41%	5.97%	4.45%	5.74%	6.73%	7.97%
Jan-21	-11.85%	3.55%	3.05%	1.45%	2.38%	3.07%	4.02%
Feb-21	-11.39%	2.62%	1.88%	2.10%	3.15%	4.39%	4.45%
Mar-21	25.22%	10.66%	12.77%	16.43%	18.03%	20.62%	22.84%
Apr-21	18.41%	12.43%	14.52%	19.71%	20.68%	20.97%	21.55%
May-21	20.64%	6.39%	7.90%	12.05%	11.34%	12.91%	11.59%
Jun-21	16.35%	8.01%	10.30%	14.45%	13.99%	14.92%	14.57%
Jul-21	14.83%	6.44%	8.52%	12.07%	11.50%	12.48%	11.77%
Aug-21	17.98%	5.57%	6.92%	11.26%	10.33%	11.40%	11.27%
Sep-21	16.78%	5.72%	8.24%	12.08%	11.17%	12.40%	11.57%
Oct-21	19.72%	2.77%	4.43%	7.68%	6.50%	7.44%	6.76%
Nov-21	15.84%	4.83%	7.42%	11.16%	9.97%	11.02%	11.01%
Dec-21	10.39%	2.62%	4.91%	7.25%	5.91%	5.79%	5.53%
Jan-22	10.87%	0.06%	1.54%	3.51%	2.00%	0.41%	-2.42%
Feb-22	15.77%	-3.04%	-2.18%	-0.46%	-2.11%	-4.21%	-5.45%
Mar-22	5.65%	-2.49%	-2.09%	-0.73%	-2.19%	-4.99%	-7.13%
Apr-22	8.96%	-3.49%	-2.97%	-1.55%	-3.57%	-4.78%	-7.55%

Aisa Defensive 3

■ FTSE 100
■ Aisa Defensive 3



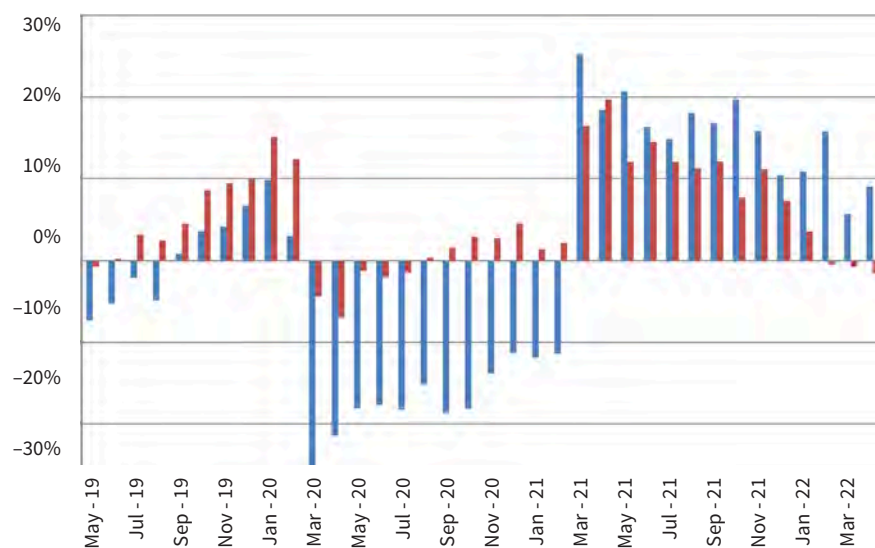
Aisa Cautious 4

■ FTSE 100
■ Aisa Cautious 4



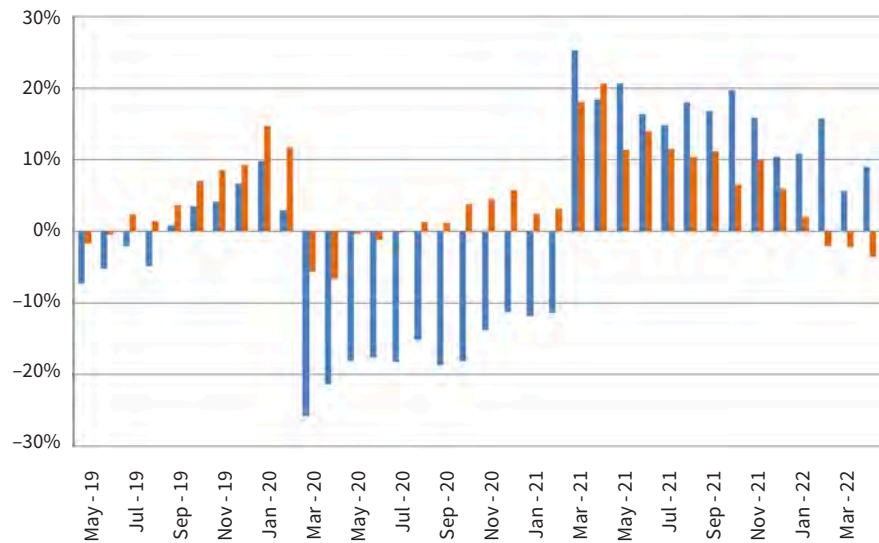
Aisa Balanced 5

■ FTSE 100
■ Aisa Balanced 5



Aisa Growth 6

■ FTSE 100
■ Aisa Growth 6



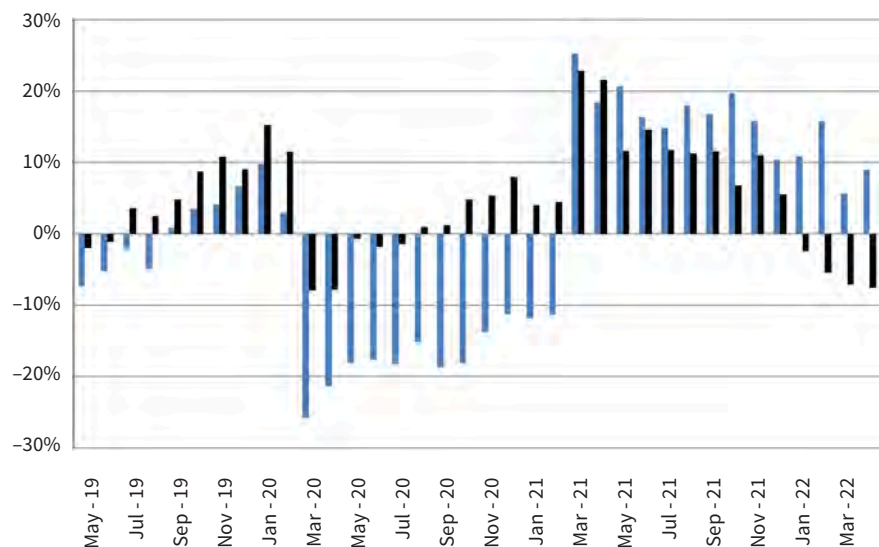
Aisa Speculative 7

■ FTSE 100
■ Aisa Speculative 7



Aisa Adventurous 8

■ FTSE 100
■ Aisa Adventurous 8



6) Quarterly timetabled asset/product discussions

The product discussions for this quarter were 'SIPP's', reviewed by John Reid, 'WRAPs – Main Investment Platforms' reviewed by James Percy-Caldwell, and 'Group Pensions – Corporate & GPP Pensions' reviewed by Georgie Bulmer. All information is to be updated into our Governance document held centrally at our main office.

7) AOB

Reference Material utilised in this meeting:

Analytics – Review of funds.
Aisa Performance data – Obtained from LGT.
Aisa Governance Document.
LGT Presentations.

8) Next Meeting

Next meeting will be held on the 19th July 2022 at a location TBD.

9) Actions Outstanding

- Action:** Contact clients who are affected by any fund change(s) in their portfolio(s).
- Action:** Update the Governance document with quarterly research.
- Action:** Monitor those funds on quarterly watch.
- Action:** Monitor fund management fees.

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Signed by Chairman





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