Casterbridge

Hardy Managed Portfolios

Tactical Asset Changes (TAC) Report

JULY 2026

What are Hardy Managed Portfolios?

The Hardy Managed Portfolio range features seven different risk-targeted investment profiles built to meet the demands of today's investment markets. Five growth focused and two focused on delivering income. Each profile contains a carefully chosen selection of high-quality funds, managed by some of the world's most capable fund managers, and includes a blend of both active and passive investments spread across different asset classes.

The investments are chosen by our in-house research team and managed day-in, day-out by experienced managers and analysts who really know their stuff, so you don't have to. We are free to invest based on where our experience, research, and insights take us, not where our competitors are. Our approach gives you a portfolio greater than the sum of its parts, capable of delivering the best possible investment returns without taking too many risks. It's what active portfolio management ought to be. At Casterbridge we don't believe in rebalancing portfolios for the sake of it. While some MPS providers adjust like clockwork, monthly or quarterly, regardless of market conditions, we take a more pragmatic approach. As with any investment, you could lose money and get back less than you originally invested.

For our latest TAC video please click here.

If you are interested in learning more about Hardy Portfolios please click here.

Or about our DPS Portfolios (Discretionary Portfolio Service) click here.

Tactical Asset Allocation Commentary

Proper diversification adding value through volatility.

We triggered our latest Tactical Asset Change (TAC) in early July, applied across our Growth portfolios at all risk levels.

This year's Iran-driven energy shock, and the sharp rally that followed, have underlined the value of genuine diversifiers within portfolios. With equity valuations, particularly in the US, remaining elevated and market leadership still narrow, we have kept overall equity risk close to neutral. At the lower-risk profiles, we modestly increased equity exposure, funded from alternatives, improving diversification and strengthening these portfolios' long-term resilience to inflation.

The fund changes referenced below relate to the Balanced portfolio; adjustments are similar across the other risk profiles.

Within equities, we continued to reduce our UK exposure, trimming our **holdings in Artemis UK Select and Redwheel UK Equity Income given their** more cyclically oriented focus, and added to US and global strategies. **We increased** our targeted technology exposure **through Janus Henderson Global Technology Leaders,** while adding to defensive, large cap quality **via Redwheel Global Equity Income,** a combination we believe balances participation in market strength with resilience should conditions turn. We also modestly added to our gold and silver equities **through Jupiter Gold & Silver** following recent weakness. Adding to assets we hold with long-term conviction after short-term setbacks is a core part of our process. With bonds offering less reliable protection in an inflation-driven market, precious metals remain an important diversifier and a useful hedge against inflation and geopolitical risk.

In fixed income, positioning is broadly unchanged. Upside risks to inflation and large fiscal deficits continue to put pressure on longer-dated yields and have weakened bonds' traditional diversification benefits. We therefore retain our underweight to bonds and our short-duration bias.

In alternatives, we completed the sale of **Man GLG Absolute Value** and introduced **AQR Managed Futures,** a new trend-following strategy. Trend-following strategies provide low correlation to traditional assets and the potential for returns during periods of market stress, further strengthening the alternatives allocation that has served portfolios well over time. **We also modestly increased JPM Global Equity Absolute Alpha and trimmed Argonaut Absolute Return.**

Together, these refinements are designed to keep portfolios resilient and well positioned to navigate elevated valuations, inflation uncertainty and continued geopolitical tension.

Note: the above changes relate to Growth Managed Portfolios. Income and Future Opportunities Portfolios were not part of this rebalance.

PORTFOLIO SUMMARY

Portfolio Weights & Changes

New Asset Allocation Weights

Changes from Previous Holdings

HARDY GROWTH	DEFENSIVE	CAUTIOUS	BALANCED	GROWTH	ADVENTUROUS	DEFENSIVE	CAUTIOUS	BALANCED	GROWTH	ADVENTUROUS
UK Equity	5.0%	6.5%	8.0%	11.0%	14.0%	-1.0%	-1.5%	-2.0%	-2.0%	-2.0%
US & Global Equity	22.0%	27.5%	34.0%	40.5%	47.5%	4.0%	3.5%	2.0%	2.5%	2.5%
European Equity	2.0%	2.5%	3.0%	3.5%	4.5%	0.0%	0.0%	0.0%	-0.5%	-0.5%
Japanese Equity	2.0%	2.5%	3.0%	4.0%	5.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Emerging Markets	6.0%	9.0%	12.0%	16.0%	19.0%	1.0%	1.0%	0.0%	0.0%	0.0%
Equities	37.0%	48.0%	60.0%	75.0%	90.0%	4.0%	3.0%	0.0%	0.0%	0.0%
Government Bonds	17.0%	14.0%	11.0%	5.0%	0.0%	-1.0%	0.0%	0.0%	0.0%	0.0%
Corporate Bonds	12.0%	10.0%	8.0%	5.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bonds	29.0%	24.0%	19.0%	10.0%	0.0%	-1.0%	0.0%	0.0%	0.0%	0.0%
Alternatives	34.0%	28.0%	21.0%	15.0%	10.0%	-3.0%	-3.0%	0.0%	0.0%	0.0%
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

HARDY INCOME	CAUTIOUS INCOME	BALANCED INCOME	CAUTIOUS INCOME	BALANCED INCOME
UK Equity	13.0%	18.0%	-2.0%	-2.0%
US & Global Equity	24.0%	29.0%	2.0%	1.0%
European Equity	3.0%	4.0%	0.0%	0.0%
Emerging Markets Equity	8.0%	11.0%	1.0%	1.0%
Equities	48.0%	62.0%	1.0%	0.0%
Government Bonds	18.0%	12.0%	-1.0%	0.0%
Corporate Bonds	16.0%	12.0%	0.0%	0.0%
Fixed Income	34.0%	24.0%	-1.0%	0.0%
Alternatives	18.0%	14.0%	0.0%	0.0%
Cash	0.0%	0.0%	0.0%	0.0%

For full underlying fund information please contact a member of the team or see the latest factsheets in our Document Library

Leavers & Joiners

Leavers:

Man Absolute Value Fund.

We have exited this UK mid-cap long/short strategy as part of a broader refinement of our alternatives allocation. While we retain respect for the team and their disciplined investment process, the fund's returns have been more equity-sensitive than we would like from an absolute return strategy. We have reallocated this capital into trend-following exposure, which we believe offers stronger diversification benefits and better complements the market-neutral strategies already held within the alternatives bucket.

Joiners:

AQR Managed Futures UCITS Fund.

This systematic trend-following strategy takes long and short positions across global equity indices, government bonds, currencies and commodities, seeking to profit from sustained price trends in either direction. Managed by one of the pioneers of quantitative investing, the strategy has a long record of delivering returns with low correlation to both equities and bonds and has historically performed well during extended market drawdowns. We like this fund because it adds a genuinely differentiated return stream to our alternatives bucket, providing valuable protection when traditional diversification breaks down, particularly in environments where equities and bonds fall together.

Holdings Report

SECURITY NAME	HELD IN PORTFOLIOS:	WHY WE HOLD IT
Aegon Absolute Return Bond Fund	Growth & Income Portfolios.	An absolute return bond fund which takes long and short positions in corporate bonds, aiming to provide steady positive returns above cash, net of costs, with low volatility. Its average duration is typically less than one year, reducing interest rate risk, and it has the flexibility to allocate across sectors. The strategy tends to find its best opportunities in more volatile bond markets, which is why we hold it: it is designed to benefit from the bond market volatility we expect to persist.
AQR Managed Futures UCITS Fund	Growth Portfolios.	This systematic trend-following strategy takes long and short positions across global equity indices, government bonds, currencies and commodities, seeking to profit from sustained price trends in either direction. Managed by one of the pioneers of quantitative investing, the strategy has a long record of delivering returns with low correlation to both equities and bonds and has historically performed well during extended market drawdowns. We like this fund because it adds a genuinely differentiated return stream to our alternatives bucket, providing valuable protection when traditional diversification breaks down, particularly in environments where equities and bonds fall together.
Argonaut Absolute Return	Growth Portfolios.	A high-conviction long/short equity fund that combines fundamental analysis with macro awareness, aiming to generate positive absolute returns regardless of market direction. By actively managing both long and short positions, primarily in European markets, it provides a diversifier intended to deliver attractive returns through all market cycles. The strategy is designed to benefit from market dispersion, offering portfolios a layer of protection and profit potential during periods of high volatility.
Artemis UK Select Fund	Growth Portfolios.	A high conviction fund where the manager uses different tools and software to screen for the best ideas with the right characteristics. Up to 10% of the fund can be short positions. We like its nimble, go anywhere approach and the fund manager's detailed understanding of industry cyclicality and how different macroeconomic factors will affect each of the underlying companies.
Artemis SmartGARP Global Emerging Markets Fund	Growth Portfolios.	This fund focuses on large-cap emerging markets using a quantitative investment strategy called SmartGARP (Growth At a Reasonable Price), with the aim of delivering strong capital growth over a five-year horizon. It capitalises on behavioural market inefficiencies and tends to find companies with deep value before their prices re-rate higher. We like the robust investment process and the team's strong track record of outperformance.
AXA Global Short Duration Bond Fund	Growth & Income Portfolios.	This is a well diversified global bond fund, with typically 10% in Sovereign bonds, 60% Investment Grade, and 30% in High Yield and Emerging Market debt. All hedged to sterling, so removing the currency risk. Duration is typically 1 to 3 years, and at relatively low cost for this type of fund.
BlackRock Continental European Income Fund	Income Portfolios.	This fund aims to invest defensively into the European (ex UK) market and generate a steady and above average level of income. It is mainly invested in large and mid-cap companies and has a slight bias to the more cyclical and value businesses with reliable cashflows. Given its income focus, we only use this in Income portfolios.

SECURITY NAME	HELD IN PORTFOLIOS:	WHY WE HOLD IT
BNY Mellon Global Income Fund	Income Portfolios.	This fund invests in global equities and follows an unconstrained and low volatility approach which compounds dividends for long-term returns. The manager believes strongly that it is the power of dividend compounding which allows for long term outperformance rather than solely relying upon high growth, higher risk investments. A key part of the process is that the stock must yield at least 25% higher than the market; they are often looking for companies which might be going through temporary problems or companies which might be seeing slower growth but still generating lots of cash. These differentiating factors are why we like the fund, and choose it for our Income models.
CG River Road US Large Cap Value Select Fund	Growth Portfolios.	An actively managed equity fund targeting US large-cap companies. Managed by an experienced team employing a fundamentals-driven Absolute Value(R) approach, its high-conviction, concentrated portfolio aims to deliver attractive returns with lower volatility than the wider US market. We hold it as a core position to balance exposure to more expensive US growth equities.
Cohen & Steers SICAV Diversified Real Assets Fund	Growth & Income Portfolios.	This fund is a blend of real assets covering Listed Infrastructure, Commodities, Listed Real Estate, Natural Resource Equities and Gold. The team see these ultimately as 'the structures and raw materials that facilitate economic growth'. The team is one of the largest specialising in such assets and this fund provides a diversified route to actively manage these assets to benefit from economic growth, inflation and potential supply disruption.
CT US Equity Income Fund	Income Portfolios.	This fund aims to provide income combined with growth over the long term, with the yield higher than the S&P 500 Index. It selects companies that exhibit above average income generation potential and may be chosen from any sector but, given its income focus, tends to be overweight Financials and Industrials, and underweight Technology and Healthcare. Its attractive yield relative to the wider US market means we use it as one of our US equity funds for our Income portfolios.
Fidelity Index UK Gilt Fund	Growth & Income Portfolios.	A low-cost passive fund which tracks the broad UK Gilt market. We use it as an efficient way to hold conventional UK government bonds, providing portfolio ballast and diversification against equity risk.
Janus Henderson Absolute Return Fund	Growth Portfolios.	This long-short UK equity fund provides exposure to equities with low volatility. It takes long positions in companies the team believe will rise within the next year and thus produce capital growth, and conversely short positions in shares which the fund believes to be overvalued/overbought and which are expected to fall.
Janus Henderson Global Technology Leaders	Growth Portfolios.	Managed with a strong valuation discipline, this fund identifies underappreciated leaders across the global technology landscape. It provides concentrated exposure to key secular themes, including artificial intelligence, cloud infrastructure and semiconductors, by targeting high-quality companies with superior earnings growth potential. We like this strategy because it offers a disciplined, valuation-sensitive way to access the tech sector, allowing portfolios to participate in secular growth themes without overpaying for the hype or being exposed to high concentration risks.
JPM Emerging Markets Income Fund	Income Portfolios.	This fund provides an income by investing in emerging markets companies whilst participating in capital growth over the long-term, in regions where we expect faster growth relative to developed markets. The team has around 100 dedicated portfolio managers and analysts across 8 locations, making it one of the broadest we access to. Around 60% of the companies yield 3-6%, and the balance split between those companies offering higher yields (but maybe lower growth) and those offering lower yields (and higher growth).

SECURITY NAME	HELD IN PORTFOLIOS:	WHY WE HOLD IT
JPM Global Equity Absolute Alpha	Growth Portfolios.	This market-neutral long/short strategy utilises J.P. Morgan's extensive global research to identify long opportunities in high-quality, attractively valued companies while shorting expensive, low-quality stocks. It is designed to deliver consistent, risk-adjusted alpha with low correlation to traditional equity and bond markets. The strategy mirrors the investment process of the team's established European fund and is run by the same portfolio managers. We favour it for its ability to generate steady returns regardless of market direction, providing a reliable ballast for portfolios.
Jupiter Asian Income Fund	Income Portfolios.	This fund aims to achieve income and capital growth by investing in equities in the Asia Pacific region (excluding Japan), taking a longer-term view of at least five years. It has a bias towards cyclical and income-producing sectors such as Financials, but also holds a meaningful allocation to Technology, reflecting the growing number of Asian technology companies that now pay a dividend, often starting low but with scope to grow. This blend of income and growth is why we see it as well suited to our Income portfolios.
Jupiter Gold & Silver Fund	Growth Portfolios.	This actively managed, high-conviction fund dynamically blends gold and silver bullion with mining equities, adjusting exposure based on market outlook, for example overweighting silver and miners in bullish scenarios and favouring bullion in defensive environments, to drive both diversification and performance. The allocation diversifies our overall equity exposure and acts as a natural hedge against geopolitical tensions and broader market risks.
Jupiter Merian Global Equity Absolute Return Fund	Growth Portfolios.	An equity market-neutral strategy designed for absolute returns, targeting a return above cash over time with low equity correlation and controlled volatility. It constructs long-short portfolios using daily quantitative and qualitative screens across valuation, growth, sentiment, management quality and market dynamics, to produce consistent returns independent of overall equity movements.
Legal & General UK 100 Index Trust	Growth & Income Portfolios.	A passive fund which aims to track the performance of the FTSE 100 index. Its low cost and attractive income yield make it an efficient core holding for UK large-cap exposure in our lower-risk Growth portfolios, and its yield makes it equally well suited to our Income models.
Man Japan CoreAlpha Fund	Growth Portfolios.	The fund targets long term capital gains by investing primarily in listed or traded shares of Japanese companies, with a focus on more cyclical or value companies trading at low valuations and which should be re-rated over time. The style means that returns can be volatile over shorter periods, while having the potential to outperform over longer periods.
Man Sterling Corporate Bond Fund	Growth & Income Portfolios.	This is a flexible and potentially more risky sterling corporate bond fund, with a focus on smaller issuers which are often overlooked. It can also have limited exposure to opportunities in non-sterling markets (with the currency hedged back to GBP) and has proved a good navigator during different and challenging market environments in bonds.
M&G Investment Funds (1) - M&G Asian Fund	Growth Portfolios.	A bottom-up equity strategy focused on the Asia Pacific ex-Japan region. The fund targets stocks with attractive valuations relative to fundamentals, using deep regional research and a curated universe of companies, some of which the team have tracked for decades, to deliver superior long-term returns versus the benchmark. We use it as a core strategy because it focuses on driving returns through stock selection, rather than making big bets on specific countries or sectors.

SECURITY NAME	HELD IN PORTFOLIOS:	WHY WE HOLD IT
New Capital US Small Cap Growth Fund	Growth Portfolios.	This is an actively managed equity fund focusing on US small-cap companies. Managed by an experienced team employing a proven investment framework refined over two decades, we added this fund to diversify our smaller company exposure, and to take advantage of the undervaluation of growthier smaller companies in the US market which we believe has great upside potential.
Redwheel Next Generation Emerging Markets Equity Fund	Growth Portfolios.	This provides access to growth opportunities in the emerging and frontier markets that are under-represented by current indices; it is largely bottom-up focusing on company fundamentals, while also considering the top down macro and themes. It has a bias towards commodities, travel & tourism and 'new factories' which should see superior growth over the coming years.
Royal London International Government Bond Fund	Growth Portfolios.	An actively managed sovereign bond fund focused on developed-market government bonds, with at least 80% of the portfolio invested globally outside the UK. Its core objective is medium-term total return over three to five years, aiming to outperform a global bond benchmark through disciplined relative-value positioning across major sovereign markets. Uncertainty and volatility in these markets should enable the fund to capitalise on mispricings, ultimately driving better performance than a passive index tracker.
Royal London Short Duration Gilts	Income Portfolios.	This is an actively-managed Gilt fund which invests at least 80% in short-duration (1-5 years) UK government bonds & 20% in other sovereign asset classes. We expect it to generate an income with low volatility.
Royal London Short Duration Global Index Linked Fund	Growth Portfolios.	This actively managed fund invests in short-dated inflation-linked government bonds from around the world, hedged back to sterling. It provides protection against inflation surprises with low interest rate risk and low volatility.
Schroder UK-Listed Equity Income Maximiser Fund	Income Portfolios.	A fund which aims to generate an enhanced level of income by investing in the UK largest companies, and using option strategies to create this extra income. We invest in the newer UK-Listed Equity version rather than the better known Income Maximiser, which takes greater sector positions and so may be more volatile. We currently limit ourselves to how much we hold in such 'maximiser' funds but the enhanced yield makes it attractive for our Income portfolios.
Schroder US Equity Income Maximiser Fund	Income Portfolios.	This fund aims to generate steady income and capital growth by investing in the largest companies in the US equity market. It tracks the S&P 500 and sells the upside potential of specific stocks to generate an enhanced income, which is well above the overall yield of the US equity market.
T. Rowe Price Funds SICAV - US Structured Research Equity Fund	Growth Portfolios.	This is a low-cost, index-aware fund which stays close to the core US equity market while a highly respected team of analysts makes small active adjustments to the portfolio to add value, which they have done successfully over many years.
TM Redwheel Global Equity Income Fund	Growth Portfolios.	This fund invests in a portfolio of around 30 to 50 high-quality, dividend-paying large companies from around the world. It has a clear value discipline, buying strong businesses only when they trade on attractive valuations, which provides both an appealing income stream and a margin of safety. We hold it because it gives our portfolios defensive global equity exposure that behaves differently from growth-led markets, with dependable dividends supporting long-term returns.
TM Redwheel UK Equity Income Fund	Growth & Income Portfolios.	This fund invests in the more cyclical and value-oriented sectors of the UK market, such as Financials and Materials, where years out of favour have left many strong businesses trading on attractive valuations with generous dividend yields. The team managing it are among the most experienced in UK value investing, and we are backing them to add significant performance as this style returns to favour. Its combination of attractive income and recovery potential makes it a natural fit across our portfolios.

SECURITY NAME	HELD IN PORTFOLIOS:	WHY WE HOLD IT
Vanguard US Government Bond Index Fund	Income Portfolios.	A low cost passive fund which tracks the US Treasury market, providing exposure to the world's largest and most liquid government bond market. We use it in our income portfolios as an efficient source of income and diversification, offering ballast against equity risk from the highest quality sovereign issuer.
VT RM Alternative Income Fund	Income Portfolios.	This fund aims to provide income while preserving capital over the medium to longer term (3-5 years). It primarily invests in listed assets within the alternative income sector, including REITs, investment trusts, asset lending, direct lending, infrastructure debt and equity, property, structured credit investments, and renewables.
WS Gresham House UK Multi Cap Income Fund	Income Portfolios.	The fund aims to generate an income yield of around 4% per annum while also generating some capital gains. It invests in a broad range of UK equities, with the flexibility to invest in larger or smaller companies as the opportunities arise.
WS Gresham House UK Smaller Companies Fund	Growth Portfolios.	This fund invests predominantly in the smallest listed UK companies, a part of the market that is under-researched and often overlooked, creating rich opportunities for skilled stock pickers. The team applies a private equity style of analysis to public markets, focusing on quality businesses with strong management and clear growth drivers. We hold it to capture the superior long-term growth potential of UK smaller companies, and given the higher volatility of the asset class we use it only in our medium and higher risk portfolios.
WS Havelock Global Select	Growth Portfolios.	This fund invests in global companies aiming for investment growth over 3-5 years. It is concentrated in a small number of 'quality value' companies with a track record of strong operating performance, financial discipline and buying at a price that does not require undue optimism about the future.
WS Lightman Investment Funds - WS Lightman European Fund	Growth Portfolios.	A concentrated portfolio which seeks to invest in undervalued companies with positive operational momentum. Its holdings are often seen as more cyclical in nature such as Financials and Materials. Even though we are cautious on Europe given its structural and political headwinds, we believe the skill of the manager and style of the fund make it a great allocation within our portfolios.
WS Ruffer Diversified Return Fund	Growth Portfolios.	This fund takes a distinctive all-weather approach, balancing growth assets such as equities against protective assets including index-linked gilts, gold and derivative-based protection strategies. The aim is to preserve capital and deliver steady positive returns whatever the market environment, rather than to track any index. Ruffer's team have applied this philosophy consistently across many economic and market cycles, and we hold the fund as a high-conviction stabiliser within our portfolios.

Past performance is not an indication of future performance. The value of investments and the income from them may fall as well as rise and investors may not get back the amount originally invested.

EXPERT SUPPORT

Meet your team

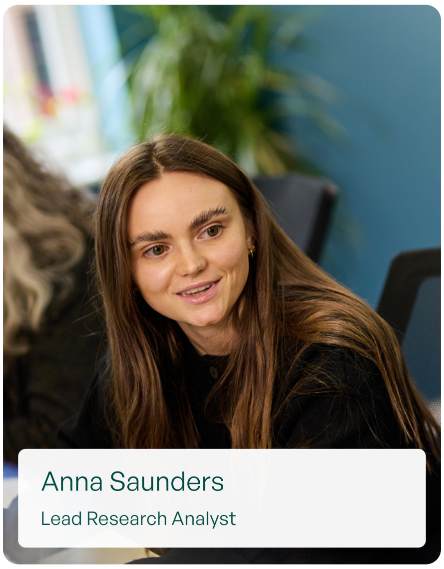
Our investment team has over 4 decades of market experience - dedicated to you.

Keith Edwards
CEO & CIO

Julian Menges
Head of Hardy Managed Portfolios & Head of Strategy

Matthew Cheek
Managing Director & Head of Distribution

David Winckler
Head of Collective Investments



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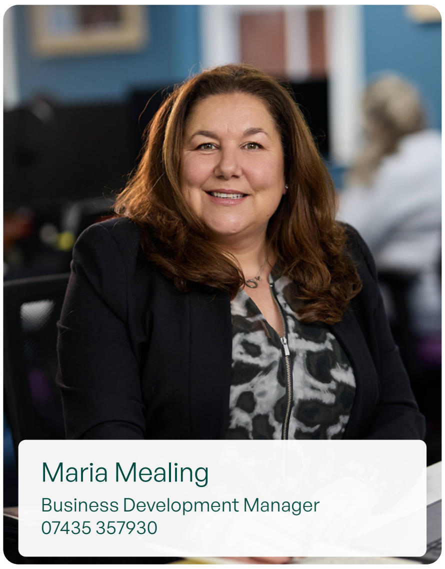

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Relationship Support

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Important Information

What you should know about investment past performance.

You should be aware that past performance is not an indication of future performance, the value of investments and the income derived from them may fluctuate and you may not receive back the amount you originally invested.

Reporting basis.

This report is based on our Hardy Performance Reporting Models which we deem to be the most accurate representation of our investment decisions. The funds held on specific platforms may vary due to fund and share class availability. Please contact us should you require more information.

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