



# Reeves MPH Portfolio

August 2022

# MPH Portfolio Update

---

The MPH portfolio has high exposure to speculative growth and the performance of this portfolio year-to-date is evidence of the volatility these funds can experience. As a result, there is a limit to the amount an investor can invest as this portfolio and it is not to be relied on for income requirements. Despite the downside potential, the upside potential is just as great with the MPH providing positive returns of 10% over a month period. This has been the result of more attractive valuations, which have come down from the highs of 2021.

The portfolio is designed to excel in market conditions that encourage growth. However, rising input costs and finance becoming less accessible can make achieving growth more challenging. These conditions may cause further short-term volatility but over the long term, these funds should provide excellent returns as they have done previously. The performance over July is a snapshot of the portfolio potential.

## MARKET ROUND UP

Inflation continues to climb which has resulted in recent interest rate rises from the Bank of England and Federal Reserve of 0.50% and 0.75%, respectively. Rising commodity prices and wage inflation is causing higher input costs which poses a challenge to those companies with lower pricing power. Absorbing input costs can hinder growth prospects which is then reflected in the share price, mainly in the micro-cap segment. Despite the challenges these sectors face, technology weighted index NASDAQ has posted positive returns of 20% since the lows of June. The S&P 500, a composite of the largest companies in the US, has also generated returns of 14%. This follows more encouraging comments made by the Federal Reserve. Investors have flooded to risk assets after months of sell offs highlighting the unpredictability of supply and demand for investment assets. Market sentiment still remains negative which can result in further volatility, however the fallout following a market downturn provides risk assets with a basis to capture strong tailwinds.



Reeves Independent Limited: 30 High Street, Gosforth, Newcastle Upon Tyne, NE3 1LX  
Tel: 0800 989 0029  
Email: [info@reevesifa.com](mailto:info@reevesifa.com)

*Reeves Independent is a trading name of Reeves Independent Limited (Reg No 11751772)  
Authorised and Regulated by the Financial Conduct Authority (FRN 839943).  
Reeves Independent (Acquisitions) Limited (Reg No 12578328, FRN 925912) is an appointed  
representative of Reeves Independent Limited.*

© 2022 Reeves Independent Limited.