

## INVESTMENT OBJECTIVE

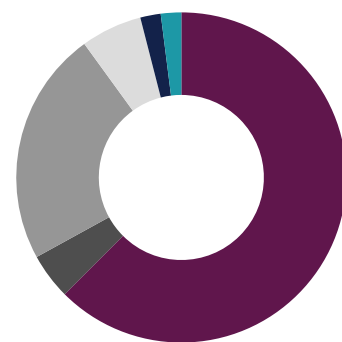
The objective of this portfolio is to grow capital over the medium to longer term. Investors should expect a high correlation to stock market behaviour and rewards, and be entirely comfortable with substantial volatility and very limited protection in times of market weakness.

## KEY INFORMATION

Launch Date:	July 2022
Historic Yield:	0.58%
Investment Management Charge:	0.40%
Ongoing Charges:	0.38%

## ASSET ALLOCATION

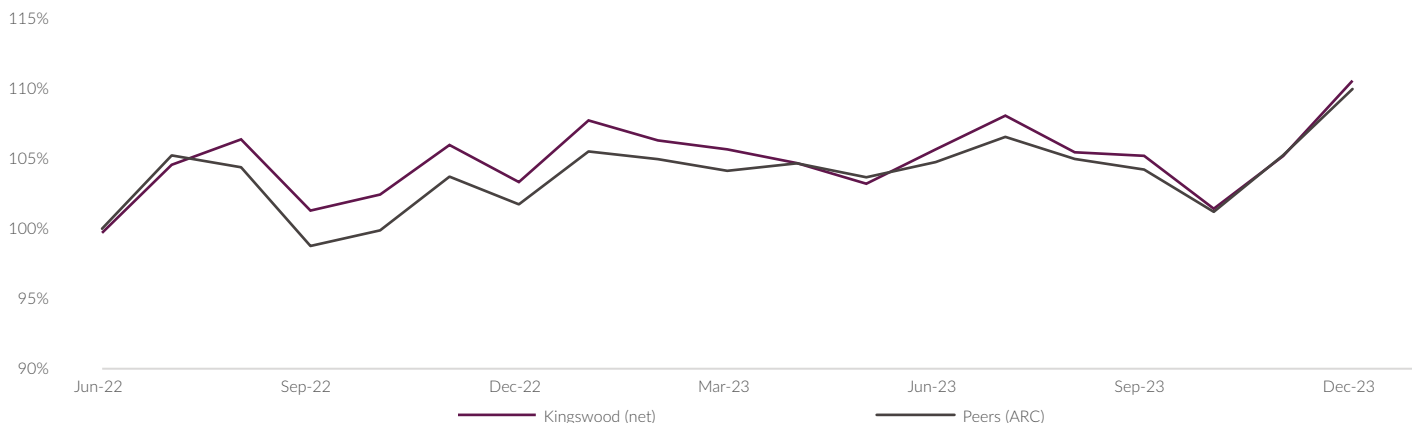
<b>Equities – International</b>	<b>62.5%</b>	<b>Equities – UK</b>	<b>4.5%</b>
Equities – Asia ex Japan	6.5%	<b>Equities – Thematic</b>	<b>23.0%</b>
Equities – Emerging Markets	8.5%	<b>Bonds</b>	<b>6.0%</b>
Equities – Europe ex UK	6.5%	<b>Alternatives</b>	<b>2.0%</b>
Equities – Japan	7.0%	<b>Cash</b>	<b>2.0%</b>
Equities – US	34.0%		



## PERFORMANCE

	Cumulative					Calendar Year Performance				
	3m	1yr	3yr	5yr	Since Launch	2022	2021	2020	2019	2018
Portfolio	5.1%	7.0%	10.6%	-	10.6%	-	-	-	-	-
ARC	5.5%	8.1%	-0.7%	-	10.0%	-	-	-	-	-

### GBP INTERNATIONAL PASSIVE ADVENTUROUS MPS (SINCE INCEPTION)



- The fourth quarter saw markets post sizeable gains on the back of hopes that an economic soft landing was on the cards and interest rates will be cut considerably over the coming year. Economic activity data in the US surprised on the upside while inflation fell back more sharply than expected in the US, Eurozone and UK.
- The Fed, ECB and BOE all kept interest rates unchanged. Crucially however, the Fed abandoned its previous mantra that rates would have to remain higher for longer and increased the number of rate cuts pencilled in for next year from two to three.
- Global equities returned 9.3% over the quarter in local currency terms, although the gain was reduced to 6.3% in sterling terms by a strengthening of the pound.
- US and European equities outperformed with gains of 7.3% and 7.6% respectively in sterling terms. UK equities lagged with a rise of 3.2%, hit in part by a fall in the oil price, as did emerging markets with a 2.1% return which was dragged down by a decline in China.
- Fixed income also posted good returns. US Treasuries returned 5.6% while UK Gilts and corporate bonds returned 8.1% and 8.2% respectively.

## INVESTMENT OUTLOOK

- An economic soft landing is looking more likely as a result of the continued resilience of activity, the marked fall in inflation and the pivot towards easing by the Fed.
- Interest rates look set to be cut significantly next year in the US, Eurozone and UK although they may not fall as fast as the market now hopes.
- Bond yields should continue to trend lower from here, although their recent sharp decline looks a bit overdone near term.
- Similarly, global equities may now be a bit head of the game but have scope for more gains further out, particularly in cheaper markets outside the US.

## TOP 10 HOLDINGS

iShares Edge MSCI USA Value Factor ETF	9.0%	iShares Core MSCI Japan IMI UCITS ETF	7.0%
iShares S&P 500 ETF	9.0%	iShares MSCI AC Far East ex-Jap ETF	6.5%
UBS Factor MSCI USA Prime Value ETF	9.0%	Vanguard FTSE Dev Eur ex UK ETF	6.5%
iShares Core MSCI EM IMI ETF	8.5%	iShares Core UK FTSE 100 ETF	4.5%
iShares MSCI USA Small Cap ETF	8.0%	L&G ROBO Global Robotics and Automation ETF	4.0%

## INVESTMENT STRATEGY

Our investment strategy has three key components:

**ASSET ALLOCATION** > Focused on analysing the economic and financial environment, assessing the prospective returns and risks of each of the major asset classes, both over the short and long term.

**FUND SELECTION** > Our rigorous fund selection process involves assessing which funds best allow us to gain exposure to the most attractive asset classes, regions and themes.

**PORTFOLIO CONSTRUCTION** > These two building blocks are then combined to create portfolios which are designed to meet their specific objectives and are actively managed with regular rebalancing.

The process is run by our research and strategy team and overseen by our investment committees to ensure that the portfolios are managed in line with their objectives and risks are kept to appropriate levels.



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