

## INVESTMENT OBJECTIVE

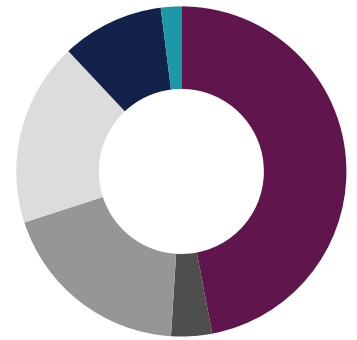
The objective of this portfolio is to grow capital over the medium to longer term. Investors should expect a high correlation to stock market behaviour and rewards, including significant fluctuations in value, with only moderate protection in times of market weakness.

## KEY INFORMATION

Launch Date: **January 2021**  
 Historic Yield: **0.47%**  
 Investment Management Charge: **0.40%**  
 Ongoing Charges: **0.35%**

## ASSET ALLOCATION

<b>Equities – International</b> 47.0%	<b>Equities – UK</b> 4.0%
Equities – Asia ex Japan 5.5%	<b>Equities – Thematic</b> 19.0%
Equities – Emerging Markets 7.5%	<b>Bonds</b> 18.0%
Equities – Europe ex UK 4.5%	<b>Alternatives</b> 10.0%
Equities – Japan 5.5%	<b>Cash</b> 2.0%
Equities – US 24.0%	

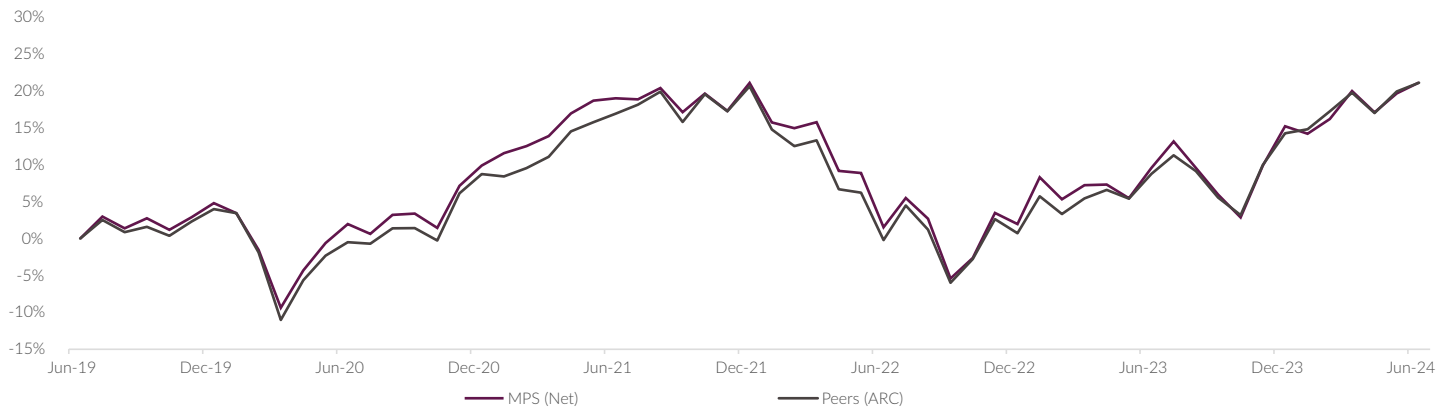


## PERFORMANCE

Please note performance prior to January 2021 is for our GBP models which have a 0.25% fee. Performance post January 2021 is for our USD models. Past performance is not a guide to future returns.

Portfolio	Cumulative					Calendar Year Performance				
	3m	1yr	3yr	5yr	Since Launch (GBP 07/2019)	2023	2022	2021	2020	2019
Portfolio	1.0%	10.6%	3.6%	21.1%	21.1%	13.0%	-15.8%	10.2%	4.9%	-
ARC	1.1%	11.4%	5.8%	21.1%	21.1%	13.4%	-16.5%	10.9%	4.6%	-

### USD PASSIVE GROWTH MPS (SINCE INCEPTION)



Source: Kingswood; ARC Research Ltd PCI (www.suggestus.com)

- Equity markets posted further gains in the second quarter following their strong performance in the first quarter. April saw markets fall back 5% or so but the correction proved short-lived with renewed increases in May and June.
- Markets took comfort from US data showing signs of a slowdown in the economy and an easing in inflation pressures following poor numbers earlier in the year. Both developments helped re-establish hopes that the Federal Reserve would be able to start cutting rates later in the year. Markets were also buoyed by further strong AI-related gains in the tech sector, with Nvidia, Apple and Alphabet all seeing gains of more than 20%.
- Global equities returned 3.5% over the quarter in local currency terms and 2.9% in USD terms. UK equities outperformed with a return of 3.8% in USD terms, led by small cap stocks which were up a strong 9.4%. Emerging markets, however, performed best returning 5.8% with India, Taiwan and China leading the way. US equities returned 3.4%, helped by the strong gains in the tech sector.
- European equities lagged with a rise of only 0.3%. Alarm over President Macron's decision to call a snap election in France outweighed the ECB kicking off the rate cutting cycle in early June with a 0.25% reduction. However, Japan fared worst, losing 4.6% as a result of renewed yen weakness.
- Fixed income saw government bond yields rise 0.2% or so, leading to modest losses in most cases. US Treasuries were flat while UK Gilts and UK corporate bonds were down 0.9% and 0.2% respectively.

## INVESTMENT OUTLOOK

- While the global economy has achieved a softish landing, inflation still looks likely to settle closer to 3% than 2%.
- The BOE and Fed are expected to follow the ECB's lead and start cutting interest rates over coming months.
- Bond yields should trend lower over the coming year although the scope for decline is not that large.
- Equities have potential for more gains further out, particularly in the cheaper areas outside the US.

## TOP 10 HOLDINGS

Xtrackers MSCI Emerging Markets ETF	7.5%	iShares Core MSCI Japan IMI UCITS ETF	5.5%
iShares Edge MSCI USA Value Factor ETF	6.5%	SPDR Russell 2000 Small Cap ETF	5.5%
iShares S&P 500 ETF	6.5%	Vanguard FTSE Dev Eur ex UK ETF	4.5%
UBS Factor MSCI USA Prime Value ETF	6.5%	SPDR Bloomberg 0-3 Year U.S. Corporate ETF	4.0%
iShares MSCI AC Far East ex-Jap ETF	5.5%	iShares \$ Corp Bond 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.



This factsheet is for Professional Intermediaries only. Kingswood, Kingswood Group and Kingswood Institutional are trading names of KW Wealth Planning Limited (Companies House Number: 01265376) regulated by the Financial Conduct Authority (Firm Reference Number: 114694) and KW Investment Management Limited (Companies House Number: 06931664) regulated by the Financial Conduct Authority (Firm Reference Number: 506600) with a registered office at 10-11 Austin Friars London EC2N 2HG. KW Investment Management Limited is also regulated in South Africa by the Financial Sector Conduct Authority (Firm Reference Number: 46775). Both companies are wholly owned subsidiaries of Kingswood Holdings Limited which is incorporated in Guernsey (registered number: 42316) and has its registered office at Oak House, Hirzel Street, St Peter Port, Guernsey GY1 3RH. The value of an investment and any income from it may fall as well as rise, may be affected by exchange rate fluctuations and you may not get back the amount you originally invested. Securities may not be suitable for all investors. Past performance data is not representative of past performance on different platforms. This is because MPS on platforms will vary in portfolio composition due to the differing availability of investments. Portfolios are re-balanced at least quarterly and rounding when buying securities may affect the cash held. The information in this factsheet does not constitute an offer of, or an invitation to buy or sell any security. The composition of the portfolio may also vary due to the availability of investments across the different platforms. Please refer to your Adviser for full details.