



## Model Portfolio Service

November 2023

### Asset allocation



Fixed interest	39%
UK equity	7%
Overseas equity	29%
Absolute return	17%
Infrastructure	0%
Cash	8%

### Top 10 holdings

Ruffer Diversified Return	7.1%
Vanguard Global Short Term Bond Index	6.8%
Blackrock ICS Sterling Liquidity	6.4%
Vontobel Sustainable Short Term Bond	6.3%
AXA US Short Duration High Yield	4.8%
Troy Trojan	4.7%
CG Absolute Return	4.6%
Fidelity Global Dividend	4.0%
L&G Global Equity Index	3.9%
L&G Global Inflation Linked Bond Index	3.8%

### Portfolio information

Launch date	12 Nov 2009
Min cash holding	2%
Annual management charge	0.25%
OCF	0.44%

There will be an additional 0.25%pa charge (no VAT) if LGT Wealth Management are asked to act as custodian and a third party platform is not used.

### Model description

The primary objective of this portfolio is to achieve a moderate level of capital growth. The portfolio is diversified across a range of asset classes with low-to-medium allocation to funds investing in equities (expected to be no greater than 55%) and other risk assets. Target Volatility: 4%-7%

### MPS market update

The recent attacks by Hamas have shifted the focus to geopolitical tensions, particularly in the Middle East. These events compound existing global concerns, such as the ongoing Ukraine conflict and US-China tensions. Concurrently, central banks worldwide appear to be slowing down their interest rate hikes, with the ECB signalling a possible peak in rates.

Throughout October, there was a persistent rise in longer-dated bond yields, primarily attributed to growing fiscal deficits and the prospect of interest rates being higher for longer. Notably though, the US economy remains robust, as evidenced by surprising GDP growth on the upside. In the corporate realm, earnings reports from tech giants have presented a mixed picture of their performance. Meanwhile, China has adopted fiscal measures, including issuing sovereign debt, to stimulate its economy.

Amidst these developments, central banks are taking a pause to evaluate the rapidly evolving geopolitical landscape, which is further complicated by the rising bond yields, contributing to tighter financial conditions. Therefore, the preference for investment leans towards quality companies with solid balance sheets that can weather economic shocks and deliver long-term returns.

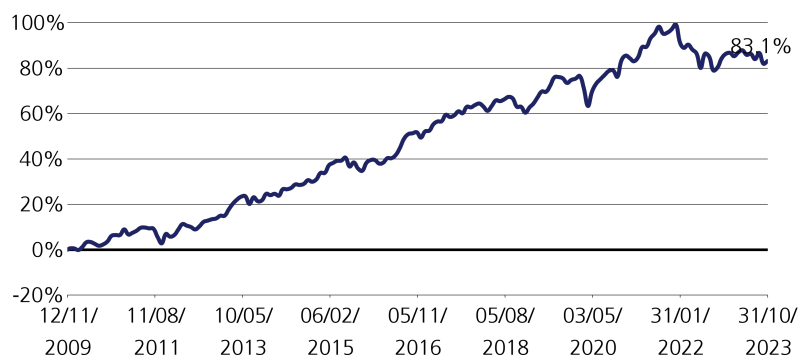
### Performance and volatility

12 month rolling performance

31/10/2022 - 31/10/2023	31/10/2021 - 31/10/2022	31/10/2020 - 31/10/2021	31/10/2019 - 31/10/2020	31/10/2018 - 31/10/2019	Cumulative return since inception
1.56%	-7.72%	11.07%	1.54%	6.51%	83.12%

1 month	3 month	6 month	1 year	3 year	5 year
-1.39%	-2.45%	-2.56%	1.56%	4.09%	12.57%

### Performance since inception



Source: Morningstar

	Target	Realised (Since Inception)
Volatility	4 to 7%	5.19%
Return	4.5 to 6%	4.43%
Potential drawdown	-9.1%	-10.05%

	3 years	5 years
Realised volatility	6.08%	6.08%

Assumed yield	2.58%
Dividend	53%
Savings	47%

Where targets are given, these are for indication purposes only; the actual figures achieved could be more or less than the ranges given. Source: Morningstar. Net of underlying fund costs, gross of all other charges. \*Source: Figaro. Fixed income considered saving income, all other asset classes (bar cash) considered dividend income.

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