Advisory | January 2024

Quarter Four Review

Your guide to the markets and the Advisory Portfolios

Investment solutions to suit all risk profiles

Professional Adviser
PA AWARDS 2023
FINALIST
Best Discretionary Fund Manager

Professional Adviser
PA AWARDS 2022
FINALIST
Best Discretionary Fund Manager

Professional Adviser
AWARDS 2021
FINALIST
Best Model Portfolio Service

INVESTMENT WEEK
SPECIALIST INVESTMENT AWARDS 2020
WINNER
Best Specialist Multi-Asset Group of the Year

money marketing AWARDS 19
WINNER
BEST DISCRETIONARY FUND MANAGER

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Introduction

Welcome to the latest edition of the quarterly review. This has been designed to provide you with a clear and simple explanation of what has happened over the past three months, how this has affected your investment returns, and what our outlook might look like over the coming quarters.

If you only read the key points in this introduction and the performance summary, you will have a grasp of what has happened over the past quarter and how that has influenced your investment returns. If you want to delve further into the underlying forces that are shaping the investment landscape, there is much more detail covered in the following pages.

Summary

The summary below encapsulates the key learning points and outlook without the in-depth analysis:

- **Performance was strong in 2023**

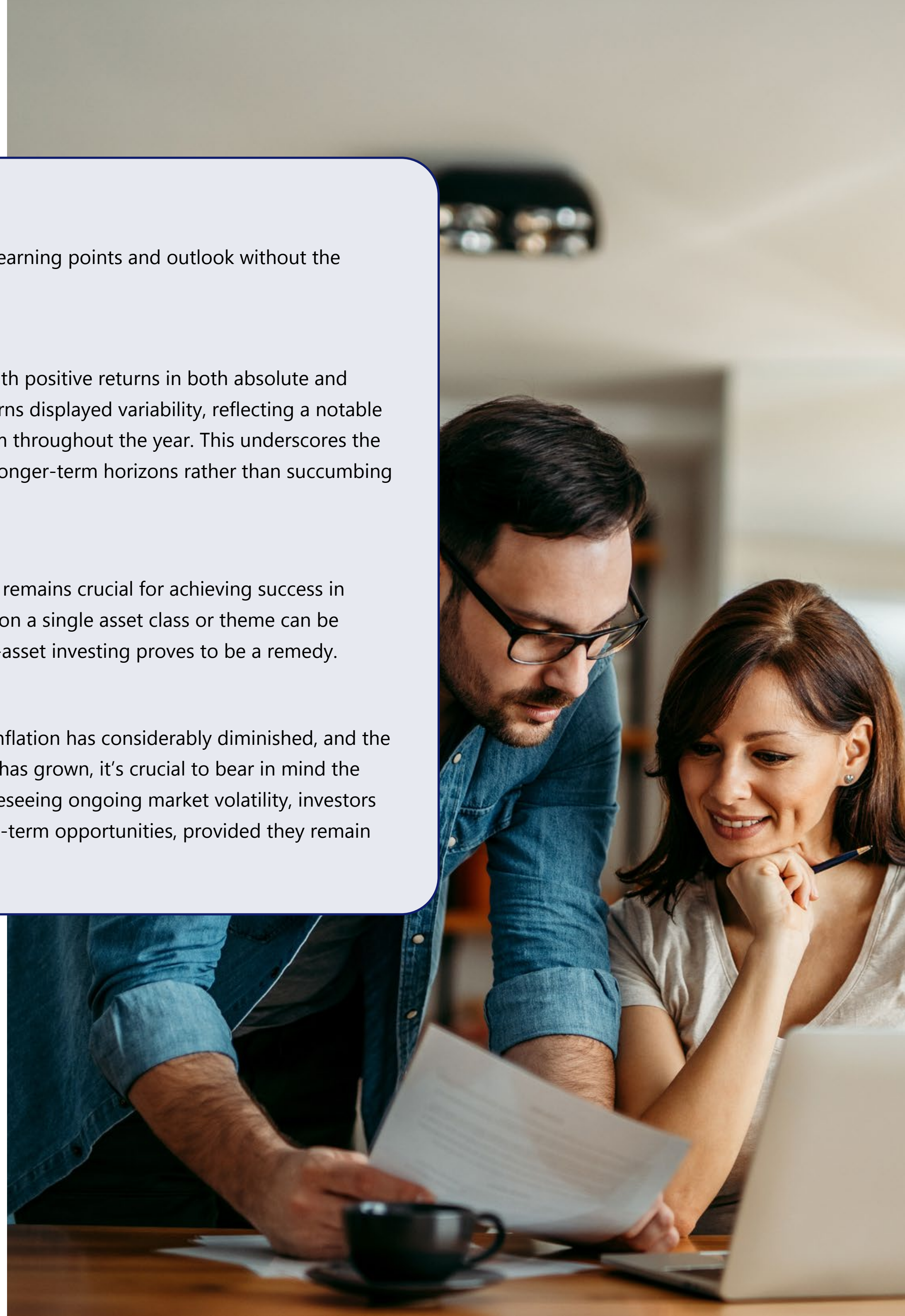
  2023 witnessed robust performance, with positive returns in both absolute and relative terms. Quarter-on-quarter returns displayed variability, reflecting a notable shift in sentiment from fear to optimism throughout the year. This underscores the importance of maintaining a focus on longer-term horizons rather than succumbing to the allure of short-term gains.

- **Staying focused on diversification**

  Maintaining a well-diversified portfolio remains crucial for achieving success in long-term investing. Depending solely on a single asset class or theme can be risky, and in the face of volatility, multi-asset investing proves to be a remedy.

- **Outlook**

  Although the threat of enduring high inflation has considerably diminished, and the anticipation of interest rate reductions has grown, it's crucial to bear in mind the resurgence of political risk in 2024. Foreseeing ongoing market volatility, investors have the potential to capitalise on long-term opportunities, provided they remain invested to seize these chances.



Performance Summary

Below is an overview of how each Model Portfolio has performed over the last quarter, one year, three years, five years, since launch and it's annualised return.

We also provide details of how a typical cash account and the FTSE 100 Index have performed so you can compare your Portfolio's performance against these common alternative forms of investment.

		QTR	1YR	3YR	5YR	LAUNCH	ANNUALISED
Adv01	Portfolio	5.0%	2.0%	-4.7%	3.5%	43.2%	1.9%
Adv02	Portfolio	5.4%	3.1%	-4.0%	8.7%	61.6%	2.5%
Adv03	Portfolio	5.6%	4.1%	-3.4%	13.3%	93.6%	3.5%
Adv04	Portfolio	5.8%	4.8%	-1.5%	20.8%	134.0%	4.5%
Adv05	Portfolio	6.0%	5.9%	-0.3%	24.9%	168.7%	5.3%
Income	Portfolio	4.6%	5.9%	9.9%	20.9%	88.8%	4.9%

		QTR	1YR	3YR	5YR	LAUNCH	ANNUALISED
Adv06	Portfolio	6.2%	7.4%	2.1%	32.2%	210.2%	6.1%
Adv07	Portfolio	6.4%	8.8%	4.8%	40.0%	248.3%	6.7%
Adv08	Portfolio	6.2%	9.9%	5.2%	44.7%	285.7%	7.3%
Adv09	Portfolio	6.1%	10.8%	5.4%	50.1%	325.1%	7.8%
Adv10	Portfolio	6.2%	11.5%	5.8%	54.7%	364.3%	8.3%

Comparators for clients to use against three key levels of comparison: cash, inflation and the core UK stock market.

Cash - FE Interest 0.5%	0.1%	0.5%	1.5%	2.5%	10.0%	0.5%
Inflation UK Retail Price	-0.3%	4.7%	27.7%	32.1%	100.1%	3.7%
FTSE 100 Index	2.3%	7.9%	33.8%	38.9%	238.4%	6.6%

The Investment Association (IA) monitors around 4,000 funds in the UK and are classified to the IA sectors. The sectors provide a way to divide these funds into broad groups, so investors and advisers can compare funds in one or more sectors.

UK CPI is for Risk Profiles 01 to 03, IA Mixed Investment 20-60% Shares is for Risk Profile 04 to 06, IA Mixed Investment 40-85% Shares is for Risk Profiles 07 to 09 and IA Flexible Investment is for Risk Profile 10.

CPI	-0.2%	3.5%	20.6%	23.0%	71.3%	2.8%
IA Mixed Investment 20-60%	5.7%	6.8%	3.7%	20.0%	121.1%	4.2%
IA Mixed Investment 40-85%	5.8%	8.1%	7.9%	31.5%	198.9%	5.9%
IA Flexible Investment	5.3%	7.1%	8.5%	33.9%	210.0%	6.1%

Notes: Due to rounding, relative performance may not correspond exactly with its constituent components above.

What did happen?

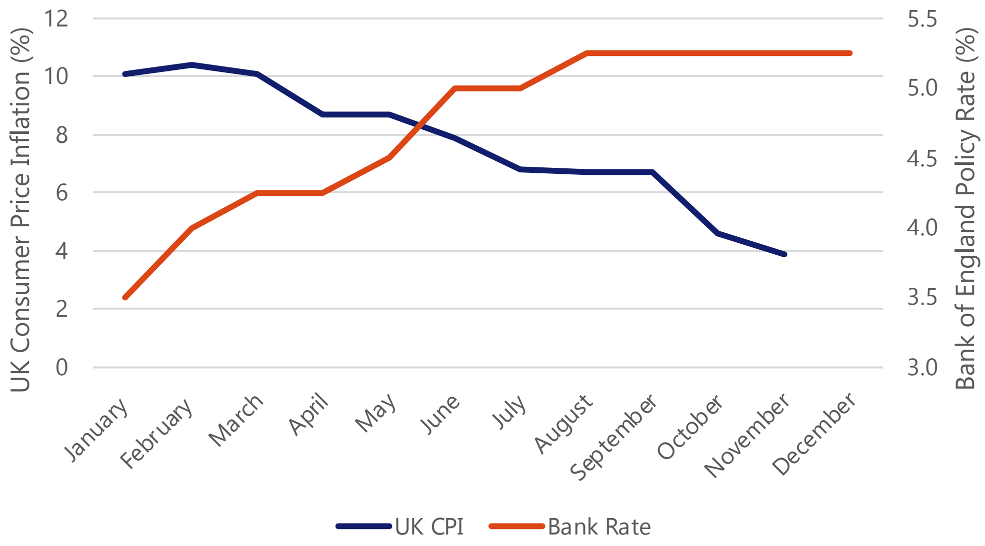
A prevailing sentiment in 2023 foresaw a negative trajectory, influenced by the sombre market conditions experienced in 2022. Economists held a consensus view that the repercussions of the previous year would extend well into 2023, with a notable possibility of a global recession.

We entered 2023 with inflation still high and central bank interest rates which were forecast to go higher. Central banks were single-minded in the pursuit of tighter monetary conditions to combat inflation and there was a majority view that 2023 would see a recession.

Having suffered a tough 2022, the market was in no mood to be caught out and views were understandably negative. This outlook was hard to shake off and even as 2023 saw bouts of good news, the general view was still negative, and was maintained until the last months of the year.

Sentiment swung back and forth, rebounding from recession fears at the start of the year, with the banking crisis in the US, to the hope of resilient growth over the summer. The mantra of 'higher for longer' for interest rates persisted, however, we ended the year with the possibility of future interest rate cuts.

Driving this view was an inflation rate that started stubbornly high at the beginning of the year, before falling as the year progressed, with the most recent figure for November surprising expectations on the downside (meaning it was lower than anyone had forecast).



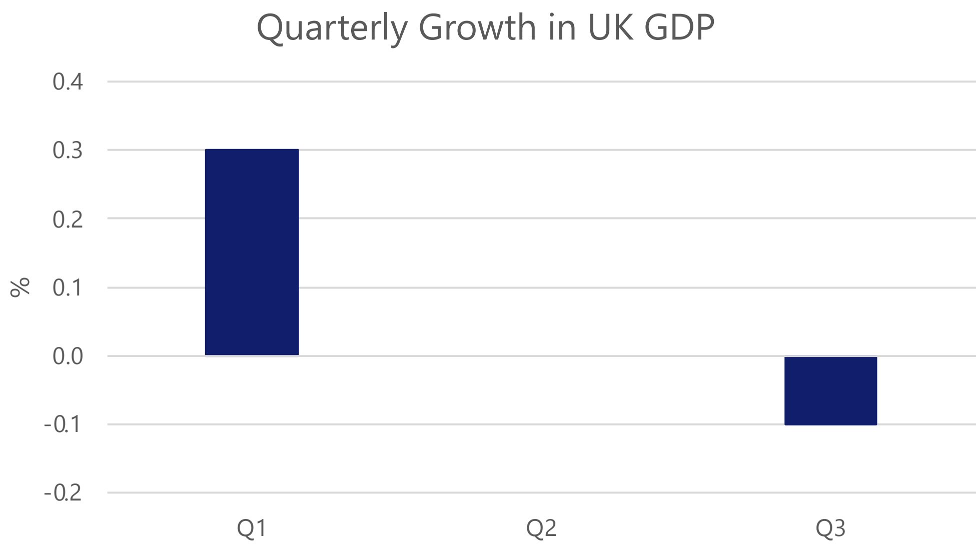
This relieved the Bank of England from the immediate pressure to continuously raise rates. However, it remained crucial for policymakers to observe a consistent trend of decreasing inflation. The Bank persisted in raising rates throughout the summer, pausing only when other global policymakers reached the same conclusion that inflation was receding.

With inflation falling, attention changed to the economy, where tighter monetary conditions (i.e. reducing the money supply and availability of money, and increasing its cost) to curb rising inflation, had limited the conditions for economic growth. Higher interest rates pose a challenge to economic growth as they increase the cost of financing for companies and incentivise consumers to save rather than spend.

GDP stands for Gross Domestic Product and is the value of all the goods and services produced in the country, showing the size of the economy. The growth of GDP measures whether the economy is growing or shrinking. We can see in Q1 the economy grew, while in Q2 it remained flat (the reading for Q2 is zero). The latest reading for Q3 shows the economy shrunk.

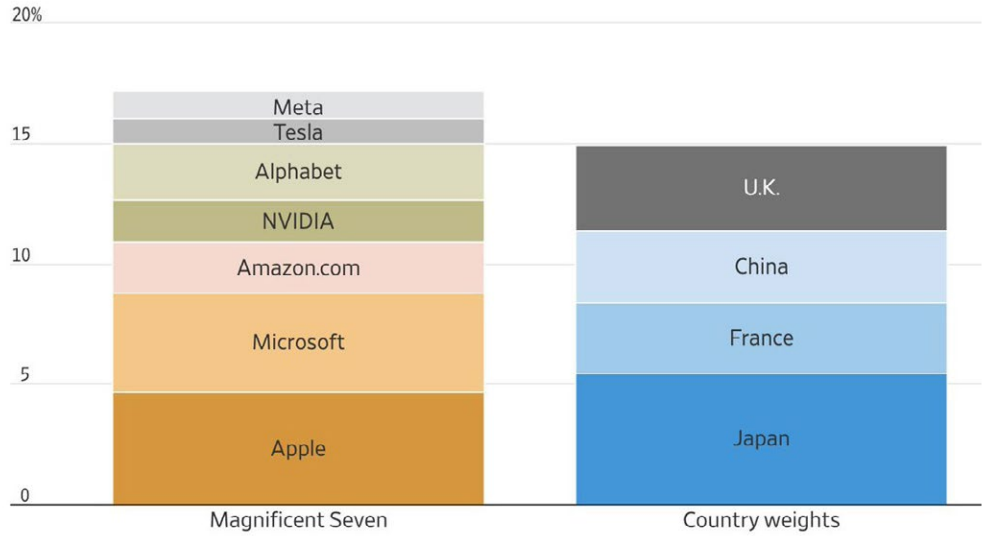
Although it appears that inflation has been successfully addressed, the outcome has been an economy that is faltering and weakening. This forms the basis for the perspective that we have not only surpassed the peak in the interest rate cycle, but have also transitioned from the expectation of 'higher for longer' to the potential for interest rate cuts. The rationale behind this shift is that central banks are expected to transition from restrictive policies to measures theoretically designed to support the economy.

In 2023, the market's attention was captivated by the theme of Artificial Intelligence, embodied by a select group of major technology companies known as 'The Magnificent Seven.' The surge in these stocks contributed to a heightened concentration in market capitalisation-weighted indices. These indices are constructed in a way that assigns greater weight to larger companies relative to their size compared to other components. In the MSCI All Country World Index, the combined representative weight of 'The Magnificent Seven' surpassed the combined allocation to Japan, France, China, and the UK.



Source: Office for National Statistics

Weighting in the MSCI All Country World Index



While acknowledging the excellence of these companies, we emphasise the significance of diversifying exposure across various sectors. This becomes crucial for maintaining a well-rounded investment portfolio. The events of the past year underscore the importance of adopting a perspective beyond calendar years and not allowing one challenging period to alter long-standing investment beliefs. The wisdom lies in cultivating a global multi-asset portfolio with geographical diversification, steering clear of the temptation of concentrated exposure to potentially overvalued thematic stocks. Successful long-term investing demands patience and a steadfast philosophy, principles that have consistently benefited our clients over the past two decades.

Source: MSCI and Allspring Global Investments.

How has this affected my Portfolio?

Growth Portfolios

Returns (%)	
	Portfolio
Adv01	5.0
Adv02	5.4
Adv03	5.6
Adv04	5.8
Adv05	6.0
Adv06	6.2
Adv07	6.4
Adv08	6.2
Adv09	6.1
Adv10	6.2

The performance of the portfolios over the final three months of 2023 was reflective of the starkly different economic and market conditions experienced across each month. October saw a continuation of the higher interest rate dynamic which has prevailed since early 2022. This was driven by concerns about the amount of borrowing the US Treasury would be required to undertake in order to finance the fact that the government is spending more than it raised in taxes.

These concerns, and the higher interest rates they entailed, dissipated exceptionally rapidly in the final two months of the year. Throughout November and December markets continued to see tangible evidence that the challenge of inflation is largely behind us, and that central banks in general, and the US Federal Reserve in particular, have finished raising interest rates for this cycle. This led to a festive rally in assets across multiple markets from Equities to Fixed Income.

The MSCI All Country World Index of global equities was up +6.4% for the quarter, while the GBP hedged Bloomberg Global Aggregate Index of high-quality fixed income rallied +5.8%. The Bloomberg Global High Yield Corporate Index was up +7.0%, which illustrates the slightly low-quality nature of the rally as the most distressed debt of the most indebted companies rallied the most. Similarly, when we look within equity markets, smaller companies rallied aggressively relative to their "large capitalisation" peers. Across equity markets, Emerging Market and Japanese Equity markets lagged their Continental European, US and UK peers over the quarter; however, we think that these markets provide good return potential as we look towards the New Year.

Following on from the strong returns experienced in the fourth quarter of 2023, we are mindful of retaining a high-quality and diversified focus for the portfolios. As discussed above, many lower quality assets, such as the equity and debt of stressed companies, rallied hard into the end of the year. These firms could face a challenging environment in 2024 as their cost of capital remains at some of the highest levels of the past two decades – a particular challenge for those looking to issue more debt, for instance. Across equity markets, geographies such as the US are trading at expensive valuation multiples once again, while others such as China, broader Emerging Markets, the UK and Japan are at more appetising levels.

We are pleased with the absolute and relative returns generated by the portfolios in 2023, a year whereby the headlines were often dominated by rapidly changing macro sentiment, armed conflict and political strife.

Income Portfolios

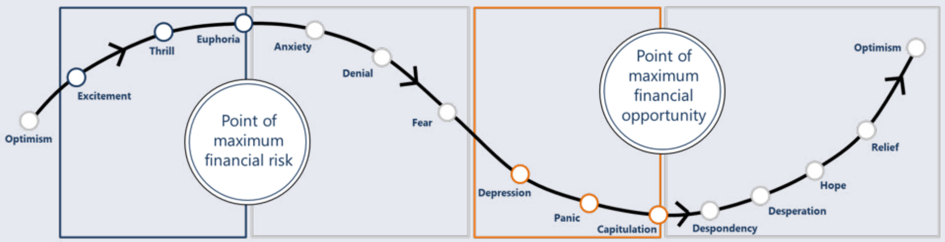
Returns (%)		
	Portfolio	Yield
Income	4.6	5.1

Given many components of high-quality Fixed Income and global equity markets remain at attractive valuations, we think a globally-diverse, multi-asset portfolio is well positioned to meet long-term investment requirements for years to come.

What do we think will happen?

The narrative has changed from being fearful to being optimistic. While 2023 was predominantly about how high interest rates would go, 2024 will likely be about how quickly will interest rates come down.

It is a significant change from just twelve months ago and referring to the cycle of market emotions image below, the market has moved from 'depression, panic, and capitulation' to 'hope, relief, and arguably, optimism.'



The end of 2023 saw significantly positive performance from both global equities and global bonds, giving both core asset classes a positive return for the year. A dramatic change from the previous calendar year which saw both global equities and global bonds post negative returns.

The foundations for feeling more optimistic about the coming year have been the removal of one of the biggest impediments to investment performance. The market is expecting rate cuts to be the next move from central banks, which provides a more favourable environment for bonds and equities in general. In the same way central banks were slow to react to rising inflation, it may take central banks longer to react to slowing inflation and deteriorating economic data. Markets continue to expect imminent rate cuts as central banks switch attention from being defensive around inflation, to supportive around growth.

The overall view is that 2024 should be favourable, albeit another year that is laced with volatility; markets do not move in a straight line. However, we do remain cognisant of the risk that if inflation does not continue to move downwards, then conditions for more interest rate hikes could arise. This is certainly not our base case, but something that does support the continued need to be appropriately diversified.

Politics

Having had a dearth in 2023, we are due a bumper harvest of elections in 2024. 76 countries are set to vote this year, representing over half of the world's population and almost 60% of the economic size of the planet.

The first key election will be this month, as Taiwan's vote may be key in determining future relations with China. Followed by the main elections that the media will be focusing on, which will be the UK General Election and the US President Election in November. Not only will America be voting for their next president, but they will also be deciding on the entire House of Representatives and a third of Senate. Significant change for US politics.

Before that change comes around, the incumbent politicians need to avoid kicking the can down the road again and decide on the US debt ceiling. In the last quarter of 2023, policymakers failed to agree on a new spending limit and a closure of the US government came close to the edge. Having deferred the

2024 Elections	Total	Global Share
Number of Countries Voting	76	39%
Population (Billions)	4.2	51%
GDP (USD, Trillions)	65.8	59%

Source: IMF, and Goldman Sachs Asset Management, as at 13/11/2023.

decision twice, it was decided to split the debate on funding into two and have two shutdown deadlines:

- 19th January 2024: priority was given to military, construction, transportation, housing, and energy sectors.
- 2nd February 2024: anything not covered in the first decision will be funded up to this date.

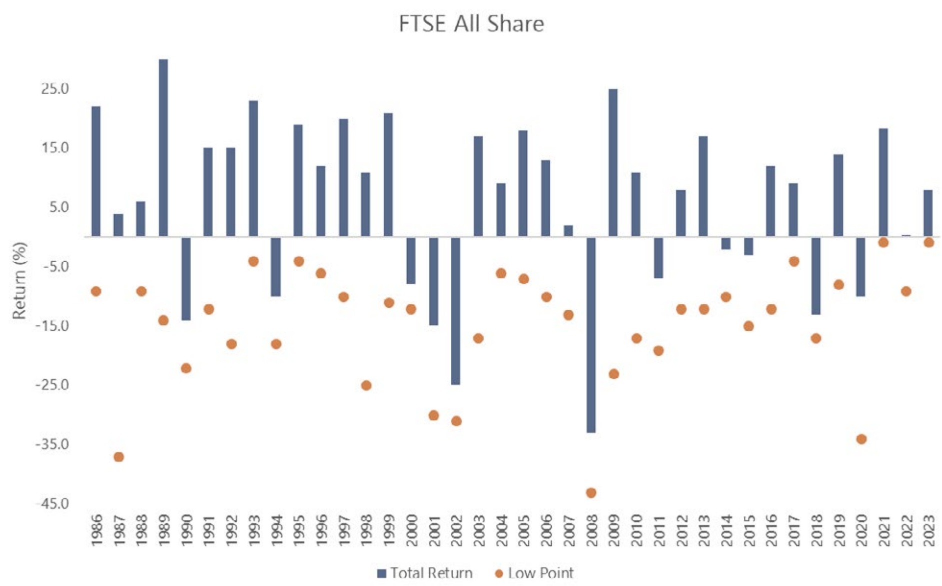
So, while certain risks can be argued to have dissipated, others have remerged. This is an opportunity for all investors to remind themselves of the importance of being resilient in all market conditions and stay invested.

Time in the markets

Sentiment shifted back and forth during 2023 and gave investors the opportunity to capitulate. One of the keys to long-term investing is being emotionally robust and not becoming too fearful during the difficult times and conversely, not becoming too greedy during the better times. A consistent approach is best and staying invested throughout is one of the methods to achieve better long-term returns.

The end of 2023 gave us a positive equity market in the UK. Using the FTSE All Share Index as a broad measure of UK listed companies, shows a positive return and one that was above the long-term average of 6% since 1986. The orange dots represent the lowest point in the index during the calendar year, with 2023 having a drawdown of less than -1%.

The chart shows 38 years of which 27 have been positive. If you have stayed invested throughout and ignored the fear of the low points, you would have put probability in your favour and increased your potential long-term returns.



YOU - Glossary of Terms

KEY

Term

Explanation

Absolute return strategy

An investment strategy that aims to deliver positive returns whatever the market does, rather than simply aiming to outperform a benchmark index.

Asset allocation

An investment strategy that aims to balance risk and reward based on each client's needs across asset classes and/or markets. For example, a fund may hold a combination of shares, bonds and cash. The weightings given vary according to the investment objective and the investment outlook.

Diversifiers

Diversifiers, as the name may suggest, are investments that provide exposure to assets that tend to behave differently from traditional stock and bonds. These investments can help improve the risk-reward characteristics of a portfolio - that is, offer investors the potential to earn a higher return per unit of risk - because they are less correlated, earning cash flows from different sources.

Equities

A share in ownership of a company. Equities in trading are portions of ownership in a public-listed company. Equity is bought and sold in the form of shares or stocks, which are issued by companies as a way to raise money. When you buy equity, you are taking ownership of a small portion of that company.

Fixed income asset class

Fixed income is an asset class that is a commonly held investment because it helps preserve capital. Fixed-income investments, or bonds as they are commonly known, typically provide a premium above inflation and experience less return volatility compared with shares.

Fixed income exposure

Fixed income exposure refers to the investment allocation or percentage of a portfolio that is dedicated to fixed income securities. Fixed income securities are financial instruments that provide regular fixed payments to investors over a specified period. They typically include government bonds, corporate bonds, municipal bonds, and other debt instruments.

Strategic bond fund

Strategic bond funds are a type of mutual fund or investment vehicle that invests in a diversified portfolio of fixed income securities, including government bonds, corporate bonds, high-yield bonds, and other debt instruments. Unlike traditional bond funds that follow a specific benchmark or index, strategic bond funds have the flexibility to actively manage their portfolios by dynamically adjusting their allocation based on market conditions and their investment manager's discretion.

YOU Asset Management Team

Core YOU Team

Derrick Dunne
Chief Executive

Shane Balkham
Client Investment Director

Nick Heath
Client Relationship Manager

Chris Ayton
Fund Manager

Cormac Nevin
Fund Manager

Millan Chauhan
Investment Analyst

Ilaria Massei
Investment Analyst

Ashwin Gurung
Investment Analyst

Dominic Williams
Investment Analyst

Peter Griffin
Operations Director

Kira Parker
Investment Administration Manager

Conor Cassidy
Investment Administration Specialist

Maddie O'Connor
Investment Administration Specialist

Linda Afari
Investment Administration Specialist

Support to the YOU Team

Steven Poulton
Compliance Director

Ceris Hymas
Head of Marketing & Communications

Emma Sheldon
Senior Marketing & Communications Executive

Mary Fyfe
Group Head of HR

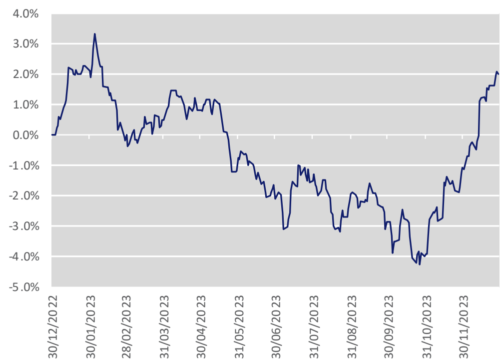
Fund	Allocation	Qtr %	1 Year %	
Cash				
BlackRock Cash	15.0	0.0	0.0	
Fixed Income				
Janus Henderson Strategic Bond	14.5	9.4	3.6	
Allianz Strategic Bond	14.5	5.6	-4.2	
BlackRock Absolute Return Bond	21.0	3.4	0.6	
Property & Real Assets				
Schroder Global Cities Real Estate	5.0	10.6	4.2	
First Sentier Global Listed Infrastructure	5.0	6.5	-4.2	
Absolute Return				
Ninety One Diversified Income	7.5	4.2	5.4	
BNY Mellon Real Return	7.5	5.0	1.4	
UK Equity				
Artemis UK Select	1.1	4.8	18.2	
Premier Miton UK Value Opportunities	1.1	7.9	9.3	
US Equity				
UBS US Equity	2.0	6.2	18.6	
Europe Ex-UK Equity				
BlackRock Continental European	1.1	11.9	20.8	
Japanese Equity				
M&G Japan	1.4	0.8	14.0	
Global Emerging Market Equity				
AXA Framlington Emerging Markets	1.5	5.3	-4.7	
Global Developed Market Equity				
BNY Mellon Global Income	1.8	3.2	4.0	

Portfolio Holdings

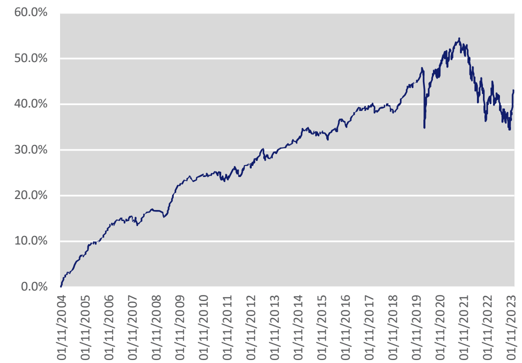
This Portfolio invests mainly in Cash and Fixed Income and suits investors for whom minimising any capital loss is a priority over returns.

		QTR	1YR	3YR	5YR	LAUNCH	ANNUALISED
Adv01	Portfolio	5.0%	2.0%	-4.7%	3.5%	43.2%	1.9%

12 Months Performance



Since Launch Performance



	Asset Class	Strategic (%)	Tactical (%)
	Cash	15	15
	Fixed Income	50	50
	Property & Real Assets	10	10
	Absolute Return	15	15
	UK Equity	1.8	2.2
	US Equity	2	2
	Europe ex-UK Equity	1.6	1.1
	Japanese Equity	1.3	1.4
	Global Emerging Market Equity	1.5	1.5
	Global Developed Market Equity	1.8	1.8

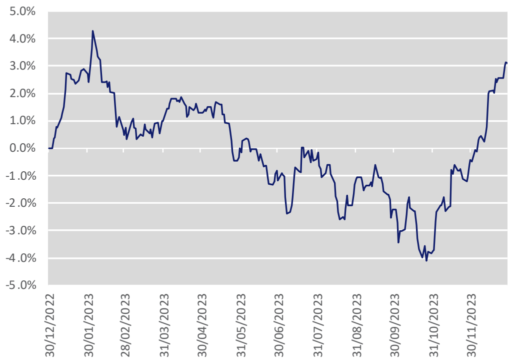
Portfolio Holdings

Fund	Allocation	Qtr %	1 Year %	
Cash				
BlackRock Cash	10.0	0.0	0.0	
Fixed Income				
Janus Henderson Strategic Bond	13.5	9.4	3.6	
Allianz Strategic Bond	13.5	5.6	-4.2	
BlackRock Absolute Return Bond	18.0	3.4	0.6	
Property & Real Assets				
Schroder Global Cities Real Estate	5.0	10.6	4.2	
First Sentier Global Listed Infrastructure	5.0	6.5	-4.2	
Absolute Return				
Ninety One Diversified Income	7.5	4.2	5.4	
BNY Mellon Real Return	7.5	5.0	1.4	
UK Equity				
Artemis UK Select	2.2	4.8	18.2	
Premier Miton UK Value Opportunities	2.2	7.9	9.3	
US Equity				
UBS US Equity	2.0	6.2	18.6	
UBS US Growth	2.0	9.3	37.4	
Europe Ex-UK Equity				
BlackRock Continental European	2.2	11.9	20.8	
Japanese Equity				
M&G Japan	1.5	0.8	14.0	
JPM Japan	1.4	8.0	9.6	
Global Emerging Market Equity				
Ninety One Asia Pacific Franchise	1.5	2.6	-4.5	
AXA Framlington Emerging Markets	1.4	5.3	-4.7	
Global Developed Market Equity				
BNY Mellon Global Income	2.7	3.2	4.0	
Baillie Gifford Global Discovery	0.9	10.0	-3.9	

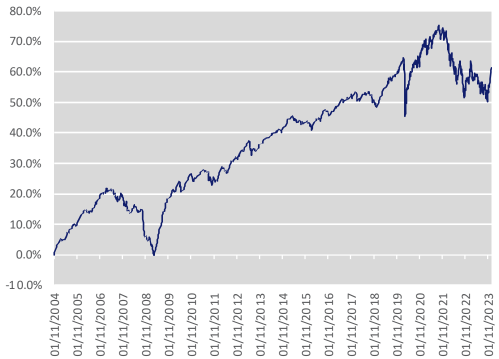
This Portfolio invests mainly in Cash and Fixed Income and is suitable for investors who wish to protect their capital with a minimal amount of risk.

		QTR	1YR	3YR	5YR	LAUNCH	ANNUALISED
Adv02	Portfolio	5.4%	3.1%	-4.0%	8.7%	61.6%	2.5%

12 Months Performance



Since Launch Performance



	Asset Class	Strategic (%)	Tactical (%)
	Cash	10	10
	Fixed Income	45	45
	Property & Real Assets	10	10
	Absolute Return	15	15
	UK Equity	3.7	4.4
	US Equity	4	4
	Europe ex-UK Equity	3.3	2.2
	Japanese Equity	2.5	2.9
	Global Emerging Market Equity	2.9	2.9
	Global Developed Market Equity	3.6	3.6

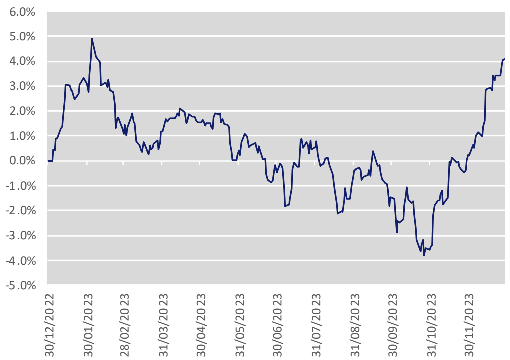
Portfolio Holdings

Fund	Allocation	Qtr %	1 Year %
Cash			
BlackRock Cash	5.0	0.0	0.0
Fixed Income			
Janus Henderson Strategic Bond	10.5	9.4	3.6
Allianz Strategic Bond	10.5	5.6	-4.2
BlackRock Absolute Return Bond	19.0	3.4	0.6
Property & Real Assets			
Schroder Global Cities Real Estate	5.0	10.6	4.2
First Sentier Global Listed Infrastructure	5.0	6.5	-4.2
Absolute Return			
Ninety One Diversified Income	7.5	4.2	5.4
BNY Mellon Real Return	7.5	5.0	1.4
UK Equity			
Artemis UK Select	3.3	4.8	18.2
Premier Miton UK Value Opportunities	3.3	7.9	9.3
US Equity			
UBS US Equity	3.1	6.2	18.6
UBS US Growth	3.0	9.3	37.4
Europe Ex-UK Equity			
BlackRock Continental European	2.0	11.9	20.8
CT European Select	1.3	10.6	18.3
Japanese Equity			
M&G Japan	2.2	0.8	14.0
JPM Japan	2.1	8.0	9.6
Global Emerging Market Equity			
Ninety One Asia Pacific Franchise	1.5	2.6	-4.5
AXA Framlington Emerging Markets	2.9	5.3	-4.7
Global Developed Market Equity			
BNY Mellon Global Income	4.0	3.2	4.0
Baillie Gifford Global Discovery	1.3	10.0	-3.9

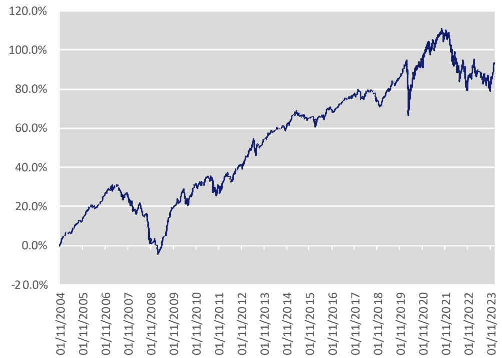
This Portfolio invests mainly in Fixed Income and a small amount of riskier assets and is suitable for investors who wish to protect their capital, if possible, but increase the chances of better long-term returns.

		QTR	1YR	3YR	5YR	LAUNCH	ANNUALISED
Adv03	Portfolio	5.6%	4.1%	-3.4%	13.3%	93.6%	3.5%

12 Months Performance



Since Launch Performance



Asset Class	Strategic (%)	Tactical (%)
Cash	5	5
Fixed Income	40	40
Property & Real Assets	10	10
Absolute Return	15	15
UK Equity	5.5	6.6
US Equity	6.1	6.1
Europe ex-UK Equity	4.9	3.3
Japanese Equity	3.8	4.3
Global Emerging Market Equity	4.4	4.4
Global Developed Market Equity	5.3	5.3

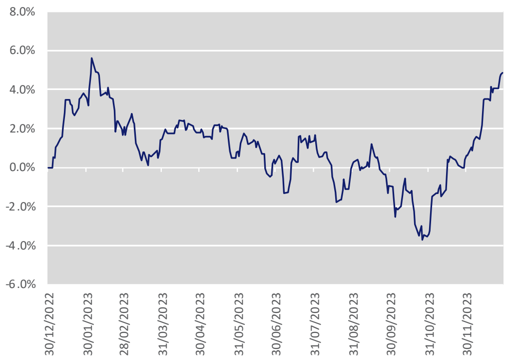
Portfolio Holdings

Fund	Allocation	Qtr %	1 Year %
Cash			
BlackRock Cash	2.0	0.0	0.0
Fixed Income			
Janus Henderson Strategic Bond	9.0	9.4	3.6
Allianz Strategic Bond	9.0	5.6	-4.2
BlackRock Absolute Return Bond	16.0	3.4	0.6
Property & Real Assets			
Schroder Global Cities Real Estate	5.0	10.6	4.2
First Sentier Global Listed Infrastructure	5.0	6.5	-4.2
Absolute Return			
Ninety One Diversified Income	7.0	4.2	5.4
BNY Mellon Real Return	7.0	5.0	1.4
UK Equity			
Artemis UK Select	4.4	4.8	18.2
Premier Miton UK Value Opportunities	4.4	7.9	9.3
US Equity			
UBS US Equity	5.4	6.2	18.6
UBS US Growth	2.7	9.3	37.4
Europe Ex-UK Equity			
BlackRock Continental European	2.6	11.9	20.8
CT European Select	1.8	10.6	18.3
Japanese Equity			
M&G Japan	2.9	0.8	14.0
JPM Japan	2.9	8.0	9.6
Global Emerging Market Equity			
Ninety One Asia Pacific Franchise	2.0	2.6	-4.5
AXA Framlington Emerging Markets	3.8	5.3	-4.7
Global Developed Market Equity			
BNY Mellon Global Income	5.3	3.2	4.0
Baillie Gifford Global Discovery	1.8	10.0	-3.9

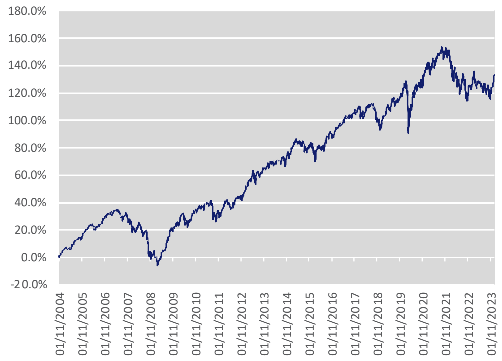
This Portfolio invests in a moderate amount of Fixed Income, with some Equity and Property as well. It is suitable for investors who wish to increase the chances of reasonable returns and protect capital, if possible.

		QTR	1YR	3YR	5YR	LAUNCH	ANNUALISED
Adv04	Portfolio	5.8%	4.8%	-1.5%	20.8%	134.0%	4.5%

12 Months Performance



Since Launch Performance



Asset Class	Strategic (%)	Tactical (%)
Cash	2	2
Fixed Income	34	34
Property & Real Assets	10	10
Absolute Return	14	14
UK Equity	7.4	8.8
US Equity	8.1	8.1
Europe ex-UK Equity	6.6	4.4
Japanese Equity	5.0	5.8
Global Emerging Market Equity	5.8	5.8
Global Developed Market Equity	7.1	7.1

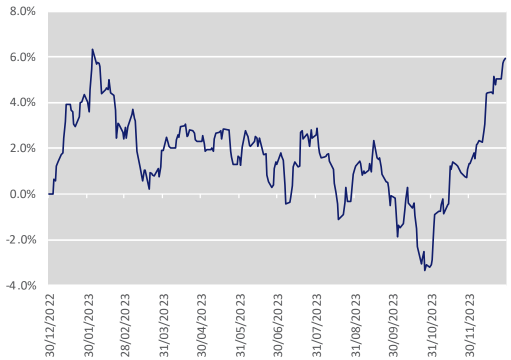
Fund	Allocation	Qtr %	1 Year %	
Cash				
BlackRock Cash	2.0	0.0	0.0	
Fixed Income				
Janus Henderson Strategic Bond	8.0	9.4	3.6	
Allianz Strategic Bond	8.0	5.6	-4.2	
BlackRock Absolute Return Bond	8.0	3.4	0.6	
Property & Real Assets				
Schroder Global Cities Real Estate	5.0	10.6	4.2	
First Sentier Global Listed Infrastructure	5.0	6.5	-4.2	
Absolute Return				
Ninety One Diversified Income	7.0	4.2	5.4	
BNY Mellon Real Return	7.0	5.0	1.4	
UK Equity				
Artemis UK Select	5.6	4.8	18.2	
Premier Miton UK Value Opportunities	5.5	7.9	9.3	
US Equity				
UBS US Equity	6.7	6.2	18.6	
UBS US Growth	3.4	9.3	37.4	
Europe Ex-UK Equity				
BlackRock Continental European	3.3	11.9	20.8	
CT European Select	2.2	10.6	18.3	
Japanese Equity				
M&G Japan	3.6	0.8	14.0	
JPM Japan	3.6	8.0	9.6	
Global Emerging Market Equity				
Ninety One Asia Pacific Franchise	2.6	2.6	-4.5	
AXA Framlington Emerging Markets	4.7	5.3	-4.7	
Global Developed Market Equity				
BNY Mellon Global Income	6.6	3.2	4.0	
Baillie Gifford Global Discovery	2.2	10.0	-3.9	

Portfolio Holdings

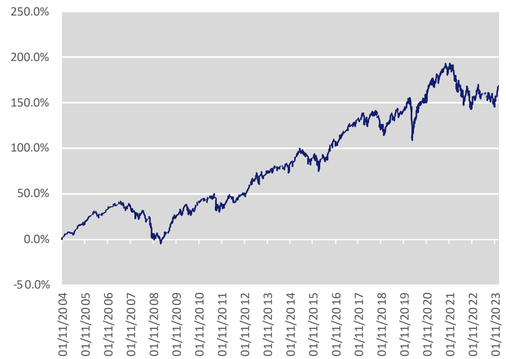
This Portfolio invests in a moderate amount of Fixed Income with a greater proportion in Equities and Property. It is suitable for investors who wish to increase the chances of reasonable returns and still protect capital if possible.

		QTR	1YR	3YR	5YR	LAUNCH	ANNUALISED
Adv05	Portfolio	6.0%	5.9%	-0.3%	24.9%	168.7%	5.3%

12 Months Performance



Since Launch Performance



Asset Class	Strategic (%)	Tactical (%)
Cash	2	2
Fixed Income	24	24
Property & Real Assets	10	10
Absolute Return	14	14
UK Equity	9.2	11.1
US Equity	10.1	10.1
Europe ex-UK Equity	8.2	5.5
Japanese Equity	6.3	7.2
Global Emerging Market Equity	7.3	7.3
Global Developed Market Equity	8.9	8.8

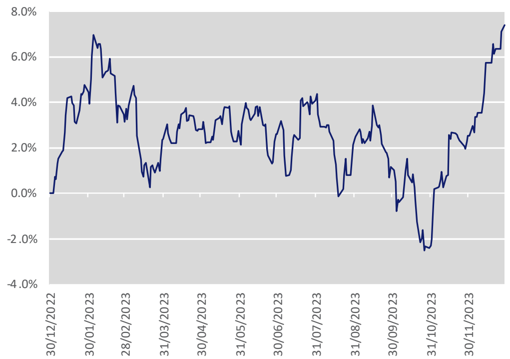
Fund	Allocation	Qtr %	1 Year %
Cash			
BlackRock Cash	2.0	0.0	0.0
Fixed Income			
Janus Henderson Strategic Bond	5.5	9.4	3.6
Allianz Strategic Bond	5.5	5.6	-4.2
BlackRock Absolute Return Bond	4.0	3.4	0.6
Property & Real Assets			
Schroder Global Cities Real Estate	5.0	10.6	4.2
First Sentier Global Listed Infrastructure	5.0	6.5	-4.2
Absolute Return			
Ninety One Diversified Income	6.5	4.2	5.4
BNY Mellon Real Return	6.5	5.0	1.4
UK Equity			
Artemis UK Select	6.6	4.8	18.2
Premier Miton UK Value Opportunities	6.7	7.9	9.3
US Equity			
UBS US Equity	6.0	6.2	18.6
UBS US Growth	6.1	9.3	37.4
Europe Ex-UK Equity			
BlackRock Continental European	4.0	11.9	20.8
CT European Select	2.6	10.6	18.3
Japanese Equity			
M&G Japan	4.4	0.8	14.0
JPM Japan	4.3	8.0	9.6
Global Emerging Market Equity			
Ninety One Asia Pacific Franchise	3.0	2.6	-4.5
AXA Framlington Emerging Markets	5.7	5.3	-4.7
Global Developed Market Equity			
BNY Mellon Global Income	8.0	3.2	4.0
Baillie Gifford Global Discovery	2.6	10.0	-3.9

Portfolio Holdings

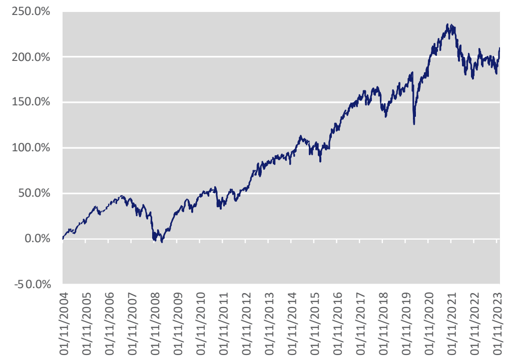
This Portfolio invests in a variety of assets to obtain diversification. It is suitable for investors for whom returns are more important than capital protection.

		QTR	1YR	3YR	5YR	LAUNCH	ANNUALISED
Adv06	Portfolio	6.2%	7.4%	2.1%	32.2%	210.2%	6.1%

12 Months Performance



Since Launch Performance



Asset Class	Strategic (%)	Tactical (%)
Cash	2	2
Fixed Income	15	15
Property & Real Assets	10	10
Absolute Return	13	13
UK Equity	11.1	13.3
US Equity	12.1	12.1
Europe ex-UK Equity	9.8	6.6
Japanese Equity	7.6	8.7
Global Emerging Market Equity	8.7	8.7
Global Developed Market Equity	10.7	10.6

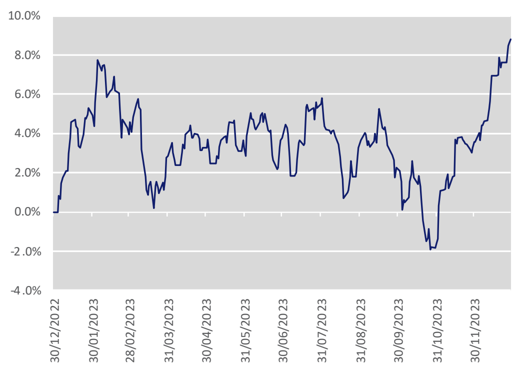
Fund	Allocation	Qtr %	1 Year %	
Cash				
BlackRock Cash	2.0	0.0	0.0	
Fixed Income				
Janus Henderson Strategic Bond	7.0	9.4	3.6	
Property & Real Assets				
Schroder Global Cities Real Estate	5.0	10.6	4.2	
First Sentier Global Listed Infrastructure	5.0	6.5	-4.2	
Absolute Return				
Ninety One Diversified Income	5.5	4.2	5.4	
BNY Mellon Real Return	5.5	5.0	1.4	
UK Equity				
Artemis UK Select	7.7	4.8	18.2	
Premier Miton UK Value Opportunities	7.8	7.9	9.3	
US Equity				
UBS US Equity	7.1	6.2	18.6	
UBS US Growth	7.1	9.3	37.4	
Europe Ex-UK Equity				
BlackRock Continental European	4.6	11.9	20.8	
CT European Select	3.1	10.6	18.3	
Japanese Equity				
M&G Japan	5.1	0.8	14.0	
JPM Japan	5.0	8.0	9.6	
Global Emerging Market Equity				
Ninety One Asia Pacific Franchise	3.8	2.6	-4.5	
AXA Framlington Emerging Markets	6.4	5.3	-4.7	
Global Developed Market Equity				
BNY Mellon Global Income	9.2	3.2	4.0	
Baillie Gifford Global Discovery	3.1	10.0	-3.9	

Portfolio Holdings

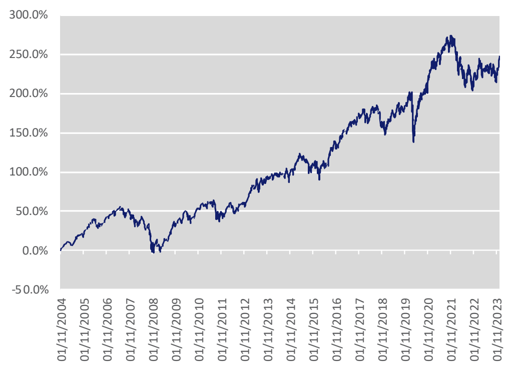
This Portfolio invests in a variety of assets to obtain diversification. It is suitable for investors who are comfortable with some investment risk and where returns are more important than capital protection.

		QTR	1YR	3YR	5YR	LAUNCH	ANNUALISED
Adv07	Portfolio	6.4%	8.8%	4.8%	40.0%	248.3%	6.7%

12 Months Performance



Since Launch Performance



Asset Class	Strategic (%)	Tactical (%)
Cash	2	2
Fixed Income	7	7
Property & Real Assets	10	10
Absolute Return	11	11
UK Equity	12.9	15.5
US Equity	14.2	14.2
Europe ex-UK Equity	11.5	7.7
Japanese Equity	8.8	10.1
Global Emerging Market Equity	10.2	10.2
Global Developed Market Equity	12.4	12.3

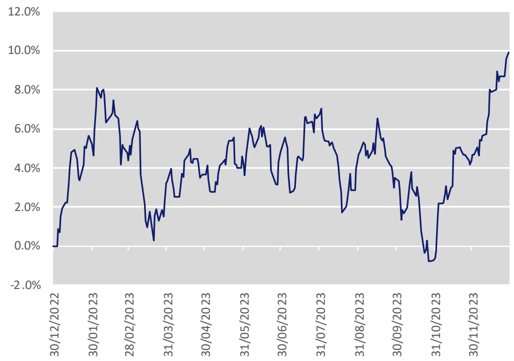
Portfolio Holdings

Fund	Allocation	Qtr %	1 Year %
Cash			
BlackRock Cash	2.0	0.0	0.0
Fixed Income			
Janus Henderson Strategic Bond	3.0	9.4	3.6
Ninety One Local Currency Emerging Market Debt	3.0	4.8	6.1
Property & Real Assets			
Schroder Global Cities Real Estate	2.0	10.6	4.2
First Sentier Global Listed Infrastructure	2.0	6.5	-4.2
Absolute Return			
Ninety One Diversified Income	4.0	4.2	5.4
BNY Mellon Real Return	4.0	5.0	1.4
UK Equity			
Artemis UK Select	8.8	4.8	18.2
Premier Miton UK Value Opportunities	8.9	7.9	9.3
US Equity			
UBS US Equity	8.1	6.2	18.6
UBS US Growth	8.1	9.3	37.4
Europe Ex-UK Equity			
BlackRock Continental European	5.2	11.9	20.8
CT European Select	3.5	10.6	18.3
Japanese Equity			
M&G Japan	5.8	0.8	14.0
JPM Japan	5.7	8.0	9.6
Global Emerging Market Equity			
Ninety One Asia Pacific Franchise	4.0	2.6	-4.5
AXA Framlington Emerging Markets	7.6	5.3	-4.7
Global Developed Market Equity			
BNY Mellon Global Income	10.7	3.2	4.0
Baillie Gifford Global Discovery	3.6	10.0	-3.9

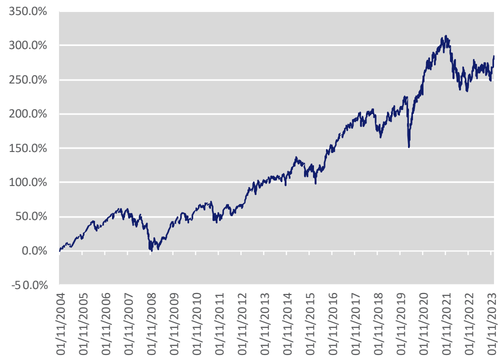
This Portfolio invests mainly in Equities and some specialist Equities in order to obtain diversification. It is suitable for investors who are prepared to take some investment risk to improve long-term returns, where these are more important than capital protection.

		QTR	1YR	3YR	5YR	LAUNCH	ANNUALISED
Adv08	Portfolio	6.2%	9.9%	5.2%	44.7%	285.7%	7.3%

12 Months Performance



Since Launch Performance



Asset Class	Strategic (%)	Tactical (%)
Cash	2	2
Fixed Income	6	6
Property & Real Assets	4	4
Absolute Return	8	8
UK Equity	14.8	17.7
US Equity	16.2	16.2
Europe ex-UK Equity	13.1	8.7
Japanese Equity	10.1	11.5
Global Emerging Market Equity	11.6	11.6
Global Developed Market Equity	14.2	14.3

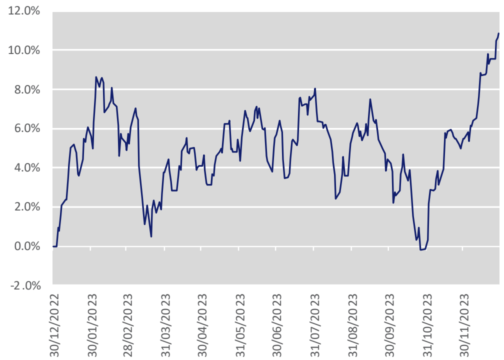
Fund	Allocation	Qtr %	1 Year %	
Cash				
BlackRock Cash	2.0	0.0	0.0	
Fixed Income				
Janus Henderson Strategic Bond	2.0	9.4	3.6	
Ninety One Local Currency Emerging Market Debt	1.0	4.8	6.1	
Absolute Return				
Ninety One Diversified Income	2.5	4.2	5.4	
BNY Mellon Real Return	2.5	5.0	1.4	
UK Equity				
Artemis UK Select	9.9	4.8	18.2	
Premier Miton UK Value Opportunities	10.0	7.9	9.3	
US Equity				
UBS US Equity	9.1	6.2	18.6	
UBS US Growth	9.1	9.3	37.4	
Europe Ex-UK Equity				
BlackRock Continental European	5.9	11.9	20.8	
CT European Select	3.9	10.6	18.3	
Japanese Equity				
M&G Japan	6.5	0.8	14.0	
JPM Japan	6.5	8.0	9.6	
Global Emerging Market Equity				
Ninety One Asia Pacific Franchise	5.0	2.6	-4.5	
AXA Framlington Emerging Markets	8.1	5.3	-4.7	
Global Developed Market Equity				
BNY Mellon Global Income	12.0	3.2	4.0	
Baillie Gifford Global Discovery	4.0	10.0	-3.9	

Portfolio Holdings

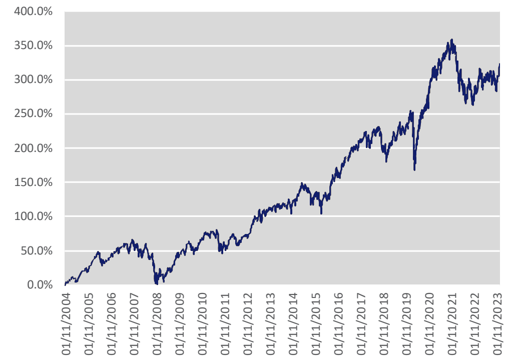
This Portfolio invests mainly in Equities and some specialist Equities in order to obtain diversification. It is suitable for investors who are happy to take more investment risk to improve long-term returns, where these are more important than capital protection.

		QTR	1YR	3YR	5YR	LAUNCH	ANNUALISED
Adv09	Portfolio	6.1%	10.8%	5.4%	50.1%	325.1%	7.8%

12 Months Performance



Since Launch Performance



	Asset Class	Strategic (%)	Tactical (%)
	Cash	2	2
	Fixed Income	3	3
	Property & Real Assets	-	-
	Absolute Return	5	5
	UK Equity	16.6	19.9
	US Equity	18.2	18.2
	Europe ex-UK Equity	14.8	9.8
	Japanese Equity	11.4	13.0
	Global Emerging Market Equity	13.1	13.1
	Global Developed Market Equity	16	16

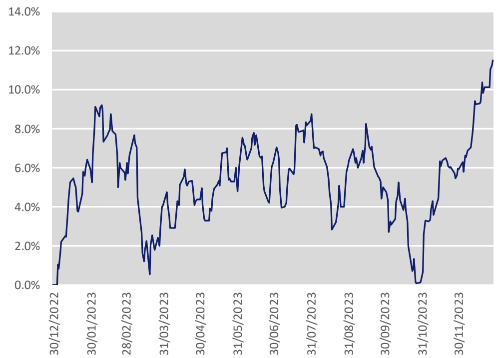
Portfolio Holdings

Fund	Allocation	Qtr %	1 Year %
Cash			
BlackRock Cash	2.0	0.0	0.0
UK Equity			
Artemis UK Select	10.8	4.8	18.2
Premier Miton UK Value Opportunities	10.9	7.9	9.3
US Equity			
UBS US Equity	9.9	6.2	18.6
UBS US Growth	9.9	9.3	37.4
Europe Ex-UK Equity			
BlackRock Continental European	6.4	11.9	20.8
CT European Select	4.3	10.6	18.3
Japanese Equity			
M&G Japan	7.1	0.8	14.0
JPM Japan	7.0	8.0	9.6
Global Emerging Market Equity			
Ninety One Asia Pacific Franchise	6.0	2.6	-4.5
AXA Framlington Emerging Markets	8.2	5.3	-4.7
Global Developed Market Equity			
BNY Mellon Global Income	13.1	3.2	4.0
Baillie Gifford Global Discovery	4.4	10.0	-3.9

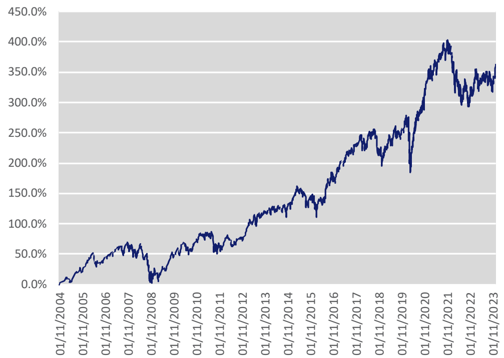
This Portfolio invests wholly in Equities, with a significant proportion in specialist Equities. It is suitable for those investors looking for the highest potential long-term returns, but who must also be prepared to accept the greatest investment risk and significant short-term falls as well.

		QTR	1YR	3YR	5YR	LAUNCH	ANNUALISED
Adv10	Portfolio	6.2%	11.5%	5.8%	54.7%	364.3%	8.3%

12 Months Performance



Since Launch Performance



Asset Class	Strategic (%)	Tactical (%)
Cash	2	2
Fixed Income	-	-
Property & Real Assets	-	-
Absolute Return	-	-
UK Equity	18.1	21.7
US Equity	19.8	19.8
Europe ex-UK Equity	16.1	10.7
Japanese Equity	12.4	14.1
Global Emerging Market Equity	14.2	14.2
Global Developed Market Equity	17.4	17.5

Fund	Allocation	Qtr %	1 Year %	
Cash				
BlackRock Cash	2	0.0	0.0	
Fixed Income				
M&G Global High Yield Bond	15	6.1	9.8	
Ninety One Emerging Markets Local Currency Debt	15	4.8	6.1	
Property & Real Assets				
First Sentier Global Listed Infrastructure	10	6.5	-4.2	
Absolute Return				
Ninety One Diversified Income	8	4.2	5.4	
UK Equity				
Schroder Income Maximiser	14	4.8	11.2	
Europe Ex-UK Equity				
Invesco European Equity Income	9	4.7	10.6	
Global Emerging Market Equity				
BNY Mellon Asian Income	13	3.8	4.8	
Global Developed Market Equity				
BNY Mellon Global Income	14	3.2	4.0	

Income Yields - Current Yield for Portfolio: 5.1%

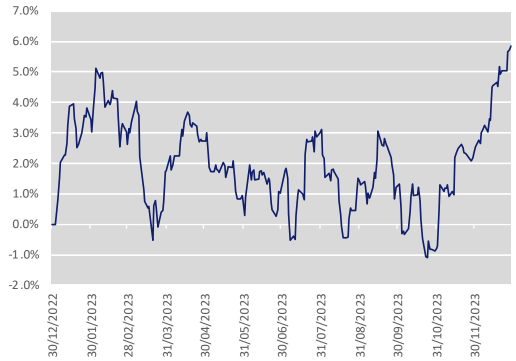
The 'current yield' figure is the weighted yield from the components of the Active Income Portfolio. The individual yields are calculated by the Fund group and are an estimate of what they expect the yield to be in the next 12 months. It is an expectation only and does not represent any guarantee. It is based on the current underlying stocks held within the Fund and assumes that these are held for the next 12 months and no changes are made. The Income Distribution graph shows the distribution of income over the calendar year based on the current yield quotes.

Portfolio Holdings

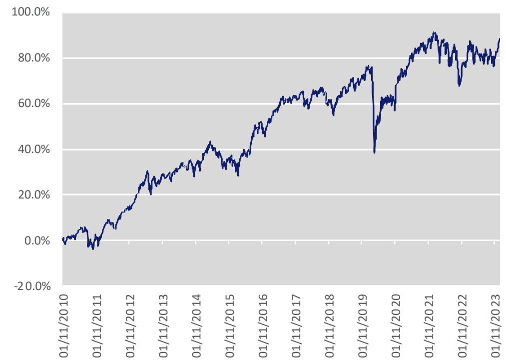
The Sustainable Income Portfolio has been designed to provide a consistent and steady level of income, with the possibility of some capital appreciation over the long-term.

		QTR	1YR	3YR	5YR	LAUNCH	ANNUALISED
Income	Portfolio	4.6%	5.9%	9.9%	20.9%	88.8%	4.9%

12 Months Performance



Since Launch Performance



Asset Class		Strategic (%)	Tactical (%)
	Cash	Our Income Portfolios are not managed in line with a Strategic Asset Allocation	2
	Fixed Income		30
	Property & Real Assets		10
	Absolute Return		8
	UK Equity		14.4
	US Equity		-
	Europe ex-UK Equity		8.6
	Japanese Equity		-
	Global Emerging Market Equity		13
	Global Developed Market Equity		14

Inspired by our clients

Qualitative Research

As part of our research into the Funds that make up the Portfolios, the Investment Management Team meet with as many of the individual Fund Managers, team members and Economists as possible. The following is a list of some of the Fund Managers, Analysts and Strategists our team has met over the past quarter:

Total Meetings This Quarter

Fund Managers	Consultants	Other
47	0	0

Nick Train
    Lindsell Train UK Equity
Tom Walker
    Schroder Global Cities Real Estate
Shayne Dunlap
    Pacific G10 Macro Rates
Mike Fox
    Royal London Sustainable Leaders Trust
Nick Davis
    Polar Capital Europe ex-UK Equity Income
Keita Kubota
    Neuberger Berman Japan Engagement

Roddy Snell
    Baillie Gifford Pacific
Douglas Brodie
    Baillie Gifford Global Discovery
Aziz Hamzaogullari
    Loomis Sayles US Equity Leaders
Vinay Thapar
    Alliance Bernstein American Growth
John Goetz
    Pzena Global Value
Andy Evans
    Schroder Income

General information & important notes

- The Advisory Growth Portfolios one to ten were launched on the 1st November 2004. The Advisory Income Portfolios were launched on the 1st November 2010.
- The calculation date for all performance figures quoted is the 31st December 2023. The Funds shown reflect the current composition of the Advisory Portfolios with effect from the 1st January 2024.
- The performance data in the quarterly review takes into account the components that make up the models up to 31st December 2023. This may include funds that have been sold and would not include funds that were purchased from 1st January 2024. The summary of the holdings is effective from 1st January 2024.
- Past performance is not a guide to future investment returns. The value of investments and the income from them may fluctuate and you may not get back your original investment.
- All the performance information is based on unit holdings priced in GBP (Sterling) unless otherwise stated.
- Where a Fund invests in securities designated in a different country to the Fund, or where an underlying Fund is denominated in a different currency, investments may rise and fall purely as a result of currency rate fluctuations.
- The performance of certain sectors in the recommended asset allocation, are reviewed by the Investment Asset Allocation Committee. They may decide to make tactical decisions to alter the Model asset allocation of each Portfolio for a short period. It is likely that their position on whether to be overweight or underweight in a particular asset class will fluctuate and may be adjusted to reflect any changes in market conditions.
- Fund percentage growth is calculated with income re-invested back into the Fund net of tax. For Fund or sector average benchmarks the percentage growth is also calculated net of tax Performance is bid to bid.
- If you have moved Portfolio during the quarter or have not been fully invested in the Portfolio for the entire quarter then the performance figures quoted in the review will not be the same as you have experienced.
- Investors should note that inflation may occur over the duration of their investment and this may affect the future buying power of their capital.
- Funds with an emphasis on a particular sector or geographical area are exposed to a higher risk of volatility than a Fund which is more broadly diversified.
- Emerging Markets tend to be more volatile than more established stock markets and therefore your money is at greater risk. Other risk factors such as political and economic conditions should also be considered.
- Where a Fund holds a limited number of investments and one or more of those investments declines or is otherwise adversely affected, it may have a more pronounced effect on the Fund value than if a larger number of investments were held.
- Smaller companies have an increased risk of price fluctuation than larger capitalised companies.
- Performance can vary depending on the dates on which switches are carried out and may be considerably different from that quoted.

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