Quarter Two Review

Your guide to the markets and the Advisory Portfolios

Investment solutions to suit all risk profiles

Professional Adviser
PA AWARDS 2024
FINALIST
Best Discretionary Fund Manager

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

Contents

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	-0.3%	4.7%	-5.7%	0.5%	43.8%	1.9%
Adv02	Portfolio	-0.1%	5.8%	-5.0%	4.5%	63.8%	2.5%
Adv03	Portfolio	0.1%	7.1%	-4.1%	8.9%	98.2%	3.5%
Adv04	Portfolio	0.0%	7.7%	-2.6%	13.4%	141.0%	4.6%
Adv05	Portfolio	0.0%	8.4%	-1.8%	17.0%	178.6%	5.3%
Adv06	Portfolio	0.4%	9.8%	0.7%	24.1%	225.5%	6.2%
Adv07	Portfolio	0.5%	10.9%	3.4%	31.9%	268.7%	6.9%
Adv08	Portfolio	0.6%	11.7%	4.2%	36.4%	311.2%	7.5%
Adv09	Portfolio	0.8%	12.7%	4.8%	41.0%	357.0%	8.0%
Adv10	Portfolio	1.0%	13.4%	5.3%	44.9%	402.2%	8.6%
Income	Portfolio	0.5%	6.2%	4.9%	13.7%	91.6%	4.9%

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

	QTR	1YR	3YR	5YR	LAUNCH	ANNUALISED
Cash - FE Interest 0.5%	0.1%	0.5%	1.5%	2.5%	10.3%	0.5%
Inflation UK Retail Price	0.9%	2.7%	27.1%	33.4%	104.9%	3.7%
FTSE 100 Index	3.7%	12.8%	30.2%	32.4%	265.1%	6.8%

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

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	0.7%	1.8%	20.3%	24.1%	74.1%	2.9%
IA Mixed Investment 20-60%	1.1%	9.4%	2.8%	15.2%	129.2%	4.3%
IA Mixed Investment 40-85%	1.7%	11.8%	7.2%	25.6%	216.6%	6.0%
IA Flexible Investment	1.7%	11.8%	7.3%	28.6%	229.4%	6.3%

Performance commentary

Market

Equity markets recorded robust returns between April and June, following on from a strong first quarter. The MSCI All Country World Index of global equities was up +2.9% in GBP terms, however there was a large degree of variety between the global equity markets in which we are invested. Similar to the first quarter of this year, the US equity market recorded strong returns of +4.2% in GBP terms, but again this rally was led by an increasingly narrow set of already expensive technology related names. The Momentum and Growth styles dominated returns again, and despite the strong returns mentioned by the market cap weighted S&P 500 index above, the equally-weighted index of the same set of equities was actually down -2.7% for the quarter, illustrating the extraordinary narrowness of the rally.

After a strong first quarter, Japanese Equities were weak in Q2. The local market return was up +1.8% in Japanese Yen, but ongoing weakness in the currency translated this into a -4.3% return for GBP investors. Global Emerging Market Equities did however rebound over the quarter and returned +5.0% in GBP terms as measured by the MSCI Emerging Market Index. This was boosted by a revival of the Chinese market which was up +7.1%.

Fixed Income returns were less exciting over the quarter, with the Bloomberg Global Aggregate Index of high quality global bonds returning just +0.1% in GBP hedged terms. Global government bond yields broadly did a round-trip over the quarter before ending close to flat as markets awaited further evidence that the disinflationary trends were robust. Lower quality, high yield bonds returned +1.3% for the quarter, but are now trading close to historically expensive levels. Chinese government bonds continued to provide excellent diversification and rallied +2.7% for the quarter as economic growth there remained weak

Equities

Our Tactical Asset Allocation in equities was flat for the quarter as the strong performance from our overweight to the UK equity market was offset by our overweight to Japanese markets which struggled over the quarter due to weakness in the Yen. Our underweight to Continental European markets was flat in terms of impact for the quarter.

In the context of the diverse equity market returns highlighted previously, the managers who outperformed in this environment were also highly variable. Our US large-cap growth exposures, in the form of the Alliance Bernstein American Fund and Loomis Sayles US Equity Leaders outperformed as the continued strong performance of a narrow set of names in this space drove overall market returns. In the Far East, the Nikko Japan Value Fund and the Baillie Gifford Pacific Fund also generated modest outperformance while operating very different investment styles.

A clear underperformance was observable over the quarter from equity strategies which focused further down the market cap spectrum, given the extraordinary outperformance of a narrow set of large cap names relative to everything else. These included managers such as the Pzena Global Value Fund, the Neuberger Berman US Small Cap Intrinsic Value Fund and the Baillie Gifford Global Discovery Fund. While their returns were eclipsed by large cap names, the absolute returns of these managers were only moderately negative over the quarter and we continue to think they offer compelling and diversified sources of future returns.

Fixed Income

Within the Fund's fixed income component, the stand-out performer this month was our exposure to Chinese Government Bonds via the UBS China Bond Fund. This returned +2.3% as the Chinese economy continues to be weak. The Chinese economy faces multiple challenges as consumer balance sheets remain impaired from the recent property market crash, and it has been unable to export its way to prosperity as it has in the past. Coupled with this, demographics continue to deteriorate as the working age population shrinks. Chinese government bonds have proven to be a fantastic diversifier vs traditional developed market government bonds. Other successful managers within Fixed Income over the quarter include the MAN GLG High Yield Opportunities Fund which is run by Mike Scott. While we have reduced exposure to this Fund as the asset class has become rather expensive, Mike has continued to generate steady outperformance from his idiosyncratic security selection.

One component of Fixed Income which underperformed over the quarter was the Eaton Vance Local Emerging Market Debt Fund, which invests in the government bonds of emerging and frontier economies which are denominated in that country's currency (rather than, for example the US Dollar). This was driven by a weakening in EM currencies in June. The Fund is managed by a very experienced team with a long record of strong outperformance, and is generating a yield of over 14.5% for a portfolio which is 50% investment grade rated debt. We think this could be an excellent source of returns in years to come as it has been in the past.

Property, Real Assets & Absolute Return

These "liquid diversifiers" within your portfolio are designed to generate positive returns while being unconnected to wider Equity or Fixed Income markets and hence provide maximum diversification without any illiquidity risks. Our equally weighted blend of three Absolute Return managers had another strong quarter, returning +2.2%. This was led by the Fulcrum Thematic Equity Market Neutral Fund which saw continued strong performance from their positioning around weight loss drug treatments as well as their global technology and "AI" exposures. The other components of our blend, namely the Pacific G10 Macro Rates Fund and the Sanlam Multi Strategy Fund also recorded decent returns of +2.2% and +1.6% respectively, allowing the blend to generate strong and steady returns from a variety of sources.

A manager from our Property & Real Assets asset class which was a slight drag on performance this quarter was the AQR Managed Futures Fund, which was down -0.9% following a very strong first quarter of 2024. We continue to really like the diverse sources of return this strategy provides, as it tends to capitalise on the propensity for markets to under-react to new information and the establishment of new trends.

Key Portfolio Changes

Sales

There were no new sales in Q2 2024.

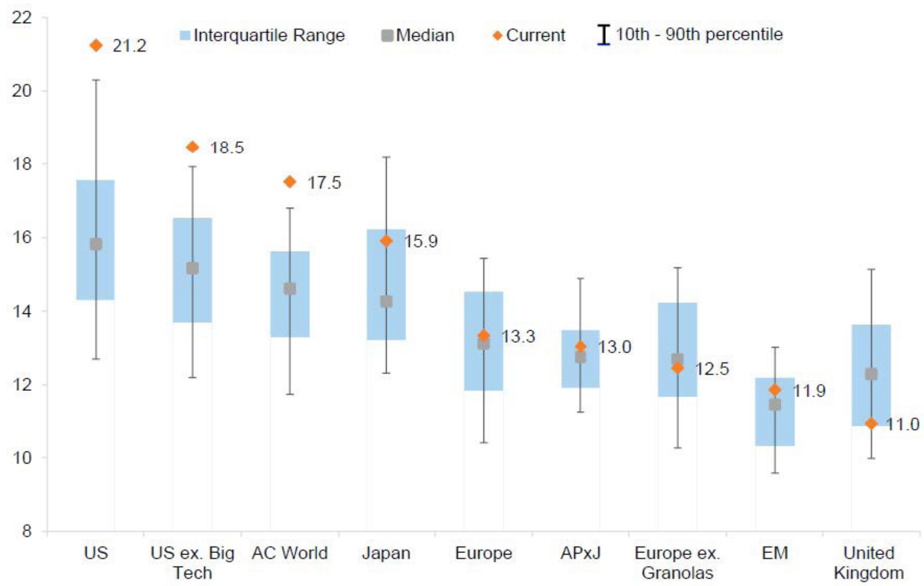
Buys

There were no new buys in Q2 2024.

Market outlook

Certain global equity indices are trading at valuations that, by the standards of the last 20 years, are undoubtedly elevated. Investors are having to pay an unusually high price for every pound of profits that companies are expected to generate in the coming year, what's known as a forward Price/Earnings ratio. Currently this ratio is over 21x in the US, way above its long term average of 16x. This is being heavily influenced by an increasingly narrow group of big US technology companies, although even excluding those, overall US valuations are at the very top of their historical range (see below).

12 Month Forward Price/Earnings Ratios – Last 20 Years (Source BNY Mellon)



Equities

One market where this is certainly not the case is the UK equity market. At the overall index level you are only having to pay 11x forward earnings, almost half the price you pay for a pound of profits in the US. In addition, the UK equity index is also providing you with a dividend yield of around 4%, which is more than double that of the US market.

Based upon the exceptional investment opportunities available in the UK equity market today, we are tactically overweight to UK equities. Within the Active Model Portfolio Service we achieve that exposure via three very different active UK equity strategies; one investing in steady growth companies that are listed in the UK but more global in orientation, one which is more value oriented and a third taking advantage of what we believe to be an even richer opportunity set in UK mid and small caps.

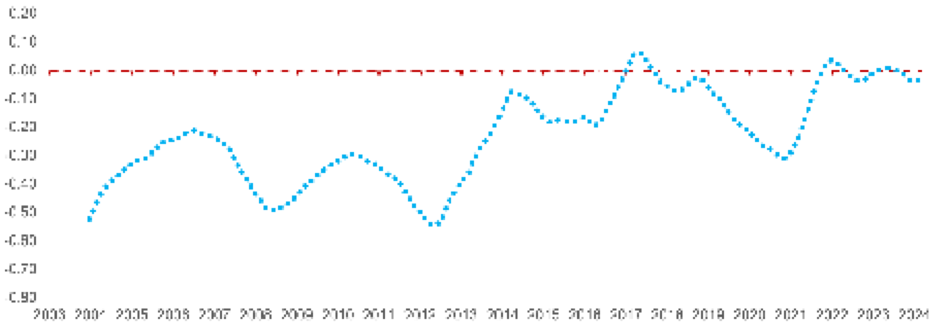
Although retail sentiment towards UK equities remains downbeat, corporates are starting to take advantage of this valuation discrepancy. Depressed share prices have prompted a surge in Mergers & Acquisitions in the UK with $77bn of deals announced this year to end May, compared with just $25bn for the whole of 2023 (Source: Polar/Numis).

That said, the largest buyer of UK equities in 2024 has actually been UK companies themselves, with a continuous stream of announced share buybacks. This is companies using their profits to buy their own undervalued shares, thereby increasing future Earnings (profit) Per Share for the remaining shareholders. Given share prices tend to follow earnings over time, this is a promising sign for future UK equity returns.

The Role of Alternative Assets

A characteristic of markets over recent years has been the increased correlation between global equity and bond markets. This effectively means they are increasingly moving in a similar direction. Over the preceding decades, investors had been used to bonds and equities exhibiting negative correlation, with bonds typically providing protection in the form of positive returns in times of equity market stress. However, as the chart below demonstrates, since 2021 the diversification benefits of holding bonds alongside equities has been much less reliable.

12 Month Correlation of MSCI All Country World Index and Bloomberg Global Treasury Index (Source Refinitiv, YOU Asset Management)



This is unlikely to be a permanent feature and is partly to do with the recent move to a higher interest rate regime. However, we are currently sitting at a point where both equity and bond markets are generally responding positively when there is more confidence that rates will be coming down, and both responding negatively when there is more fear that rates will have to stay higher for longer.

Within the Active Model Portfolio Service, not only do we diversify our fixed income component into other less correlated segments of global fixed income markets, we also do not solely rely on bonds to provide diversification versus equities. That is why from risk profile 01 to 09, we include further diversifying allocations to Absolute Return Strategies and within risk profile 01 to 08 to some more inflation-sensitive strategies within Property & Real Assets.

We have carefully selected three very differentiated Absolute Return Strategies in portfolios adopting strategies that are designed to provide an attractive positive return over time, and importantly, when the three managers are blended together, to deliver that return in a pattern that is not driven by the direction of equity or fixed income markets.

We also have an allocation to Property & Real Assets. These are funds that adopt strategies that have embedded within them some inflation sensitivity. Examples of this in the model portfolios include commodities, global listed infrastructure assets and a Trend Following strategy that has historically delivered positive returns when inflation has trended upwards, as it did very successfully in the most recent bout of inflation.

We consider these alternative and highly differentiated sources of return will continue to represent a valuable source of additional diversification alongside bonds in an ever uncertain macroeconomic environment.

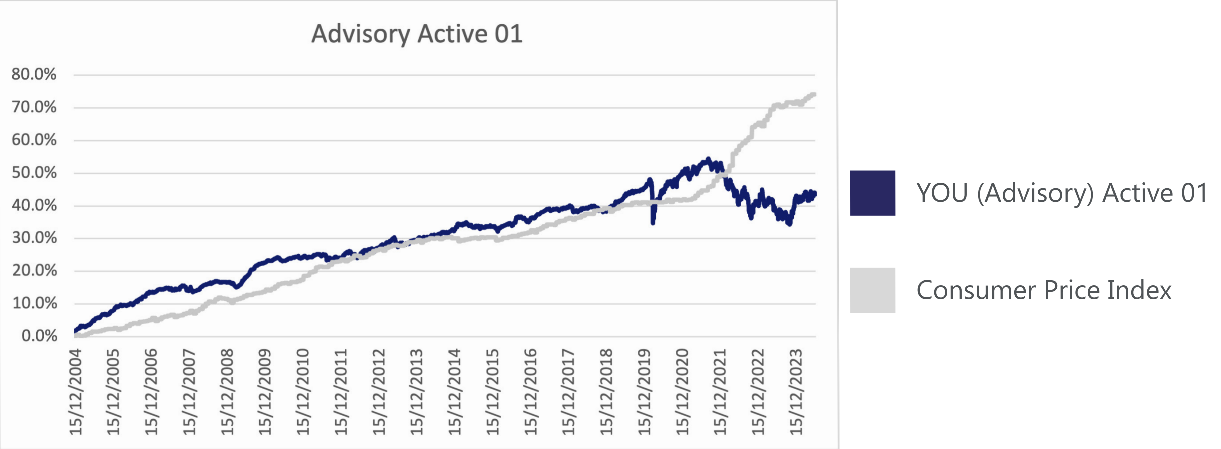
Fund	Allocation
Cash	15.0%
BlackRock Cash	15.0%
Fixed Income	50.0%
Janus Henderson Strategic Bond	14.5%
Allianz Strategic Bond	14.5%
BlackRock Absolute Return Bond	21.0%
Property & Real Assets	10.0%
Schroder Global Cities Real Estate	5.0%
First Sentier Global Listed Infrastructure	5.0%
Absolute Return	15.0%
Ninety One Diversified Income	7.5%
BNY Mellon Real Return	7.5%
UK Equity	2.2%
Artemis UK Select	1.1%
Premier Miton UK Value Opportunities	1.1%
US Equity	2.0%
UBS US Equity	2.0%
Europe Ex-UK Equity	1.1%
BlackRock Continental European	1.1%
Japanese Equity	1.4%
M&G Japan	1.4%
Global Emerging Market Equity	1.5%
AXA Framlington Emerging Markets	1.5%
Global Developed Market Equity	1.8%
BNY Mellon Global Income	1.8%
	100.0%

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	-0.3%	4.7%	-5.7%	0.5%	43.8%	1.9%

YOU Advisory 01



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

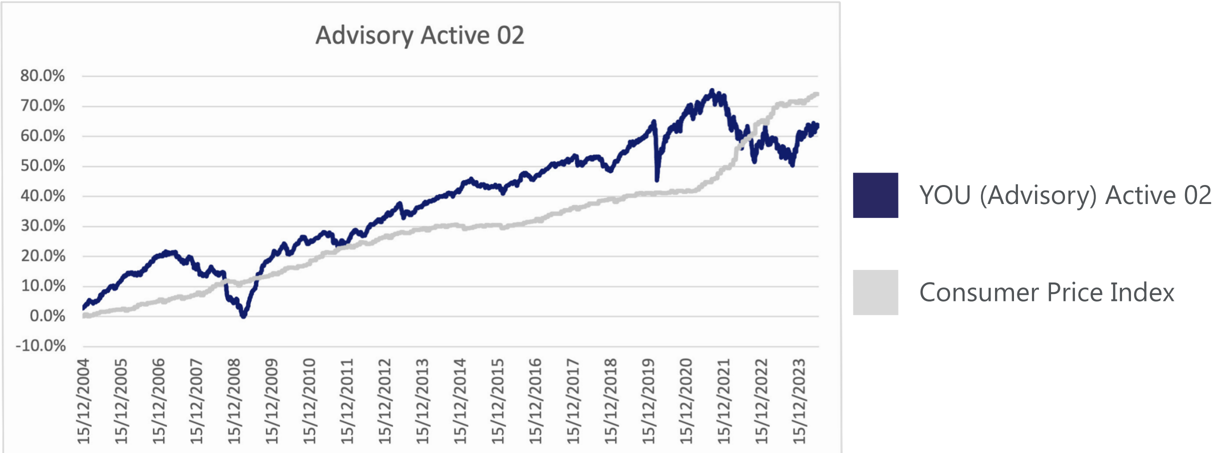
Fund	Allocation
Cash	10.0%
BlackRock Cash	10.0%
Fixed Income	45.0%
Janus Henderson Strategic Bond	13.5%
Allianz Strategic Bond	13.5%
BlackRock Absolute Return Bond	18.0%
Property & Real Assets	10.0%
Schroder Global Cities Real Estate	5.0%
First Sentier Global Listed Infrastructure	5.0%
Absolute Return	15.0%
Ninety One Diversified Income	7.5%
BNY Mellon Real Return	7.5%
UK Equity	4.4%
Artemis UK Select	2.2%
Premier Miton UK Value Opportunities	2.2%
US Equity	4.0%
UBS US Equity	2.0%
UBS US Growth	2.0%
Europe Ex-UK Equity	2.2%
BlackRock Continental European	2.2%
Japanese Equity	2.9%
M&G Japan	1.5%
JPM Japan	1.4%
Global Emerging Market Equity	2.9%
Ninety One Asia Pacific Franchise	1.5%
AXA Framlington Emerging Markets	1.4%
Global Developed Market Equity	3.6%
BNY Mellon Global Income	2.7%
Baillie Gifford Global Discovery	0.9%
	100.0%

Portfolio holdings

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	-0.1%	5.8%	-5.0%	4.5%	63.8%	2.5%

YOU Advisory 02



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

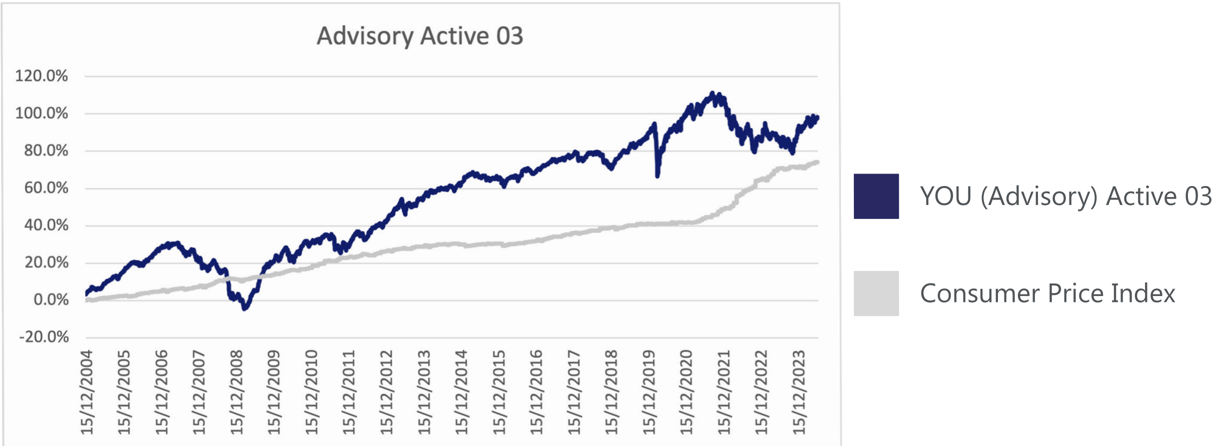
Fund	Allocation
Cash	5.0%
BlackRock Cash	5.0%
Fixed Income	40.0%
Janus Henderson Strategic Bond	10.5%
Allianz Strategic Bond	10.5%
BlackRock Absolute Return Bond	19.0%
Property & Real Assets	10.0%
Schroder Global Cities Real Estate	5.0%
First Sentier Global Listed Infrastructure	5.0%
Absolute Return	15.0%
Ninety One Diversified Income	7.5%
BNY Mellon Real Return	7.5%
UK Equity	6.6%
Artemis UK Select	3.3%
Premier Miton UK Value Opportunities	3.3%
US Equity	6.1%
UBS US Equity	3.1%
UBS US Growth	3.0%
Europe Ex-UK Equity	3.3%
BlackRock Continental European	2.0%
CT European Select	1.3%
Japanese Equity	4.3%
M&G Japan	2.2%
JPM Japan	2.1%
Global Emerging Market Equity	4.4%
Ninety One Asia Pacific Franchise	1.5%
AXA Framlington Emerging Markets	2.9%
Global Developed Market Equity	5.3%
BNY Mellon Global Income	4.0%
Baillie Gifford Global Discovery	1.3%
	100.0%

Portfolio holdings

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	0.1%	7.1%	-4.1%	8.9%	98.2%	3.5%

YOU Advisory 03



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

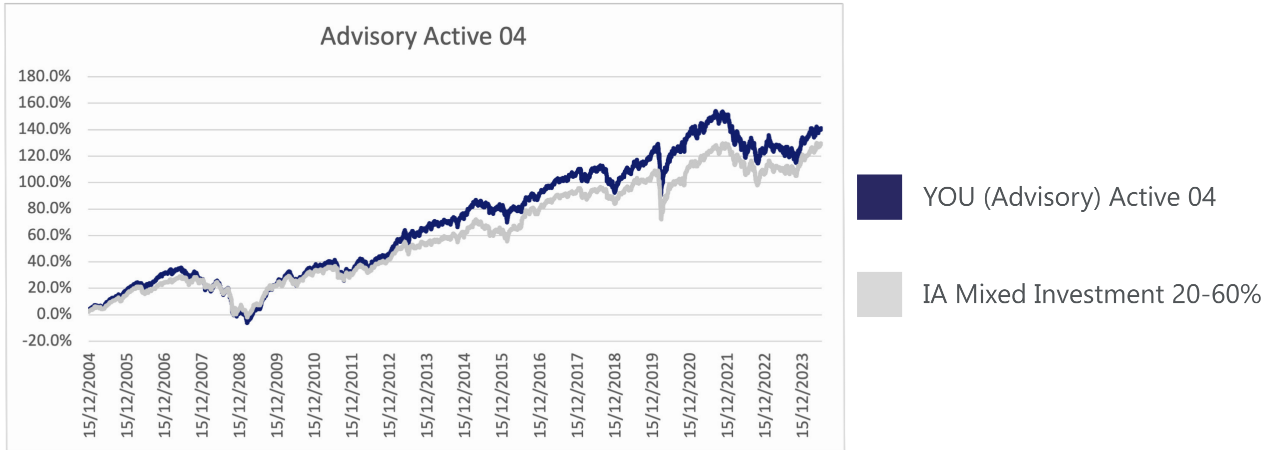
Fund	Allocation
Cash	2.0%
BlackRock Cash	2.0%
Fixed Income	34.0%
Janus Henderson Strategic Bond	9.0%
Allianz Strategic Bond	9.0%
BlackRock Absolute Return Bond	16.0%
Property & Real Assets	10.0%
Schroder Global Cities Real Estate	5.0%
First Sentier Global Listed Infrastructure	5.0%
Absolute Return	14.0%
Ninety One Diversified Income	7.0%
BNY Mellon Real Return	7.0%
UK Equity	8.8%
Artemis Select	4.4%
Premier Miton UK Value Opportunities	4.4%
US Equity	8.1%
UBS US Equity	5.4%
UBS US Growth	2.7%
Europe Ex-UK Equity	4.4%
BlackRock Continental European	2.6%
CT European Select	1.8%
Japanese Equity	5.8%
M&G Japan	2.9%
JPM Japan	2.9%
Global Emerging Market Equity	5.8%
Ninety One Asia Pacific Franchise	2.0%
AXA Framlington Emerging Markets	3.8%
Global Developed Market Equity	7.1%
BNY Mellon Global Income	5.3%
Baillie Gifford Global Discovery	1.8%
	100.0%

Portfolio holdings

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	0.0%	7.7%	-2.6%	13.4%	141.0%	4.6%

YOU Advisory 04



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

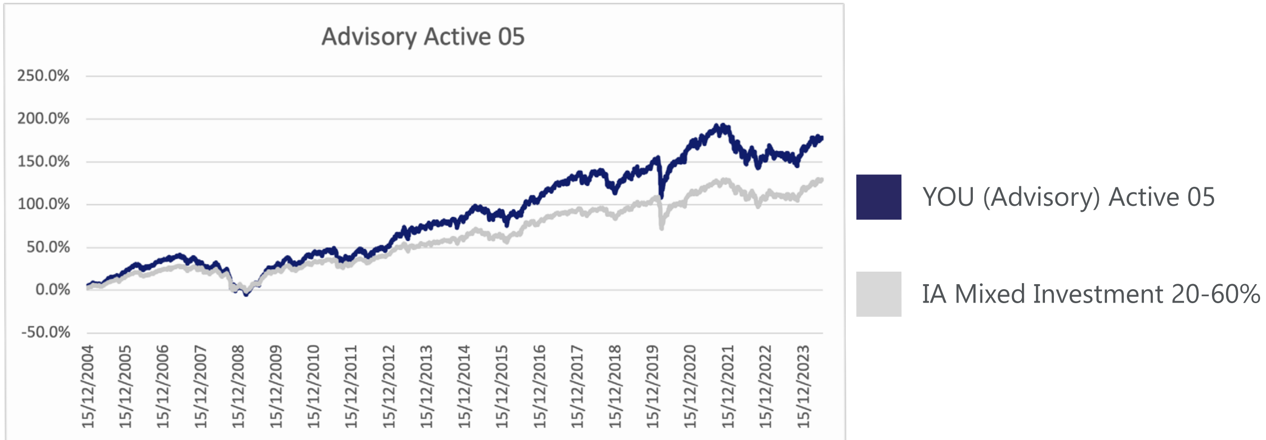
Fund	Allocation
Cash	2.0%
BlackRock Cash	2.0%
Fixed Income	24.0%
Janus Henderson Strategic Bond	8.0%
Allianz Strategic Bond	8.0%
BlackRock Absolute Return Bond	8.0%
Property & Real Assets	10.0%
Schroder Global Cities Real Estate	5.0%
First Sentier Global Listed Infrastructure	5.0%
Absolute Return	14.0%
Ninety One Diversified Income	7.0%
BNY Mellon Real Return	7.0%
UK Equity	11.1%
Artemis UK Select	5.6%
Premier Miton UK Value Opportunities	5.5%
US Equity	10.1%
UBS US Equity	6.7%
UBS US Growth	3.4%
Europe Ex-UK Equity	5.5%
BlackRock Continental European	3.3%
CT European Select	2.2%
Japanese Equity	7.2%
M&G Japan	3.6%
JPM Japan	3.6%
Global Emerging Market Equity	7.3%
Ninety One Asia Pacific Franchise	2.6%
AXA Framlington Emerging Markets	4.7%
Global Developed Market Equity	8.8%
BNY Mellon Global Income	6.6%
Baillie Gifford Global Discovery	2.2%
	100.0%

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	0.0%	7.7%	-2.6%	13.4%	178.6%	5.3%

YOU Advisory 05



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

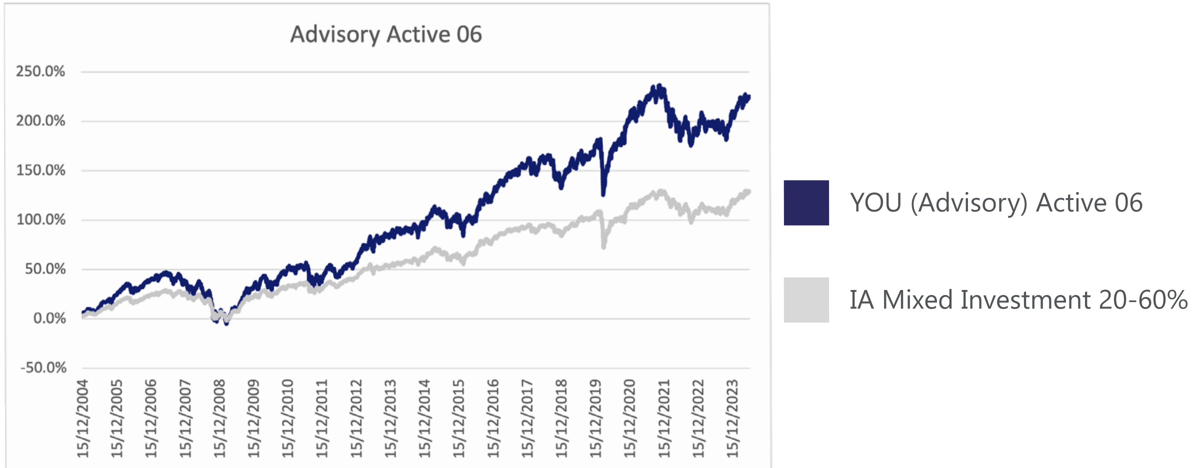
Fund	Allocation
Cash	2.0%
BlackRock Cash	2.0%
Fixed Income	15.0%
Janus Henderson Strategic Bond	5.5%
Allianz Strategic Bond	5.5%
BlackRock Absolute Return Bond	4.0%
Property & Real Assets	10.0%
Schroder Global Cities Real Estate	5.0%
First Sentier Global Listed Infrastructure	5.0%
Absolute Return	13.0%
Ninety One Diversified Income	6.5%
BNY Mellon Real Return	6.5%
UK Equity	13.3%
Artemis UK Select	6.6%
Premier Miton UK Value Opportunities	6.7%
US Equity	12.1%
UBS US Equity	6.0%
UBS US Growth	6.1%
Europe Ex-UK Equity	6.6%
BlackRock Continental European	4.0%
CT European Select	2.6%
Japanese Equity	8.7%
M&G Japan	4.4%
JPM Japan	4.3%
Global Emerging Market Equity	8.7%
Ninety One Asia Pacific Franchise	3.0%
AXA Framlington Emerging Markets	5.7%
Global Developed Market Equity	10.6%
BNY Mellon Global Income	8.0%
Baillie Gifford Global Discovery	2.6%
	100.0%

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	0.4%	9.8%	0.7%	24.1%	225.5%	6.2%

YOU Advisory 06



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

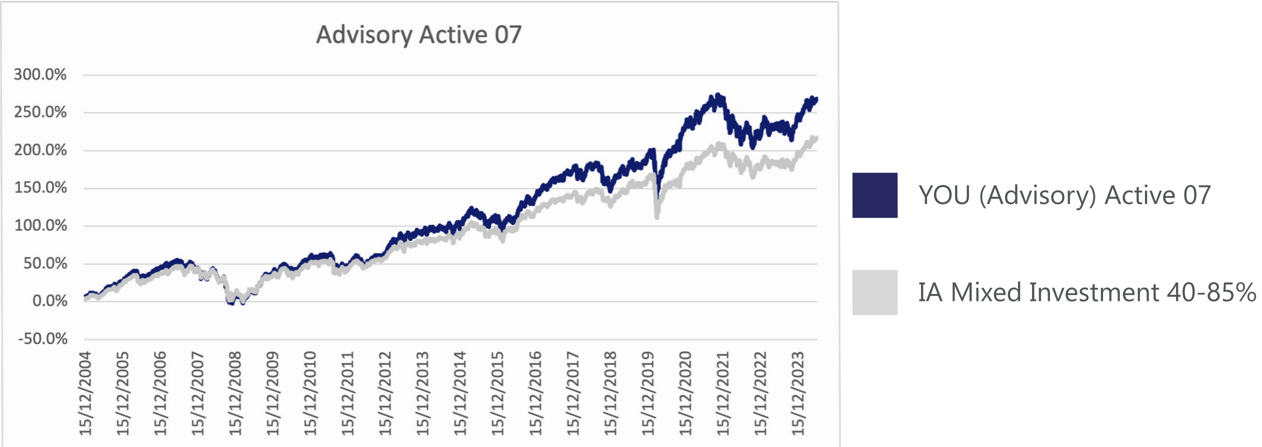
Fund	Allocation
Cash	2.0%
BlackRock Cash	2.0%
Fixed Income	7.0%
Janus Henderson Strategic Bond	7.0%
Property & Real Assets	10.0%
Schroder Global Cities Real Estate	5.0%
First Sentier Global Listed Infrastructure	5.0%
Absolute Return	11.0%
Ninety One Diversified Income	5.5%
BNY Mellon Real Return	5.5%
UK Equity	15.5%
Artemis UK Select	7.7%
Premier Miton UK Value Opportunities	7.8%
US Equity	14.2%
UBS US Equity	7.1%
UBS US Growth	7.1%
Europe Ex-UK Equity	7.7%
BlackRock Continental European	4.6%
CT European Select	3.1%
Japanese Equity	10.1%
M&G Japan	5.1%
JPM Japan	5.0%
Global Emerging Market Equity	10.2%
Ninety One Asia Pacific Franchise	3.8%
AXA Framlington Emerging Markets	6.4%
Global Developed Market Equity	12.3%
BNY Mellon Global Income	9.2%
Baillie Gifford Global Discovery	3.1%
	100.0%

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	0.5%	10.9%	3.4%	31.9%	268.7%	6.9%

YOU Advisory 07



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

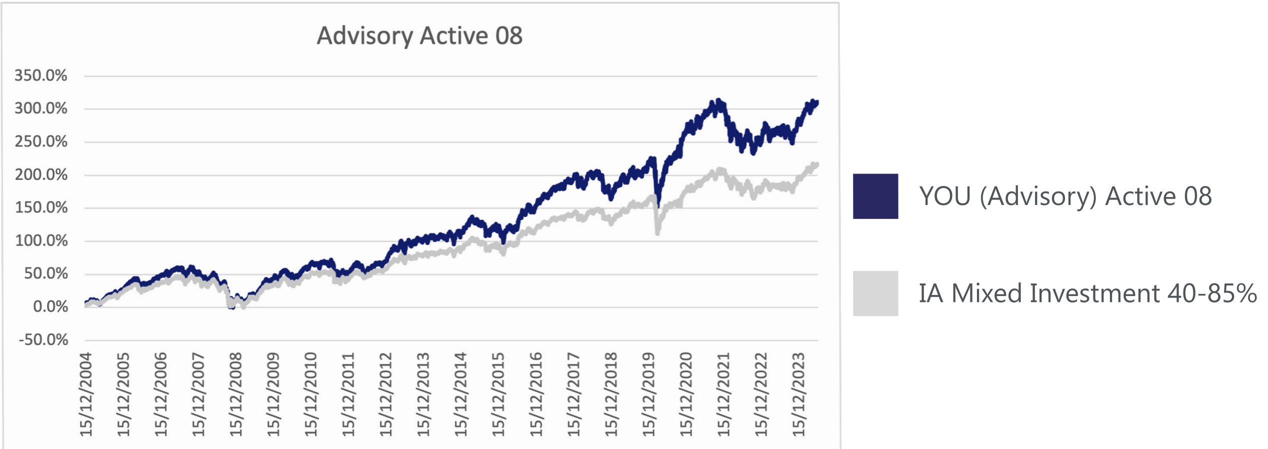
Fund	Allocation
Cash	2.0%
BlackRock Cash	2.0%
Fixed Income	6.0%
Janus Henderson Strategic Bond	3.0%
Ninety One Local Currency Emerging Market Debt	3.0%
Property & Real Assets	4.0%
Schroder Global Cities Real Estate	2.0%
First Sentier Global Listed Infrastructure	2.0%
Absolute Return	8.0%
Ninety One Diversified Income	4.0%
BNY Mellon Real Return	4.0%
UK Equity	17.7%
Artemis UK Select	8.8%
Premier Miton UK Value Opportunities	8.9%
US Equity	16.2%
UBS US Equity	8.1%
UBS US Growth	8.1%
Europe Ex-UK Equity	8.7%
BlackRock Continental European	5.2%
CT European Select	3.5%
Japanese Equity	11.5%
M&G Japan	5.8%
JPM Japan	5.7%
Global Emerging Market Equity	11.6%
Ninety One Asia Pacific Franchise	4.0%
AXA Framlington Emerging Markets	7.6%
Global Developed Market Equity	14.3%
BNY Mellon Global Income	10.7%
Baillie Gifford Global Discovery	3.6%
	100.0%

Portfolio holdings

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	0.6%	11.7%	4.2%	36.4%	311.2%	7.5%

YOU Advisory 08



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

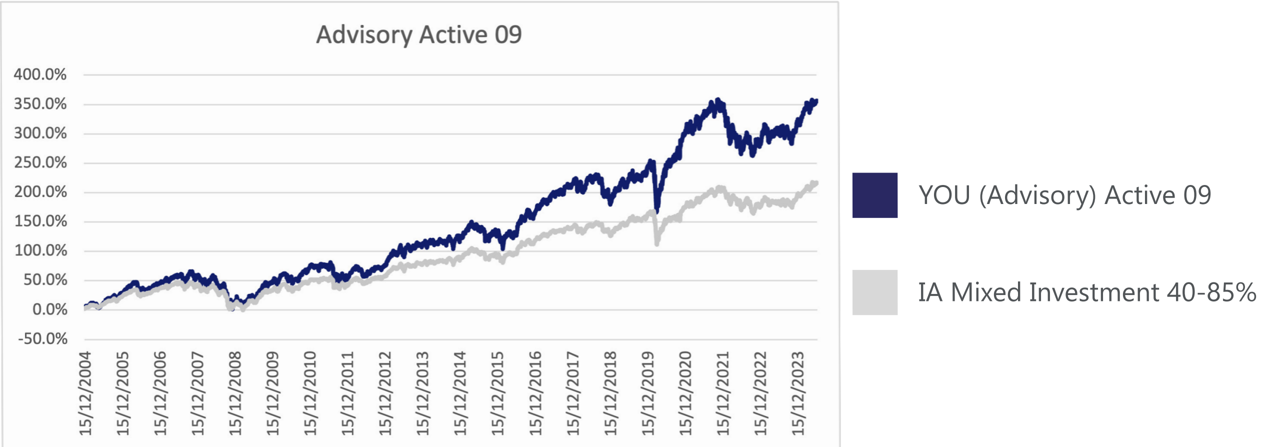
Fund	Allocation
Cash	2.0%
BlackRock Cash	2.0%
Fixed Income	3.0%
Janus Henderson Strategic Bond	2.0%
Ninety One Local Currency Emerging Market Debt	1.0%
Absolute Return	5.0%
Ninety One Diversified Income	2.5%
BNY Mellon Real Return	2.5%
UK Equity	19.9%
Artemis UK Select	9.9%
Premier Miton UK Value Opportunities	10.0%
US Equity	18.2%
UBS US Equity	9.1%
UBS US Growth	9.1%
Europe Ex-UK Equity	9.8%
BlackRock Continental European	5.9%
CT European Select	3.9%
Japanese Equity	13.0%
M&G Japan	6.5%
JPM Japan	6.5%
Global Emerging Market Equity	13.1%
Ninety One Asia Pacific Franchise	5.0%
AXA Framlington Emerging Markets	8.1%
Global Developed Market Equity	16.0%
BNY Mellon Global Income	12.0%
Baillie Gifford Global Discovery	4.0%
	100.0%

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	0.8%	12.7%	4.8%	41.0%	357.0%	8.0%

YOU Advisory 09



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
Global Emerging Market Equity	13.1	13.1
Global Developed Market Equity	16	16

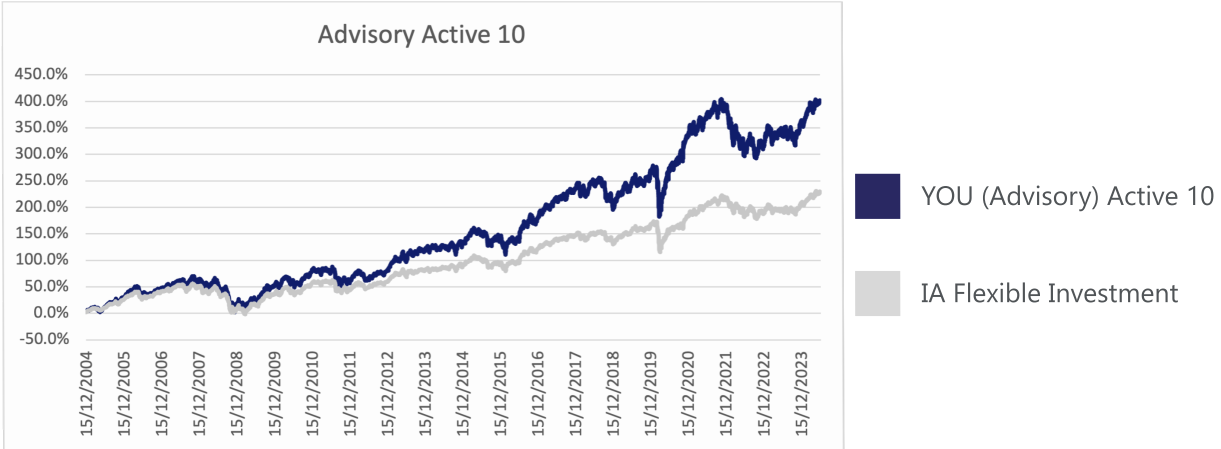
Fund	Allocation
Cash	2.0%
BlackRock Cash	2.0%
UK Equity	21.7%
Artemis UK Select	10.8%
Premier Miton UK Value Opportunities	10.9%
US Equity	19.8%
UBS US Equity	9.9%
UBS US Growth	9.9%
Europe Ex-UK Equity	10.7%
BlackRock Continental European	6.4%
CT European Select	4.3%
Japanese Equity	14.1%
M&G Japan	7.1%
JPM Japan	7.0%
Global Emerging Market Equity	14.2%
Ninety One Asia Pacific Franchise	6.0%
AXA Framlington Emerging Markets	8.2%
Global Developed Market Equity	17.5%
BNY Mellon Global Income	13.1%
Baillie Gifford Global Discovery	4.4%
	100.0%

Portfolio holdings

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	1.0%	13.4%	5.3%	44.9%	402.2%	8.6%

YOU Advisory 10



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
Cash	2.0%
BlackRock Cash	2.0%
Fixed Income	30.0%
M&G Global High Yield Bond	15.0%
Ninety One Emerging Markets Local Currency Debt	15.0%
Property & Real Assets	10.0%
First Sentier Global Listed Infrastructure	10.0%
Absolute Return	8.0%
Ninety One Diversified Income	8.0%
UK Equity	14.4%
Schroder Income Maximiser	14.4%
Europe Ex-UK Equity	8.6%
Invesco European Equity Income	8.6%
Global Emerging Market Equity	13.0%
BNY Mellon Asian Income	13.0%
Global Developed Market Equity	14.0%
BNY Mellon Global Income	14.0%
	100.0%

Income Yields - Current Yield for Portfolio: 4.35%

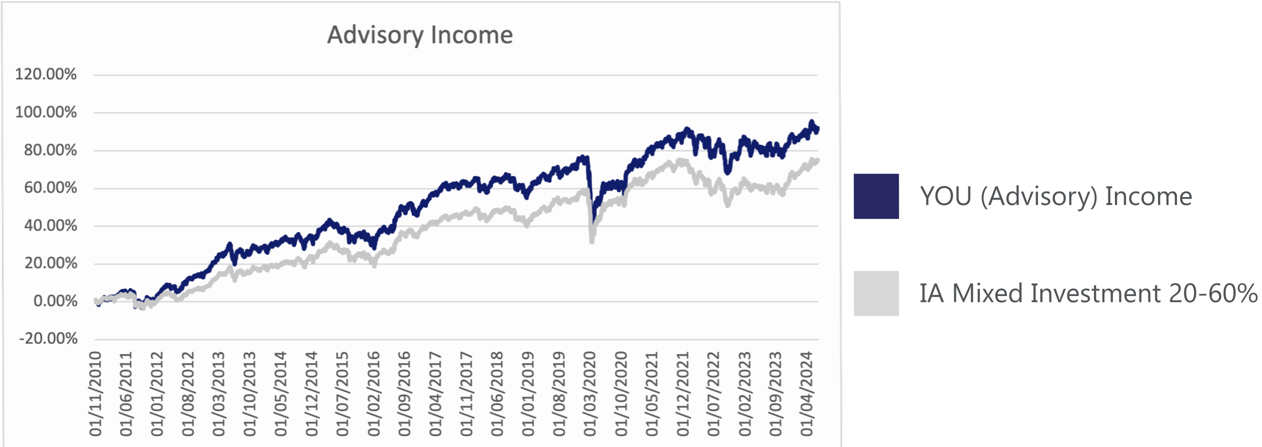
The 'current yield' figure is the weighted yield from the components of the Active Income Portfolio. The individual yields are calculated by the Fund group and are an estimate of what they expect the yield to be in the next 12 months. It is an expectation only and does not represent any guarantee. It 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	0.5%	6.2	4.9%	13.7%	91.6%	4.9%

YOU Advisory Income



Asset Class	Strategic (%)	Tactical (%)
Cash	-	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

Investment insights

The importance of starting and staying invested

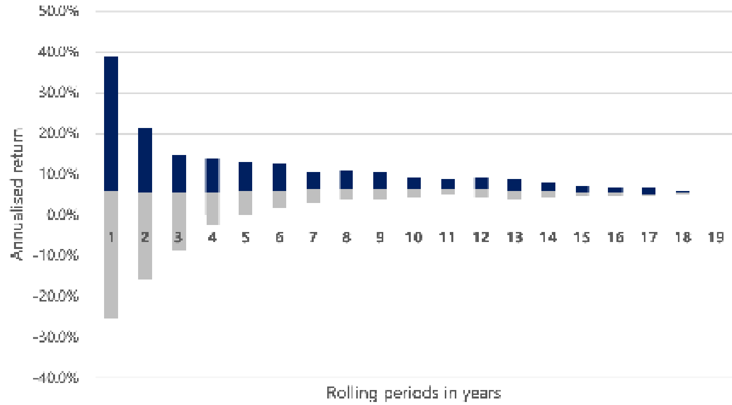
Staying invested is a crucial part of any successful investment strategy. Once you are on your investment journey the decision to stay invested can be easier, especially when you have confidence in your portfolio. Starting is often the biggest hurdle because it is human nature to try and 'time the markets' particularly when the current geopolitical noise is amplified by the media.

Last quarter we wrote about the extraordinary power of compound growth and although the growth may initially seem modest, the longer you stay invested the potential for greater returns increases. In order for investors to potentially benefit from this power of compound growth they have to start investing and the best time to start is now.

This is not because we think now is a perfect entry point for investors, but the sooner you can start the investment journey, the sooner you can benefit from compounding growth and longer-term returns.

The key realisation is that as long as you are investing for the long-term, it does not necessarily matter what the returns in the first few years are.

In the following chart we show the actual returns from our Active MPS portfolio that has 50% invested in equities; it is the equivalent of our Multi-Asset Blend Balanced Fund..



The track record goes back 19 years and shows the annualised returns that were delivered over the different rolling periods. The key learning point is the dispersion in the early years is significant. Looking at one year periods, the dispersion is large, ranging from almost +40% to -25%. This highlights the pitfalls of investing over short-term periods, where returns are highly volatile. For example, the worst one-year period was from end of March 2007 to end of March 2008. While the best one-year period was from end of April 2008 to end of April 2009, just a year after the worst.

However, the longer you invest for, the narrower the dispersions become. Over five year rolling periods you have had no negative outcomes; even if you did invest at the worst possible time in 2007 and stayed invested, five years later you were no longer under water.

Look forward ten years and the gap between the top and bottom is small, which leads us to the conclusion that it does not matter when you start investing, the key is to start and then stay invested. The longer you stay invested the closer you get to the average rolling returns, which is the point where the blue and grey bars meet; the average is also fairly consistent over all the rolling time periods. It is also important to ensure that you are appropriately invested in a global diversified, multi-asset investment strategy.

The longest rolling periods for actual performance is currently 19 years and we celebrate our 20th year of running clients' money in November 2024. This reminds us of the Chinese proverb that we believe encapsulates this particular investment insight:

> **"The best time to plant a tree was 20 years ago. The second best time is now."**

If you are currently invested, then stay invested. If you are not invested, then start now, and begin your journey to securing you best financial life.

If there are any investment topics that you would like us to feature in this section of the Quarterly Report, we would love to hear from you at Marketing@YOU-Asset.co.uk

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Important information

The Advisory Growth Portfolios one to ten, launched in November 2004, and the Advisory Income Portfolio, launched in November 2010, have their performance metrics updated to 30th June 2024, based on their composition as of 1st July 2024. It's crucial to understand that past performance does not predict future returns, and the value of investments can change, potentially resulting in not recovering the initial investment.

Investment performance is subject to fluctuations due to changes in currency rates and market conditions, especially for funds invested in international markets or different currencies. The Investment Asset Allocation Committee may adjust asset allocations in response to market evaluations, which could affect portfolio performance. Also, performance figures may not align with individual experiences if there were changes in portfolio investment during the quarter.

Be aware that inflation can impact the future value of capital, and investments focused on specific sectors or regions are generally riskier. Additionally, investments in emerging markets or smaller companies are subject to higher volatility and risks. Lastly, the performance of funds can vary significantly based on the timing of investment switches.

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