



# Quarter Four Review

Your guide to the markets and the Active Portfolios



## Contents

Performance summary	4
Performance commentary	5
Market outlook	7
Portfolio breakdown & performance details	8
Manager spotlight	19
Investment insights	20
General information & important notes	22

## 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 its 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.

Active		QTR (%)	1YR (%)	3YR (%)	5YR (%)	LAUNCH (%)	ANNUALISED (%)
Act01	Portfolio	-0.1	4.8	1.8	6.7	63.0	2.5
Act02	Portfolio	0.2	5.6	3.1	9.7	85.9	3.1
Act03	Portfolio	0.5	6.5	4.6	14.8	127.5	4.2
Act04	Portfolio	0.7	7.1	5.6	18.7	174.4	5.1
Act05	Portfolio	0.7	7.8	6.7	24.3	220.2	5.9
Act06	Portfolio	1.0	8.3	6.9	28.6	266.0	6.6
Act07	Portfolio	1.3	8.7	7.6	33.2	310.8	7.3
Act08	Portfolio	1.6	9.0	8.6	35.9	348.6	7.7
Act09	Portfolio	2.1	9.6	9.6	40.1	400.0	8.3
Act10	Portfolio	2.4	9.9	10.4	44.3	446.5	8.8
Income	Portfolio	-0.9	6.4	5.8	12.6	102.1	5.1

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 (%)
Inflation UK Retail Price	0.6	3.1	23.0	33.9	107.9	3.7
FTSE 100	-0.2	9.7	23.9	29.8	271.1	6.7

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.

Investment Association	QTR (%)	1YR (%)	3YR (%)	5YR (%)	LAUNCH (%)	ANNUALISED (%)
CPI	0.7	2.2	17.4	24.5	76.3	2.9
IA Mixed Investment 20-60	0.1	6.1	2.6	13.8	134.5	4.3
IA Mixed Investment 40-85	1.2	9.0	6.0	23.8	225.8	6.0
IA Flexible Investment	1.9	9.4	6.6	26.6	239.2	6.2

# Performance commentary

## Market

Global equity markets were collectively positive over the quarter, with the MSCI All Country World Index of global equities up +6.1% in GBP terms. However, this attractive result hid a wide dispersion of underlying regional equity market returns and the fact that the majority of the global index rise was driven by a single market, namely the US (S&P 500 Index +9.7%). Conversely, the FTSE All Share Index was down -0.4% for the quarter, the MSCI Europe ex-UK Index was down -4.2% and MSCI Emerging Markets Index was down -1.3%, all in GBP terms. Only Japan bucked this trend, posting a +3.3% rise for the quarter in GBP terms.

The S&P 500 Index's final quarter rally took the US equity market return to +27.3% for the calendar year in GBP terms. It is worth reflecting on just how uniquely strong this annual result for the US equity market is as it compares to an annual return of +9.5% for the UK Equity market, +2.8% for Continental European equities and just over +10% for Japanese and Emerging Market indices, all in GBP terms. For a second year in a row, the nature of this US market dominance has been highly concentrated in the largest, technology and AI-oriented names, often referred to as the "magnificent seven", with these stocks alone responsible for half of the S&P 500 index's 2024 gains.

News over the quarter was dominated by the election of Donald Trump as the next US President. This prompted speculation of future corporate tax cuts, higher government spending and protectionist policies that could be particularly harmful to China and Europe. Such speculation was undoubtedly impactful upon market returns over the quarter but we continue to caution whether such policies will in fact turn out to be the drivers of future market returns. In Europe, economic data continued to weaken significantly and was compounded by ongoing political turmoil in core countries like France and Germany where fiscal troubles and the continued rise of populist parties have sent alarm bells ringing. In the UK, a relatively business unfriendly budget dampened some enthusiasm for domestic UK equities that had been growing throughout the year.

Although central banks in US, UK and Europe started normalising interest rate policy over 2024, continued robust economic growth in the US and frustratingly sticky headline inflation meant many investors pared back their expectations for how quickly future interest rate cuts would be delivered going forward, particularly in the US. Higher interest rate expectations are generally unhelpful for fixed income returns and, as a result, global bonds as measured by the Bloomberg Global Aggregate Index fell -1.0% over the quarter in GBP hedged terms. Longer dated bonds, which are even more sensitive to interest rates, fell even more sharply. Over the year as a whole, global bonds as measured by the Bloomberg Global Aggregate Index rose a relatively modest +3.0% in GBP hedged terms. However, Sterling bonds as measured by the Bloomberg Sterling Aggregate index were down -2.5% for the year, once again supporting our preference for a globally diversified portfolio of fixed income securities.

## Equities

Our Tactical Asset Allocation in equities was positive for the quarter, driven by our underweight to weaker performing Continental European equities. This was partially offset by our overweight to UK equities which detracted as UK equities posted marginally negative returns over the quarter.

Within the Fund's equity component, it was the faster growing set of companies in the US that outperformed in the final quarter of 2024, driven by the same technology and AI-linked companies that have propelled US markets upwards all year. The technology-heavy Loomis Sayles US Equity Leaders Fund, benefited significantly from this feature, with additional return from strong stock picking helping it to deliver an exceptional +18.0% over the quarter and +37.5% over the year. We also observed positive performance from Japanese equities over the quarter, with the Nikko Japan Value Fund returning +5.2%. Lastly, we saw the North of South Emerging Markets All Cap Fund return +5.5%, an impressive outcome in a period when Global Emerging Markets were down. The North of South Emerging Markets All Cap Fund focuses on cheaper companies trading at lower valuations across emerging markets.

Conversely, the BlackRock Continental European Fund fell -5.8% over the quarter as the economic backdrop within Continental Europe weakened and a number of its higher growth holdings struggled. In addition, within the Global Emerging Markets component, the Baillie Gifford Pacific Fund (-1.4%) and the Skerryvore Emerging Markets Fund (-4.6%) fell over the period, again demonstrating the benefit of retaining a balance of different investment styles across multiple geographies within the equity portfolio.



### Fixed income

As noted above, strong economic growth, higher inflation expectations and President Trump's election victory and policies have contributed to higher interest rates expectations which have been negative for bonds. In this environment, the PGIM Global Corporate Bond fell -1.6%. The position in the Morgan Stanley Emerging Markets Local Income Fund also struggled over the quarter, falling -7.4% in a period of US Dollar strength which is seen as a negative for some Emerging Market economies. The manager's portfolio continues to provide an attractive double-digit yield and we remain very positive on the prospects for this exposure.

On a more positive note, the Man GLG High Yield Opportunities returned +0.3% over the quarter as high yield bonds continued to benefit from the strong economic environment in the US.

### Property, real assets & absolute return

The last quarter saw diverging outcomes for our Property & Real Assets managers and illustrates the importance of diversification within the asset class. A rise in interest rates expectations negatively impacted the ClearBridge Global Infrastructure Income Fund which returned -4.7% over the quarter. This Fund provides exposure to infrastructure related cash flows that are typically received in the future and hence more interest rate sensitive. However, the AQR Managed Futures Fund returned +2.3% over the quarter, driven by exposure to the outperformance of technology stocks and positive trends in equity factors such as the "momentum" factor which have contributed greatly towards its +8.0% return in 2024.

Within Absolute Return, the Fulcrum Thematic Equity Market Neutral Fund returned +5.3% over the quarter, with significant exposure to the technology and AI-related companies which have been a dominant theme and contributed greatly towards its +12.1% return in 2024.

## Portfolio changes



### Complete sales

#### UBS China Bond

Since we initially invested in local Chinese bonds, the exposure has delivered strong performance and offered excellent diversification. However, with the increasing prospect of high levels of Chinese government stimulus to try and reignite its slowing economy, we believe the risk-reward ratio has markedly changed. There are also increasing geopolitical risks for which we feel we are not being adequately compensated. Furthermore, we believe there are other fixed income exposures that are relatively more attractive. As a result, we have reallocated the exposure to other areas of our existing fixed income allocations as well as adding another active global bond exposure through PIMCO GIS Global Bond Fund.



### New buys

#### PIMCO GIS Global Bond Fund

As we divest from our China bond exposure in the Active MPS, we believe there are other areas of fixed income that are relatively more attractive. We have known the PIMCO team for some time and this fund is an effective way to access the expanding global bond market. We also like the positioning of their portfolio, which remains broadly in line with our macro views.

# Market outlook

As a reminder, each of the Model Portfolios have a distinct long-term Strategic Asset Allocation that is specifically formulated based upon each Fund's stated risk profile. The higher the risk-profile selected, the more is allocated to equities and the less to diversifiers such as bonds, real assets or absolute return strategies. Around that strategic asset allocation, we implement tactical tilts when we observe highly attractive return opportunities where we believe the risk-reward is strongly in our favour. We have been overweight UK and Japanese equities and underweight Europe ex-UK equities, which has been a positive contributor to the performance of your portfolio over both the most recent quarter (Q4) and 2024 as a whole.

## Japanese equities

2024 was a mixed year for Japanese equities. The return from the market in local currency terms (Japanese Yen) was up a very strong +21.2% as measured by the MSCI Japan equity index, however, the Yen weakened quite substantially vs the Pound Sterling over the year meaning that the return delivered to a GBP based investor for the year was a more modest (but still substantial) +10.6%. This dynamic was also observed in the fourth quarter of the year, whereby the Yen return for the market was +5.9% while the GBP return was +3.3%.

Looking forward into 2025, we continue to hold a very positive view on the Japanese equity market and remain overweight. The underlying equity market looks very healthy, driven by sustained corporate governance reforms which our managers continue to witness in abundance across multiple industries. This involves the ongoing process of making Japanese companies more focused on generating returns for shareholders and less focused on serving other, often conflicted, interests. The market as a whole trades on reasonable valuations, particularly relative to the US. equity market for instance. In addition, while we do not seek to forecast currency returns it is widely accepted that the Yen has been exceptionally weak in recent years vs global peers due to much higher interest rates in other countries vs rates in Japan. A reversal or stabilisation in this trend could provide a tailwind to GBP based investors as well as the more unloved smaller company segment of the Japanese market which we retain exposure to.

## UK equities

We also remain overweight the UK stock market going into 2025. Over the course of 2024, the market returned a very reasonable +9.5% despite a pull back over the final quarter of the year. The returns over the year were led by larger companies,

in particular banks such as Natwest and Barclays had very strong years as they benefited from the higher interest rate environment. Return from medium and smaller companies were more muted, similar to the rest of the world.

The UK Equity market remains cheap relative both to other global markets (particularly the US.) and relative to its own history. While we retain our overweight to UK equities going into 2025, we are increasingly mindful that cheapness alone may be a necessary but not sufficient requirement for future outperformance. The UK market has shrunk dramatically in recent years as major firms have re-listed in the US. where they can achieve higher share prices and initial public offerings (whereby a stock "goes public" via listing on the exchange for the first time) have all but dried up in the UK as again companies prefer to stay private for longer or list in the US. The small cap segment of the market remains interesting, but these companies are oriented towards what is unfortunately a low growth, relatively high inflation economy whose planning system has led to major supply side constraints building sufficient housing or infrastructure. The recent budget alongside changes to workers rights in the UK have also undoubtedly been primarily business unfriendly. While we think there remain some attractive opportunities in the UK and our managers' portfolios continue to benefit from elevated takeover activity, we are closely evaluating the magnitude of our overweight to this market as we enter the New Year.

## Europe ex-UK equities

We continue to remain underweight Europe Ex-UK equities in order to be overweight the UK and Japanese markets. This was positive for your portfolio over the fourth quarter as the Continental European market, as measured by the MSCI Europe Ex-UK index, fell -4.2% and was up +2.8% for 2024 both in GBP terms.

In lots of ways it is surprising that the European market didn't fare even worse in 2024, given the long list of challenges it continues to face such as the de-industrialisation of Germany, debt & political strife in France, ongoing demographic challenges and a lack of dynamic tech companies to rival the US (a problem likely exacerbated by the EU's stifling regulatory environment). We continue to think that the Continental European markets are in the unenviable position of being neither as cheap as the UK nor as dynamic and appealing as Japan, and therefore we retain our underweight going into the New Year. That said, there are a selection of opportunities in Europe which are interesting and we feel our active managers here are well suited to exploit them despite the wider challenges the market and economy might face.



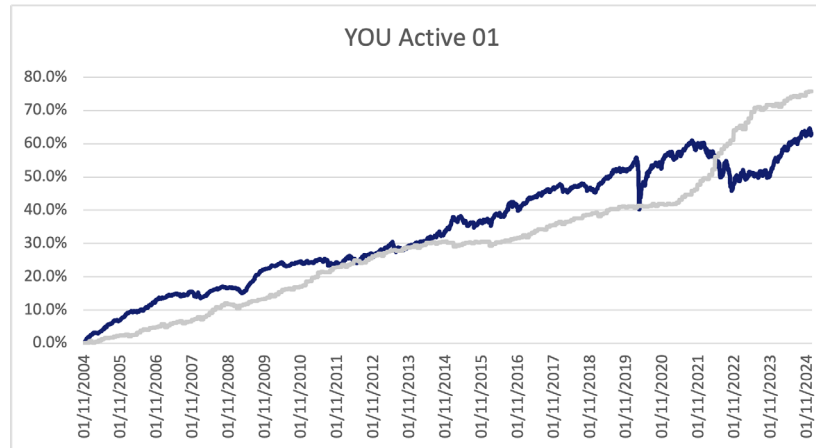
Fund	Allocation (%)
Cash	15.0
Cash	15.0
Fixed Income	50.0
PIMCO GIS Global Bond	16.6
ASI SD Inflation Linked Bond Fund	16.7
PGIM Global Corporate Bond	16.7
Property & Real Assets	10.0
ClearBridge Global Infrastructure	3.4
PIMCO GIS Commodity Real Return	3.3
AQR Managed Futures	3.3
Absolute Return	15.0
Sanlam Multi Strategy	5.0
Pacific G10 Macro Rates	5.0
Fulcrum Thematic Equity Market Neutral	5.0
UK Equity	2.2
Lindsell Train UK Equity	0.9
Invesco UK Opportunities	0.9
Polar Capital UK Value Opportunities	0.4
US Equity	2.1
T. Rowe Price US Large Cap Value	0.5
AB American Growth	0.5
Neuberger Berman US Small Cap IV	0.6
Natixis Loomis Sayles US Equity Leaders	0.5
Europe Ex-UK Equity	1.1
BlackRock Continental Euro Equity	0.3
RGI European Fund	0.2
Lansdowne European Special Situations	0.6
Japanese Equity	1.4
Nikko AM Japan Value	0.6
GSAM Japan Equity Partners	0.6
Neuberger Berman Japan Engagement	0.2
Global Emerging Market Equity	1.4
North of South EM All Cap	0.5
Skerryvore Global Emerging Markets	0.5
Baillie Gifford Pacific Fund	0.4
Global Developed Market Equity	1.8
Brown Advisory Global Leaders	0.7
Pzena Global Value	0.7
Baillie Gifford Global Discovery	0.4
	100.0

## Portfolio Holdings

### YOU Active 01

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 (%)
Act01	Portfolio	-0.1	4.8	1.8	6.7	63.0	2.5



YOU Active 01  
Consumer Price Index

Asset Class	Strategic (%)	Tactical (%)
Cash	15.0	15.0
Fixed Income	50.0	50.0
Property & Real Assets	10.0	10.0
Absolute Return	15.0	15.0
UK Equity	1.9	2.2
US Equity	2.1	2.1
Europe ex-UK Equity	1.6	1.1
Japanese Equity	1.3	1.4
Global Emerging Market Equity	1.4	1.4
Global Developed Market Equity	1.7	1.8

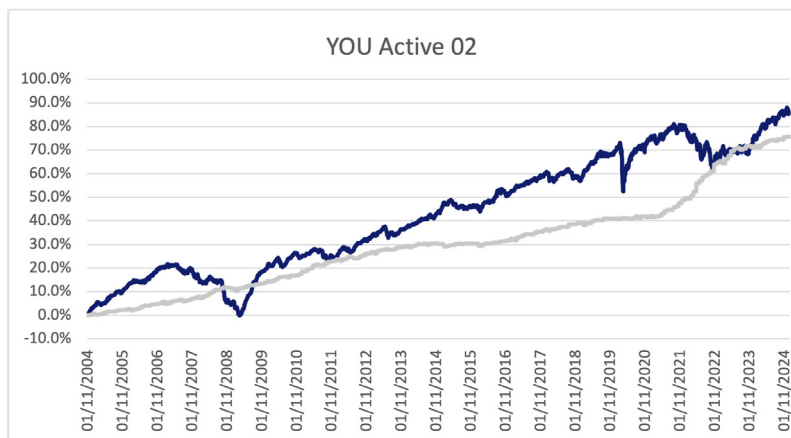


## Portfolio Holdings

### YOU Active 02

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 (%)
Act02	Portfolio	0.2	5.6	3.1	9.7	85.9	3.1



YOU Active 02  
Consumer Price Index

Asset Class	Strategic (%)	Tactical (%)
Cash	10.0	10.0
Fixed Income	45.0	45.0
Property & Real Assets	10.0	10.0
Absolute Return	15.0	15.0
UK Equity	3.7	4.5
US Equity	4.2	4.2
Europe ex-UK Equity	3.2	2.1
Japanese Equity	2.5	2.9
Global Emerging Market Equity	2.9	2.9
Global Developed Market Equity	3.5	3.4

Fund	Allocation (%)
Cash	10.0
Cash	10.0
Fixed Income	45.0
PIMCO GIS Global Bond	15.0
ASI SD Inflation Linked Bond Fund	15.0
PGIM Global Corporate Bond	15.0
Property & Real Assets	10.0
ClearBridge Global Infrastructure	3.4
PIMCO GIS Commodity Real Return	3.3
AQR Managed Futures	3.3
Absolute Return	15.0
Sanlam Multi Strategy	5.0
Pacific G10 Macro Rates	5.0
Fulcrum Thematic Equity Market Neutral	5.0
UK Equity	4.5
Lindsell Train UK Equity	1.8
Invesco UK Opportunities	1.8
Polar Capital UK Value Opportunities	0.9
US Equity	4.2
T. Rowe Price US Large Cap Value	1.1
Natixis Loomis Sayles US Equity Leaders	1.0
Neuberger Berman US Small Cap IV	1.1
AB American Growth	1.0
Europe Ex-UK Equity	2.1
BlackRock Continental Euro Equity	0.6
RGI European Fund	0.5
Lansdowne European Special Situations	1.0
Japanese Equity	2.9
Nikko AM Japan Value	1.2
GSAM Japan Equity Partners	1.2
Neuberger Berman Japan Engagement	0.5
Global Emerging Market Equity	2.9
North of South EM All Cap	1.1
Skerryvore Global Emerging Markets	0.9
Baillie Gifford Pacific Fund	0.9
Global Developed Market Equity	3.4
Brown Advisory Global Leaders	1.3
Pzena Global Value	1.3
Baillie Gifford Global Discovery	0.8
	100.0

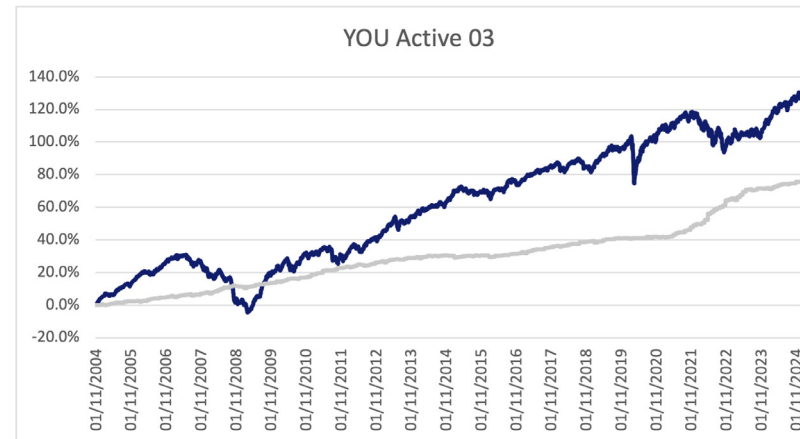
Fund	Allocation (%)
Cash	5.0
Cash	5.0
Fixed Income	40.0
PIMCO GIS Global Bond	10.0
ASI SD Inflation Linked Bond Fund	10.0
PGIM Global Corporate Bond	10.0
Man High Yield Opportunities	5.0
MS Local Emerging Market Debt	5.0
Property & Real Assets	10.0
ClearBridge Global Infrastructure	3.4
PIMCO GIS Commodity Real Return	3.3
AQR Managed Futures	3.3
Absolute Return	15.0
Sanlam Multi Strategy	5.0
Pacific G10 Macro Rates	5.0
Fulcrum Thematic Equity Market Neutral	5.0
UK Equity	6.7
Lindsell Train UK Equity	2.6
Invesco UK Opportunities	2.7
Polar Capital UK Value Opportunities	1.4
US Equity	6.3
T. Rowe Price US Large Cap Value	1.7
Natixis Loomis Sayles US Equity Leaders	1.5
Neuberger Berman US Small Cap IV	1.6
AB American Growth	1.5
Europe Ex-UK Equity	3.2
BlackRock Continental Euro Equity	1.0
RGI European Fund	0.6
Lansdowne European Special Situations	1.6
Japanese Equity	4.3
Nikko AM Japan Value	1.7
GSAM Japan Equity Partners	1.7
Neuberger Berman Japan Engagement	0.9
Global Emerging Market Equity	4.3
North of South EM All Cap	1.8
Skerryvore Global Emerging Markets	1.3
Baillie Gifford Pacific Fund	1.2
Global Developed Market Equity	5.2
Brown Advisory Global Leaders	2.0
Pzena Global Value	2.1
Baillie Gifford Global Discovery	1.1
	100.0

## Portfolio Holdings

### YOU Active 03

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 (%)
Act03	Portfolio	0.5	6.5	4.6	14.8	127.5	4.2



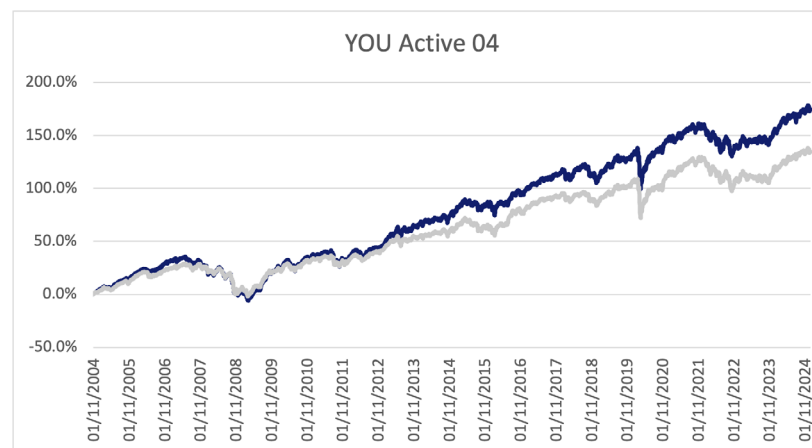
Asset Class	Strategic (%)	Tactical (%)
Cash	5.0	5.0
Fixed Income	40.0	40.0
Property & Real Assets	10.0	10.0
Absolute Return	15.0	15.0
UK Equity	5.6	6.7
US Equity	6.3	6.3
Europe ex-UK Equity	4.8	3.2
Japanese Equity	3.8	4.3
Global Emerging Market Equity	4.3	4.3
Global Developed Market Equity	5.2	5.2

## Portfolio Holdings

### YOU Active 04

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 (%)
Act04	Portfolio	0.7	7.1	5.6	18.7	174.4	5.1



■ YOU Active 04  
■ IA Mixed Investment 20-60%

Asset Class	Strategic (%)	Tactical (%)
Cash	2.0	2.0
Fixed Income	34.0	34.0
Property & Real Assets	10.0	10.0
Absolute Return	14.0	14.0
UK Equity	7.4	8.9
US Equity	8.3	8.3
Europe ex-UK Equity	6.4	4.2
Japanese Equity	5.0	5.8
Global Emerging Market Equity	5.8	5.8
Global Developed Market Equity	7.0	7.0

Fund	Allocation (%)
Cash	2.0
Cash	2.0
Fixed Income	34.0
PIMCO GIS Global Bond	9.0
ASI SD Inflation Linked Bond Fund	8.5
PGIM Global Corporate Bond	9.0
Man High Yield Opportunities	3.2
MS Local Emerging Market Debt	4.3
Property & Real Assets	10.0
ClearBridge Global Infrastructure	3.4
PIMCO GIS Commodity Real Return	3.3
AQR Managed Futures	3.3
Absolute Return	14.0
Sanlam Multi Strategy	4.7
Pacific G10 Macro Rates	4.7
Fulcrum Thematic Equity Market Neutral	4.6
UK Equity	8.9
Lindsell Train UK Equity	3.5
Invesco UK Opportunities	3.6
Polar Capital UK Value Opportunities	1.8
US Equity	8.3
T. Rowe Price US Large Cap Value	2.2
Natixis Loomis Sayles US Equity Leaders	2.0
Neuberger Berman US Small Cap IV	2.2
AB American Growth	1.9
Europe Ex-UK Equity	4.2
BlackRock Continental Euro Equity	1.2
RGI European Fund	0.9
Lansdowne European Special Situations	2.1
Japanese Equity	5.8
Nikko AM Japan Value	2.3
GSAM Japan Equity Partners	2.3
Neuberger Berman Japan Engagement	1.2
Global Emerging Market Equity	5.8
North of South EM All Cap	2.2
Skerryvore Global Emerging Markets	1.8
Baillie Gifford Pacific Fund	1.8
Global Developed Market Equity	7.0
Brown Advisory Global Leaders	2.7
Pzena Global Value	2.8
Baillie Gifford Global Discovery	1.5
	100.0

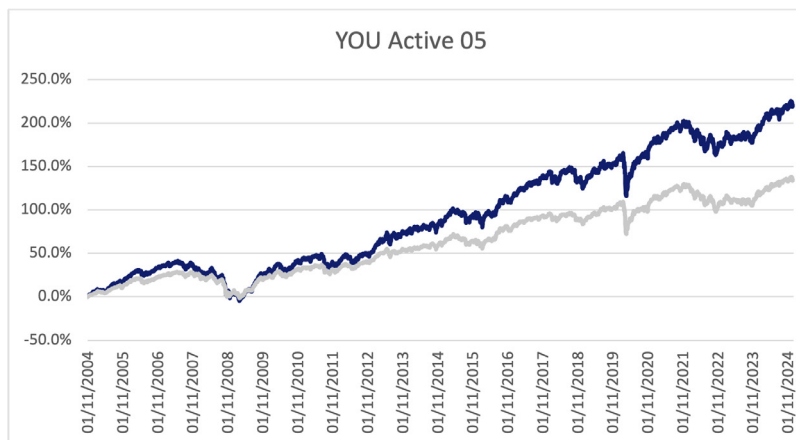
Fund	Allocation (%)
Cash	2.0
Cash	2.0
Fixed Income	24.0
MS Local Emerging Market Debt	5.0
PIMCO GIS Global Bond	8.0
PGIM Global Corporate Bond	8.0
MAN High Yield Opportunities	3.0
Property & Real Assets	10.0
ClearBridge Global Infrastructure	3.4
PIMCO GIS Commodity Real Return	3.3
AQR Managed Futures	3.3
Absolute Return	14.0
Sanlam Multi Strategy	4.7
Pacific G10 Macro Rates	4.7
Fulcrum Thematic Equity Market Neutral	4.6
UK Equity	11.1
Lindsell Train UK Equity	4.4
Invesco UK Opportunities	4.4
Polar Capital UK Value Opportunities	2.3
US Equity	10.4
T. Rowe Price US Large Cap Value	2.8
Natixis Loomis Sayles US Equity Leaders	2.4
Neuberger Berman US Small Cap IV	2.8
AB American Growth	2.4
Europe Ex-UK Equity	5.3
BlackRock Continental Euro Equity	1.6
RGI European Fund	1.0
Lansdowne European Special Situations	2.7
Japanese Equity	7.2
Nikko AM Japan Value	2.9
GSAM Japan Equity Partners	2.9
Neuberger Berman Japan Engagement	1.4
Global Emerging Market Equity	7.2
North of South EM All Cap	2.9
Skerryvore Global Emerging Markets	2.2
Baillie Gifford Pacific Fund	2.1
Global Developed Market Equity	8.8
Brown Advisory Global Leaders	3.5
Pzena Global Value	3.5
Baillie Gifford Global Discovery	1.8
	100.0

## Portfolio Holdings

### YOU Active 05

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 (%)
Act05	Portfolio	0.7	7.8	6.7	24.3	220.2	5.9



■ YOU Active 05  
 ■ IA Mixed Investment 20-60%

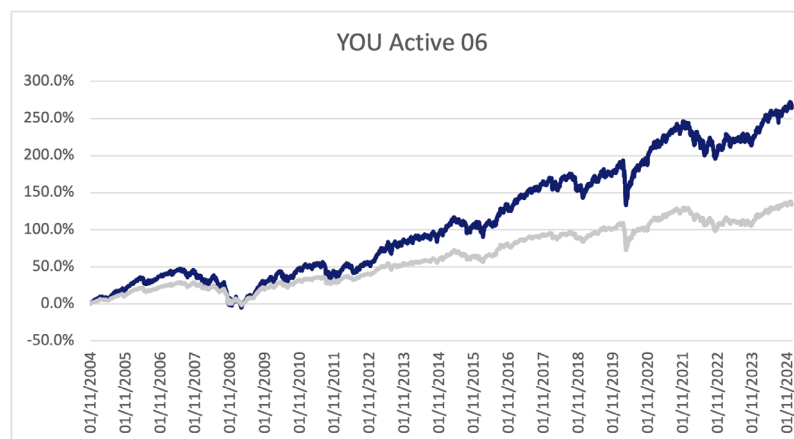
Asset Class	Strategic (%)	Tactical (%)
Cash	2.0	2.0
Fixed Income	24.0	24.0
Property & Real Assets	10.0	10.0
Absolute Return	14.0	14.0
UK Equity	9.3	11.1
US Equity	10.4	10.4
Europe ex-UK Equity	8.0	5.3
Japanese Equity	6.3	7.2
Global Emerging Market Equity	7.2	7.2
Global Developed Market Equity	8.7	8.8

## Portfolio Holdings

### YOU Active 06

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 (%)
Act06	Portfolio	1.0	8.3	6.9	28.6	266.0	6.6



■ YOU Active 06  
■ IA Mixed Investment 20-60%

Asset Class	Strategic (%)	Tactical (%)
Cash	2.0	2.0
Fixed Income	15.0	15.0
Property & Real Assets	10.0	10.0
Absolute Return	13.0	13.0
UK Equity	11.2	13.4
US Equity	12.5	12.5
Europe ex-UK Equity	9.6	6.3
Japanese Equity	7.5	8.6
Global Emerging Market Equity	8.7	8.7
Global Developed Market Equity	10.5	10.5

Fund	Allocation (%)
Cash	2.0
Cash	2.0
Fixed Income	15.0
MS Local Emerging Market Debt	3.1
PIMCO GIS Global Bond	5.0
PGIM Global Corporate Bond	5.0
MAN High Yield Opportunities	1.9
Property & Real Assets	10.0
ClearBridge Global Infrastructure	3.4
PIMCO GIS Commodity Real Return	3.3
AQR Managed Futures	3.3
Absolute Return	13.0
Sanlam Multi Strategy	4.3
Pacific G10 Macro Rates	4.4
Fulcrum Thematic Equity Market Neutral	4.3
UK Equity	13.4
Lindsell Train UK Equity	5.3
Invesco UK Opportunities	5.4
Polar Capital UK Value Opportunities	2.7
US Equity	12.5
Neuberger Berman US Small Cap IV	3.3
T. Rowe Price US Large Cap Value	3.3
Natixis Loomis Sayles US Equity Leaders	2.9
AB American Growth	3.0
Europe Ex-UK Equity	6.3
BlackRock Continental Euro Equity	1.9
RGI European Fund	1.2
Lansdowne European Special Situations	3.2
Japanese Equity	8.6
Nikko AM Japan Value	3.5
GSAM Japan Equity Partners	3.4
Neuberger Berman Japan Engagement	1.7
Global Emerging Market Equity	8.7
North of South EM All Cap	3.5
Skerryvore Global Emerging Markets	2.6
Baillie Gifford Pacific Fund	2.6
Global Developed Market Equity	10.5
Brown Advisory Global Leaders	4.1
Pzena Global Value	4.2
Baillie Gifford Global Discovery	2.2
	100.0

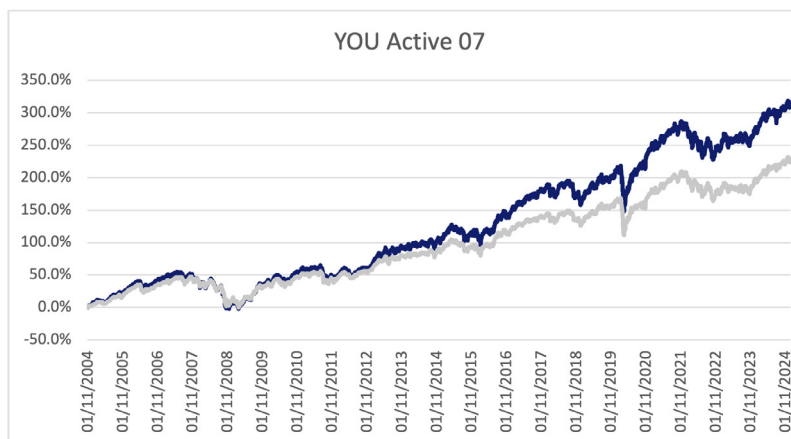
Fund	Allocation (%)
Cash	2.0
Cash	2.0
Fixed Income	7.0
MAN GLG High Yield Opportunities	2.0
MS Local Emerging Market Debt	5.0
Property & Real Assets	10.0
ClearBridge Global Infrastructure	3.4
PIMCO GIS Commodity Real Return	3.3
AQR Managed Futures	3.3
Absolute Return	11.0
Sanlam Multi Strategy	3.7
Pacific G10 Macro Rates	3.7
Fulcrum Thematic Equity Market Neutral	3.6
UK Equity	15.6
Lindsell Train UK Equity	6.2
Invesco UK Opportunities	6.3
Polar Capital UK Value Opportunities	3.1
US Equity	14.6
Neuberger Berman US Small Cap IV	4.0
T. Rowe Price US Large Cap Value	4.0
Natixis Loomis Sayles US Equity Leaders	3.3
AB American Growth	3.3
Europe Ex-UK Equity	7.4
BlackRock Continental Euro Equity	2.2
RGI European Fund	1.5
Lansdowne European Special Situations	3.7
Japanese Equity	10.1
Nikko AM Japan Value	4.0
GSAM Japan Equity Partners	4.0
Neuberger Berman Japan Engagement	2.1
Global Emerging Market Equity	10.1
North of South EM All Cap	4.1
Skerryvore Global Emerging Markets	2.9
Baillie Gifford Pacific Fund	3.1
Global Developed Market Equity	12.2
Brown Advisory Global Leaders	4.8
Pzena Global Value	4.9
Baillie Gifford Global Discovery	2.5
	100.0

## Portfolio Holdings

### YOU Active 07

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 (%)
Act07	Portfolio	1.3	8.7	7.6	33.2	310.8	7.3



■ YOU Active 07  
 ■ IA Mixed Investment 40-85%

Asset Class	Strategic (%)	Tactical (%)
Cash	2.0	2.0
Fixed Income	7.0	7.0
Property & Real Assets	10.0	10.0
Absolute Return	11.0	11.0
UK Equity	13.0	15.6
US Equity	14.6	14.6
Europe ex-UK Equity	11.2	7.4
Japanese Equity	8.8	10.1
Global Emerging Market Equity	10.1	10.1
Global Developed Market Equity	12.2	12.2

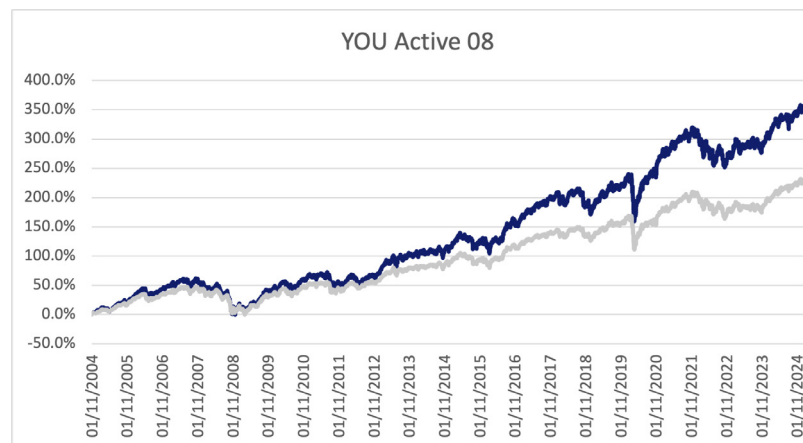
Fund	Allocation (%)
Cash	2.0
Cash	2.0
Fixed Income	6.0
MAN GLG High Yield Opportunities	1.0
MS Local Emerging Market Debt	5.0
Property & Real Assets	4.0
ClearBridge Global Infrastructure	1.4
PIMCO GIS Commodity Real Return	1.3
AQR Managed Futures	1.3
Absolute Return	8.0
Sanlam Multi Strategy	2.7
Pacific G10 Macro Rates	2.7
Fulcrum Thematic Equity Market Neutral	2.6
UK Equity	17.8
Lindsell Train UK Equity	7.1
Invesco UK Opportunities	7.2
Polar Capital UK Value Opportunities	3.5
US Equity	16.7
Neuberger Berman US Small Cap IV	4.6
T. Rowe Price US Large Cap Value	4.5
Natixis Loomis Sayles US Equity Leaders	3.8
AB American Growth	3.8
Europe Ex-UK Equity	8.4
BlackRock Continental Euro Equity	2.5
RGI European Fund	1.7
Lansdowne European Special Situations	4.2
Japanese Equity	11.5%
Nikko AM Japan Value	4.6
GSAM Japan Equity Partners	4.6
Neuberger Berman Japan Engagement	2.3
Global Emerging Market Equity	11.6
North of South EM All Cap	4.6
Skerryvore Global Emerging Markets	3.5
Baillie Gifford Pacific Fund	3.5
Global Developed Market Equity	14.0
Brown Advisory Global Leaders	5.5
Pzena Global Value	5.6
Baillie Gifford Global Discovery	2.9
	100.0

## Portfolio Holdings

### YOU Active 08

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 (%)
Act08	Portfolio	1.6	9.0	8.6	35.9	348.6	7.7



■ YOU Active 08  
 ■ IA Mixed Investment 40-85%

Asset Class	Strategic (%)	Tactical (%)
Cash	2.0	2.0
Fixed Income	6.0	6.0
Property & Real Assets	4.0	4.0
Absolute Return	8.0	8.0
UK Equity	14.9	17.8
US Equity	16.7	16.7
Europe ex-UK Equity	12.8	8.4
Japanese Equity	10.1	11.5
Global Emerging Market Equity	11.6	11.6
Global Developed Market Equity	14.0	14.0



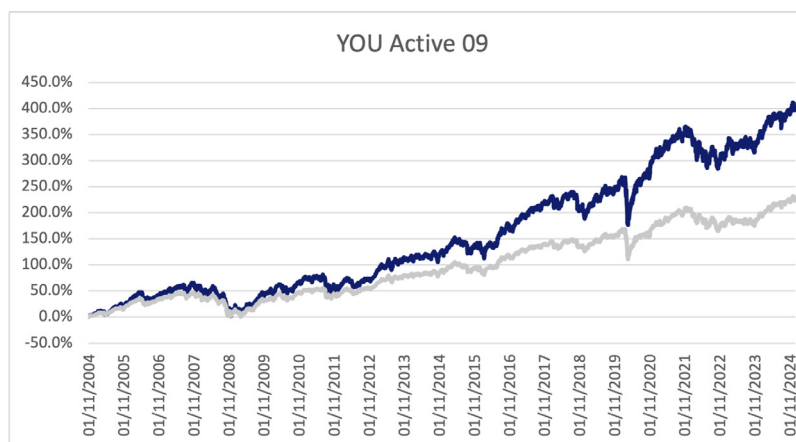
Fund	Allocation (%)
Cash	2.0
Cash	2.0
Fixed Income	3.0
MAN GLG High Yield Opportunities	1.0
MS Local Emerging Market Debt	2.0
Absolute Return	5.0
Sanlam Multi Strategy	1.7
Pacific G10 Macro Rates	1.7
Fulcrum Thematic Equity Market Neutral	1.6
UK Equity	20.0
Lindsell Train UK Equity	8.0
Invesco UK Opportunities	8.0
Polar Capital UK Value Opportunities	4.0
US Equity	18.8
Neuberger Berman US Small Cap IV	5.1
T. Rowe Price US Large Cap Value	5.1
Natixis Loomis Sayles US Equity Leaders	4.3
AB American Growth	4.3
Europe Ex-UK Equity	9.5
BlackRock Continental Euro Equity	2.8
RGI European Fund	1.9
Lansdowne European Special Situations	4.8
Japanese Equity	13.0
Nikko AM Japan Value	5.2
GSAM Japan Equity Partners	5.2
Neuberger Berman Japan Engagement	2.6
Global Emerging Market Equity	13.0
North of South EM All Cap	5.1
Skerryvore Global Emerging Markets	3.9
Baillie Gifford Pacific Fund	4.0
Global Developed Market Equity	15.7
Brown Advisory Global Leaders	6.3
Pzena Global Value	6.3
Baillie Gifford Global Discovery	3.1
	100.0

## Portfolio Holdings

### YOU Active 09

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 (%)
Act09	Portfolio	2.1	9.6	9.6	40.1	400.0	8.3



Asset Class	Strategic (%)	Tactical (%)
Cash	2.0	2.0
Fixed Income	3.0	3.0
Property & Real Assets	0.0	0.0
Absolute Return	5.0	5.0
UK Equity	16.8	20.0
US Equity	18.8	18.8
Europe ex-UK Equity	14.4	9.5
Japanese Equity	11.3	13.0
Global Emerging Market Equity	13.0	13.0
Global Developed Market Equity	15.7	15.7

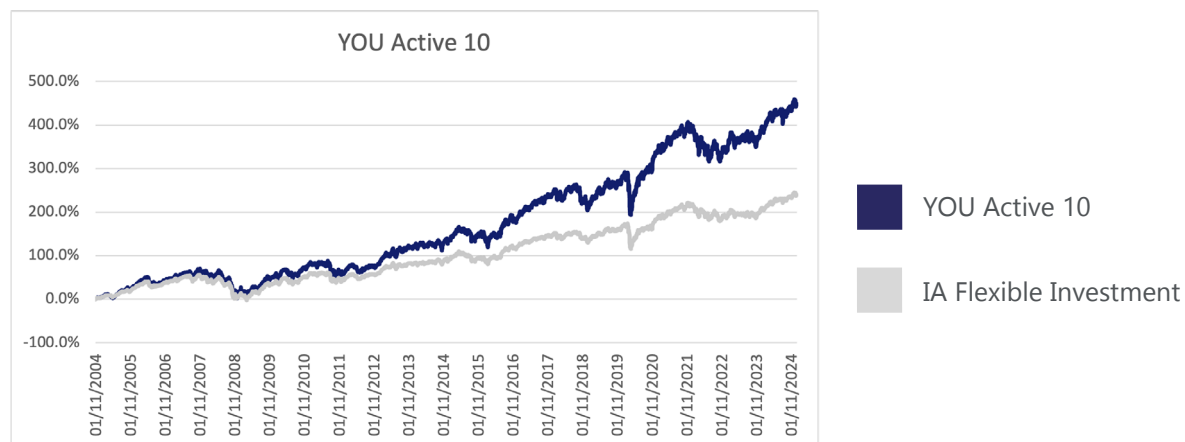
Fund	Allocation (%)
Cash	2.0
Cash	2.0
UK Equity	21.8
Lindsell Train UK Equity	8.7
Invesco UK Opportunities	8.8
Polar Capital UK Value Opportunities	4.3
US Equity	20.5
Neuberger Berman US Small Cap IV	5.6
T. Rowe Price US Large Cap Value	5.5
Natixis Loomis Sayles US Equity Leaders	4.7
AB American Growth	4.7
Europe Ex-UK Equity	10.3
BlackRock Continental Euro Equity	3.0
RGI European Fund	2.1
Lansdowne European Special Situations	5.2
Japanese Equity	14.1
Nikko AM Japan Value	5.6
GSAM Japan Equity Partners	5.6
Neuberger Berman Japan Engagement	2.9
Global Emerging Market Equity	14.2
North of South EM All Cap	5.6
Skerryvore Global Emerging Markets	4.3
Baillie Gifford Pacific Fund	4.3
Global Developed Market Equity	17.1
Brown Advisory Global Leaders	6.8
Pzena Global Value	6.9
Baillie Gifford Global Discovery	3.4
	100.0

## Portfolio Holdings

### YOU Active 10

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 (%)
Act10	Portfolio	2.4	9.9	10.4	44.3	446.5	8.8



Asset Class	Strategic (%)	Tactical (%)
Cash	2.0	2.0
Fixed Income	0.0	0.0
Property & Real Assets	0.0	0.0
Absolute Return	0.0	0.0
UK Equity	18.2	21.8
US Equity	20.5	20.5
Europe ex-UK Equity	15.7	10.3
Japanese Equity	12.3	14.1
Global Emerging Market Equity	14.2	14.2
Global Developed Market Equity	17.1	17.1

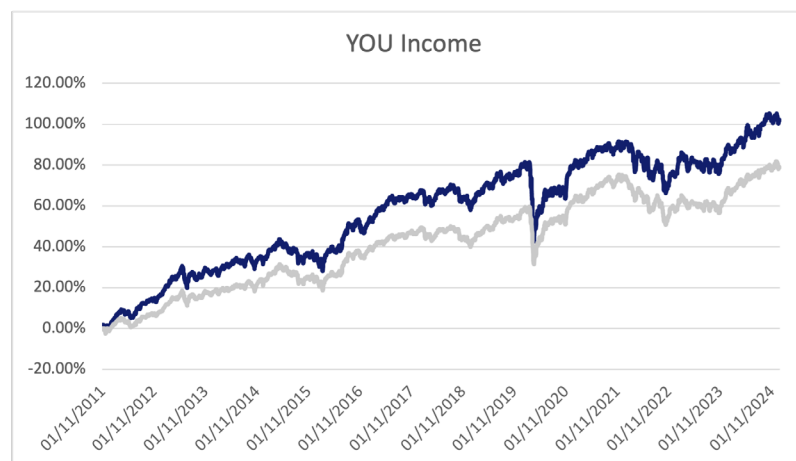
Fund	Allocation (%)
Cash	2.0
Cash	2.0
Fixed Income	30.0
Morgan Stanley Local Emerging Market Debt	9.0
MAN GLG High Yield Opportunities	9.0
PGIM Global Corporate Bond	12.0
Property & Real Assets	10.0
ClearBridge Global Infrastructure Income	10.0
Absolute Return	8.0
Sanlam Multi Strategy	8.0
UK Equity	14.4
Schroder Income	7.2
BNY Mellon UK Income	7.2
Europe Ex-UK Equity	8.6
Polar Capital Europe ex-UK Income	8.6
Global Emerging Market Equity	13.0
North of South EM All Cap Inc	13.0
Global Developed Market Equity	14.0
Pzena Global Value	4.0
BNY Mellon Global Income	10.0
	100.0

## Portfolio Holdings

### YOU Active Income

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 (%)
Income	Portfolio	-0.9	6.4	5.8	12.6	102.1	5.1



YOU Active Income  
 IA Mixed Investment 20-60%

#### Income Yields - Current Yield for Portfolio: 4.4%

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.

Asset Class	Strategic (%)	Tactical (%)
Cash		2.0
Fixed Income		30.0
Property & Real Assets		10.0
Absolute Return		8.0
UK Equity	Our Income Portfolios are not managed in line with a Strategic Asset Allocation	14.4
US Equity		0.0
Europe ex-UK Equity		8.6
Japanese Equity		0.0
Global Emerging Market Equity		13.0
Global Developed Market Equity		14.0



# Manager spotlight

## Pzena Global Value Fund (“Pzena”)

**Pzena Global Value focus on investing in the cheapest companies globally with the potential to reprice to what they believe to be their true value is.**

**Team:**

Caroline Cai, John Goetz & Ben Silver are the Portfolio Managers with an average industry experience of 35+ years, supported by a team of 27 analysts

**Team experience:**

The 3 PMs have a combined experience of +100 years

**Last manager meeting:**

November 2024

**Asset Class:**

Equities

**Sub Asset Class:**

Global Developed Market Equities

**Fund inception date:**

25th June 2014

**Fund size:**

£336 million

**Added to your portfolio:**

October 2020

Source: Refinitiv/ YOU Asset Management

Pg 19 chart: Performance ran from be 30/04/2020 to 30/11/2024

### Facts behind the fund

One of the most interesting teams and firms we’ve come across at YOU through years of research is Pzena Investment Management. This New York based team is renowned for its highly disciplined commitment to value investing – an investment strategy focused on investing in companies it believes are priced significantly below their long-term earnings potential and will re-rate to their intrinsic value.

Founded in 1996 by Richard Pzena, who continues to be actively involved in the firm and participates in managing some of their US funds. Pzena Investment Management has developed an exceptional research process through the years. The Global Value Fund, a key strategy in which we are invested, is co-managed by Caroline Cai, John Goetz, and Ben Silver. Together, they contribute over 100 years of collective industry expertise. Their work is supported by a highly skilled team of analysts and portfolio managers, fostering a collaborative and research-intensive culture. Notably, 19 team members have worked together for more than seven years, ensuring continuity, depth, and a shared understanding of the firm’s disciplined value-driven strategy.

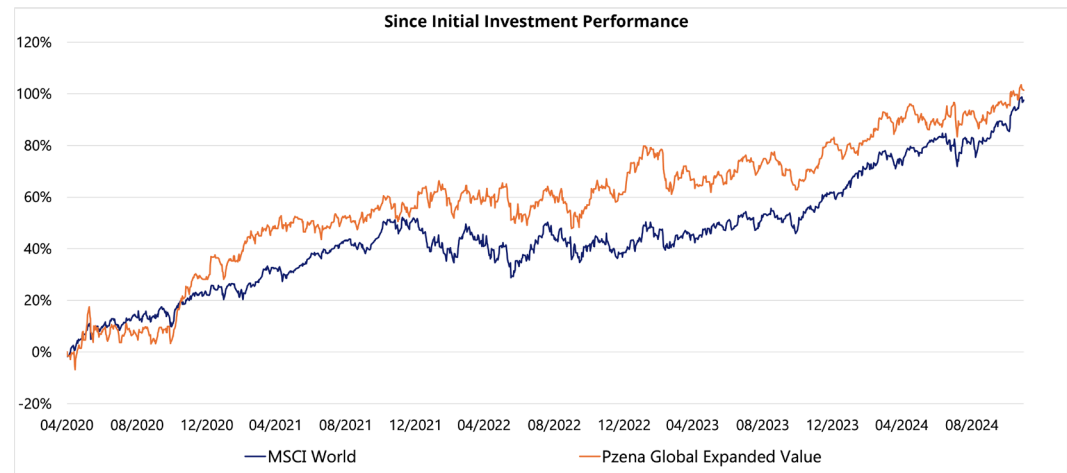
Pzena’s investment process is meticulous, starting with a quantitative screen to identify attractively priced stocks. From there, the team conducts rigorous, in-depth research to determine whether a company’s challenges, reflected by the low valuation, are temporary or structural and assess whether its stock price will eventually re-rate to what it thinks its intrinsic value is.

A distinctive aspect of Pzena’s philosophy is its active and engaged approach to ownership. It consistently engages with company management to influence positive outcomes and deliberate carefully on shareholder voting decisions, always prioritising the best long-term interests of stakeholders. By actively participating in the oversight of the companies it invests in, Pzena not only enhances the potential for sustainable long-term value creation but also mitigates risks associated with poor corporate governance.

While the broader equity markets (particularly in the US) have been lately dominated by a small number of very expensive stocks and managers shifted their strategies to chase short-term gains, Pzena keeps it’s focus strictly on it’s disciplined valuation-based approach.

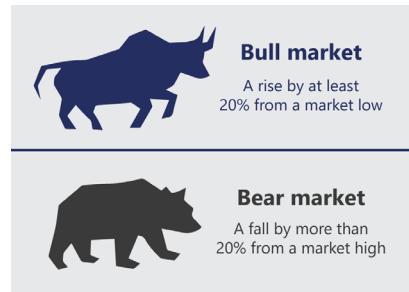
This kind of consistency is something we value greatly in a manager. It demonstrates resilience, integrity, and commitment to their philosophy, which is crucial for managing risk effectively. Pzena’s ability to maintain such a rigorous approach through challenging times makes it a standout manager and reinforces our confidence in holding it for the long term. While keeping up with equity markets which have been dominated by a small handful of expensive names (such as the “Magnificent 7”) has been a challenge for Pzena in recent years, the degree of diversification it brings to our blend of active managers is very valuable for truly long-term investment.

### Since initial investment chart vs benchmark



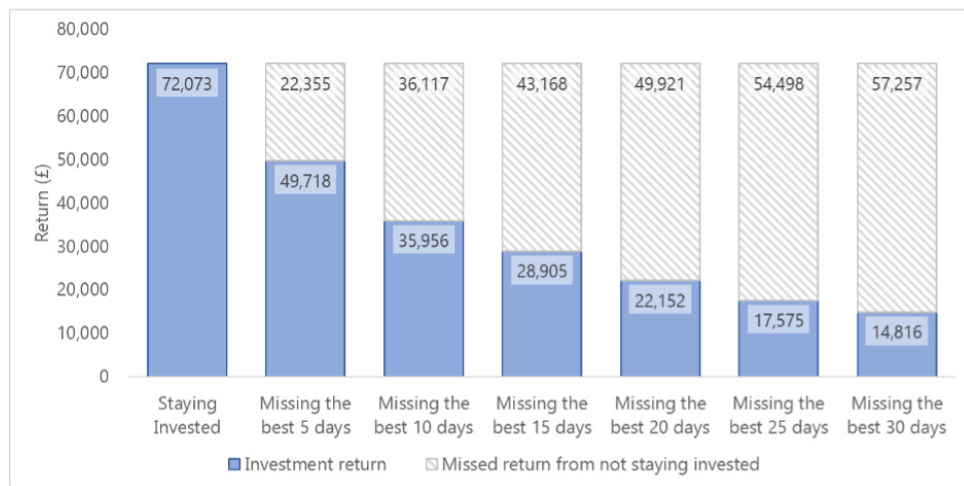
# Investment insights

In last quarter's Investment Insight, we discussed the differences between bull and bear markets, and the importance of not reacting to market drops. Ultimately showing it is time in the markets, not timing the markets, that matters the most. History has shown us that it is likely your investment will spend more time in a bull market, than a bear market. But the impacts of a bear market are felt more acutely on an emotional basis.



This could trigger the temptation to try and time the markets by avoiding the worst periods and only capturing the better periods. However, there is clear evidence that market timing is difficult, if not impossible, as there is typically a delayed reaction of getting back into the markets once the market has bottomed. The consequences of missing the best days in the market is still one of the clearest ways of showing this and reminds us that time in the market is more important than timing the market.

Using an initial investment of £10,000 the chart shows the total return by staying invested and the erosion caused by missing the best days. The example runs from 01/01/2000 to 30/11/2024, showing the returns this century from the S&P 500 index of US equities.



Source: Yahoo Finance, Financial Express Analytics and YOU Asset Management. Total return in pounds sterling over period 01/01/2000 to 30/11/2024. Based on initial investment of £10,000 into the S&P 500 index. The information provided is for illustrative purposes only and does not represent the past performance of any particular investment. It is not possible to invest directly into an index.

If you had stayed invested over the entire period, the initial investment of £10,000 would have grown to £72,073. But if you attempted to sell during market downturns and missed just the best 10 days as a result, half of your potential investment would have been lost. Two thirds would have been lost if you have missed the best 20 days.

If you had missed the best 60 days, then your initial investment of £10,000 would have dropped to £6,823 an annualised loss -1.5%. If missing 60 days sounds like a lot, it is just 1% of trading days over the period. This clearly shows the importance of staying invested rather than trying to time the market, getting it wrong 1% of the time can be very damaging.

	Value	Annual return
Staying Invested	£72,073	8.2%
Missing the best 10 days	£35,956	5.3%
Missing the best 20 days	£22,152	3.2%
Missing the best 30 days	£14,816	1.6%
Missing the best 60 days	£6,823	-1.5%

The historical data shows that the best days happen during stock market turmoil and times of heightened volatility; the best day in this study was less than two weeks after the worst day, and both of these happened during the Global Financial Crisis of 2008.

Bad timing can have a serious impact on your returns, which is why we advocate staying fully invested throughout the life of your investment journey. It might sound straightforward, to sell when the market is high or buy when the market is low, but it is impossible to perfectly time the markets and by missing just a handful of the best days can take a big bite out of your assets.

The importance of keeping to your financial plan and staying invested is critical. Market drops can be stressful, and it is tempting to act on fear. But history shows that staying calm and sticking to your plan pays off in the long run. Together with your financial planner, we are here to help keep you on track.

- The 9th best day in the study was in March 2020, during the COVID pandemic
- The second best day occurred two days before the worst day
- The seventh best day occurred two days after the seventh worst day
- For consistent returns, get invested and stay invested



## YOU Asset Management Team



Derrick Dunne  
Chief Executive



Shane Balkham  
Client Investment Director



Peter Griffin  
Director



Chris Ayton  
Fund Manager



Cormac Nevin  
Fund Manager



Millan Chauhan  
Investment Analyst



Ilaria Massei  
Investment Analyst



Ashwin Gurung  
Investment Analyst



Dominic Williams  
Investment Analyst



Kira Parker  
Investment Operations  
Manager



Conor Cassidy  
Investment Operations  
Associate



Maddie O'Connor  
Investment Operations  
Associate



Linda Afari  
Investment Operations  
Associate



Steven Poulton  
Compliance Director



Ceris Hymas  
Head of Marketing &  
Communications



Nicola Walmesley  
Marketing &  
Communications Manager



Mary Fyfe  
Group Head of HR

### Important information

The Active Portfolios one to ten, launched in November 2004, and the Active Income Portfolio, launched in November 2010, have their performance metrics updated to 31st December 2024, based on their composition as of 1st January 2025. 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.











# YOU.

Visit: [www.YOU-Asset.co.uk](http://www.YOU-Asset.co.uk)

Call: 0345 241 5376

Email: [enquiries@YOU-Asset.co.uk](mailto:enquiries@YOU-Asset.co.uk)

The content of this document is for information only. None of YOU, its partner firms, its sister company or its affiliates are, by means of this publication, rendering financial, investment, legal, tax, or other professional advice or services. Any opinions stated are honestly held but are not guaranteed and should not be relied upon. It is advisable that you discuss your personal financial circumstances with an Independent Financial Adviser before undertaking any investments.

YOU Asset Management is the copyright and registered trademark of The Beaufort Group of Companies Limited. All rights reserved. © 2025

YOU is a trading style of YOU Asset Management Limited which is authorised and regulated by the Financial Conduct Authority. YOU Asset Management Limited is registered in England Company No. 06150317. Registered Office: Brennan House, Farnborough Aerospace Centre Business Park, Farnborough, GU14 6XR.

YOU Asset Management Limited is a wholly owned subsidiary of The Beaufort Group of Companies Limited which is neither authorised nor regulated by the Financial Conduct Authority. The Beaufort Group of Companies Limited is registered in England Company No. 07902965. Registered Office: Brennan House, Farnborough Aerospace Centre Business Park, Farnborough, GU14 6XR. Please contact [enquiries@YOU-Asset.co.uk](mailto:enquiries@YOU-Asset.co.uk)