

# ES Investec Wealth & Investment Cautious Fund A Class

**RATHBONES** | Incorporating  
Investec Wealth &  
Investment (UK)

31 January 2024

## Fund facts

**Authorised Corporate Director**  
Equity Trustees Fund Services Ltd

**Depository**  
State Street

**Fund Launch Date**  
5<sup>th</sup> October 2020

**Investment Association Sector**  
IA Mixed Investment 20-60% Shares

**Fund Size (GBP)**  
£25m

**Number of Holdings**  
104

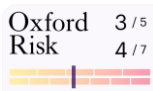
**Yield**  
2.70%  
Estimated over the next 12 months

**Minimum Investment**  
Initial: £1,000  
Subsequent: £500

**Charges**  
Initial: 0.00%  
Performance: 0.00%  
Ongoing (OCF): 0.97%  
Transaction: 0.02%  
Total MifidII: 0.99%

**XD Dates**  
30-Apr, 31-Oct

**ISIN**  
Accumulation: GB00BMW2Q219  
Income: GB00BMW2Q870



## Investment objective

The Fund objective is to achieve a positive total return (income and capital growth) over a rolling three year period, after the deduction of all fees, whilst targeting volatility (i.e. the degree of fluctuation of the value of the assets) of its portfolio of between 40% and 50% of the volatility of the FTSE All Share Index over the same rolling three year period. Although the Fund aims to deliver a positive total return over a rolling three year period, there is no guarantee that this will be achieved over this time period, or any time period.

## Market commentary

The start of 2024 has seen global equities propelled higher by a narrow group of US mega-cap technology-related stocks, resulting in the S&P 500 Index reaching a new all-time high. However, this surge in performance highlights the significant gap compared to the Russell 2000 Index, which remains in a bear market, more than 20% below its peak. European equities have made progress, though they are still some distance away from their March 2000 high. UK equities continue to trade within a relatively narrow range but offer an attractive dividend yield of around 4%. China's equity market is struggling, with a 10% decline in January alone due to ongoing debt-related issues and a declining population. On the other hand, Japan is leading the way with positive growth and a moderate level of inflation, supported by improved corporate governance. Bond markets experienced a strong recovery towards the end of 2023 but faced profit-taking as investors delayed expected interest rate cuts. Both the UK and Europe narrowly avoided recessions, while the market anticipates interest rate cuts to commence in April in Europe and May in the UK and the US.

## Fund Manager commentary

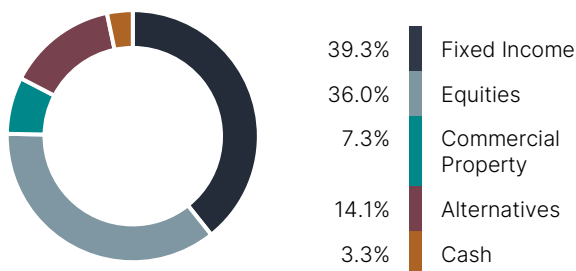
The fund has underperformed the benchmark for the month of January. Rate sensitive assets fared the worst over the period, with negative inflation data suggesting that the number and extent of rate cuts may be slightly more subdued than initially expected in 2024. Unsurprisingly, higher duration assets suffered most within Fixed Interest, with the longer dated conventional gilts proving to be the largest detractors to performance over the period. This theme was also apparent throughout most Infrastructure and Property holdings, with SDCL, INPP, Assura and Schroder Global Cities being notable detractors. UKCM and Pantheon Infrastructure did buck the trend within these asset classes, but not enough so to lead to net positive returns. Equities were the only asset class to contribute positively to returns, with a number of names that led the market throughout 2023 once again standing out in the first month of 2024. Nvidia, Intuitive Surgical and Microsoft were amongst the standout performers, whilst Rio Tinto, Adidas and Atlas Copco held back returns.

## Top 10 holdings

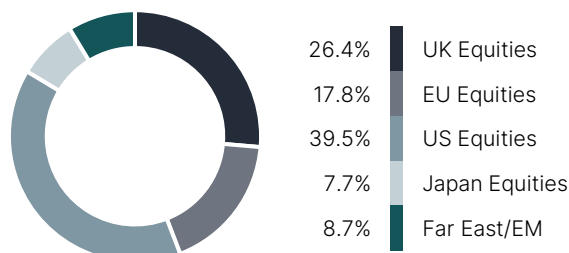
Uk(Govt Of) 3.25% Bds 31/01/33 Gbp1000	5.5%
Uk(Govt Of) 1.75% Snr 07/09/2037 Gbp100	5.0%
Invesco Physical Secured Gold ETF	4.3%
Morgan Stanley Emerging Market Debt Opps	3.7%
iShares MSCI ACWI UCITS ETF	3.4%
iShares USD TIPS ETF	3.2%
Uk(Govt Of) 1.625% Snr 22/10/28	3.0%
Uk(Govt Of) 4.75% Snr 07/12/30	3.0%
Morgan Stanley BV 50.85% FTSE Synthetic	3.0%
NB Uncorrelated Strategies	2.2%

Continued overleaf.

## Asset breakdown



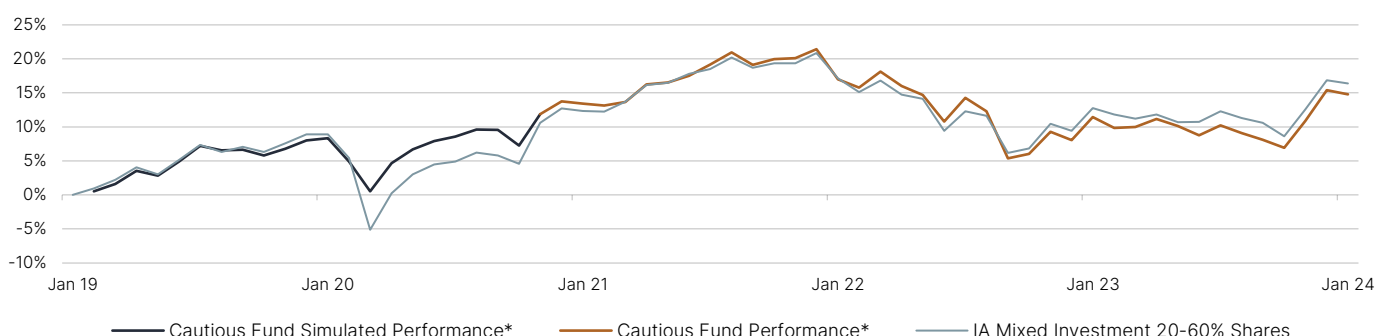
## Geographical breakdown (equities)



## Fund performance

Cumulative Performance to 31.01.2023 (%)	1 Month	6 Months	1 Year	3 Years	5 Years
Cautious Fund Performance*	-0.6%	4.1%	3.0%	1.2%	14.8%
IA Mixed Investment 20-60% Shares	-0.4%	3.6%	3.2%	3.6%	16.4%

Discrete Performance % Change	YTD	2023	2022	2021	2020
Cautious Fund Performance*	-0.6%	6.2%	-11.0%	6.8%	5.3%
IA Mixed Investment 20-60% Shares	-0.4%	6.4%	-9.5%	7.2%	3.5%



Past performance is not a guide to future performance. The value of shares and income generated can go down as well as up and you may receive back less than you originally invested. Volatility is annualised and taken from the standard deviation of the returns.

\*To provide full information, simulated performance is used until the launch date at which point the actual performance is used. Simulated performance is based upon a similar portfolio and strategy managed by Investec Wealth & Investment. Actual performance is based upon the Accumulation units of the fund and are provided net of fees.

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Before deciding to invest in the Fund, potential investors should read the latest prospectus and KIID for the Fund and note the important regulatory disclosures and risk warnings, restrictions and acknowledgements contained therein. Prospective Investors should seek financial advice.

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