

DELOITTE PRECLEARED INVESTMENT PORTFOLIO (DPIP)

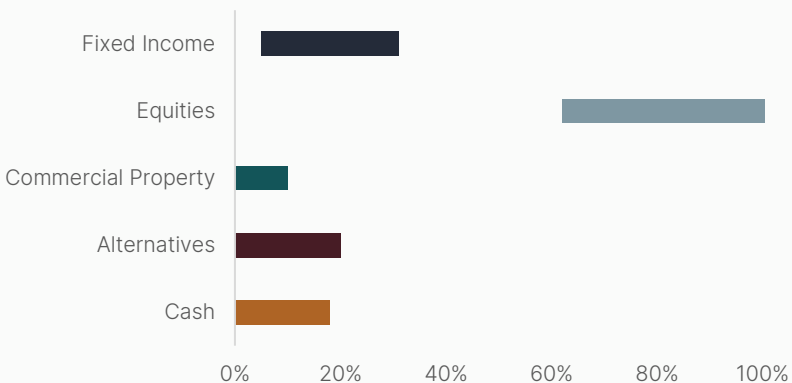
RATHBONES | Incorporating
Investec Wealth &
Investment (UK)

MEDIUM-HIGH RISK GROWTH QUARTERLY FACT SHEET
(END DECEMBER 2024)

DPIP – Medium high risk, growth

This is designed for clients looking for capital appreciation with a minimum investment time horizon of five years. This mandate has a target volatility that is 75% of the UK equity market and invests in a blend of domestic and international asset classes such as equities and bonds. These may be supported by other asset classes such as commercial property and hedge funds, when appropriate.

Long term strategy – CPI+3%	
Peer group – ARC Equity Risk	
SAA Benchmark	
Fixed Income	
- Government	7.0%
- Index Linked	2.0%
- Corporate	1.5%
UK Equities	20.0%
Overseas Equities	60.0%
Property	2.0%
Alternatives	7.5%
Cash	0.0%



An example as at 31 December 2024

Market commentary

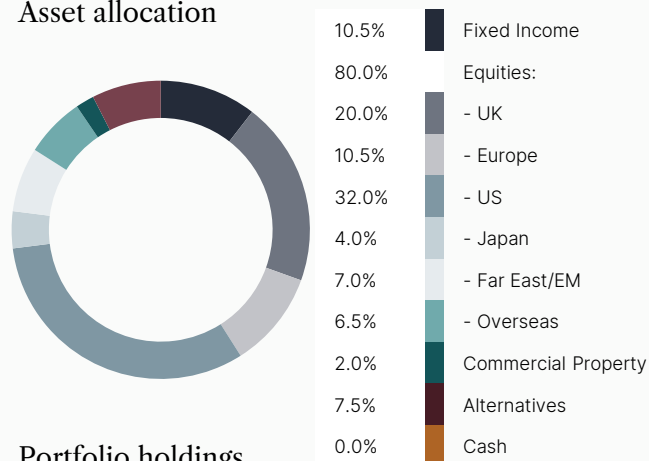
Balanced portfolios made decent progress again during 2024 but there was no triumphal march towards the year end during December. As was the case for much of the last two years, investors focused on the potential paths of inflation and interest rates. The latest evidence suggests that, in the UK and US, neither are projected to continue to fall as quickly as had been hoped. The Bank of England held the base rate unchanged at 4.75% at its December meeting, although it hinted at potential future cuts given the weakness of the economy. In the United States, the Federal Reserve did reduce rates by another 0.25%, but lowered the number of cuts it expects for 2025 as GDP growth remains resilient and inflation above target. With investors also expressing concern about fiscal deficits, this triggered another sell-off in bond markets, creating a valuation headwind for equities. Indeed, valuation worries continue to swirl around the leading technology shares which have led US and global equity indices to new highs, as does unease at their growing share of market capitalisation. We do not believe that comparisons to the technology boom and bust at the turn of the millennium are appropriate, owing to the entrenched nature of their products and their exceptional profitability. Even so, we remain alert for signs of slowing growth and/or lower profitability which would, almost inevitably, encourage profit-taking. The focus in early 2025 will be on the transition of power in US government. Much will depend upon how aggressive returning President Donald Trump is in implementing some of his policies, notably with respect to trade tariffs and the planned reduction of the fiscal deficit through cost-cutting (to be overseen by mercurial entrepreneur Elon Musk). Following an exceptional year of risk-adjusted equity returns, we would not be surprised to find the going tougher in 2025.

- The Bloomberg consensus for World GDP growth in 2024 remains at 3.1%, up from 2.6% a year ago. The forecast for 2025 has slipped back from 3.1% to 3%. According to Bloomberg, economists estimate a 20% probability of a US recession in 2025, down from 50% at the beginning of 2024.
- Global government bonds sold off again in December, with the Bloomberg Global Aggregate dollar index falling 2.2%. This means that global bonds have delivered another year of negative total returns. The fact that this has happened when policy rates are generally falling is unusual and is the result of three factors: a degree of overoptimism at the start of the year that has been corrected; stronger (US) GDP growth and sticker inflation; and the worry about increased supply as deficits remain high and funding liabilities rise. But with yields now substantially higher than they were at the end of 2021, there is less concern about a repeat of the aggressive sell-off experienced in 2022.
- The MSCI All-Countries Index delivered a total return (TR) of 21% in 2024 in sterling, but the version excluding the US was up only 8.5%, reflecting the dominance of US equities. The S&P 500 Index returned 27%. The FTSE 100's 9% TR is respectable given its low exposure to the Technology sector and AI theme. France (-4%) was conspicuously weak thanks to a combination of domestic political turmoil and its formerly strong Luxury Goods companies succumbing to poor demand from China. But Germany's 14% rise illustrates that stock markets can diverge from weak local economies if they have exposure to strong global themes.

Continued overleaf.

Investec Wealth & Investment (UK) is a trading name of Investec Wealth & Investment Limited

Asset allocation



Portfolio holdings

Fixed Income			
UK Fixed Income		Overseas Fixed Income	
Legal & General All Stocks Gilt Index Fund	5.5%	Threadneedle (Lux) Gbl Corp Bd Ngc Gbp Dis	1.5%
Uk(Govt Of) 1.25% Snr 22/07/27 Gbp1000	1.5%	Standard Life Short Duration Global Index Linked Bond Fund	2.0%
Equities			
UK Equities		US Equities	
WS Lindsell Tr Uk Ws Lindsell Train Uk Eq	5.0%	Findlay Park American Fund	6.0%
Vanguard FTSE 100 ETF	8.5%	Brown Advisory Fds Ba Beutel Goodman Us Va	6.5%
WS Gresham House UK Multi Cap Income Fund	3.0%	Vanguard S&P 500 ETF	11.0%
Vanguard FTSE 250 ETF	3.5%	Aviva US Equity Income Fund	5.0%
		Schroder US Smaller Companies Fund	3.5%
European Equities		Japanese Equities	
IFSL Marlborough European Special Situations P Inc	3.5%	Baillie Gifford Japanese Fund	2.0%
Henderson European Selected Opportunities Fund	5.0%	M&G Japan Fund Sterling	2.0%
Far East/Emerging Market Equities		Overseas Equities	
Schroder Intl Sel Asian Total Return	3.0%	Vanguard Funds Plc Ftse All-World Ucits Et	2.5%
Goldman Sachs Emerging Market Equity Fund	1.5%	Scottish Mortgage Investment Trust	2.0%
Vanguard Emerging Markets ETF	1.5%	Worldwide Hlthcare Ord	2.0%
JPMorgan China Growth & Income plc	1.0%	Ssga Spdr Etf E 2 Msci World Technology U	2.0%
Commercial Property		Alternatives	
Schroder Global Cities Fund	2.0%	Aspect Ucits Funds Diversified Trends P In	2.0%
		BBGI Global Infrastructure	2.5%
		Invesco Physical Secured Gold Lkd Nts 31/1	3.0%
Cash			
Cash	0.0%		

Costs and charges (based on a portfolio value £250,000)

Annual Management Charge:	First £1m @ 0.70% plus VAT Next £1.5m @ 0.45% plus VAT Thereafter @ 0.40% plus VAT
Minimum Fee	£1200 (Plus VAT)
Transaction costs	Nil
Estimated cost of underlying holdings	0.57
Estimated total cost	2.61
Estimated Yield	1.77

Performance

Illustrative performance data will be provided once a meaningful comparison can be established. In the meantime the relevant Asset Risk Consultants (ARC) Private Client Index will be used as an example of indicative performance. The ARC performance data can be found on your Deloitte Precleared Investment Portfolio internal webpage/intranet.

Important Information

You should remember that the value of investments and the income from them can fall as well as rise. Before proceeding to invest on the basis of this factsheet, you should obtain specific advice on the suitability of the investment in the light of your personal circumstances. Please remember that past performance is not a reliable guide to the future and that previous periods of favourable performance will not necessarily be repeated in the future.

We would also refer you, particularly, to the Risk Statement set out in the main Deloitte Precleared Investment Portfolio brochure.

The composition of the portfolio may not be a true reflection of the benchmarks, which are provided for comparison purposes only.

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