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OUT OF THE ORDINARY

Investec MPS quarterly report

Balanced: April - June 2023

Market review

Equity markets continued to make positive progress in June, rounding off a first half of 2023 that has proved to be far more profitable for investors than was expected at the start of the year. US Technology shares, as a group, were the standout performers. In June, the market's rally showed signs of broadening to embrace more cyclical sectors, especially in the United States, where economic data continues to defy expectations of a slowdown. The US housebuilding sector is in robust health amidst a persistent shortage of supply of houses for sale, and the leisure and hospitality sectors are also booming. Confidence also seems to be recovering in the UK. However, this is still not enough to keep up with inflation, which also surprised to the upside in May. This prompted the Bank of England to raise the Base Rate from 4.5% to 5.0%, a level last seen in 2008. The futures market is pricing in a peak rate of more than 6%. This has pushed two-year fixed mortgage rates above 6% from about 1.4% two years ago, meaning that the 100,000 fixed mortgage deals that are expiring every month are going to be repriced at much higher rates. This drag on disposable incomes is expected to slow the economy again as we move through 2023. Central bankers will remain key players over the months ahead.

Synaptic Risk Rating 3.6 1-5

Risk Rating 6 defaqto

Oxford Risk 3 /5 4 /7

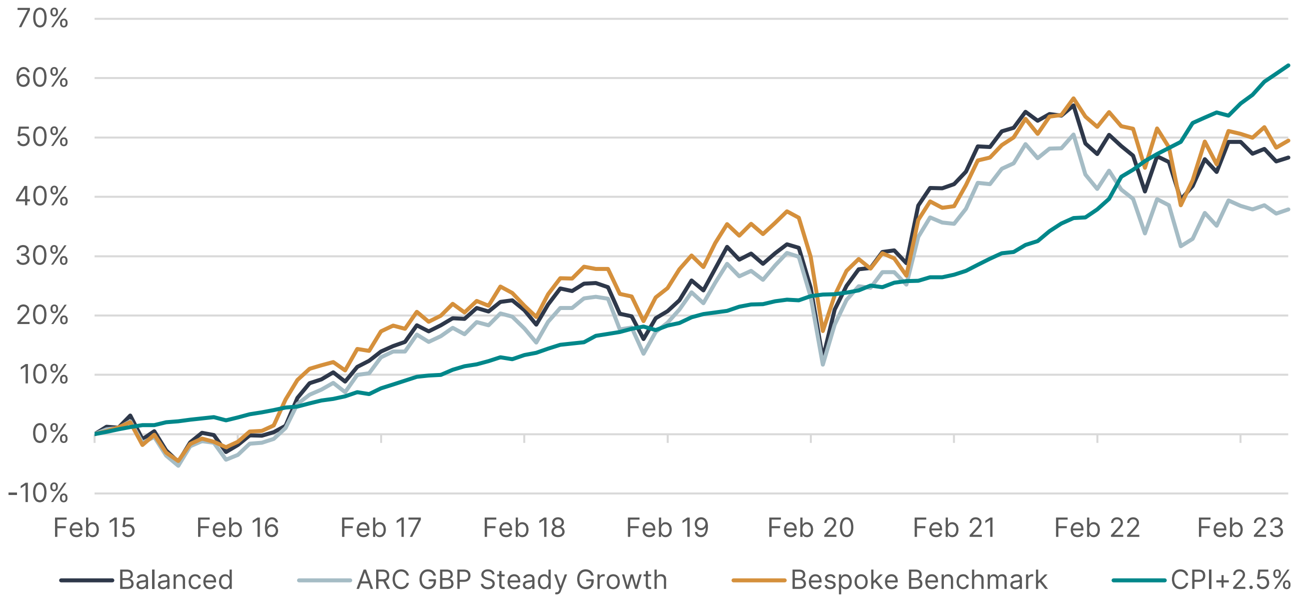
ev Risk 1 - 5 4 Risk 1 - 7 5 Risk 1 - 10 7

FinaMetrica Score Range 59-71

Dynamic Planner Profiled 5

Performance review

The second quarter of 2023 was a challenging time for multi-asset investors. Equities gained in the quarter with the advance led by developed markets, notably the US, as enthusiasm over AI boosted technology stocks. Our weighting in Fixed Interest continued to dampen returns as higher than expected inflation persisted.



Past performance is not a guide to future performance.

ARC is an independent consultant that compiles Private Client Indices (PCI) based on historical performance. Indices are categorised according to their risk profile and based on discretionary private client managers contributing actual portfolio performance data net of fees

Source: Investec Wealth & Investment and abrdn Hub 30 June 2023

Bespoke Benchmark Asset Allocation

The benchmark for the portfolio reflects the strategic asset allocation (and long term objective) of your investments. The benchmark for the Balanced strategy is as follows:

BoA ML Gilt 5-15 Years	Medium dated Gilts	7.5%
BoA ML UK Infl Lnkd Gilt 1-10 Years	Inflation linked Gilts	5.0%
BoA ML Sterling Corporate Index	UK Corporate Bonds	7.5%
MSCI UK Equity IMI	UK Equities	30.0%
MSCI ACWI World Index Ex UK	International Equities	30.0%
MSCI UK IMI Liquid Real Estate	Property	5.0%
IWI Alternatives Composite	Alternative Investments	10.0%
BoE Base Rate (-0.5%)	Cash	5.0%

Performance attribution

Top 3 Contributors

- L&G US Index Trust
- Baillie Gifford American
- L&G Global Equity Index

Top 3 Detractors

- JPM Global Macro Opportunities
- Allianz Gilt Yield
- Liontrust Special Situations

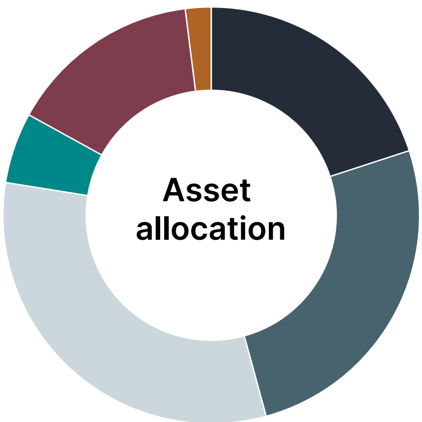
Asset allocation views

Updated – 30/06/2023	– –	–	N	+	+ +
Global equities					
US equities					
Japan					
Europe					
Emerging Market					
UK equities					
Mid/SC exposure					
Cyclical					
Defensive					
Global bonds					
IG credit					
HY credit					
Emerging Market sovereign					

We remain underweight Global Equities, expressed through an underweight position in the US. US Equities are still looking expensive relative to the rest of the world. We continue to find value in Fixed Income, with government bonds now offering higher yields and better risk diversification characteristics than they did 18 months ago.

Same as last quarter
Down from last quarter
Up from last quarter

Portfolio exposure/allocation



20.0% Fixed Income
25.8% UK Equities
31.8% Overseas Equities
5.5% Commercial Property
15.0% Alternatives
2.0% Cash

Portfolio activity over the quarter

We made the following changes to the portfolio at the start of July:

- Sold out of Allianz Gilt Yield and added L&G Gilt Index
- Reduced our position in NB Uncorrelated and added Trojan Fund

Portfolio holdings as at 03/07/2023

1	L&G All Stocks Gilt Index	Fixed Income	4.0%
2	Fidelity Sustainable MoneyBuilder Income Fund	Fixed Income	2.0%
3	Royal London Sterling Credit Bond Fund	Fixed Income	5.0%
4	ASI Short Duration Global Inflation-Linked Bond Fund	Fixed Income	4.0%
5	BNY Mellon International Bond	Fixed Income	3.0%
6	L&G Active Global High Yield Bond Fund	Fixed Income	2.0%
7	Jupiter UK Special Situations	UK Equities	4.5%
8	Lindsell Train UK Equity	UK Equities	5.0%
9	Liontrust Special Situations	UK Equities	4.0%
10	Man GLG Undervalued Assets Fund	UK Equities	4.5%
11	Vanguard FTSE 100 Index Unit Trust	UK Equities	7.8%
12	BlackRock European Dynamic Fund	Overseas Equities	1.3%
13	Janus Henderson European Selected Opportunities	Overseas Equities	3.0%
14	Baillie Gifford American	Overseas Equities	2.0%
15	Beutel Goodman US Value Fund	Overseas Equities	5.0%
16	L&G US Index Trust	Overseas Equities	7.0%
17	Schroder US Smaller Companies	Overseas Equities	2.0%
18	Baillie Gifford Japanese Fund	Overseas Equities	2.5%
19	M&G Japan	Overseas Equities	1.5%
20	Hermes Asia ex-Japan Equity Fund	Overseas Equities	2.5%
21	Hermes Global Emerging Markets Equity	Overseas Equities	2.5%
22	Legal & General Global Equity Index	Overseas Equities	2.5%
23	Schroder Global Cities	Commercial Property	5.5%
24	NB Uncorrelated Strategies	Alternatives	2.3%
25	Trojan Fund	Alternatives	6.8%
26	JPM Global Macro Opportunities	Alternatives	6.0%
27	Cash	Cash	2.0%

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Important information

- The value of investments and any income from them can go down as well as up and you may not get back the full amount of your initial investment. Your capital is at risk.
- Past performance is intended as a guide only, calculated using strategies on a single platform and so may vary dependant on your chosen platform.
- This document is not a personal recommendation or advice. It is important to consult a professional adviser before taking any action.
- The asset allocation and holdings are indicative and may not fully reflect the constituents of your own portfolio, dependent on the timing of your investment and the availability of investments across different platforms. Please refer to your Adviser for full details.
- The Bespoke benchmark constituents and allocations were amended on 31 December 2017. The benchmark returns reflect these new allocations from 31 December 2017 only. Prior returns are based on the previous benchmark.
- The portfolio may invest in assets which are denominated in currencies other than sterling, and where this exposure is unhedged, the performance of the portfolio may be affected by fluctuations in currency exchange rates.
- Where an underlying fund seeks to mitigate the impact of exchange rate movements between currencies to which it is exposed, the hedging strategy itself may have a positive or negative impact on performance due to short-term interest rates between currencies.
- Investec Wealth & Investment, its employees or a connected company may trade in the investments referred to herein and may also perform investment or other banking services for any companies.

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Birmingham	0121 232 0700	**Edinburgh**	0131 226 5000	**Leeds**	0113 245 4488	**Sheffield**	0114 275 5100
Bournemouth	01202 208100	**Exeter**	01392 204404	**Liverpool**	0151 227 2030		
Bristol	01172 444860	**Glasgow**	0141 333 9323	**London**	020 7597 1234		

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DFM MPS on Platform 2020-2023

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