

# Investec MPS quarterly report

## Sustainable Balanced: January - March 2024

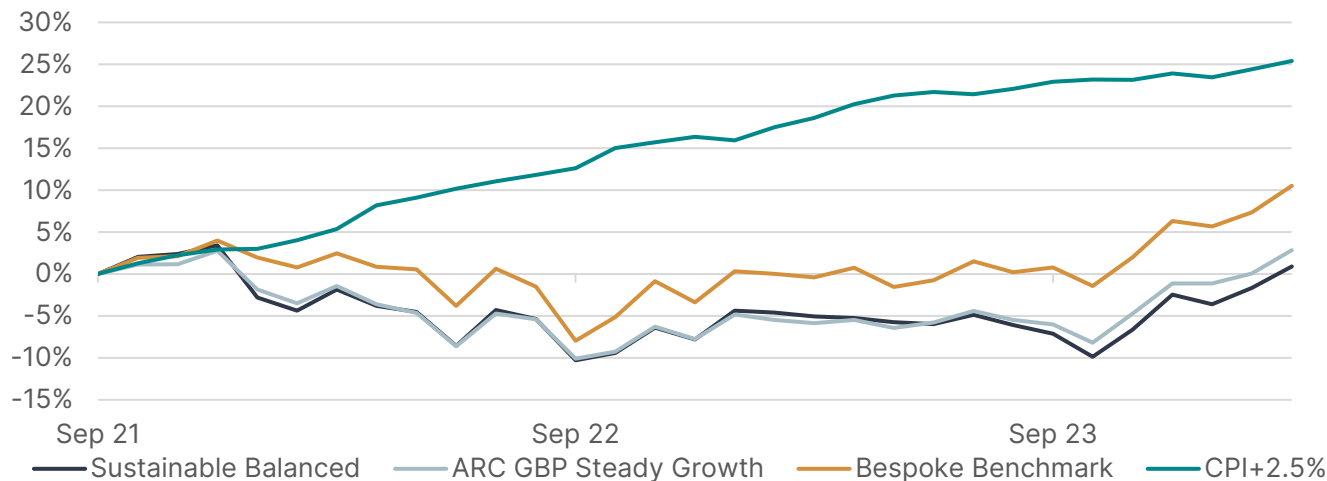
### Market review

The first quarter of 2024 has been marked by a lack of interest rate cuts by major western central banks, with Switzerland being an exception. There has been no progress towards peaceful outcomes in Ukraine or the Middle East, and political events are still unfolding. However, equities and corporate bonds have continued their ascent. Inflation has been a little stickier, leading central banks to push back on early rate reductions. Equity markets have been the stars of the show, with several registering new all-time highs. US equities experienced a new closing peak, driven by enthusiasm for AI adoption, whilst the FTSE 100 remained short of its February 2023 high. Despite the strong performance of risk assets, geopolitical risks and western government indebtedness are structural concerns. Inflation will determine short-term outcomes and define central bank policy. Maintaining a quality bias in investments, particularly in balance sheet strength and liquidity access, is crucial.



## Performance review

During the first quarter of 2024, the portfolio yielded a positive return, though slightly underperforming the benchmark. Equities have driven performance, with growth in the US being more resilient than anticipated. Fixed Income posted a negative return, due to a combination of stronger-than-expected growth and stickier inflation. Our property holding was fairly flat over the quarter, whilst our Alternative funds provided a small gain.



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 31 March 2024

### 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 Sustainable Balanced strategy is as follows:

ICE BofA UK Gilts 5-15 Years	Medium dated Gilts	7.5%
ICE BofA Inflation Linked Gilts 1-10 Years	Inflation linked Gilts	5.0%
ICE BofA Sterling Corporate Bond	UK Corporate Bonds	7.5%
MSCI UK Equity IMI	UK Equities	30.0%
MSCI ACWI World Index Ex UK	Overseas Equities	30.0%
MSCI UK IMI Liquid Real Estate	Commercial Property	5.0%
IWI Alternatives Composite	Alternatives	10.0%
BoE Base Rate (-0.5%)	Cash	5.0%

### Performance attribution

#### Top 3 Contributors

BA US Sustainable Growth
CT Responsible Global Equity
Royal London Sustainable Leaders

#### Top 3 Detractors

Schroder Global Energy Transition
L&G All Stocks Gilt Index
BNY Mellon Global Bond Fund

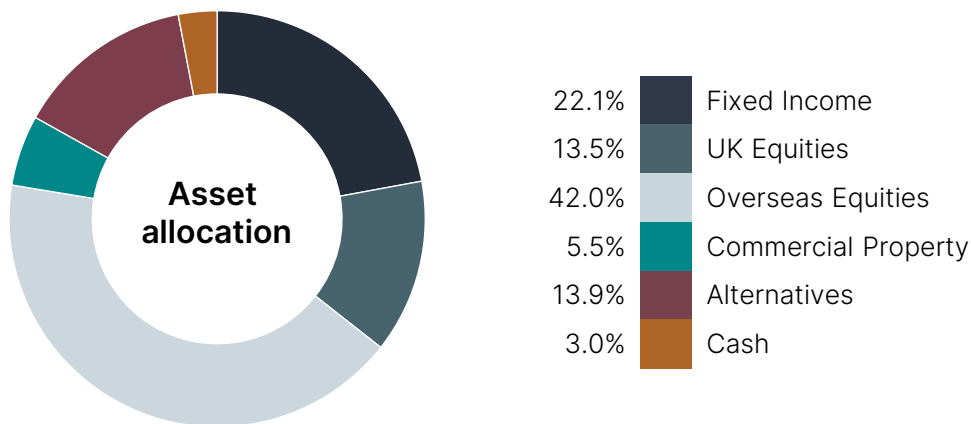
## Asset allocation views

Updated – 31/03/2024	--	-	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 maintain our underweight position to Global Equities, expressed through an underweight allocation in the US. We retain a preference for quality and defensive equities over cyclical. We see value in Fixed Income given the attractive yields on offer.

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

## Portfolio exposure/allocation



## Portfolio activity over the quarter

No changes were made to the model over the quarter

## Portfolio holdings as at 02/04/2024

1	L&G All Stocks Gilt Index	Fixed Income	6.1%
2	Pimco GIS Global Investment Grade Credit	Fixed Income	3.0%
3	TwentyFour Corporate Bond	Fixed Income	3.0%
4	Abrdn Short Duration Global Inflation-Linked Bond	Fixed Income	4.0%
5	BNY Mellon Global Bond	Fixed Income	4.0%
6	MSINVF Emerging Markets Debt Opportunities	Fixed Income	2.0%
7	CT Responsible UK Equity	UK Equities	4.0%
8	Royal London Sustainable Leaders	UK Equities	9.5%
9	Schroder European	Overseas Equities	5.0%
10	Brown Advisory US Sustainable Growth	Overseas Equities	6.0%
11	Vontobel Sustainable Asian Leaders Trust	Overseas Equities	5.0%
12	CT Responsible Global Equity	Overseas Equities	6.0%
13	EdenTree Responsible and Sustainable Global Equity	Overseas Equities	5.0%
14	Impax Environmental Markets	Overseas Equities	2.0%
15	Polar Capital Global Insurance	Overseas Equities	3.0%
16	RobecoSAM Smart Materials Equities	Overseas Equities	3.0%
17	Schroder Global Energy Transition	Overseas Equities	3.0%
18	FP WHEB Sustainability	Overseas Equities	4.0%
19	Schroder Global Cities Real Estate	Commercial Property	5.5%
20	Trojan Fund	Alternatives	6.4%
21	JPM Global Macro Opportunities	Alternatives	7.5%
22	Cash	Cash	3.0%

## 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.
- Constructing a portfolio in line with ESG (Environmental, social responsibility and corporate governance) screening criteria limits the potential underlying investments to a subset of the market and this could lead to greater volatility.
- When assessing the ESG credentials of an investment IW&I are reliant on data and analysis provided by third parties which may not be accurate, complete or available, and which may be subject to change in the future.
- 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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<b>Bournemouth</b>	01202 208100	<b>Exeter</b>	01392 204404	<b>Liverpool</b>	0151 227 2030		
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