RATHBONES | Incorporating Investec Wealth & Investment (UK)

Investec MPS quarterly report

Sustainable Balanced: October - December 2023

Market review

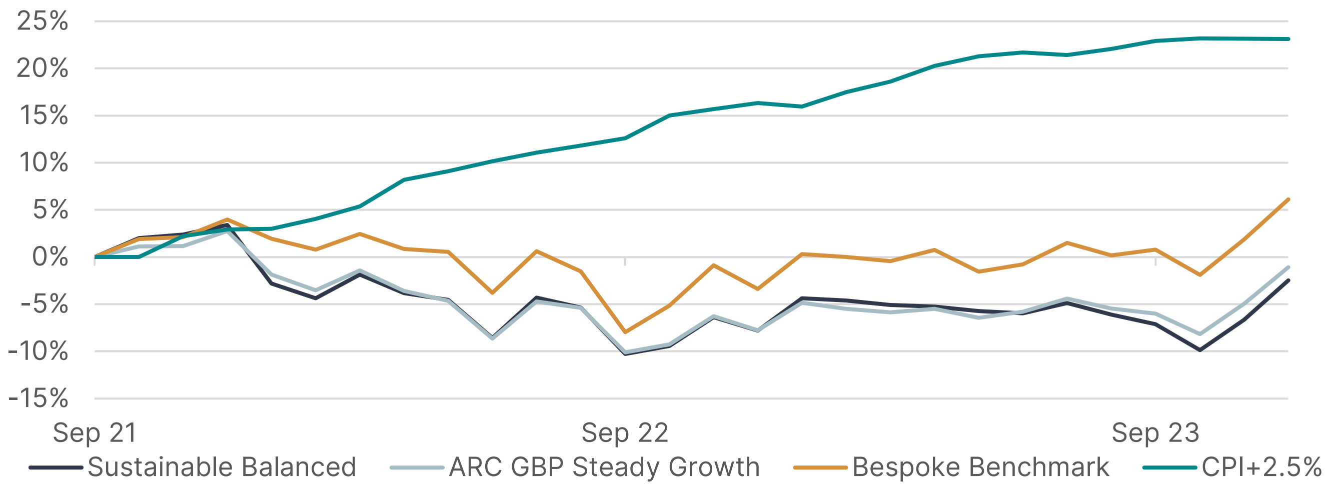
During the last quarter of 2023, portfolios delivered strong gains despite the turmoil in sovereign and equity markets earlier in the year. The markets' rally during November and December provided a clear example of the benefits of staying the course when investing for the longer term. The primary fuel for the rally was a shift in the outlook for interest rates in 2024, with traders bringing forward the expected date of the first reductions as well as pricing in deeper cuts. Seasonality also playing a part in the rally. The US economy proved to be incredibly resilient, though a poll of economists still puts the probability of a US recession in 2024 to around 50/50, whilst China remained sluggish as the unwinding of an epic real estate bubble still casts a long shadow over the wider economy. As we enter 2024, there is uncertainty about whether central banks will cut interest rates because they can or because they must, but potential interest rate cuts usually provide the fuel for better investment outcomes.

Synaptic Risk Rating 3.7 1-5

RISK RATING 5 defaqto

Performance review

During the fourth quarter of 2023, the portfolio yielded a positive return. Fixed Income and Equities performed well due to the change in the interest rate outlook for 2024. Traders anticipated earlier and deeper cuts, resulting in an encouraging quarter for these asset classes. Towards the end of the year, our property holding made a strong recovery and contributed positively to the portfolio's performance. However, Alternatives faced challenges in the rising equity and bond market, posting a negative return.



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 December 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 Sustainable 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	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	Top 3 Detractors
Brown Advisory US Sustainable Growth	JPM Global Macro Opportunities
Schroder Global Cities Real Estate	NB Uncorrelated Strategies
CT Responsible Global Equity	Polar Capital Global Insurance

Asset allocation views

Updated – 31/12/2023	– –	–	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 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.

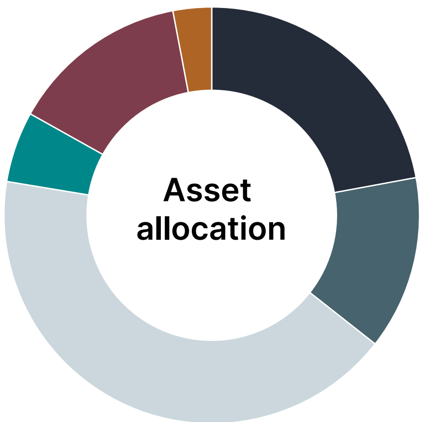
We continue to see value in Fixed Income. We believe we have reached the peak of the interest rate cycle although uncertainty remains as to the timing and speed of cuts.

Same as last quarter

Down from last quarter

Up from last quarter

Portfolio exposure/allocation



22.1%	Fixed Income
13.5%	UK Equities
42.0%	Overseas Equities
5.5%	Commercial Property
13.9%	Alternatives
3.0%	Cash

Portfolio activity over the quarter

During the quarter we made the following changes:

· We reduced our Alternatives allocation by selling NB Uncorrelated Strategies.

· We enhanced our sovereign debt exposure by adding to L&G All Stocks Gilt Index.

Portfolio holdings as at 02/01/2024

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%

RATHBONES | Incorporating Investec Wealth & Investment (UK)

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.

The information and opinions contained herein are based upon sources believed by Investec Wealth & Investment to be reliable, but which may not have been independently verified and no guarantees, representations or warranties are made as to its accuracy, completeness or suitability for any purpose. This material is for the use of intended recipients only and is not directed at you if Investec Wealth & Investment is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. This document is being supplied to you solely for your information and may not be re-produced, redistributed or passed to any other person or published in whole or in part for any purpose. Whilst every effort is made to ensure that this information is accurate, we are reliant on data provided by a third party therefore there may be errors or omissions that could have an effect on the accuracy of the information contained in this document.

Belfast	02890 321002	**Cheltenham**	01242 514756	**Guildford**	01483 304 707	**Manchester**	0161 832 6868
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		

investecwin.co.uk

Investec Wealth & Investment (UK) is a trading name of Investec Wealth & Investment Limited which is a subsidiary of Rathbones Group Plc.

Investec Wealth & Investment Limited is authorised and regulated by the Financial Conduct Authority and is registered in England.

Registered No. 2122340. Registered Office: 30 Gresham Street. London. EC2V 7QN. Member firm of the London Stock Exchange.