Bravo ESG 30 Portfolio Factsheet

progeny

As of 31/08/2024

Risk Profile Description

The portfolio aims to have 30% exposure to Equity and Property assets and 70% exposure to Fixed Interest securities. Over the medium to longer term, the 30% exposure to risks and expected rewards of equity ownership should help to deliver moderate, inflation-plus returns. The equity exposure is invested in both UK and overseas equities in both developed and emerging markets. The equity risk is balanced by a 70% allocation to high quality bonds and investment grade bonds.

Bravo ESG is a range of evidence-based, total-return portfolios designed using a systematic discipline, with Environmental, Social and Governance (ESG) front and centre of the investment process.

The portfolios are defined according to ESG criteria, so investors can see and understand clearly how they are constructed. In addition to understanding the key aims and objectives, we believe that investors in our ESG solutions should also know what is the composition of the portfolios. The Bravo range has undergone rigorous ESG screening with the fund and portfolio exclusions and objectives listed below:

Each fund in the portfolio excludes the following:

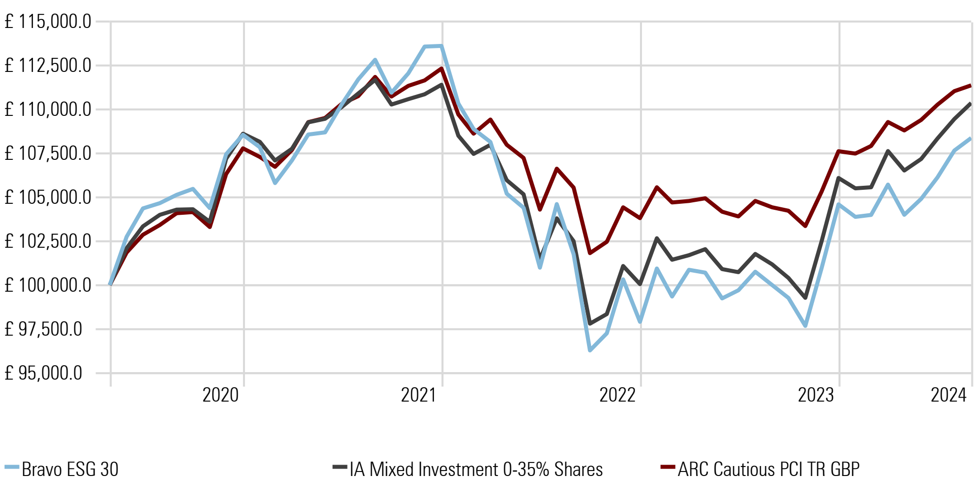
- Tobacco Producers
- Controversial Weapons
- Nuclear Weapons

The overall portfolio has the following characteristics:

- 50% less CO2 emissions than the MSCI ACWI World Index
- Revenue of no more than 5% from Alcohol sales, Gambling, Civilian Weapons, Nuclear Power and Thermal Coal

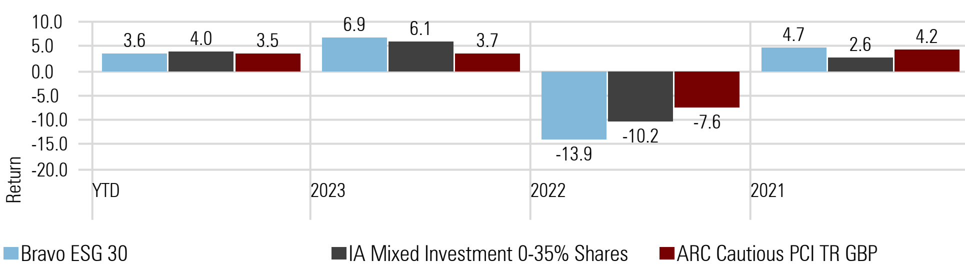
Cumulative Bravo ESG 30 returns of £100k invested

Time Period: 30/04/2020 to 31/08/2024



Calendar Year Returns

Calculation Benchmark: IA Mixed Investment 0-35% Shares



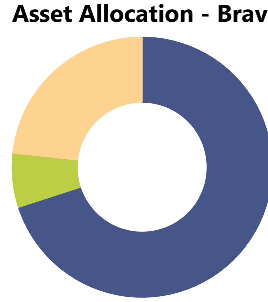
Display Benchmark 1: IA Mixed Investment 0-35% Shares Display Benchmark 2: ARC Cautious PCI TR GBP

Bravo ESG 30 Performance Metrics	Portfolio	Benchmark (IA)	Benchmark (ARC)
Max Drawdown	-18.44	-14.24	-9.38
Best Month %	3.60	3.52	2.93
Worst Month %	-5.40	-4.60	-3.55
Best Quarter	5.39	5.69	3.49
Worst Quarter %	-6.64	-6.06	-4.70

Bravo ESG 30 - Portfolio Information

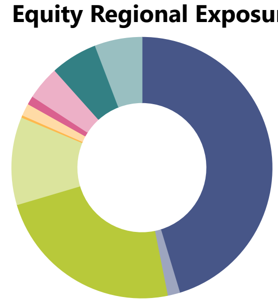
Yield	2.28%
OCF	0.23%
Transaction Charge	0.02%
Investment Management Fee	0.20% + VAT
Rebalance	Quarterly
Benchmarks	IA Mixed Investment 0-35% Shares ARC Cautious PCI TR GBP

Asset Allocation - Bravo ESG 30



	%
Fixed Interest/ Bonds	70.0
UK Equity	6.8
International Equity	23.3
Total	**100.0**

Equity Regional Exposure - Bravo ESG 30



	%
North America	45.3
Latin America	1.5
United Kingdom	23.6
Europe dev	10.9
Europe emrg	0.3
Africa/Middle East	1.5
Australasia	1.1
Japan	4.2
Asia dev	5.8
Asia emrg	5.8
Total	**100.0**

Portfolio Comments

The first half of August saw sharp declines in global markets. Commentators were not short of possible explanations for the pullback, starting with recession fears in the US economy, disappointment at the absence of new stimulus in China, fears of a broader regional war in the Middle East and expensive valuations for US technology stocks. However, markets snapped back with their best weekly move since late 2022, with major growth and defensive asset indices ending the month higher.

Starting with the economic picture, a particular focus was the collapse of the yen carry trade. The cause of the volatility was the Bank of Japan's surprise interest rate hike from 0.1% to 0.25%. Although a small jump, it had a powerful impact on the yen which rallied sharply against major currencies. For some time, some global investors have counted on a falling yen, borrowing at a low interest in the currency to buy assets offering a higher yield. With US interest rate expectations concurrently fading on a weak employment reading, an unwinding of this carry trade took place. This provoked a dramatic selling of Japanese equities, which at one point fell 20% before mounting a comeback.

Later in the month however there was then some better economic news for investors from the US Federal Reserve. Speaking at Jackson Hole, Jerome Powell sent a clear signal that the Fed stands ready to cut interest rates and this helped ease market fears that persistent high interest rates might cause a recession in the world's largest economy. This news helped major markets close the month higher.

In terms of inflation, the trends remain unchanged in most countries: a slow deceleration in headline inflation and improved inflation expectations but concerns about service sector inflation. Interestingly the Bank of England recently unveiled its own measure of "supercore" inflation (services, excluding administered prices, rents, holiday travel and volatile items) which might warrant more attention for the rest of this year.

On the back of this economic data, the market is pricing in about 0.5% off UK interest rates and oscillating between 0.75-1.25% off US rates by year end currently.

Turning to growth assets and the technology sector, putting Nvidia to one side, five of the 'Magnificent 7' major stocks reported revenue or profits growth of 5-22% in Q2, with Tesla reporting a loss. Whilst these are perfectly decent numbers, they are not so strong as to justify their very high valuation point.

Looking at factor performance over August, the Quality and Momentum factors were the best performing, whilst Small-Cap stocks were the relative laggards as more economically sensitive areas suffered in the wake of more negative sentiment around economic growth in the US and beyond.

Turning to defensive assets, they once again acted as a hedge for volatile growth assets, with correlations moving into negative territory.

In summary, the economic consensus sees a 'Goldilocks scenario' appearing, where growth and inflation data are low enough to warrant a series of interest rate declines across the Western economies, but not too low so as to indicate an actual recession or downturn in corporate profits. Valuations matter little to momentum driven investors, but US stocks remain very expensive on a historical basis. The high point is approaching for political risks in the US due to the short-term election uncertainty, so as ever, time in the market remains key, as does the need to hold a diversified portfolio of assets.

Equity Sectors (Morningstar) - Bravo ESG 30

	%
Basic Materials	4.2
Consumer Cyclical	11.4
Financial Services	19.3
Real Estate	2.5
Consumer Defensive	7.5
Healthcare	12.5
Utilities	1.8
Communication Services	6.5
Energy	2.4
Industrials	11.9
Technology	20.0
Total	**100.0**

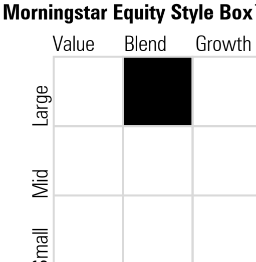
Bravo ESG 30 - Holdings

Holdings	Equity Style Box	Portfolio Weighting %
UBS(Lux)FS Sust Devpmt Bk Bds H GBP Adis		30.61
Dimensional Global Sstby Fxd Inc GBPDist		14.67
iShares Up to 10YrsIdxLnkdGltIdx(UK)SAcc		12.92
L&G All Stocks Gilt Index C Acc		12.01
Amundi IS MSCI World SRI PAB IG C		9.74
UBS ETF MSCI UK IMI SRI GBP A dis		6.70
Neuberger Berman Glb ValGBPI5Acc		3.89
Schroder ISF QEP Global ESG C Acc GBP		3.89
iShares MSCI EM SRI ETF USD Acc		3.62
Dimensional Global Sust Cor Eq GBP Acc		1.95

Morningstar Style Box - Bravo ESG 30

Portfolio Date: 31/08/2024

Morningstar Equity Style Box™



Market Cap	**%**
Market Cap Giant %	32.9
Market Cap Large %	39.2
Market Cap Mid %	24.7
Market Cap Small %	2.8
Market Cap Micro %	0.3

Benchmark Disclaimers

The IA (Investment Association) sector is used as the comparator. This is considered appropriate for investors to use when comparing performance as the sector is made up of funds with a similar asset allocation as defined by the IA. The sector is not constructed as an index, therefore as funds enter or leave, the sector composition can change, but it is considered that the sector remains a useful and relevant comparator for investors to assess performance within a relevant peer group.

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