

#### Risk Profile Description

This portfolio is likely to contain lower, medium and higher risk investments, including cash, government bonds, UK corporate bonds and other higher-income types of global bonds as well as UK commercial property. It will also be expected to contain some higher-risk investments such as shares, but held mainly in UK and other developed markets, and a small amount in other higher-risk investments such as shares in emerging markets.

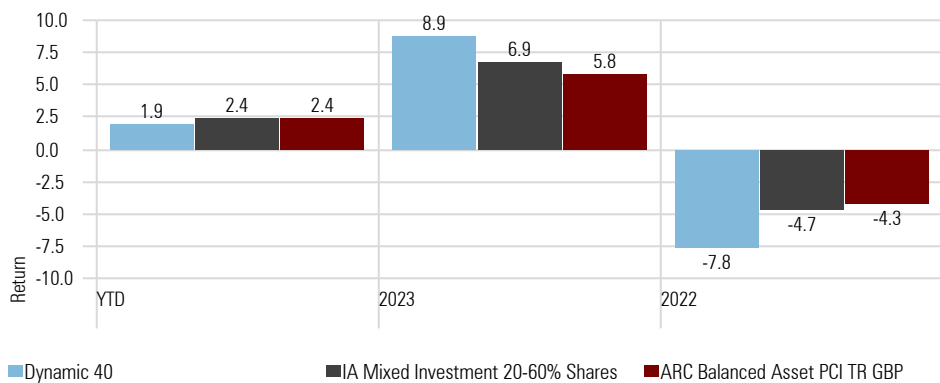
#### Cumulative Dynamic 40 returns of £100k invested

Time Period: 08/03/2022 to 31/01/2025



#### Calendar Year Returns

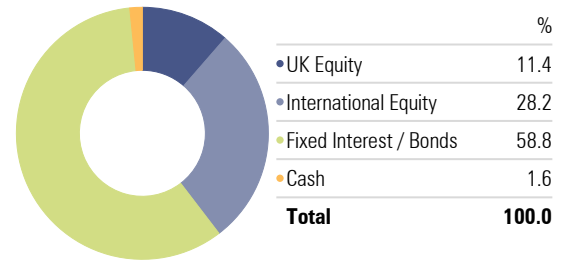
Calculation Benchmark: IA Mixed Investment 20-60% Shares



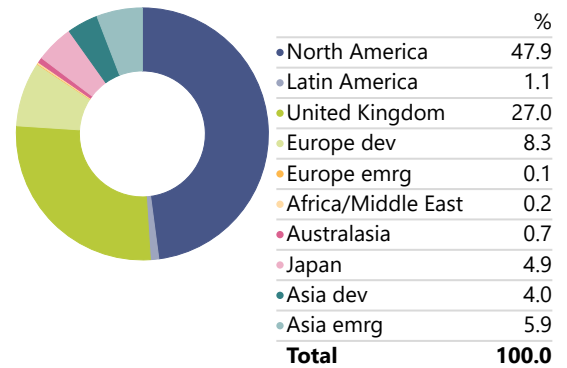
#### Dynamic 40 - Portfolio Information

|                           |  |
|---------------------------|--|
| Yield                     | 2.79%  |
| OCF                       | 0.67%  |
| Transaction Charge        | 0.14%  |
| Investment Management Fee | 0.05% + VAT  |
| Rebalance                 | Quarterly  |
| Benchmarks                | IA Mixed Investment 20-60% Shares<br>ARC Balanced Asset PCI TR GBP |

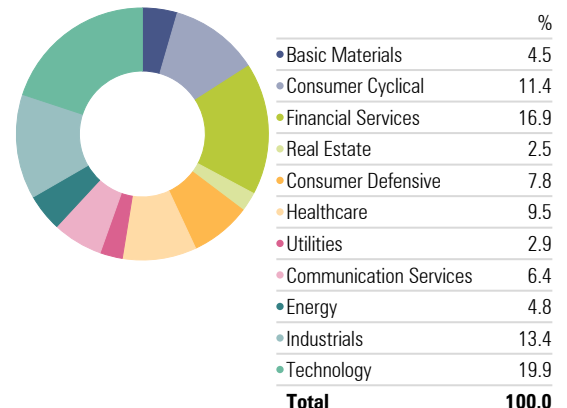
#### Asset Allocation - Dynamic 40



#### Equity Regional Exposure - Dynamic 40



#### Equity Sectors (Morningstar) - Dynamic 40



| Dynamic 40 Performance Metrics | Portfolio | Benchmark (IA) | Benchmark (ARC) |
|--------------------------------|-----------|----------------|-----------------|
| Max Drawdown                   | -20.11    | -18.13         | -11.13          |
| Best Month %                   | 5.63      | 5.86           | 4.94            |
| Worst Month %                  | -7.66     | -10.09         | -7.24           |
| Best Quarter                   | 9.97      | 10.13          | 9.43            |
| Worst Quarter %                | -8.39     | -13.02         | -11.01          |

## Portfolio Comments

2025 was a positive start for both growth and defensive assets. Equity gains were led by Europe followed by the UK. This was driven by value companies performing well, reversing the recent trend of growth stocks dominating returns. The UK performance was also helped by a depreciating currency.

Starting with the economic picture, the US economy still appears to be in good health, with 256,000 jobs added in December and GDP growth of 2.3% annualised in the fourth quarter. President Trump's pledge of deregulation and tax cuts fuelled confidence over the economy. However, the President's proposal for a combination of immigration controls, tax cuts, and tariffs, have increased expectations for higher US inflation, and as a result of Trump's tariff threats, Gold and other metal prices increased in response over the month.

Growth asset gains in Europe were driven by the solid global economic backdrop and cautious signs of progress in the eurozone macro-outlook. Retail sales came in at 1.2% year-on-year for November, marking the fifth consecutive month of growth, whilst the eurozone composite Purchasing Managers' Index (PMI) crept into expansionary territory at 50.2 in January.

Turning to growth asset returns, the return of President Trump to the White House, along with his 'America First' policy agenda, has proven sympathetic for US equities, but the rise of Chinese artificial intelligence (AI) company DeepSeek, led to concerns over the 'Magnificent 7's' ability to deliver their current high valuation expectations. Putting this into perspective, Nvidia's market value fell by nearly \$600 billion on 27th January, the largest one-day decline in US stock market history.

In China, less aggressive tariff threats from Trump helped equities, along with more positive domestic economic data, whilst Japanese equities lagged in January, as The Bank of Japan (BoJ) announced a 0.25% interest rate-hike as its confidence in the sustainability of domestic wage growth improved.

Looking at factor performance, value and momentum led the way in January, with the growth factor facing headwinds over the month.

Turning to defensive assets, the US inflation numbers, and technology sell off, led to a positive response from US government bonds and this saw the 10-year Treasury yield decline from its highs in the middle of the month. The UK 10-year Gilt yield ended the month at 4.5%, sharply down from its 4.9% mid-January high as recent data has shown the UK economy to be stagnating, and as investors now price in a high chance of a 0.25% rate-cut when the Bank of England next meets in early February.

In summary, January highlighted the risk to investors which is presented by high US stock market concentration and the high earnings expectations from technology. This underlines the importance of regional divergence and emphasizes our themes of maintaining a balanced portfolio and a broadening of returns as we move through the first quarter of 2025.

### 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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## Top Holdings - Dynamic 40

Portfolio Date: 31/01/2025

|                                     | Equity Style Box | Position Market Value | Portfolio Weighting % |
|-------------------------------------|------------------|-----------------------|-----------------------|
| MGTS Progeny Dynamic Bond GBP Acc   | ■                | 0.00                  | 59.40                 |
| MGTS Progeny Dynamic Equity GBP Acc | ■                | 0.00                  | 40.60                 |

## Dynamic 40 - Underlying Holdings

| Underlying Holdings                      | Equity Style Box | Portfolio Weighting % |
|--|------------------|-----------------------|
| Vanguard Glb Bd Idx Ins Pl £ H Acc       |                  | 9.68                  |
| Fidelity Index UK Gilt S GBP Acc         |                  | 8.19                  |
| Fidelity Index US P Acc                  | ■                | 7.18                  |
| Artemis Corporate Bond I Acc GBP         |                  | 6.33                  |
| Vanguard U.S. Eq Idx Ins Pl £ Acc        | ■                | 6.23                  |
| M&G Strategic Corporate Bond GBP M Acc   |                  | 5.71                  |
| Vanguard Global Credit Bond Ins GBPH Acc |                  | 5.66                  |
| JPM Global Corporate Bond C Acc          | ■                | 5.65                  |
| PIMCO GIS Low Avrg Dur Instl GBPH Acc    |                  | 4.84                  |
| Man Sterling Corp Bd Instl Acc F         |                  | 4.55                  |
| iShares Up to 10YrsIdxLnkdGltIdx(UK)SAcc |                  | 4.54                  |
| Invesco UK Opports (UK) Z (Acc)          | ■                | 2.83                  |
| T. Rowe Price US Smlr Cm Eq CAccGBP      | ■                | 2.32                  |
| Invesco UK Enhanced Index UK Z Acc       | ■                | 2.29                  |
| HSBC US Multi-Factor Eq Instl A Acc      | ■                | 2.24                  |
| JOHCM UK Equity Income Y GBP Acc         | ■                | 2.22                  |
| Fidelity Index Japan P Acc               | ■                | 1.99                  |
| Royal London Short Duration Gilts Z Inc  |                  | 1.81                  |
| Vanguard Glb Corp Bd Idx Ins Pl £ H Acc  |                  | 1.79                  |
| IFSL Evenlode Income C Acc               | ■                | 1.78                  |
| BlackRock European Dynamic FD Acc        | ■                | 1.70                  |
| Polar Capital Em Mkts Stars SX Acc       | ■                | 1.62                  |
| Invesco Global Emerg Mkts (UK) M Acc     | ■                | 1.59                  |
| Fidelity European I Acc GBP              | ■                | 1.28                  |
| Jupiter Merian Asia Pacific I GBP Acc    | ■                | 1.22                  |
| FTF Martin Currie UK Rising Div W Acc    | ■                | 1.18                  |
| Liontrust Special Situations I Acc       | ■                | 1.14                  |
| Fidelity Asia Pacific Opps R GBP Acc     | ■                | 0.81                  |
| GBP Cash                                 |                  | 0.65                  |
| L&G S&P 500 US Equal Wght Idx C GBP Acc  | ■                | 0.63                  |
| GBP Cash                                 |                  | 0.35                  |

## Morningstar Style Box - Dynamic 40

Portfolio Date: 31/01/2025

| Morningstar Equity Style Box™ | Market Cap | % |
|-------------------------------|------------|---|
| Market Cap Giant %            |            | - |
| Market Cap Large %            |            | - |
| Market Cap Mid %              |            | - |
| Market Cap Small %            |            | - |
| Market Cap Micro %            |            | - |

Not Available

Leeds  
1A Tower Square, Leeds, LS1 4DL  
Tel: +44 113 467 1596

London  
16 Berkeley Street, London, W1J 8DZ  
Tel: +44 20 3823 6034