

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 60 returns of £100k invested

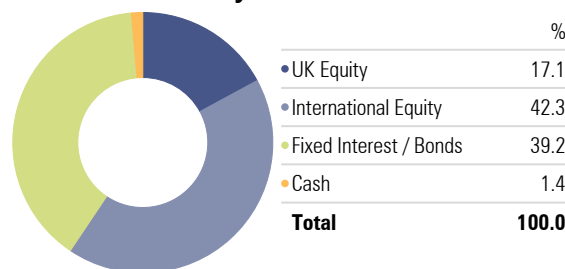
Time Period: Since Common Inception (02/07/2016) to 31/10/2024



Dynamic 60 - Portfolio Information

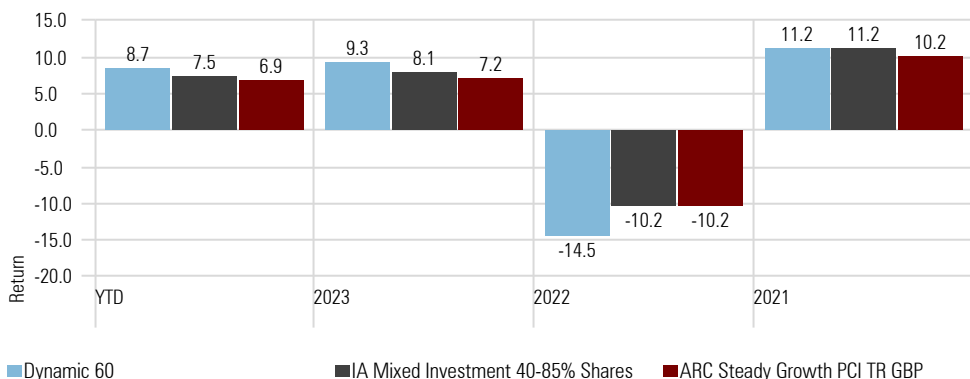
Yield	1.97%
OCF	0.76%
Transaction Charge	0.12%
Investment Management Fee	0.05% + VAT
Rebalance	Quarterly
Benchmarks	IA Mixed Investment 40-85% Shares ARC Steady Growth PCI TR GBP

Asset Allocation - Dynamic 60

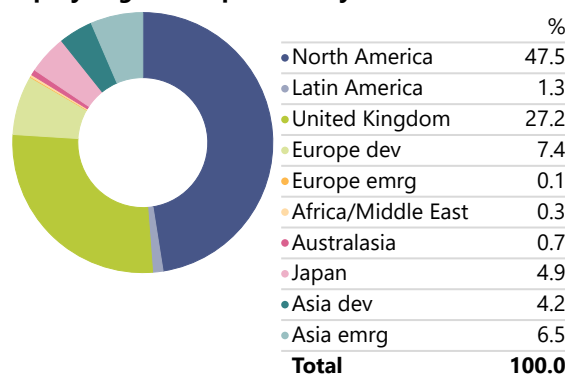


Calendar Year Returns

Calculation Benchmark: IA Mixed Investment 40-85% Shares



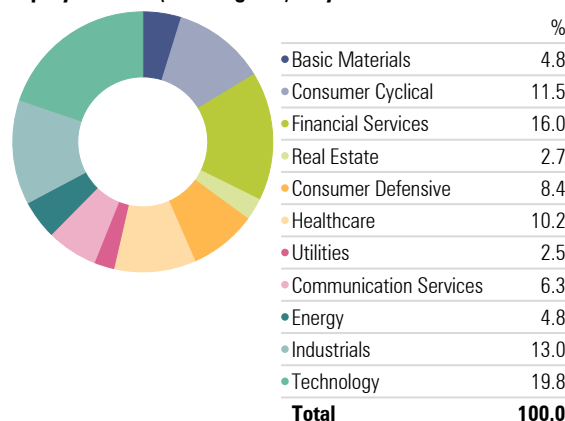
Equity Regional Exposure - Dynamic 60



Display Benchmark 1: IA Mixed Investment 40-85% Shares Display Benchmark 2: ARC Steady Growth PCI TR GBP

Dynamic 60 Performance Metrics	Portfolio	Benchmark (IA)	Benchmark (ARC)
Max Drawdown	-20.80	-21.43	-14.45
Best Month %	7.89	7.35	6.42
Worst Month %	-9.72	-10.85	-9.31
Best Quarter	14.32	13.09	11.83
Worst Quarter %	-13.59	-15.23	-14.45

Equity Sectors (Morningstar) - Dynamic 60



Portfolio Comments

October Overview

October was a volatile month for markets, with equities moving lower after a strong rally during the first nine months of the year. The up-and-coming US election and the potential implications of a policy shift on inflation and interest rates caused global uncertainty. Here in the UK, the first Labour budget in 15 years caused market paralysis as investors tried to forecast what Chancellor Reachel Reeves would do.

Economic Review and Outlook

The US has been the bellwether for financial markets with eyes firmly fixed on inflation data. The September CPI (consumer price index) report indicated that inflation eased by less than expected. Headline CPI rose by 0.2% month-over-month and 2.4% year-over-year, marking the slowest annual increase since early 2021. However, core inflation remained elevated at 3.3%, driven by rising costs in medical care, auto insurance and airline fares.

Following the Fed's 0.50% interest rate cut in September, the sticky core inflation reading highlighted the challenge facing US policymakers if they are to achieve their dual mandate of maintaining a solid labour market alongside price stability. Rate cuts are still expected in November and potentially December, but a strong labour market and resilient inflation has reduced the likelihood of a 0.50% cut at either of these meetings. The cooling in rate cut expectations, alongside election uncertainty has unnerved equity and bond investors.

In the UK, the labour market remains tight, with the unemployment rate falling to 4.0% and pay growth remaining high at 4.9% year-over-year in August. Despite this, September's headline inflation declined significantly to 1.7% year-over-year, with core inflation at 3.2%. Later in October, the UK budget announcement put pressure on the UK Gilt market due to stronger-than-expected levels of spending now planned for 2025. Gilts were an underperformer on the month, ending the month with a return of -2.8%.

Growth Asset Summary

Developed market equities posted a negative return of 2.0%. Japanese stocks were the top performer despite concerns that the need for tighter policy and a stronger yen could impact export-oriented companies, as well as political uncertainty created by recent election results.

Emerging markets declined by 4.3%, pressured by a strong US dollar (USD), profit taking in India and volatility in Chinese equity indexes due to uncertainty over the efficacy of the support measures announced in September.

Factor Performance

Growth stocks outperformed their value counterparts, but fell 1.8% on the month. Small caps retraced by 2.7%, as slowing economic momentum continued to weigh on the segment.

Defensive Asset Summary

In fixed income markets, the resilience of the US economy and uncertainty surrounding potential post-election policy changes prompted a more gradual re-pricing of the anticipated Federal Reserve (Fed) rate cuts. The Barclays Global Aggregate Index returned -3.4%. Credit markets also exhibited some weakness, despite solid underlying fundamentals.

The global government bond index fell 3.7%, highlighting uncertainty over the trajectory of global interest rate cutting cycles. This trend also reflects the impact of a strong US dollar. However, investors should remember that historically, the start of rate cutting cycles has often resulted in significant returns for government bond markets in the subsequent years.

Summary

Recession risks remained a key concern in October. However, our base case of a soft-landing scenario with falling inflation and rates is still in place. If this environment materialises, it could create opportunities across various asset classes. Equities may remain supported, but returns could shift from the concentration in Big Tech to other sectors and stocks.

Fixed income markets are likely to experience further volatility until the path for rate cuts becomes clearer, though historically, falling rates have boosted government bond returns. As the US presidential election approaches, potential policy changes are a source of uncertainty and have already contributed to the move higher in bond yields.

Balanced and diversified portfolios, combining equities with quality fixed income, can help navigate uncertainty. Adding alternatives may also provide a hedge against unpredictable inflation bumps.

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

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

Dynamic 60 - Holdings

Holdings	Equity Style Box	Portfolio Weighting %
MGTS Progeny Dynamic Equity GBP Acc		60.00
MGTS Progeny Dynamic Bond GBP Acc		40.00

Dynamic 60 - Underlying Holdings

Holdings	Equity Style Box	Portfolio Weighting %
Fidelity Index US P Acc		11.02
Vanguard U.S. Eq Idx Ins PI £ Acc		9.49
Vanguard Glb Bd Idx Ins PI £ H Acc		6.46
Fidelity Index UK Gilt S GBP Acc		5.49
Vanguard Global Credit Bond Ins GBPH Acc		4.63
JPM Global Corporate Bond C Acc		4.61
Artemis Corporate Bond I Acc GBP		4.23
Invesco UK Enhanced Index UK Z Acc		4.22
M&G Strategic Corporate Bond GBP PP Acc		3.82
T. Rowe Price US Smlr Cm Eq CAccGBP		3.61
HSCB US Multi-Factor Eq Instl A Acc		3.36
Man GLG Sterling Corp Bd Instl Acc F		3.03
iShares Up to 10YrsIdxLnkdGtIdx(UK)SAcc		3.00
Fidelity Index Japan P Acc		2.97
Polar Capital Em Mkts Stars SX Acc		2.84
Invesco Global Emerg Mkts (UK) M Acc		2.78
BlackRock European Dynamic FD Acc		2.37
FTF Martin Currie UK Equity Income W Acc		2.34
FTF Martin Currie UK Rising Div W Acc		2.34
Liontrust Special Situations I Acc		2.32
Jupiter Merian Asia Pacific I GBP Acc		1.78
Fidelity European I Acc GBP		1.75
IFSL EvenNode Income C Acc		1.71
Invesco UK Opports (UK) Z (Acc)		1.70
PIMCO GIS Low Avrg Dur Instl GBPH Acc		1.50
Royal London Short Duration Gilts Z Inc		1.21
JOHCM UK Equity Income Y GBP Acc		1.20
Polar Capital UK Value Opports I Acc		1.19
Vanguard Glb Corp Bd Idx Ins PI £ H Acc		1.19
Fidelity Asia Pacific Opps R GBP Acc		1.16
GBP Cash		0.37
GBP Cash		0.32

Morningstar Style Box - Dynamic 60

Portfolio Date: 31/10/2024

Morningstar Equity Style Box™			Market Cap	%	
	Value	Blend	Growth		
Large				Market Cap Giant %	38.5
				Market Cap Large %	28.5
Mid				Market Cap Mid %	22.1
				Market Cap Small %	9.3
Small				Market Cap Micro %	1.6

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