

#### 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 ESG 50 returns of £100k invested

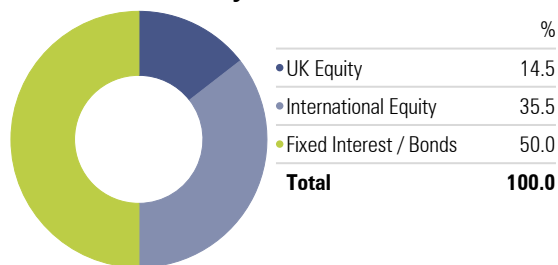
Time Period: 12/02/2020 to 31/07/2024



#### Dynamic ESG 50- Portfolio Information

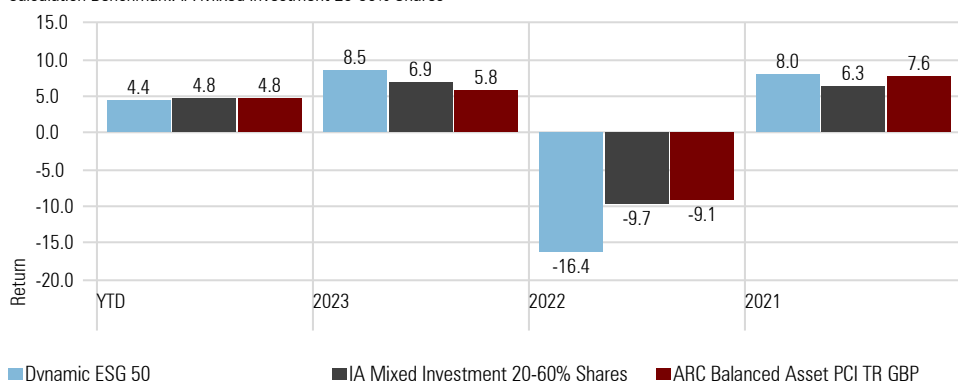
Yield	1.86%
OCF	0.40%
Transaction Charge	0.06%
Investment Management Fee	0.30% + VAT
Rebalance	Quarterly
Benchmarks	IA Mixed Investment 20-60% Shares ARC Balanced Asset PCI TR GBP

#### Asset Allocation - Dynamic ESG 50

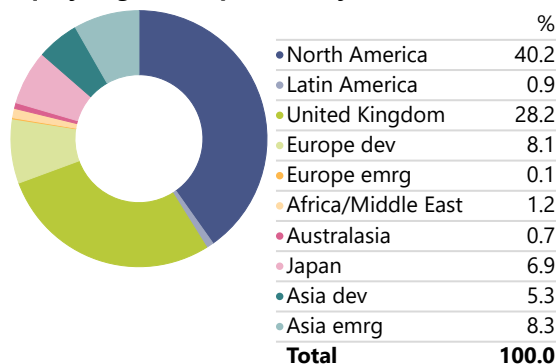


#### Calendar Year Returns

Calculation Benchmark: IA Mixed Investment 20-60% Shares

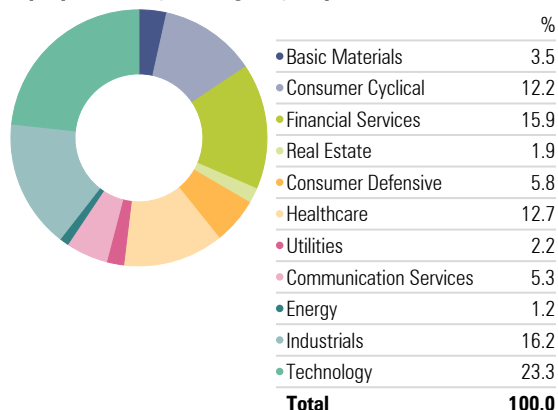


#### Equity Regional Exposure - Dynamic ESG 50



Dynamic ESG 50 Performance Metrics	Portfolio	Benchmark (IA)	Benchmark (ARC)
Max Drawdown	-22.32	-18.13	-11.13
Best Month %	5.88	5.86	4.94
Worst Month %	-6.79	-10.09	-7.24
Best Quarter	10.66	10.13	9.43
Worst Quarter %	-9.04	-6.43	-6.20

#### Equity Sectors (Morningstar) - Dynamic ESG 50



## Portfolio Comments

July saw a change of political power in the UK, but despite all the noise in the lead up to the general election, financial markets did not react significantly, given that a Labour victory had already been priced in. Overall, it was a relatively volatile month as growth and defensive assets grappled with some key political and economic news. Commodities were weaker, driven by oil prices, as the market assessed the impact of lower demand from China countering the supply issues arising from continued hostilities in the Middle East.

Starting with the US economic news, weaker labour market and Consumer Price Index (CPI) data reassured defensive asset investors that the Federal Reserve is likely to reduce interest rates in the next few months, starting a downward trajectory of rates into 2025. The UK saw stronger than expected economic growth for the second quarter and healthy service sector PMIs in July, helped the overall economic picture. In Europe, the news was less positive due to uncertainties around the French election and disappointing Purchasing Managers' Index (PMI) figures over the month.

As August started, the Bank of England (BoE) reduced interest rates from 5.25% to 5%, the first drop since the onset of the Covid pandemic in March 2020. The BoE's rate setting committee, voted by a majority of five to four to reduce the rate. However, this was widely anticipated by financial markets.

Turning to US growth assets, after helping to drive equity markets so far this year, growth stocks were especially weak, as investors grew more cynical about the expected returns from artificial intelligence (AI). This was not helped by four of the 'magnificent seven' reporting results that disappointed some investors. With over 50% of major US companies having reported, one of our key messages at the start of the year appears to be playing out. A 'broadening of earning returns' is being seen, as over two thirds of these reported major US companies have beaten analyst expectations.

UK and European growth assets performed in line with their differing economic pictures, whilst Japanese equities were held back by the yen appreciating against the dollar, on the back of recent Bank of Japan rate hikes and the prospects of lower rates in the US.

Looking at the performance of factors, unsurprisingly the news on growth stocks impacted the growth factor. Interestingly, the expectation of a near term cut in rates from major central banks saw more positive sentiment to the small-cap factor. Smaller companies traditionally, perform better in a declining rate environment.

Looking at defensive assets, the UK 10-year gilt yield dropped sharply towards the end of the month, ahead of the expected decline in interest rates on 1<sup>st</sup> August. This was mirrored in the respective US yield. In the credit markets, investment grade bonds outperformed their high yield counterparts.

In summary, July was a volatile month for financial markets. Weaker inflation and labour market data from the US intensified expectations of rate cuts but there is a near term risk that bond markets may have moved too quickly. However, the broadening of earnings returns in the US was welcome news and the overall message continues to be the same - maintain a broadly diversified portfolio of assets as this market volatility continues.

### 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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## Dynamic ESG 50 - Holdings

Holdings	Equity Style Box	Portfolio Weighting %
Dimensional Global Sstby Fxd Inc GBPDist		13.14
UBS(Lux)FS MSCI USA SRI USD Adis		8.92
iShares MSCI USA SRI ETF USD Acc		8.89
UBS(Lux)FS Sust Devpmt Bk Bds H GBP Adis		8.09
Rathbone Ethical Bond I Acc		6.24
Sarasin Responsible Corporate Bond P Acc		6.24
Dimensional £InfLnkdIntermDurFI GBP Acc		5.62
L&G All Stocks Gilt Index C Acc		5.60
iShares MSCI EM SRI ETF USD Acc		4.71
Liontrust UK Ethical 2 Net Acc		3.76
UBS ETF MSCI UK IMI SRI GBP A dis		3.72
EdenTree Responsible & Sust UK Eq B Inc		3.71
Royal London Sustainable Leaders A Inc		3.68
Stewart Inv Asia Pac Sustnby B GBP Acc		3.67
Liontrust Sust Fut Eurp Gr 2 Net Acc		3.51
iShares MSCI Japan SRI ETF		3.05
EdenTree Responsible & Sust Stlg B		2.49
FP WHEB Sustainability C		2.49
Royal London Short Duration Gilts Z Inc		2.48

## Morningstar Style Box - Dynamic ESG 50

Portfolio Date: 31/07/2024

Morningstar Equity Style Box™			Market Cap	%	
	Value	Blend	Growth		
Large				Market Cap Giant %	24.9
				Market Cap Large %	41.3
				Market Cap Mid %	26.7
Mid				Market Cap Small %	6.0
				Market Cap Micro %	1.1
Small					

## Leeds

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

## London

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