

Risk Profile Description

The portfolio aims to have 40% exposure to equity and property assets and 60% exposure to Fixed Interest securities. Over the medium to longer term, the 40% 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 equities and overseas equity in both developed and emerging markets. The equity risk is balanced by a 60% allocation to high-quality bonds and investment grade bonds.

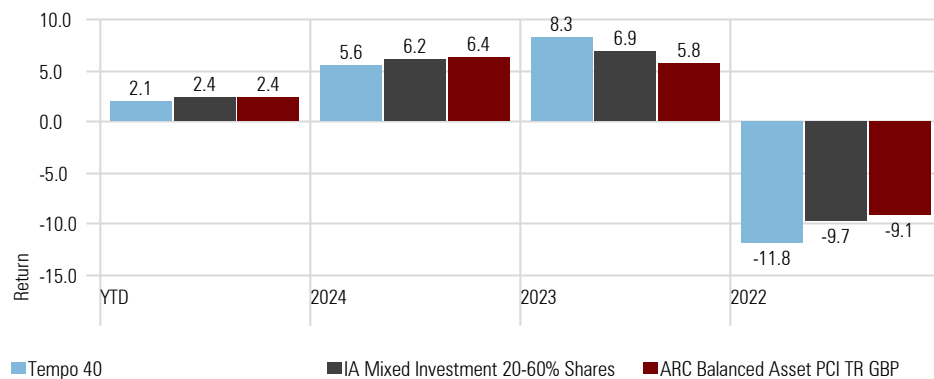
Cumulative Tempo 40 returns of £100k invested

Time Period: Since Common Inception (01/10/2016) to 31/01/2025



Calendar Year Returns

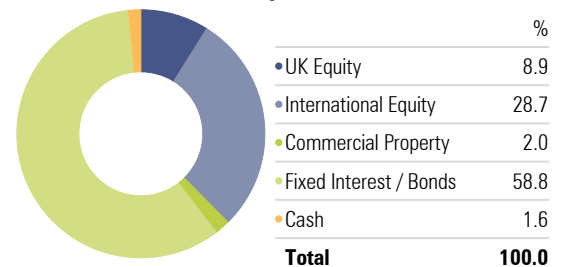
Calculation Benchmark: IA Mixed Investment 20-60% Shares



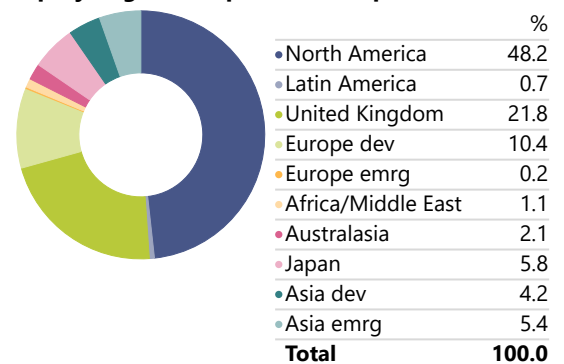
Tempo 40 - Portfolio Information

Yield	2.26%
OCF	0.31%
Transaction Charge	0.06%
Investment Management Fee	0.05% + VAT
Rebalance	Quarterly
Benchmarks	IA Mixed Investment 20-60% Shares ARC Balanced Asset PCI TR GBP

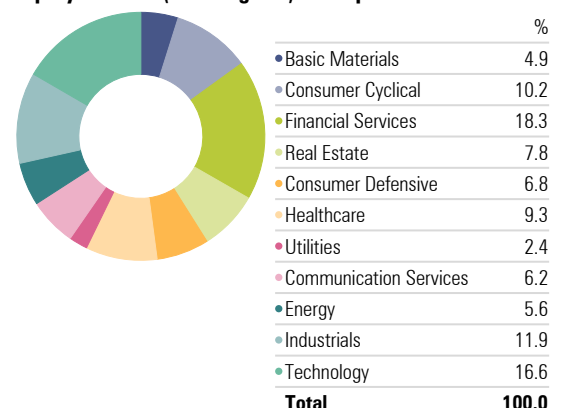
Asset Allocation - Tempo 40



Equity Regional Exposure - Tempo 40



Equity Sectors (Morningstar) - Tempo 40



Display Benchmark 1: IA Mixed Investment 20-60% Shares Display Benchmark 2: ARC Balanced Asset PCI TR GBP			
Tempo 40 Performance Metrics	Portfolio	Benchmark (IA)	Benchmark (ARC)
Max Drawdown	-14.30	-11.72	-8.04
Best Month %	4.27	3.82	3.32
Worst Month %	-7.31	-4.98	-4.39
Best Quarter	6.68	5.68	4.71
Worst Quarter %	-6.15	-6.43	-6.20

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.

ARC Private Client Indices (“PCI”) are based on historical information and past performance is not indicative of future performance. PCI are computed using a complex calculation and the results are provided for information purposes only and are not necessarily an indicator of suitability for your specific investment or other requirements. ARC does not guarantee the performance of any investment or portfolio or the return of an investor’s capital or any specific rate of return. ARC accepts no liability for any investment decision made on the basis of the information contained in this report. You should always complete your own analysis and/or seek appropriate professional advice before entering into an agreement with any PCI Data Contributor. The content is the property of ARC or its licensors and is protected by copyright and other intellectual property laws. Use of the information herein is governed by strict Conditions of Use as detailed on <https://www.assetrisk.com/research/>.

The information contained within this document is subject to the UK regulatory regime and is therefore primarily targeted at consumers based in the UK. The value of investments and income from them is not guaranteed, can fall, and you may get back less than you invested. Your capital is therefore always at risk. Past performance is not a guide to future performance. If you invest in currencies other than your own, fluctuations in currency value will mean that the value of your investment will move independently of the underlying asset. Any specific investments mentioned are for illustrative purposes only and this is not intended as investment advice. If you are unsure as to the suitability of any investment or service, please contact a professional adviser or Progeny Asset Management to discuss. The data in the performance metrics table is based on historical performance and is not indicative of future performance which could be better or worse than what is shown. The data contained in this profile is based on portfolio simulation and does not represent the actual portfolio. It is intended to provide an indication of the magnitude and direction of historic returns from a hypothetical portfolio made up of asset class market indices held in comparable proportions to those within the Tempo 40 portfolio.

Progeny is a trading style of Progeny Asset Management Limited and is used by various companies within the Progeny group of companies. Progeny Asset Management Limited is a limited company registered in England and Wales with number 09415365. The company’s registered address is 1A Tower Square, Leeds, LS1 4DL. Progeny Asset Management Limited is authorised and regulated by the Financial Conduct Authority (No. 740528).

The model was rebalanced into the MGTS Progeny funds on the 07/03/22 and re-branded at the same time. The risk and objectives of the model have been preserved throughout.

Tempo 40 - Holdings

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

Tempo 40 - Underlying Holdings

Holdings	Equity Style Box	Portfolio Weighting %
Vanguard Glb Bd Idx Ins Pl £ H Acc		17.80
iShares Up to 10YrsIdxLnkdGltIdx(UK)SAcc		10.79
Fidelity Index UK Gilt S GBP Acc		9.94
HSBC Global Corporate Bond ETF S2CHGBP		9.22
Fidelity Idx Sterling Corp Bd P GBP Acc		7.59
Dimensional Global Value GBP Acc		3.74
Vanguard Glb Small-Cp Idx Ins Pl £ Acc		3.68
Fidelity Index UK P Acc		3.65
Vanguard U.S. Eq Idx Ins Pl £ Acc		3.38
Fidelity Index US P Acc		3.34
Invesco UK Enhanced Index UK Z Acc		3.20
Vanguard Glb Corp Bd Idx Ins Pl £ H Acc		2.97
HSBC US Multi-Factor Eq Instl A Acc		2.93
Schroder QEP US Core I Acc		2.92
L&G Global Real Estate Div Index C Acc		1.99
Vanguard Em Mkts Stk Idx Ins Pl £ Acc		1.92
Dimensional EM Core Equity Acc		1.65
Fidelity Index Europe ex UK P Acc		1.56
abrdn European Equity Enhanced Idx NAcc		1.36
Dimensional UK Value GBP Acc		1.13
Dimensional UK Smrlr Coms Acc		1.10
GBP Cash		0.92
Fidelity Index Japan P Acc		0.81
abrdn Japan Equity Enhanced Index N Acc		0.71
Vanguard Pac exJpn Stk Idx Ins Pl £ Acc		0.71
abrdn Asia Pacific Eq Enh Idx N Acc		0.61
GBP Cash		0.37

Morningstar Style Box - Tempo 40

Portfolio Date: 31/01/2025

Morningstar Equity Style Box™			Market Cap	%
Large	Value	Blend	Growth	Market Cap Giant %
				35.5
				Market Cap Large %
Mid				29.2
				Market Cap Mid %
Small				23.9
				Market Cap Small %
				9.2
				Market Cap Micro %
				2.3

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

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