

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 equities and overseas equity in both developed and emerging markets. The equity risk is balanced by a 70% allocation to high-quality bonds and investment grade bonds.

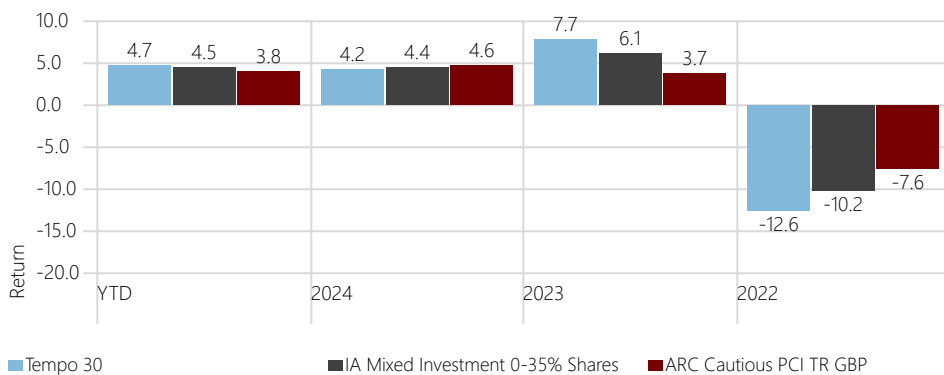
Cumulative Tempo 30 returns of £100k invested

Time Period: Since Common Inception (01/10/2016) to 31/08/2025



Calendar Year Returns

Calculation Benchmark: IA Mixed Investment 0-35% Shares



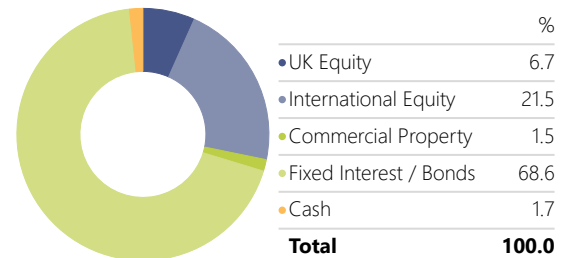
Display Benchmark 1: IA Mixed Investment 0-35% Shares Display Benchmark 2: ARC Cautious PCI TR GBP

Tempo 30 Performance Metrics	Portfolio	Benchmark (IA)	Benchmark (ARC)
Max Drawdown	-9.43	-6.13	-3.55
Best Month %	4.12	3.52	2.19
Worst Month %	-7.40	-4.60	-3.55
Best Quarter	6.83	5.69	3.26
Worst Quarter %	-1.05	-0.95	-0.84

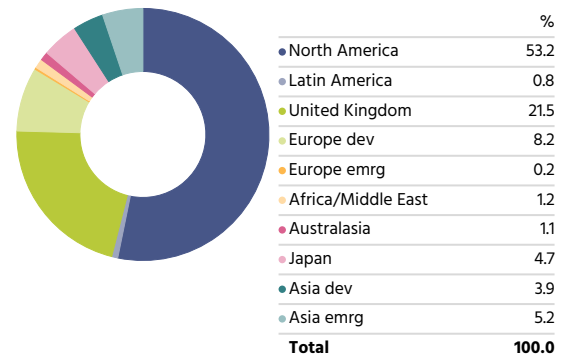
Tempo 30 - Portfolio Information

Yield	2.30%
OCF	0.28%
Transaction Charge	0.03%
Investment Management Fee	0.05% + VAT
Rebalance	Quarterly
Benchmarks	IA Mixed Investment 0-35% Shares ARC Cautious PCI TR GBP

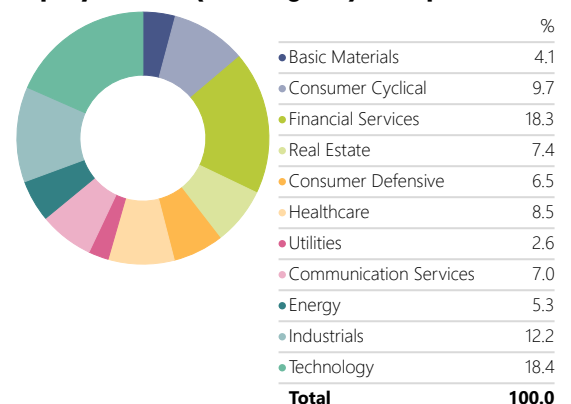
Asset Allocation - Tempo 30



Equity Regional Exposure - Tempo 30



Equity Sectors (Morningstar) - Tempo 30



Portfolio Comments

Market Overview - August in review

August was broadly positive for financial markets, with most major asset classes delivering solid returns. Global share markets remain supported by steady economic conditions. Growth is slowing but is still strong enough to support healthy profit growth - especially for larger companies, global brands, and the tech sector. Monetary policy remains accommodative, fiscal policy continues to support economic activity, companies are coping with tariff deals and future debt issuance isn't yet a concern.

Global Economy - A 'Goldilocks' environment

The global economy continues to operate in a 'Goldilocks' state - neither too hot nor too cold. Consumer sentiment is subdued and business investment cautious, but household spending is sustained by strong balance sheets, debt servicing costs remain manageable, and unemployment has only seen a minimal uptick. Manufacturing indicators (PMIs/ISMs) sit around 48-50, indicating stagnation, while services hover at 50-52, showing modest expansion in most major economies. US GDP averaged 1.2% annualised in H1 and is tracking 1-2% into Q3.

US Policy - Rate cut expectations

The key data point in August was the US non-farm payrolls report for July, which pointed to a cooling labour market. At Jackson Hole, Fed Chair Jerome Powell highlighted a shift in the balance of risks and markets are now pricing in a 0.25% rate cut at the September meeting. The White House is pushing for greater rate cuts (at least 1.5% lower) and advocating for changes to Fed leadership, calling for new board members and the resignation of both Powell and Cook.

Inflation - Still a key concern

Global inflation remains persistent and is being fuelled by tariff effects, climate-driven food price volatility, and wage gains from tight labour markets. Central banks remain cautious with policymakers forecasting future easing and inflation returning to target only if labour markets soften and one-off inflation drivers fade. In the UK, headline and core inflation are running at 3.8% per year, above MPC targets, and are likely to rise if energy prices worsen. Despite a waning UK jobs market, BoE rate cut expectations have now been scaled back for 2025. Eurozone inflation is at 2%, allowing the ECB to pause and assess the effects of recent trade deals on economic activity.

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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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. Last rebalance date was 01/07/2025.

Tariffs - A hidden tax

Annual US tariff revenues are around \$300bn - effectively a 2% GDP drag predominantly affecting lower-income households and small importing businesses. According to Goldman Sachs, the burden mainly falls on US companies (60%), with overseas firms and US consumers also impacted (25% and 15% respectively).

Growth Assets - Regional & factor highlights

Japan outperformed in local terms, driven by the US-Japan trade deal and favourable domestic data. US gains were buoyed by strong Q2 earnings with circa 75% of firms beating estimates by the largest amount since 2021. Nvidia and Microsoft now have market caps rivalling the entire Eurozone blue-chip index, raising concentration concerns. UK equities lagged but remain attractive to income-focused investors. Britain's domestic backdrop looks challenging, but Computershare's Dividend Monitor expects UK dividends to reach £85bn in 2025, a 3% increase YoY. Small caps outperformed their large cap counterparts, buoyed by resilient economic data and potential rate cuts. Momentum underperformed but still posted positive returns.


Defensive Assets - Diverging yields

US Treasuries posted gains of nearly 1%, driven by Chair Jay Powell's dovish Jackson Hole speech. UK gilts came under pressure following another upside surprise to UK inflation in July. In response, investors reduced their expectations for rate cuts by the BoE which raised short-end gilt yields. Longer-dated gilts also underperformed, driven by thin liquidity and ongoing concern about UK fiscal sustainability, with the UK 30-year government bond yield reaching 5.6% (its highest level since 1998).




















Final Thoughts - Stay diversified

Valuations across growth assets are slightly above long-run averages, especially in the US. With risks from inflationary pressures, the impact of tariffs on consumer prices, and slowing global trade, investors should ensure their portfolios continue to be well-diversified across regions and asset classes to effectively manage downside risk.

Tempo 30 - Holdings

Holdings	Equity Style Box	Portfolio Weighting %
MGTS Progeny Systematic Bond GBP Acc		70.00
MGTS Progeny Systematic Equity GBP Acc		30.00


Tempo 30 - Underlying Holdings

Holdings	Equity Style Box	Portfolio Weighting %
Vanguard Glb Corp Bd Idx Ins Pl £ H Acc		16.27
Dimensional Global Core Fx Inc GBP Acc		16.06
Fidelity Index Global Govt Bd S Acc		13.50
Fidelity Idx Sterling Corp Bd P GBP Acc		8.25
Fidelity Index UK Gilt S GBP Acc		6.85
iShares Up to 10YrsIdxLnkdGiltIdx(UK)SAcc		6.74
Fidelity Index US P Acc		2.99
Vanguard U.S. Eq Idx Ins Pl £ Acc		2.97
Vanguard Glb Small-Cp Idx Ins Pl £ Acc		2.84
Dimensional Global Value GBP Acc		2.81
Fidelity Index UK P Acc		2.78
HSBC US Multi-Factor Eq Instl A Acc		2.65
Schroder QEP US Core I Acc		2.62
Invesco UK Enhanced Index UK M Acc		2.47
Vanguard Em Mkts Stk Idx Ins Pl £ Acc		1.59
L&G Global Real Estate Div Index C Acc		1.53
Dimensional EM Core Equity Acc		1.40
GBP Cash		1.13
Dimensional UK Value GBP Acc		0.88
Fidelity Index Europe ex UK P Acc		0.87
Dimensional UK Smlr Coms Acc		0.82
abrdn European Equity Enhanced Idx NAcc		0.77
Fidelity Index Japan P Acc		0.43
abrdn Japan Equity Enhanced Index N Acc		0.37
GBP Cash		0.18
Vanguard Pac exJpn Stk Idx Ins Pl £ Acc		0.14
abrdn Asia Pacific Eq Enh Idx N Acc		0.12

Morningstar Style Box - Tempo 30

Portfolio Date: 31/08/2025

Morningstar Equity Style Box™

	Value	Blend	Growth
Large			
Mid			
Small			

Market Cap %

Market Cap Giant %	36.8
Market Cap Large %	28.9
Market Cap Mid %	23.2
Market Cap Small %	9.0
Market Cap Micro %	2.1

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