

#### Risk Profile Description

The portfolio aims to have 60% exposure to equity and property assets and 40% exposure to Fixed Interest securities. Over the medium to longer term, the 60% 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 40% allocation to high-quality bonds and investment grade bonds.

#### Cumulative Tempo 60 returns of £100k invested

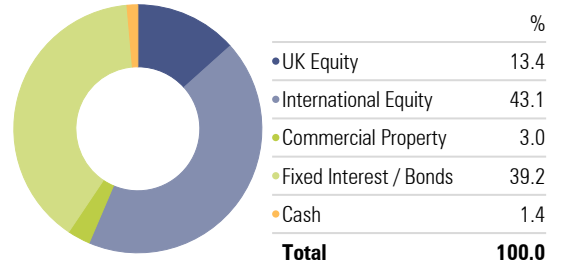
Time Period: Since Common Inception (01/10/2016) to 31/10/2024



#### Tempo 60 - Portfolio Information

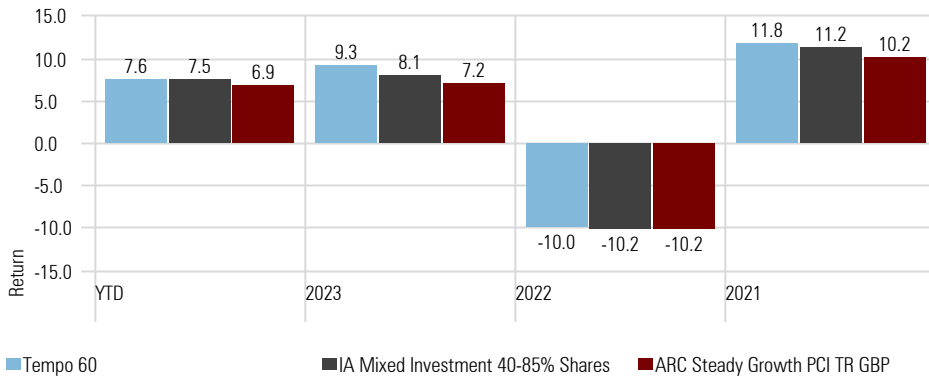
Yield	1.92%
OCF	0.33%
Transaction Charge	0.06%
Investment Management Fee	0.05% + VAT
Rebalance	Quarterly
Benchmarks	IA Mixed Investment 40-85% Shares ARC Steady Growth PCI TR GBP

#### Asset Allocation - Tempo 60

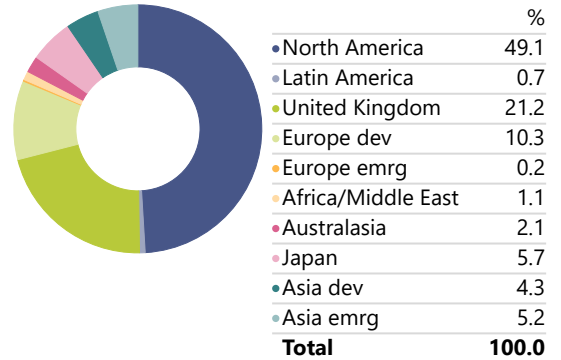


#### Calendar Year Returns

Calculation Benchmark: IA Mixed Investment 40-85% Shares

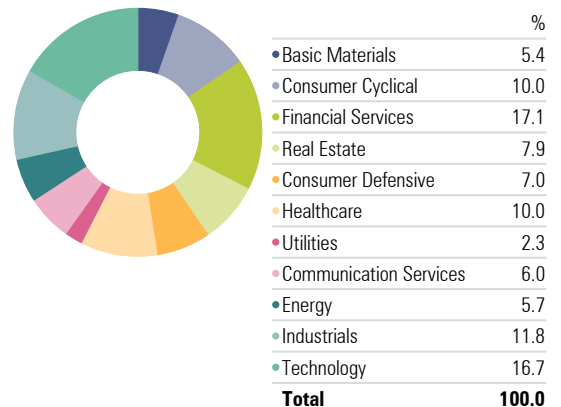


#### Equity Regional Exposure - Tempo 60



Display Benchmark 1: IA Mixed Investment 40-85% Shares    Display Benchmark 2: ARC Steady Growth PCI TR GBP			
Tempo 60 Performance Metrics	Portfolio	Benchmark (IA)	Benchmark (ARC)
Max Drawdown	-14.79	-14.98	-12.52
Best Month %	4.59	4.23	4.29
Worst Month %	-7.12	-5.27	-4.98
Best Quarter	6.38	5.77	5.21
Worst Quarter %	-6.19	-7.53	-7.31

#### Equity Sectors (Morningstar) - Tempo 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 Rachel 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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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 60 - Holdings

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

## Tempo 60 - Underlying Holdings

Holdings	Equity Style Box	Portfolio Weighting %
Vanguard Glb Bd Idx Ins PI £ H Acc		11.78
iShares Up to 10YrStdxLnkdGtldx(UK)SAcc		7.16
Fidelity Index UK Gilt S GBP Acc		6.62
HSBC Global Corporate Bond ETF S2CHGBP		6.09
Dimensional Global Value GBP Acc		5.42
Vanguard Glb Small-Cp Idx Ins PI £ Acc		5.41
Fidelity Index UK P Acc		5.26
Fidelity Index US P Acc		5.18
Vanguard U.S. Eq Idx Ins PI £ Acc		5.12
Fidelity Idx Sterling Corp Bd P GBP Acc		5.09
Invesco UK Enhanced Index UK Z Acc		4.58
Schroder QEP US Core I Acc		4.54
HSBC US Multi-Factor Eq Instl A Acc		4.52
L&G Global Real Estate Div Index C Acc		2.95
Vanguard Em Mkts Stk Idx Ins PI £ Acc		2.82
Dimensional EM Core Equity Acc		2.46
Fidelity Index Europe ex UK P Acc		2.11
Vanguard Glb Corp Bd Idx Ins PI £ H Acc		1.96
abrdn European Equity Enhanced Idx NAcc		1.89
Dimensional UK Smrl Coms Acc		1.62
Dimensional UK Value GBP Acc		1.62
Fidelity Index Japan P Acc		1.17
abrdn Japan Equity Enhanced Index N Acc		1.03
Vanguard Pac exJpn Stk Idx Ins PI £ Acc		0.99
GBP Cash		0.93
abrdn Asia Pacific Eq Enh Idx N Acc		0.89
GBP Cash		0.79

## Morningstar Style Box - Tempo 60

Portfolio Date: 31/10/2024

Morningstar Equity Style Box™			Market Cap	%	
	Value	Blend	Growth		
Large				Market Cap Giant %	35.2
				Market Cap Large %	29.0
Mid				Market Cap Mid %	24.6
				Market Cap Small %	9.1
Small				Market Cap Micro %	2.1

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