

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

Bravo ESG is a range of evidence-based, total-return portfolios designed using a systematic discipline, with Environmental, Social and Governance (ESG) front and centre of the investment process.

The portfolios are defined according to ESG criteria, so investors can see and understand clearly how they are constructed. In addition to understanding the key aims and objectives, we believe that investors in our ESG solutions should also know what is the composition of the portfolios. The Bravo range has undergone rigorous ESG screening with the fund and portfolio exclusions and objectives listed below:

Each fund in the portfolio excludes the following:

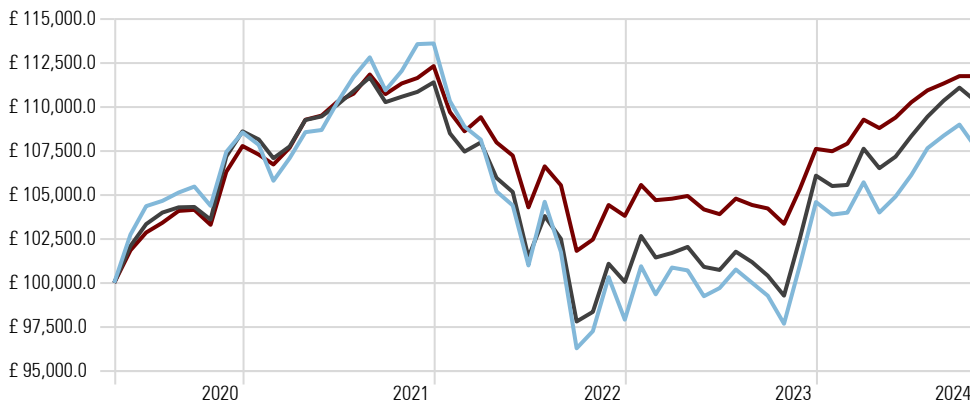
- Tobacco Producers
- Controversial Weapons
- Nuclear Weapons

The overall portfolio has the following characteristics:

- 50% less CO2 emissions than the MSCI ACWI World Index
- Revenue of no more than 5% from Alcohol sales, Gambling, Civilian Weapons, Nuclear Power and Thermal Coal

### Cumulative Bravo ESG 30 returns of £100k invested

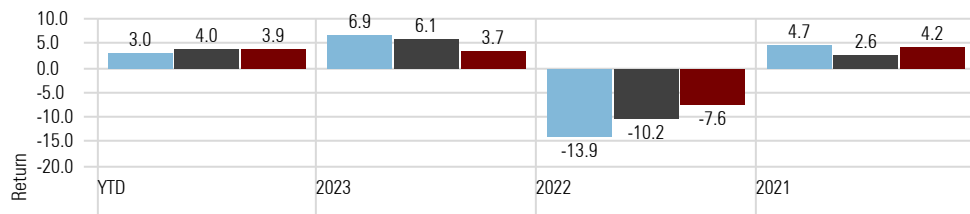
Time Period: 30/04/2020 to 31/10/2024



— Bravo ESG 30 — IA Mixed Investment 0-35% Shares — ARC Cautious PCI TR GBP

### Calendar Year Returns

Calculation Benchmark: IA Mixed Investment 0-35% Shares

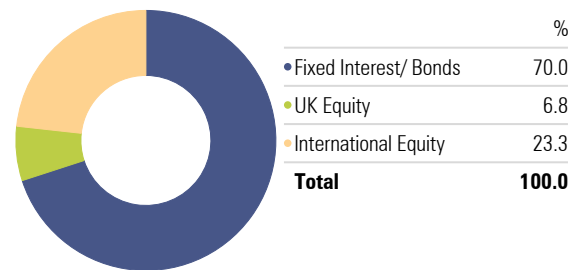


■ Bravo ESG 30 ■ IA Mixed Investment 0-35% Shares ■ ARC Cautious PCI TR GBP

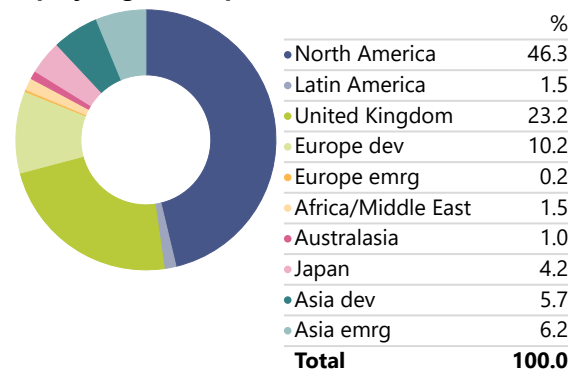
### Bravo ESG 30 - Portfolio Information

|                           |   |
|---------------------------|---|
| Yield                     | 2.29%   |
| OCF                       | 0.23%   |
| Transaction Charge        | 0.02%   |
| Investment Management Fee | 0.20% + VAT   |
| Rebalance                 | Quarterly   |
| Benchmarks                | IA Mixed Investment 0-35% Shares<br>ARC Cautious PCI TR GBP |

### Asset Allocation - Bravo ESG 30



### Equity Regional Exposure - Bravo ESG 30



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

| Bravo ESG 30 Performance Metrics | Portfolio | Benchmark (IA) | Benchmark (ARC) |
|----------------------------------|-----------|----------------|-----------------|
| Max Drawdown                     | -18.44    | -14.24         | -9.38           |
| Best Month %                     | 3.60      | 3.52           | 2.93            |
| Worst Month %                    | -5.40     | -4.60          | -3.55           |
| Best Quarter                     | 5.39      | 5.69           | 3.49            |
| Worst Quarter %                  | -6.64     | -6.06          | -4.70           |

## 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

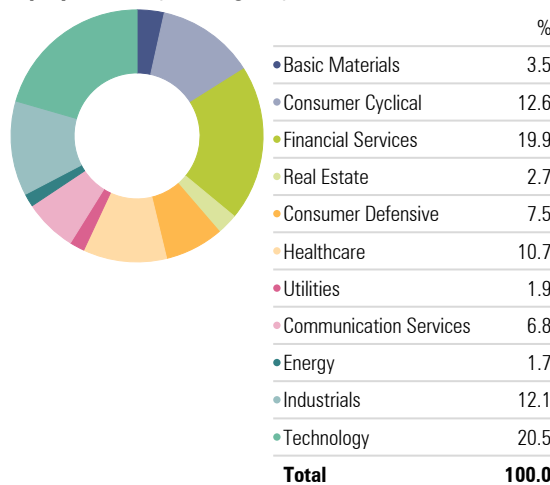
The IA (Investment Association) sector is used as the comparator. This is considered appropriate for investors to use when comparing performance as the sector is made up of funds with a similar asset allocation as defined by the IA. The sector is not constructed as an index, therefore as funds enter 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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## Equity Sectors (Morningstar) - Bravo ESG 30



## Bravo ESG 30 - Holdings

| Holdings                                 | Equity Style Box | Portfolio Weighting % |
|--|------------------|-----------------------|
| UBS(Lux)FS Sust Devpmt Bk Bds H GBP Adis |                  | 30.36                 |
| Dimensional Global Sstby Fxd Inc GBPDist |                  | 14.55                 |
| iShares Up to 10YrsIdxLnkdGtldX(UK)SACC  |                  | 12.81                 |
| L&G All Stocks Gilt Index C Acc          |                  | 11.91                 |
| Amundi IS MSCI World SRI PAB IG C        |                  | 9.93                  |
| UBS ETF MSCI UK IMI SRI GBP A dis        |                  | 6.83                  |
| Neuberger Berman Glb ValGBP15Acc         |                  | 3.97                  |
| Schroder ISF QEP Global ESG C Acc GBP    |                  | 3.97                  |
| iShares MSCI EM SRI ETF USD Acc          |                  | 3.69                  |
| Dimensional Global Sust Cor Eq GBP Acc   |                  | 1.99                  |

## Morningstar Style Box - Bravo ESG 30

Portfolio Date: 31/10/2024

| Morningstar Equity Style Box™ |       |       | Market Cap | %                       |
|-------------------------------|-------|-------|------------|-------------------------|
|                               | Value | Blend | Growth     |                         |
| Large                         |       | █     |            | Market Cap Giant % 32.6 |
|                               |       |       |            | Market Cap Large % 39.0 |
| Mid                           |       |       |            | Market Cap Mid % 25.1   |
|                               |       |       |            | Market Cap Small % 3.0  |
| Small                         |       |       |            | Market Cap Micro % 0.3  |