Bravo ESG 50 Portfolio Factsheet

As of 31/12/2023

Risk Profile Description

The portfolio aims to have 50% exposure to Equity and Property assets and 50% exposure to Fixed Interest securities. Over the medium to longer term, the 50% 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 50% 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:

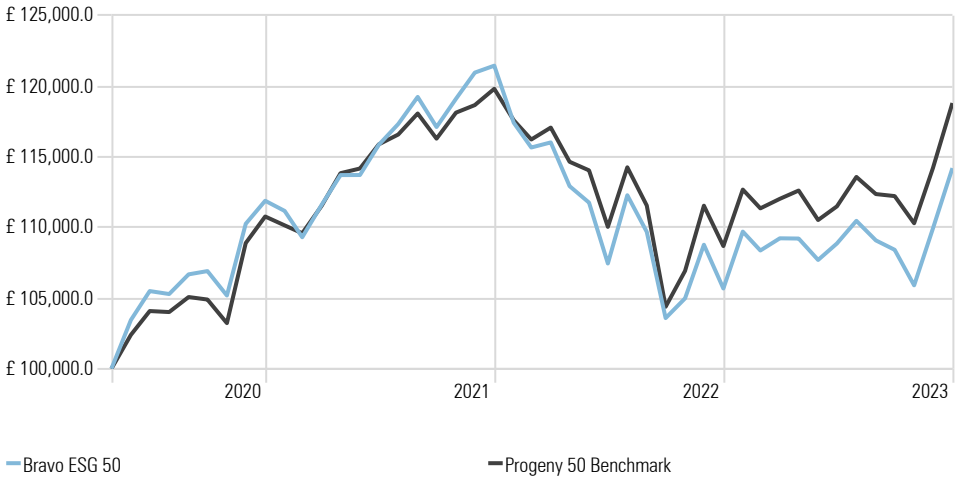
- Tobacco Producers
- Controversial Weapons
- Nuclear Weapons

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

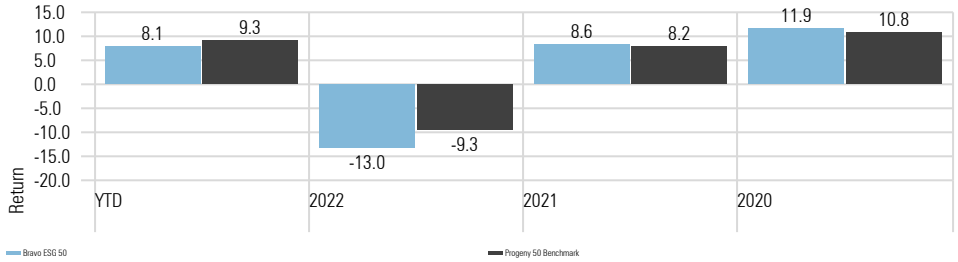
Cumulative Bravo ESG 50 returns of £100k invested

Time Period: 30/04/2020 to 31/12/2023



Calendar Year Returns

Calculation Benchmark: Progeny 50 Benchmark



Bravo ESG 50 Performance Metrics	Portfolio	Bmark
Max Drawdown	-17.65	-14.88
Best Month %	4.83	5.49
Worst Month %	-5.57	-6.43
Best Quarter	5.34	5.87
Worst Quarter %	-7.39	-6.01

Bravo ESG 50 - Portfolio Information

Yield	1.26%
OCF	0.25%
Transaction Charge	0.09%
Investment Management Fee	0.20% + VAT
Rebalance	Quarterly
Benchmark	Progeny Benchmark 50*

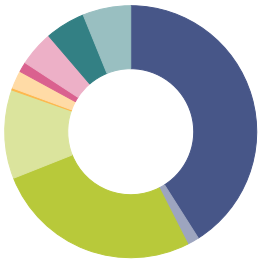
*Constructed from MSCI and ICE BofA indices

Asset Allocation - Bravo ESG 50

	%
Fixed Interest/ Bonds	50.0
UK Equity	11.3
International Equity	38.8
Total	**100.0**

Equity Regional Exposure - Bravo ESG 50

Portfolio Date: 31/12/2023



	%
North America	41.0
Latin America	1.5
United Kingdom	26.5
Europe dev	11.4
Europe emrg	0.3
Africa/Middle East	2.3
Australasia	1.3
Japan	4.5
Asia dev	5.1
Asia emrg	6.1
Total	**100.0**

Portfolio Comments

Global equity and bond markets both made positive returns in the fourth quarter of 2023, as several data points across the US and Euro Area pointed to lower year-on-year inflation levels. In terms of major equity market performance, in local currency, Japan led the way in returns last year, closely followed by the US then Europe. The UK market however, made less headway.

The US remains the driving force of the global economy and the year-on-year consumer price index, which includes food and energy costs, fell to 3.1% in November. Equally, both the Euro Area and UK year-on-year inflation also fell markedly, at 2.4% and 3.9% respectively. The data suggested to markets that interest rates might now be at a peak level, with some participants now even expecting cuts to come as soon as March this year.

Whilst the UK Office for Budget Responsibility (OBR) forecasts a sluggish 0.7% GDP rise for 2024, valuations for UK equities continue to look attractive at 15% below their long-term average.

However, it is also worth noting that over half the world's population goes to the polls this year, making it the biggest election year in history, keeping the potential for geo-political risk firmly in play.

Turning to growth assets, it was a strong final quarter of the year for US equities, reflecting the revised outlook for US rate policy. The fourth-quarter earnings season starts in January, and analysts expect modest growth, with consensus estimates for 2.4% earnings growth across the major US companies.

UK equities rose over the quarter, albeit there was a clear difference between its large-cap focused index and mid-cap focused index, with the latter performing relatively strongly. The UK's comparative underperformance to other indices was not helped by the prospect of lower commodity prices and earnings deterioration in key sectors such as Energy and Healthcare.

Europe was helped by Eurozone inflation dropping to 2.4%, its slowest annual pace since July 2021. Markets are pricing in up to six rate cuts by the ECB for 2024, providing a clear potential incentive for investors.

Q4 was another strong quarter for Japanese equities and finished a strong year. Of particular note was Japan's decision to incentivize listed companies to boost valuations and earnings, with the possibility of delisting for firms that fail to show efficient capital allocation.

Turning to factor performance,the growth and quality factors were the stand-out performers over both Q4 and also the year as a whole. In comparison, value was the relative laggard over the last 12 months and the final quarter of the year.

Given the strong performance from the growth factor this reflected positively in ESG stocks over the year, and they ended 2023 in a positive fashion.

Turning to defensive assets, towards the end of the year data showed a clear downtrend in year-on-year inflation and this helped to lift the broader bond index of government and corporate debt for the quarter, particularly helping portfolios which had greater duration (or interest rate) sensitivity.

UK Gilts also benefitted from an uplift in prices and fears of a recession in the UK, with consumers feeling the brunt of higher interest rates more than their US counterparts.

Looking ahead, what are our key themes for 2024? Well they can be summarised as the '3B's' – Bonds, Broadening returns and Balanced portfolios.

Bonds – After a period of price dysfunction, bonds should act like bonds again this year, with investors being appropriately compensated with a yield return. If we do see a harder landing on recession than expected, then investors may see a capital return opportunity also.

Broadening Returns – 2023 saw a relative narrow corridor of stocks that provided a return. In 2024 we expect to see growth asset returns spread over wider regional markets. Mid and small cap valuations in particular look attractive.

Balance is key – Uncertainties still lie ahead economically and geo-politically, so maintaining a balanced portfolio of different asset classes is crucial for the year ahead.

Equity Sectors (Morningstar) - Bravo ESG 50

Portfolio Date: 31/12/2023

	%
Basic Materials	5.4
Consumer Cyclical	13.0
Financial Services	19.4
Real Estate	4.0
Consumer Defensive	9.1
Healthcare	13.8
Utilities	2.3
Communication Services	6.4
Energy	0.6
Industrials	13.5
Technology	12.4
Total	**100.0**

Bravo ESG 50 - Holdings

Holdings	Equity Style Box	Portfolio Weighting %
Amundi IS MSCI World SRI PAB IG C		22.87
UBS(Lux)FS Sust Devpmt Bk Bds H GBP Adis		21.81
UBS ETF MSCI UK IMI SRI GBP A dis		11.25
Dimensional Global Sstby Fxd Inc GBP Acc		10.45
Dimensional £InflLnkdIntermDurFI GBP Acc		9.19
L&G All Stocks Gilt Index C Acc		8.55
Schroder ISF QEP Global ESG C Acc GBP		6.53
iShares MSCI EM SRI ETF USD Acc		6.08
Dimensional Global Sust Cor Eq GBP Dist		3.27

Morningstar Style Box - Bravo ESG 50

Portfolio Date: 31/12/2023

Morningstar Equity Style Box™

	Value	Blend	Growth
Large		■	
Mid			
Small			

Market Cap	%
Market Cap Giant %	30.6
Market Cap Large %	38.3
Market Cap Mid %	27.7
Market Cap Small %	3.1
Market Cap Micro %	0.3

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