progeny

Bravo ESG 50 Portfolio Factsheet

01/10/2023

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:

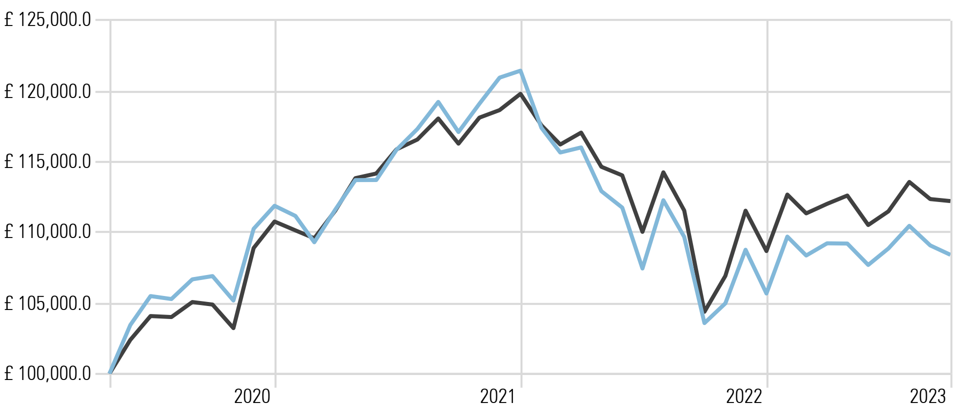
- Tobacco Producers
- Controversial Weapons
- Nuclear Weapons

The overall portfolio has the following characteristics:

- 50% less CO_2 emissions than the MSCI ACWI World Index
- Revenue of no more than 5% from Alcohol sales, Gambling, Civilian Weapons, Nuclear Power and Thermal Coal

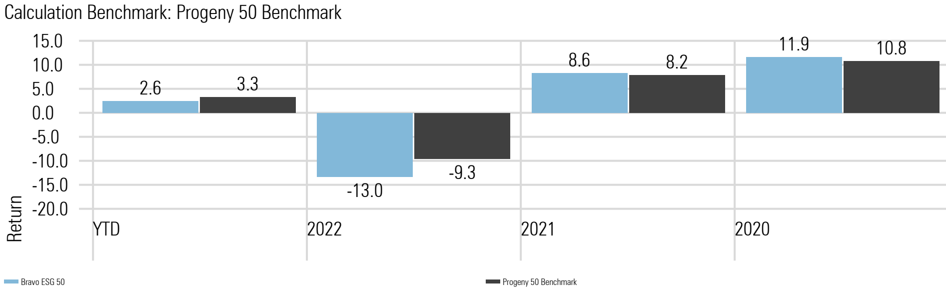
Cumulative Bravo ESG 50 returns of £100k invested

Time Period: 30/04/2020 to 30/09/2023



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	4.66	5.61
Worst Quarter %	-7.39	-6.01

Bravo ESG 50 - Portfolio Information

Yield	0.98%
OCF	0.25%
Transaction Charge	0.09%
Investment Management Fee	0.20% + VAT
Rebalance	Quarterly
Benchmark	Progeny Benchmark 50*

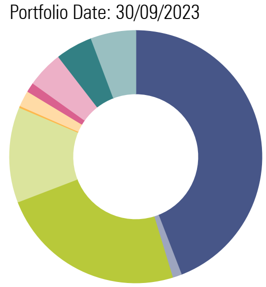
*Constructed from MSCI and ICE BofA indices

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: 30/09/2023



	%
North America	44.1
Latin America	1.2
United Kingdom	23.9
Europe dev	12.2
Europe emrg	0.2
Africa/Middle East	2.0
Australasia	1.2
Japan	4.7
Asia dev	4.7
Asia emrg	5.7
Total	**100.0**

Portfolio Comments

The third quarter of 2023 saw a number of leading equity indices decline in their base currency. The major US markets fell in September and closed the quarter lower, due to mounting evidence that interest rates will remain 'higher for longer.' As a result, the two mini bull market cycles in the Spring (as the banking crisis did not trigger a recession) and Summer (the US was on course for a soft landing) have now disappeared.

The major market themes haven't changed radically over this quarter. These include:-

- The influences that the 'Magnificent Seven' technology stocks have on growth asset returns.
- When are global interest rates likely to peak.
- And whether the major global economies will avoid recession despite leading indicators like the inverted yield curve still suggesting that we won't.

One argument for keeping global interest rates higher for longer is the circa 20% rise in the price of Brent Crude oil over this quarter. This reflects expectations of continued limits on supply by OPEC and the relative strength of the US economy.

As we ended the quarter, US Congress once again agreed a last-minute deal to keep the Federal government funded for another six weeks and kicked the 'government shutdown' can down the road once again. Overall, this was unwelcome noise once again for financial markets.

Turning to growth assets, this quarter has been driven by the valuation of the 'Magnificent Seven' tech' stocks and their decline in September. Collectively they remain larger in market capitalisation terms than the combined markets of China, France, Japan and the UK and puts the effectiveness of conventional regional or country analysis into perspective.

China, Japan and EU shares were also pulled lower. However, the UK market was up circa 2% on a total return basis, due to its defensive characteristics, commodities bias and the unexpected MPC decision on interest rates in September.

UK equities still trade on low valuations and if we see a trajectory where the economy avoids recession, yet inflation decelerates towards target, then the prospects for UK domestic shares look more positive.

In terms of factor performance over the third quarter, it was value that was the best performer, with energy stocks doing well on the back of the price of oil. This factor performance was at the expense of growth stocks which were driven by the decline in the leading US technology companies.

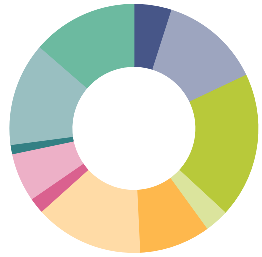
Unsurprisingly, ESG underperformed during the period, due to the performance of the growth factor. As a reminder, many high scoring ESG companies tend to be software and technology businesses.

Turning to defensive assets, the concept of 'higher for longer' has become more widely accepted over the third quarter and this was reflected in benchmark bond yields and pricing. Financial markets think that interest rates are at or near their peak in most countries, but the expected reductions in 2024 are now more modest. From a recession probability perspective, both the US and UK are still experiencing inverted yields.

In summary, global growth assets in Q3 faced a challenge as the attraction of higher bond yields tempted investors to move out of technology equities in the US. However, bond pricing and defensive assets were held back by concerns that interest rates will be held 'higher for longer' into 2024. Financial markets adjusting to higher interest rates as the new norm and avoiding recession are key factors as we move into the last few months of the year. As ever, staying invested and staying diversified is crucial, with UK equities now looking more attractive on valuation grounds.

Equity Sectors (Morningstar) - Bravo ESG 50

Portfolio Date: 30/09/2023



	%
Basic Materials	4.9
Consumer Cyclical	13.0
Financial Services	18.9
Real Estate	3.1
Consumer Defensive	9.2
Healthcare	14.1
Utilities	2.0
Communication Services	6.3
Energy	1.2
Industrials	13.5
Technology	13.6
Total	**100.0**

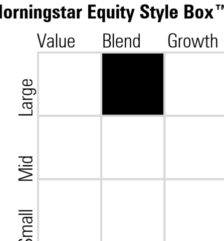
Bravo ESG 50 - Holdings

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: 30/09/2023

Morningstar Equity Style Box™



Market Cap	%
Market Cap Giant %	30.1
Market Cap Large %	39.5
Market Cap Mid %	27.0
Market Cap Small %	3.1
Market Cap Micro %	0.3

Composite Benchmark Disclaimer

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