TEAM

MONTHLY REPORT OCTOBER 2024

Multi-Asset Diversified Income Portfolio GBP (£)

Summary

•A respectable month for the TEAM MPS range, with positive return streams emanating from the bulk of our equity positions across US physical infrastructure, global tech, global value, and Asia.
•Global stocks and government bonds both declined by over -2% in October, echoing the market dynamics of 2022 where equities and bonds moved in harmony, reducing the effectiveness of bonds as a hedge.
•Early Interest Rate Cuts by central banks, including the Federal Reserve, have lost momentum due to resilient economic data, raising doubts about further rate cuts in 2025.
•The US election and the UK's first Labour budget in 14 years have created political uncertainty, influencing bond yields and market sentiment.

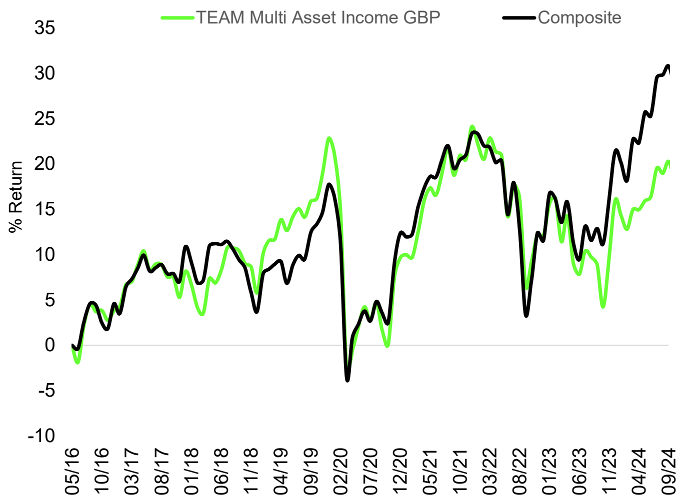
Portfolio Objective & Policy

The portfolio is invested with the aim of achieving a high level of income in the portfolio's base currency.

The portfolio will be invested in a range of collective investment schemes, direct equities and fixed interest related instruments on a consistent basis.

TEAM consider the risk level of the model to be moderate and investors should be prepared to see moderate changes in the value of the investment over short term time periods. There is no guarantee that a positive return will be delivered.

Portfolio Return Since Launch



Portfolio Information

Portfolio Manager	Andrew Gillham
Launch Date	Jun-16
Minimum Initial Investment (£)	10,000
Annual Management Charge	0.30 - 0.50%
Estimated OCF	0.73%
Estimated Distribution Yield	5.25%
Base Currency	GBP (£)
Dealing Frequency	Daily
Custodian	Multiple Platforms
Benchmark	Composite

Top 10 Holdings (% NAV)

Tideway Sanlam GBP Hybrid Capital Bond Fund B GBP	6.60%
Vontobel TwentyFour Strategic Income Fund AQN Dist	5.08%
TwentyFour Income Fund Ltd	4.83%
Royal London Sterling Extra Yield Bond Fund -A- GBP	4.75%
The Jupiter Global Fund SICAV - Jupiter Dynamic Bond	4.60%
M&G (Lux) Optimal Income Fund -C-H- GBP	4.55%
Allianz Technology Trust PLC	3.97%
Tritax Big Box REIT PLC	3.67%
International Public Partnerships Ltd	3.65%
Henderson International Income Trust PLC	3.57%

Calendar Year Performance (%)

	2016	2017	2018	2019	2020	2021	2022	2023	2024*
Multi-Asset Income Portfolio GBP(£)	3.84%	4.16%	-2.20%	16.13%	-10.71%	13.19%	-9.73%	3.50%	1.69%
Income Benchmark*	4.60%	5.99%	-6.45%	13.54%	-4.55%	9.76%	-9.54%	8.78%	5.72%

*35% FTSE UK Dividend Plus/ 40% iBoxx GBP Corporate Bonds 5-7YR / 10% FTSE NA UK REITS / 15% SONIA +2%

Cumulative Performance (%)

31-Oct-24	1m	3m	6m	1Y	3Y	5Y	SL
Multi-Asset Income Portfolio GBP(£)	-1.95%	-1.36%	2.60%	13.15%	-2.50%	1.49%	17.94%
Income Benchmark*	-1.90%	-0.92%	4.90%	15.43%	6.53%	13.19%	28.35%

3Y Rolling Annualised Volatility

Multi-Asset Income Portfolio GBP(£)	10.15
Income Benchmark*	8.43

Portfolio Profile

The portfolio achieves diversification by holding approximately 25 to 35 individual assets across five core asset classes, spanning more than 50 global financial markets.

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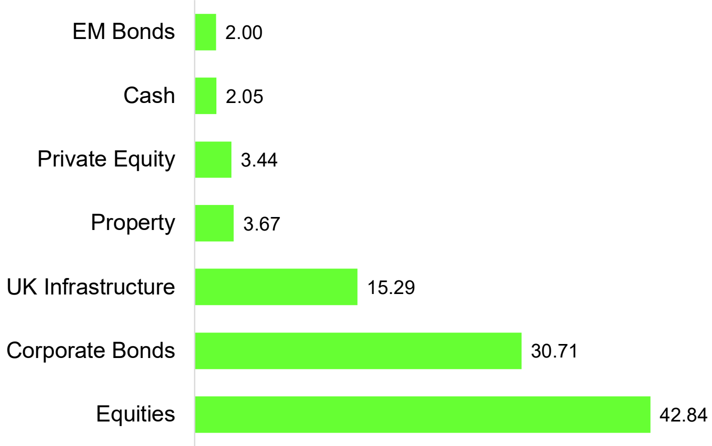
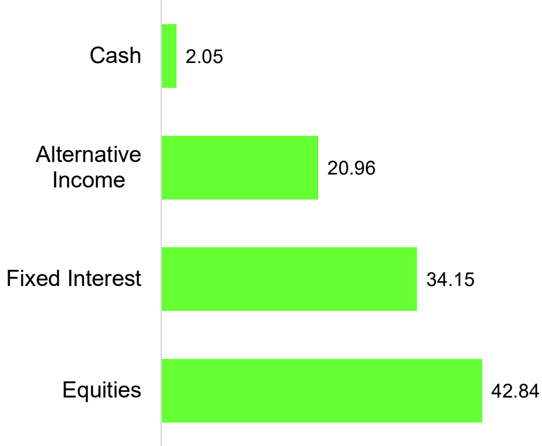
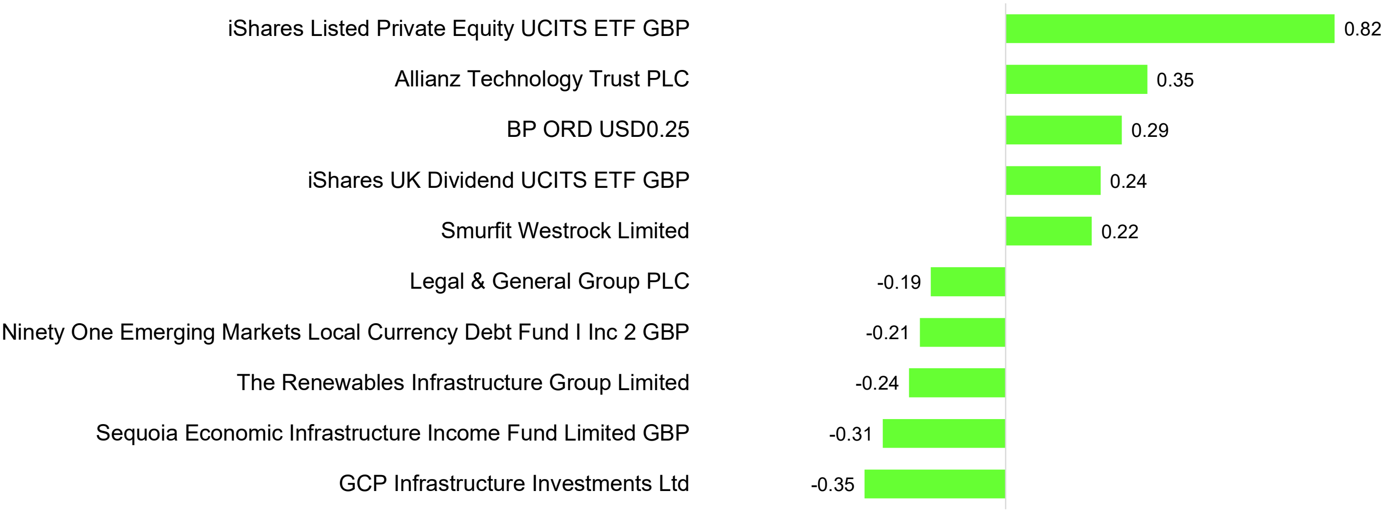
Portfolio Breakdown (% NAV)



Asset Allocation (% NAV)



Monthly Contribution (% NAV)



Investment Team

Andrew Gillham
Head of Fixed Income

Craig Farley
Chief Investment Officer

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Monthly PM Commentary

The annals of stock market history reveal October to be one of the more volatile months. Much like the sherpa attempting to navigate a tricky mountain pass, investors tried, but failed, in their quest to overcome their own 'wall of worry' in the form of heightened geopolitical risk, a mixed bag of corporate earnings results from members of the Mag7, and renewed questions about the health, and sustainability, of government finances.

All told, the scores on the doors are that global stocks, as measured by the MSCI All Country World Index, and government bonds, represented by UK Gilts, both declined by more than -2% in October. The whiff of a 2022 repeat (equities and bond prices moving in harmony, negating the effectiveness of bonds as a portfolio hedge) is, once again, hanging in the air.

Tailwinds that had been supercharging risk assets over the latter half of the summer included early, and in some cases aggressive, interest rate cuts from key central banks including the Federal Reserve. These have faded of late on account of resilient economic data that has raised questions over the speed and magnitude of further rate cuts into 2025.

To recap, the Fed has a dual mandate to a) maintain price stability, and b) maximise employment. Weakening inflation data through the first half of the year and three consecutive lacklustre monthly jobs reports over the summer had provided cover for the Fed to unleash an outsized 50 basis point cut. However, a blockbuster September payrolls report that included 254,000 jobs added and average hourly earnings up 4% year-over-year, suggested Powell and colleagues may have been too hasty with a jumbo move.

The final furlong of the US election race and the Labour government's first UK budget in 14 years ensured that politics remained a clear and present danger for money markets. As the probability of a victory for 'The Donald' increased, the Republican 'Trump trade' pushed US bond yields higher on expectations that his promises of tax cuts and tariffs will reignite inflation and chronically widen the Federal government deficit.

Closer to home, a classic 'tax and spend' budget from Chancellor Reeves pushed up gilt yields to their highest level this year as markets struggled to digest an additional £140 billion of borrowing over the next 5 years. The Office for Budget Responsibility labelled the plan 'one of the largest fiscal loosening's of any fiscal event in recent decades.'

Portfolio Positioning

A respectable month for the TEAM MPS range, with positive return streams emanating from the bulk of our equity positions across US physical infrastructure, global technology, global value, and Asia.

Separately, in a world of increasingly heightened geopolitical risk, concerns over dollar debasement, and the deafening silence from both US presidential candidates on addressing the country's enormous debt mountain, gold continues to shine. We anticipate that mining stocks are set to enjoy a long overdue moment in the sun against a backdrop of compelling valuations, cashflow and dividend growth, corporate pragmatism, and a reversal of investor apathy towards the sector.

The 'sinners list' of detractors includes bonds, although we have been steadfastly underweight this asset class for much of the post pandemic cycle. Within our bond sleeve, the preference has been investment grade, high yield corporate bonds, and emerging market local currency government bonds over UK government bonds and UK inflation-linked bonds where we remain sceptical that the term premiums being offered adequately compensate investors for the duration risk taken.

Finally, forecasting the US election result does not feature in our investment process. However, we will be watching with interest and stand ready to act should opportunities present themselves in the coming days.

Important