

Summary

- The Federal Reserve made a significant 50 basis point rate cut, shifting its focus from inflation to growth and employment stability. The Federal Open Market Committee (FOMC) is planning further cuts, with a gradual decline in rates expected by 2026.
- China announced a series of monetary and fiscal stimulus measures to boost confidence and economic activity. This included cuts to bank reserve requirements and key lending rates, as well as property-related measures.
- The global markets reacted positively to these developments. The pan-European Stoxx 600 index rose, with mining stocks leading the gains due to increased demand for commodities. Meanwhile, the UK's economic challenges continued to dominate headlines.

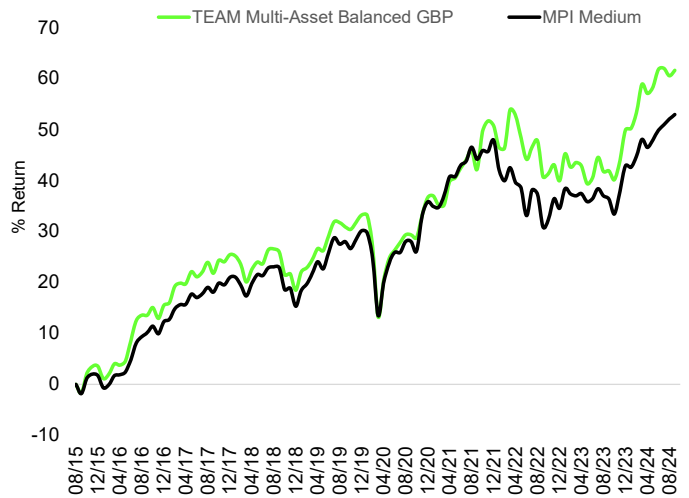
Portfolio Objective & Policy

We aim to provide capital growth and income over the longer-term from an actively managed portfolio of different asset classes and markets worldwide.

The main asset classes in which the portfolio will invest are global equities, global high yield bonds, absolute return strategies, alternative income-producing securities and real assets including gold, commodities, infrastructure and property.

Underpinning this objective is the constant search for genuine diversification. Average portfolio equity risk is approximately 45% through market cycles. There is no guarantee that a positive return will be delivered.

Portfolio Return Since Launch



Portfolio Information

Portfolio Manager	Craig Farley
Launch Date	Aug-15
Minimum Initial Investment (£)	10,000
Annual Management Charge	0.30 - 0.50%
Estimated OCF	0.23%
Base Currency	GBP (£)
Dealing Frequency	Daily, market hours
Custodian	Multiple Platforms
Benchmark	MPI Medium

Top 10 Holdings (% NAV)

SMI 3Fourteen FC Trend ETF	14.36%
iShares Core £ Corp Bond UCITS ETF GBP	9.70%
iShares Core UK GILTS	9.63%
iShares NASDAQ 100 UCITS ETF	8.10%
iShares Physical Gold ETC	6.00%
iShares Edge MSCI World Value	5.88%
iShares Asia 50 ETF	4.22%
Global X US Infrastructure	4.20%
iShares Global High Yield Corp Bond	3.94%
iShares JP Morgan EM Local Govt Bond	3.93%

Calendar Year Performance (%)

	2016	2017	2018	2019	2020	2021	2022	2023	2024*
Multi-Asset Balanced Portfolio GBP (£)	11.60%	8.59%	-5.59%	12.49%	2.55%	10.33%	-7.18%	7.14%	7.79%
MPI Medium	10.41%	7.72%	-4.67%	12.87%	4.36%	8.91%	-9.06%	6.23%	7.04%

(*YTD)

Cumulative Performance (%)

30-Sep-24	1m	3m	6m	1Y	3Y	5Y	SL
Multi-Asset Balanced Portfolio GBP (£)	0.65%	-0.12%	1.73%	13.88%	13.68%	23.43%	61.57%
MPI Medium	0.61%	2.08%	3.31%	12.19%	6.09%	19.49%	52.95%

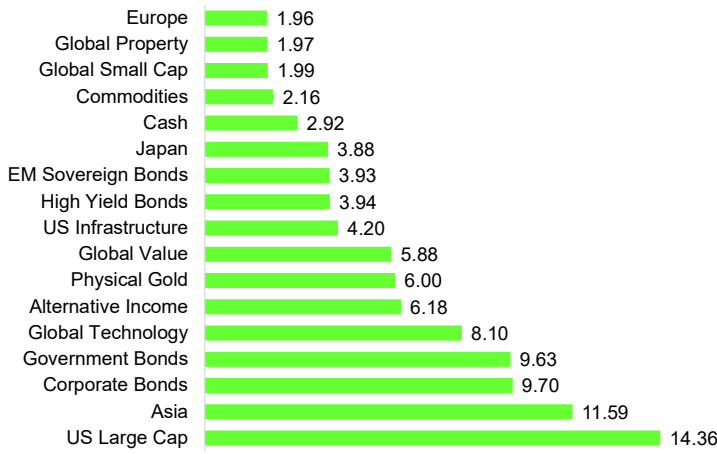
3Y Rolling Annualised Volatility

Multi-Asset Balanced Portfolio GBP (£)	6.13
MPI Medium	5.67

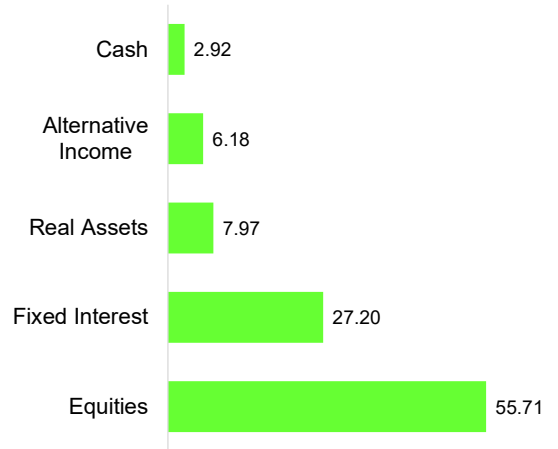
Portfolio Profile

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

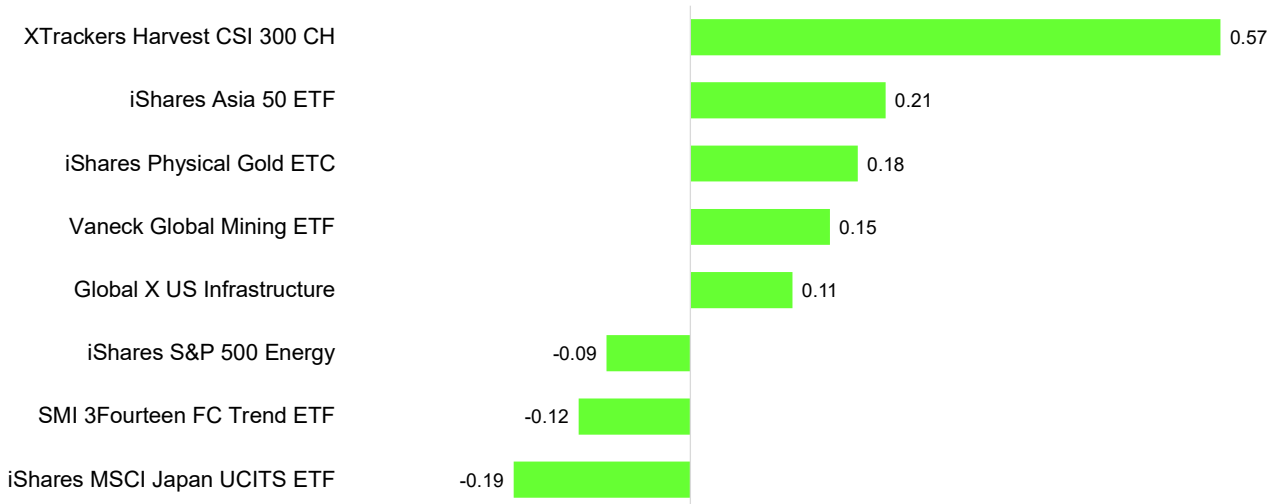
Portfolio Breakdown (% NAV)



Asset Allocation (% NAV)



Monthly Contribution (% NAV)



Investment Team



Craig Farley
Chief Investment Officer



Andrew Gillham
Head of Fixed Income

Monthly PM Commentary

The 'Fed Put', a term used by financial market participants to describe the belief that the US Federal Reserve will step in to support the economy and asset prices during times of stress or uncertainty, is back, baby.

That was the message from markets during a wild September where the path from A to B was anything but flat, which is broadly where both global equity and bond markets ended the month in sterling terms.

In one of the most widely anticipated interest rate decision meetings in history, Federal Reserve Chairman Jerome Powell delivered a jumbo 50 basis point rate cut, the first of its kind outside of recessionary episodes in the modern era. The accompanying statement and comments indicated the lens of the committee has now shifted from inflation and towards growth. Employment stability is now the number one policy priority.

The Federal Open Market Committee (FOMC) is pencilling in another half point of cuts before the year end, suggesting 25 basis point cuts at each of the next two meetings. Looking longer-term, the Committee feel that a gradual decline in rates from the current 4.75-5% level towards 2.75-3% is expected by 2026.

History tells us that when a rate cutting cycle begins, equity markets move strongly higher over the next year or two. However, during the 2000 and 2007 rate cutting cycles there were noticeable negative equity returns over the following two years. The determining factor between these two binary outcomes is whether the US enters a recession. For now, the weight of evidence suggests not.

Following a lull mid-month as investors digested mixed macro data from America and more alarming economic paralysis in Germany, the 2024 bull stampede was reignited by China, as Beijing officials declared their own version of Mario Draghi's famous 'whatever it takes' moment, unleashing a wide-ranging series of monetary and fiscal stimulus measures in a bid to shore up confidence amongst the populace.

The People's Bank of China (PBOC) announced significant cuts to bank reserve requirements and a key lending rate, a slew of property-related measures designed to stimulate activity, and liquidity support for China Inc. The coordinated policy moves aim to stimulate growth amid significant economic challenges, providing a short-term boost to investor sentiment.

Mr Market's ability to confound and surprise is one of the few constants in the investing world. Having registered 52-week price lows less than a fortnight ago amidst a widespread sense that China has become 'un-investable', the domestic Shanghai and Shenzhen indexes soared to touch new 52-week price highs on Monday, enjoying their best week since 2008.

China's news acted like a steroid injection for risk assets, with sectors and companies that have been hurt by the country's economic slowdown this year now benefitting from the pivot towards improving domestic consumption and industrial activity.

The pan-European Stoxx 600 index rose, with most sectors in positive territory. Mining stocks led the gains, benefiting from what is likely to be significantly increased demand for commodities. Major miners like Antofagasta, Anglo-American, Glencore, and Rio Tinto saw strong increases.

Closer to home, the UK's economic challenges have dominated recent headlines, with the recently installed Labour government grappling high debt, sluggish growth, and limited options for public investment.

Portfolio Positioning

A broadly respectable month for the TEAM MPS range, with alpha generation emanating from our domestic China equity position where patience has been rewarded, and our liquid alternatives sleeve (physical gold and mining stocks, improving sentiment towards the global property sector, US infrastructure equities). Bonds also continue to (re)offer effective portfolio ballast in the prevailing environment.

The 'sinners list' of detractors includes long-term equity winners of this post pandemic cycle, notably India and Japan, where we have scaled back portfolio exposure in recent months.

Importantly, the currency factor also played a key role with the dollar depreciating over 2% versus sterling on the month. All TEAM MPS portfolios hold a meaningful amount of dollar-denominated assets. We are not currency traders, and exposure to the world's reserve currency seems to us to be a pragmatic approach in the context of portfolio construction.

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