

Multi-Asset Balanced MPS Portfolio GBP (£)

TEAM

January 2025 Monthly Report

(All data as at 31 January 2025)

Information

Portfolio Facts

Manager **Craig Farley**

Launch **Aug-15**

Annual Management Charge **0.30% - 0.50%**

Ongoing Charge Fee* **0.30%**

Currencies available **GBP, EUR, USD**

Dealing Frequency **Daily, Market Hours**

Custodian **Multiple Platforms**

Benchmark **MPI Medium**

*Estimated

3Y Volatility

Portfolio **7.86**

Benchmark **7.21**

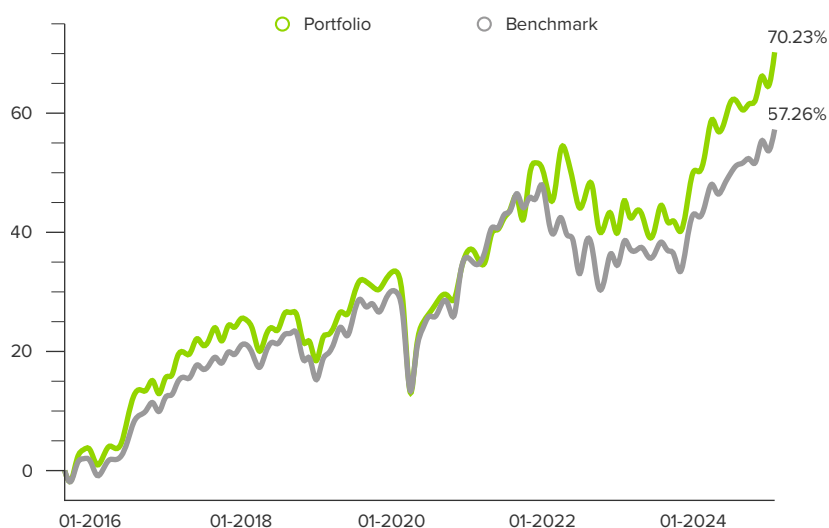
Objective

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 50% through market cycles. There is no guarantee that a positive return will be delivered.

Return (since launch)



The benchmark used is the Managed Portfolio Indices (MPI) representing the median average return of a peer group of approximately 50 wealth managers and investment managers across the UK and Channel Islands.

Calendar Performance (%)

(*YTD)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025*
Multi-Asset Balanced Portfolio GBP (£)	11.60%	8.59%	-5.59%	12.49%	2.55%	10.33%	-7.18%	7.14%	9.76%	3.47%
MPI Medium	10.41%	7.72%	-4.67%	12.86%	4.36%	8.91%	-9.06%	6.23%	6.69%	2.33%

Cumulative Performance (%)

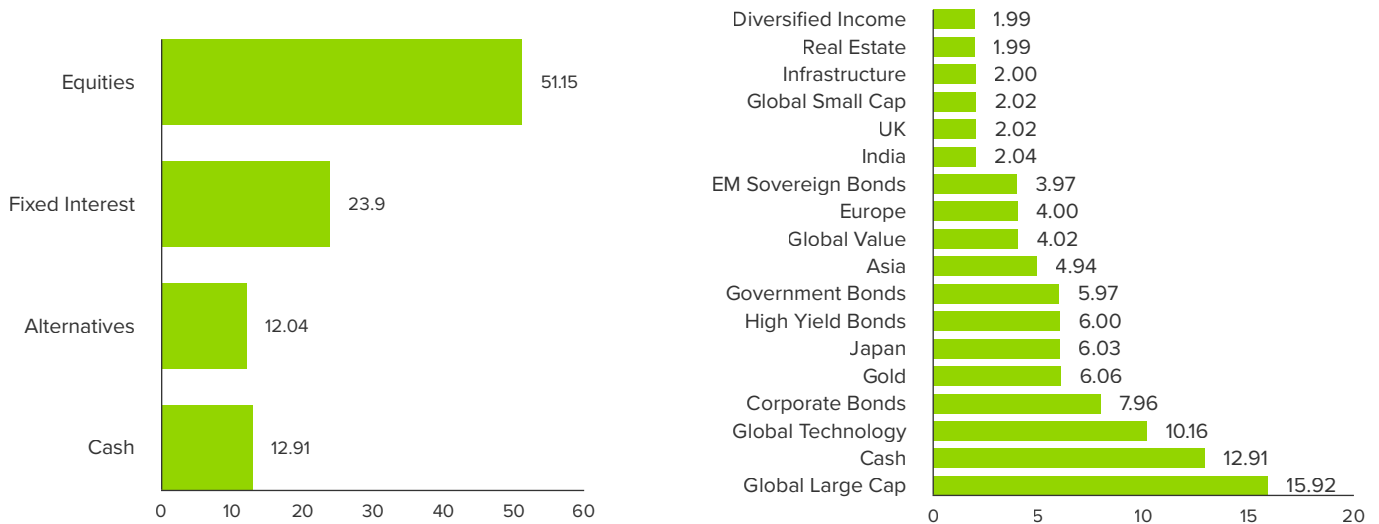
	1m	3m	6m	1Y	3Y	5Y	SL
Multi-Asset Balanced Portfolio GBP (£)	3.47%	4.86%	5.08%	13.34%	16.24%	27.86%	70.23%
MPI Medium	2.33%	3.58%	3.98%	10.29%	10.69%	21.26%	57.26%

Multi-Asset Balanced MPS Portfolio GBP (£)

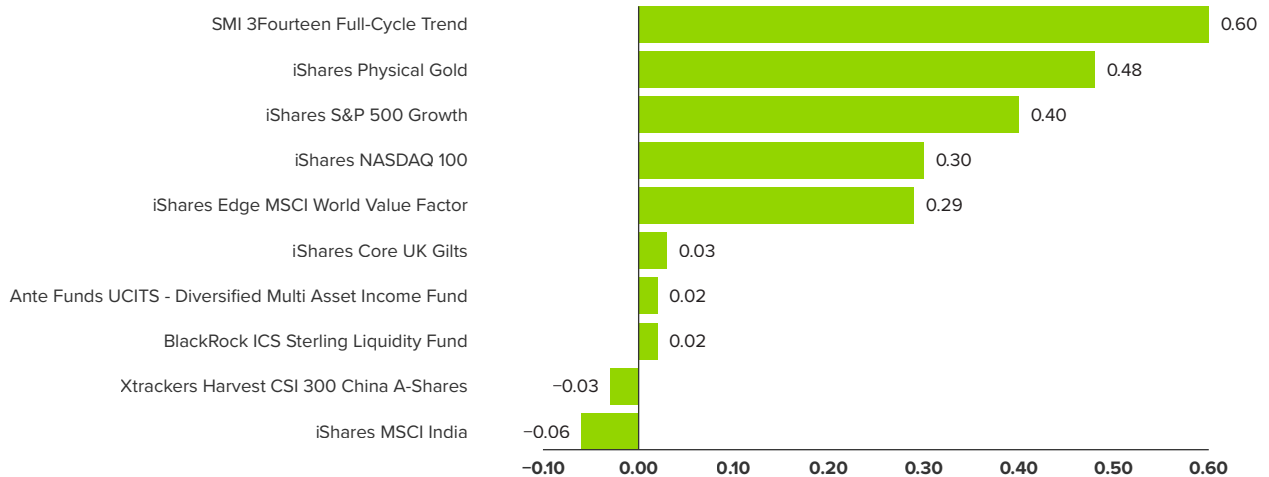
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Asset Allocation (% NAV)



Return Contribution (% NAV)



Top 10 Holdings

Cash	12.91%
iShares NASDAQ 100	10.16%
iShares S&P 500 Equal Weight	8.01%
iShares Core Corp GBP Bond	7.96%
iShares S&P 500 Growth	7.91%
iShares Physical Gold	6.06%
iShares MSCI Japan	6.03%
iShares Global High Yield Corp Bond GBP	6.00%
iShares Core UK Gilts	5.97%
iShares Edge MSCI World Value Factor	4.02%

Important

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Market Commentary

US major indices closed out January with strong performance, every sector in the 'green' (profit), and with seasoned market observer's hopeful that the 'January Barometer' will play out in 2025. To recap, the January Barometer, first devised by Yale Hirsch of Stock Trader's Almanac fame, holds that a positive close for the S&P 500 Index in January portends better than average returns for US stocks for the full year.

Using S&P 500 index data going back to 1950, a positive January return has resulted in an average annual return of +16.8%. This compares to an average annual return of -1.8% if January is a negative month. Fans of seasonality work will point out that the January Barometer has registered only 12 errors between 1950 and 2025, for an accuracy ratio of 84%.

Headline index returns mask two notable market setbacks during the month. The first was a stunning development in the AI space, namely the unveiling of a Chinese AI chatbot, Deep Seek R1. Developers of Deep Seek, a free open-source language model that has quickly become the App Store's most downloaded app, claim that it only took two months and less than \$6 million to build using less advanced Nvidia chips.

The revelations prompted panic-sell activity in Nvidia and all things AI, before relative calm was restored following working theories that a) the Chinese company in question had spent hundreds of millions of dollars more on advanced semiconductor chips than initially disclosed, and b) the Deep

Seek R1 model performed poorly across a range of metrics when measured against established US peers.

The sell-off in the technology sector prompted a call-to-arms from the retail investor community, who stepped in and purchased almost one trillion dollars-worth of QQQ (the Nasdaq-100 index ETF tracker), culminating in the largest weekly inflow to the product in four years. Sensible dip-buying into an established long-term investment theme, or the strong whiff of FOMO? Only time will tell...

Insatiable appetite for American stocks, led by the 'Magnificent 7', also overwhelmed a second development, namely lacklustre macroeconomic data released during the month. America fourth quarter GDP was +2.3% (versus +2.6% expected, and sharply down from the 3% run rate of the past few quarters), whilst Personal Consumption Expenditures (PCE) inflation was +4.2% (versus +3.2% expected). Meanwhile, the European Central Bank cut interest rates again by 25 basis points to 2.75%, with President Lagarde pointing to anaemic growth as a key factor.

Portfolio Positioning

As noted in our recent 2025 outlook commentary, we have steadfastly adopted a core-satellite approach to our equity risk exposure for the past two years, with America as core, reflecting the strong leadership the market has exhibited in this post pandemic cycle.

Whilst US large-cap, technology, and US small cap companies delivered positive contributions during the month, the most notable development (in our opinion) was the absolute and relative outperformance of European stock markets against a backdrop of broad economic malaise and a vacuum in place of meaningful policies to incentivise business investment and growth.

As the saying goes, one swallow does not a summer make, but the slowing outperformance of mega-cap technology alongside a global rotation into cheaper equity markets has been acknowledged by our investment framework. Viewed through the prism of fundamental investment building blocks (valuation,

sentiment, technical, positioning), America is flashing 'red' on all metrics.

We are not proclaiming imminent recession, but we do think the seeds have been sown for a potential growth scare in 2025. The US housing market remains an area of vulnerability, with unsold inventory amongst the big national developers creeping steadily higher. Separately, government employment has done the heavy lifting in terms of payroll growth this cycle but looks to be firmly in the crosshairs of the Department of Government Efficiency (DOGE) that is hellbent on showing quick and effective results.

Consequently, we have made some meaningful adjustments to our tactical asset allocation heading into February, dialling down equity risk exposure for our more conservative and balanced strategies, and boosting cash levels, whilst shifting some American equity exposure to more unloved areas for our growth and equity risk strategies.



Craig Farley

Chief Investment Officer

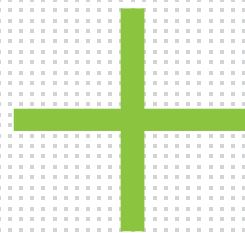
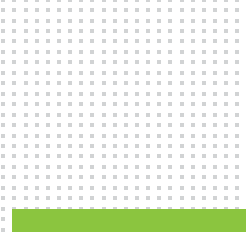
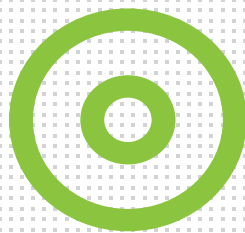
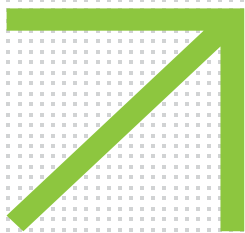
Craig is an experienced capital markets professional with 20+ years buy-side experience as a PM and strategist across asset classes. He is responsible for setting the optimal global asset allocation mix across TEAM's multi asset investment range. He provides frequent commentary, analysis, and insights for clients on the important issues impacting markets.



Andrew Gillham

Head of Fixed Income

Andrew graduated with a BA (Hons) Economics degree and started his finance industry career with HSBC Private Bank's graduate programme. Thereafter, Andrew joined Insinger de Beaufort as a dealer on their bond trading desk before embarking on a career in investment management, focussed on overseeing dedicated fixed income mandates.



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