

Multi-Asset Diversified Income MPS Portfolio GBP (£)

TEAM

February 2025 Monthly Report

(All data as at 28 February 2025)

Information

Portfolio Facts

Manager **Andrew Gillham**

Launch **Jun-16**

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

Ongoing Charge Fee* **0.66%**

Currencies available **GBP, EUR**

Dealing Frequency **Daily, Market Hours**

Custodian **Multiple Platforms**

Benchmark **Composite**

*Estimated, may vary depending on platform.

3Y Volatility

Portfolio **9.98**

Benchmark **10.34**

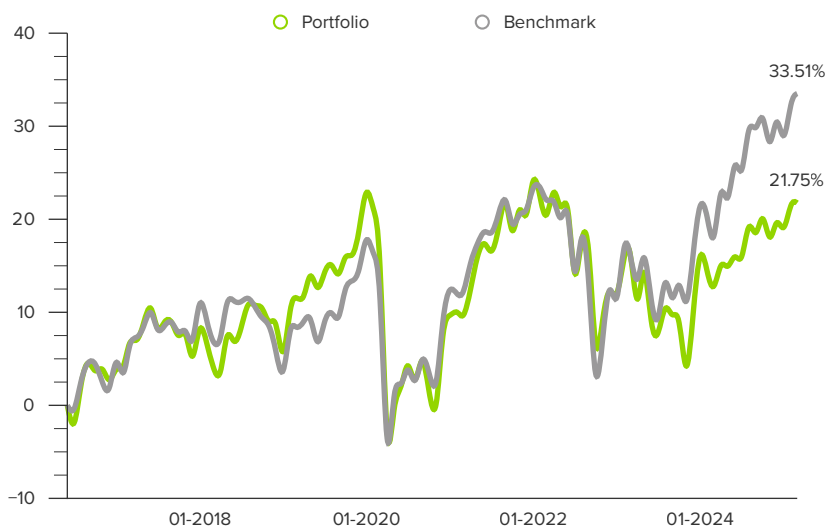
Objective

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.

Return (since launch)



The benchmark used is comprised of 35% FTSE UK Dividend Plus / 40% iBoxx GBP Corporate Bonds 5-7YR / 10% FTSE NA UK REITS / 15% SONIA +2%.

Calendar Performance (%)

(*YTD)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025*
Diversified Income Portfolio GBP (£)	3.84%	4.16%	-2.20%	16.13%	-10.71%	13.19%	-9.73%	3.50%	2.72%	2.19%
Income Benchmark	4.60%	5.99%	-6.45%	13.54%	-4.55%	9.76%	-9.54%	8.78%	6.26%	3.49%

Cumulative Performance (%)

	1m	3m	6m	1Y	3Y	5Y	SL
Diversified Income Portfolio GBP (£)	0.26%	1.80%	2.68%	7.91%	1.00%	6.07%	21.75%
Income Benchmark	0.95%	2.36%	2.80%	12.95%	9.39%	19.97%	33.51%

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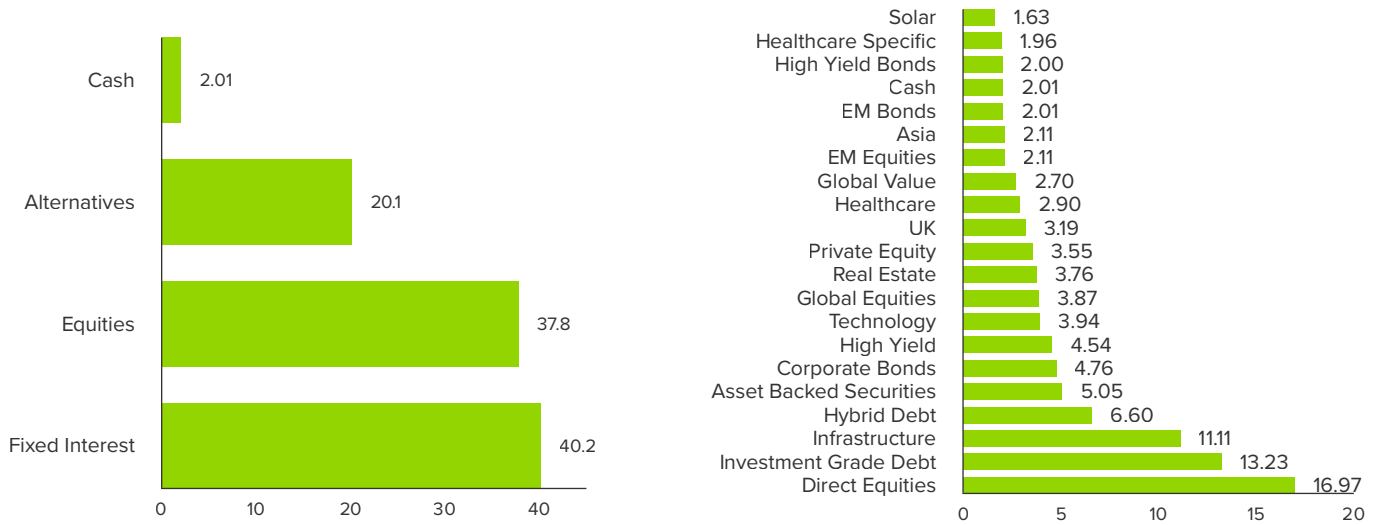
CAPITAL INTERNATIONAL GROUP

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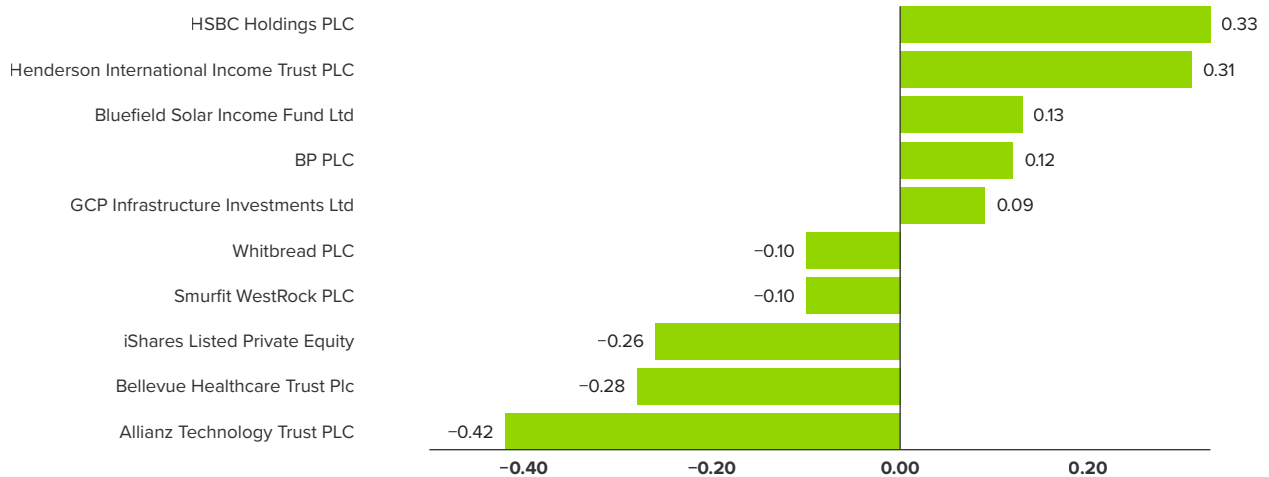
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Asset Allocation (% NAV)



Return Contribution (%)



Top 10 Holdings

Titan Hybrid Capital Bond Fund	6.60%
Vontobel Fund - Twentyfour Strategic Income Fund	5.07%
TwentyFour Income Fund Ltd	5.05%
Royal London AM Sterling Extra Yield Bond Fund	4.76%
Jupiter JGF - Dynamic Bond Fund	4.54%
Aegon Strategic Global Bond Fund	4.08%
M&G Lux Optimal Income Fund	4.08%
Allianz Technology Trust	3.94%
Henderson International Income Trust plc	3.87%
Tritax Big Box REIT plc	3.76%

Important

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Market Commentary

February was a mirror image of January with markets starting off on the front foot, propelling US markets to all-time highs, before the combative policies of the America First agenda and the headline grabbing activities of DOGE (the Department of Government Efficiency) hit investor sentiment, sending global markets lower. High-flying US tech stocks were most exposed, despite another stellar quarterly earnings report from the market's AI darling Nvidia, and the "Magnificent Seven" led the Nasdaq Composite Index 4% lower on the month.

Markets which have been out of favour for so long, including the UK and Europe, fared much better and once again posted positive returns for the month suggesting that we might be in the early stages of a rotation into cheaper markets.

Concerns over the upcoming supply of government bonds to fund budget deficits, and pay for much larger commitments to military spending, weighed on bonds but ultimately a more pessimistic growth outlook provided enough tailwinds for bonds to end the month in positive territory.

Despite some disappointing inflation data, UK CPI inflation accelerated to a 10-month high of 3% in January, the Bank of England cut its base rate by another quarter of a percent to 4.50%, reflecting its downward revision to its growth forecast for the UK economy to 0.75% for this year.

Seven out of the nine-member Monetary Policy Committee

voted in favour of the move whilst a minority of two, backed a larger half-point reduction to give the economy a greater stimulus boost. Money markets are now pricing in two more quarter point cuts for the remainder of the year to bring the base rate down to 4.0%.

Much more surprisingly, the American economy is also facing a growth scare and the Atlanta Fed's GDPNow model is projecting it to contract at an annualised rate of 2.4% in the first quarter. Just four weeks ago, it was +3.9%! Whilst it is an outlier to other forecasts, investment banks, including Goldman Sachs and JP Morgan, have also slashed their growth forecasts and raised the probability of a risk of recession later in the year. Clearly the unpredictability of White House policy, and DOGE, are undermining business and consumer confidence.

Portfolio Positioning

During the month we reduced our holding in Henderson International Income Trust ("HINT") after its share price rose 9% on the announcement it will merge with the larger JPMorgan Global Growth & Income PLC ("JGGI").

The two trusts have similar objectives, investing on a global basis. More than 85% of HINT's shareholders also own JGGI, and JPMorgan will manage the enlarged entity under the JGGI name.

The proceeds from the sale were used to add to position in the Aegon Strategic Global Bond Fund, reflecting our preference for bond funds which have the tools to be flexible and nimble in a more volatile long-term interest rate environment. The majority (55%) of the bonds held are investment grade rated.

On fixed income, our strategic views have been consistent for some time now. We remained concerned about long duration

bonds against the backdrop of mounting government deficits and a wall of supply this year that could create refinancing problems for weaker high yield (B/CCC) companies.

In a more unpredictable and noisy policy environment, we believe that diversification across asset classes, and geographies, is more important than ever.



Craig Farley

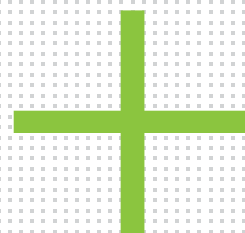
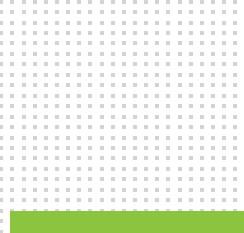
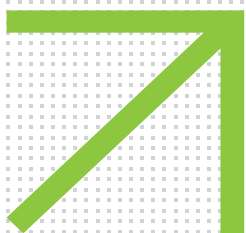
Chief Investment Officer

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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