Multi-Asset Diversified Income MPS Portfolio GBP (£)

TEAM

July 2026 Monthly Report

(All data as at 31 July 2026)

Information

Portfolio Facts	
Manager	**Andrew Gillham**
Launch	**Jun-16**
Annual Management Charge	**0.30% - 0.50%**
Ongoing Charge Fee*	**0.57%**
Currencies available	**GBP, EUR**
Dealing Frequency	**Daily, Market Hours**
Custodian	**Multiple Platforms**
Benchmark	**SONIA + 1.5%**

*Estimated, may vary depending on platform.

3Y Volatility	
Portfolio	**7.49**
Benchmark	**0.20**

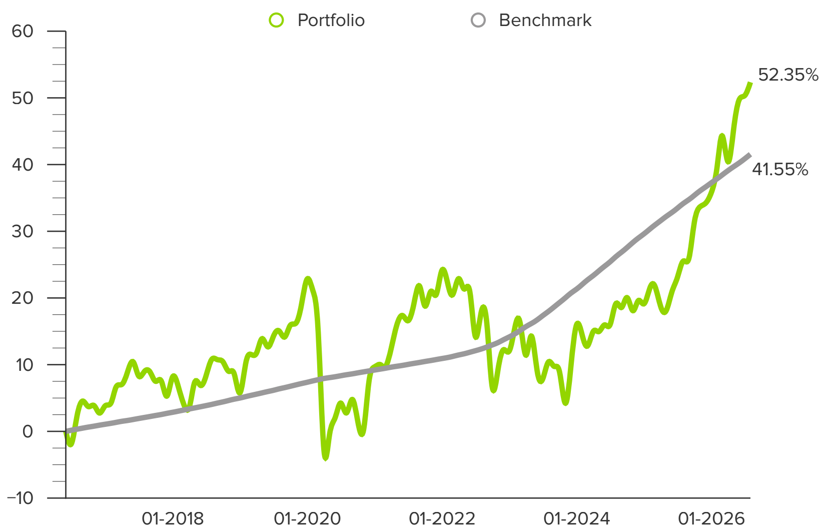
Objective

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)

	2021	2022	2023	2024	2025	2026*
Diversified Income Portfolio GBP (£)	13.19%	−9.73%	3.50%	2.72%	13.99%	12.18%
Income Benchmark	1.57%	2.92%	6.28%	6.83%	5.90%	3.12%

Cumulative Performance (%)

	1m	3m	6m	1Y	3Y	5Y	SL
Diversified Income Portfolio GBP (£)	1.34%	4.99%	9.12%	21.39%	38.01%	28.02%	52.35%
Income Benchmark	0.48%	1.35%	2.67%	5.51%	19.99%	28.46%	41.55%

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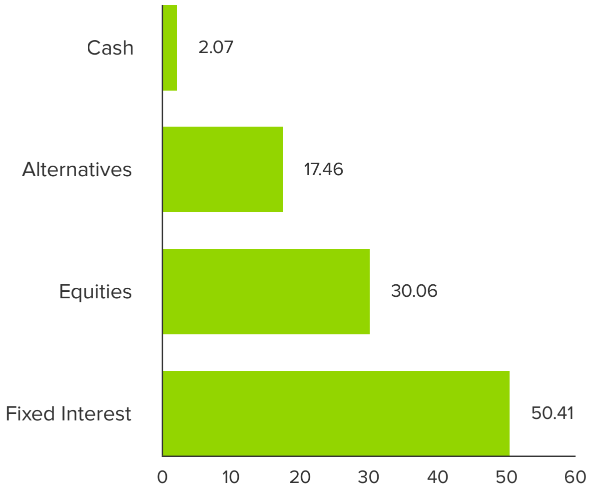
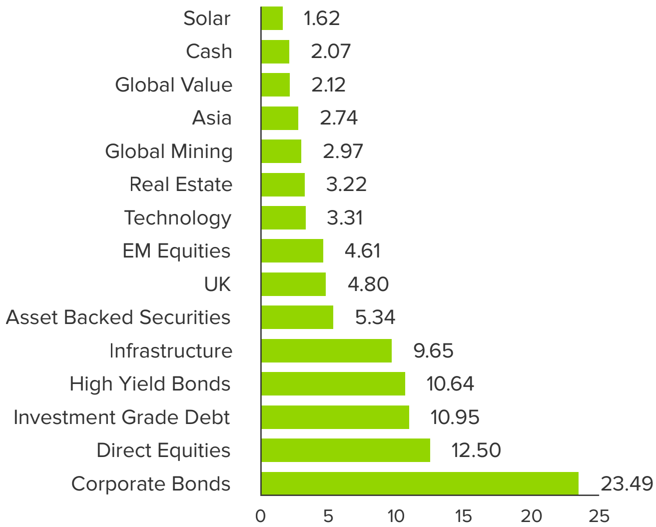
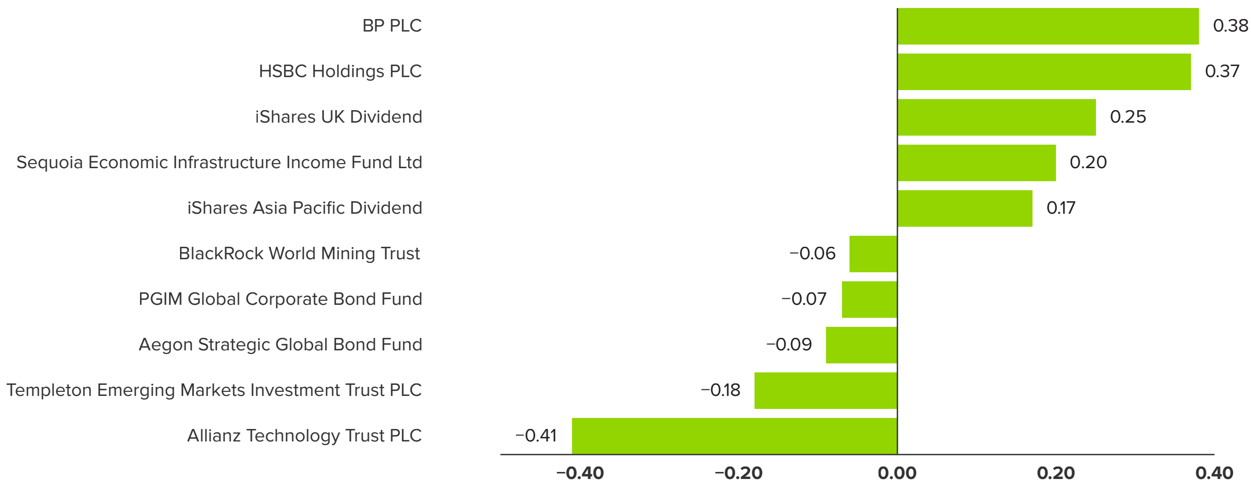
Asset Allocation (% NAV)





Return Contribution (%)



Top 10 Holdings

JP Morgan GBP Ultra-Short Income	6.70%
Vontobel -TwentyFour Sustainable Short Term Bond	6.65%
Titan Hybrid Capital Bond	6.60%
TwentyFour Income Fund Limited	5.61%
Aegon Strategic Global Fund	5.56%
Vontobel - TwentyFour Strategic Income Fund	5.39%
TwentyFour Income Fund	5.34%
iShares UK Dividend	4.80%
PGIM Global Corporate Bond Fund	4.52%
Jupiter Dynamic Bond Fund	4.04%

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Market Commentary

July was another volatile, geopolitically charged month for equities, bonds and commodities. The resumption of hostilities between Iran and the US pushed brent crude bank towards $100 a barrel, leading central banks to adopt a more hawkish stance.

The declaration of a 'deal' and subsequent Memorandum of Understanding (MOU) signed by America and Iran on 17 June has proven to be nothing more than paper promises, with both signs reengaging in increasingly hostile tit-for-tat military attacks. The (re)escalation reached fever pitch late in the month, with Washington threatening strikes against Iranian bridges and power stations, and Iranian officials warning that regional energy infrastructure would remain unsafe without security guarantees.

At the beginning of July, markets were pricing oil at levels that implied a swift return to 'normal' commercial traffic volumes in the Strait of Hormuz. Renewed geopolitical escalation has turned that scenario on its head, with the rolling twenty-four-hour count pointing to a renewed collapse in shipping activity. Countries dependent on the region for their energy needs have already drawn heavily on strategic reserves and remain uncomfortably exposed to prolonged closure of the waterway.

Although the Bank of England and Federal Reserve left interest rates unchanged, there is a growing divide amongst policymakers on both sides of the Atlantic over the appropriate response to the energy price shock. The prevailing argument for the time being is monetary policy cannot directly offset an external energy price shock and noted that mortgage rates, corporate borrowing costs and market interest rates have all risen materially, providing restraint of economic activity and inflation.

However, there were three dissenters on each of the BoE's MPC and Fed's FOMC, pushing for immediate action to reduce the risk of higher energy prices feeding through to broader inflation via wages and inflation expectations. Money markets are now pricing in both central banks to hike interest rates two times over the next twelve months.

In equity markets, this summer's drama unfolded in the technology sector, more specifically in the prices of semiconductor companies that have been the key 'picks and shovels' beneficiaries of the AI story in this cycle. Insatiable global demand for compute had propelled a handful of the world's leading hardware companies to stratospheric levels over the past 12 months. But, as investing legend, and Vanguard founder Jack Bogle opined, 'reversion to the mean is the iron law of financial markets.'

Earnings results and guidance from some of America's dominant companies fanned growing scepticism over whether AI will deliver meaningful long-term profits for shareholders. Tesla sold more cars than ever last quarter (albeit with drastic price cuts and incentives), but raised full-year capex by $5.8 billion, or +142% versus last year. Google announced it will spend $195-$205 billion on capex in 2026 to pay for soaring chip costs, turning the company free cash flow negative for the first time in the company's listed history.

Capital flowed out slowly, then suddenly, as investors rushed for the exit, creating a viscous correction in prices. From the beginning of June to late July, the semiconductor index lost -23% in sterling terms, with leading memory chip makers more than halving in market value.

The FTSE 100 (+3.6%) was a beneficiary of the rotation into more defensive sectors.

Portfolio Positioning

The portfolio is built around a core allocation to corporate bonds which provide reliable and stable, contracted income streams.

The risks that the G7 governments will miss fiscal deficit reductions targets, complicated further by the events of recent months which have underscored the pressing need for Europe to ramp up its spend on defence, leads to a bias towards steeper yield curves in the year ahead.

We therefore favour short-to-medium dated corporate bonds, or the "belly" of the curve, which should be more resilient to any volatility in long-term rates. We also invest in bond funds that have significant exposure to financial hybrid bonds issued by highly capitalised European banks and insurance companies which offer high yield returns from investment grade rated issuers.

The allocations to equity, alternative investments and real estate provide diversification within the strategy and the potential to provide some capital growth over the medium-term to offset the impact of inflation.

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.

Get in touch

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