Multi-Asset Diversified Income MPS Portfolio GBP (£)

TEAM

May 2026 Monthly Report

(All data as at 29 May 2026)

Information

Portfolio Facts	
Manager	**Andrew Gillham**
Launch	**Jun-16**
Annual Management Charge	**0.30% - 0.50%**
Ongoing Charge Fee*	**0.59%**
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	**8.18**
Benchmark	**0.20**

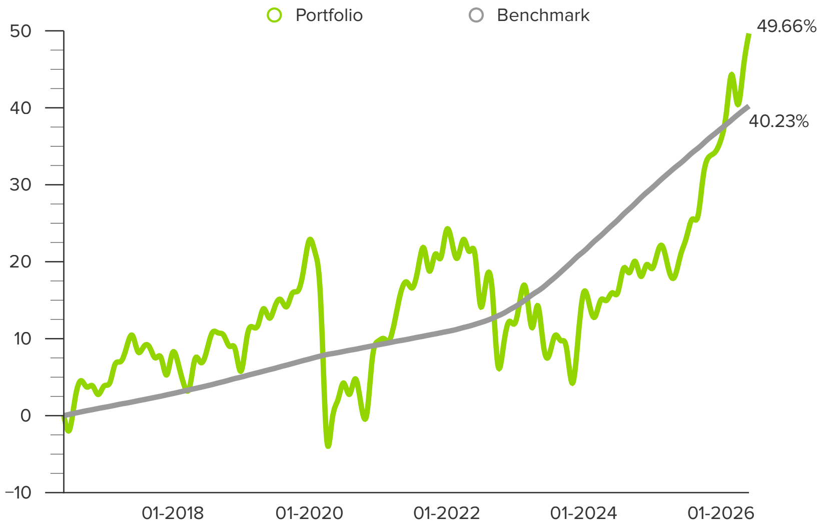
Objective

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%**	**10.20%**
Income Benchmark	**1.57%**	**2.92%**	**6.28%**	**6.83%**	**5.90%**	**2.16%**

Cumulative Performance (%)

	1m	3m	6m	1Y	3Y	5Y	SL
Diversified Income Portfolio GBP (£)	**3.13%**	**3.72%**	**11.51%**	**23.78%**	**37.15%**	**27.52%**	**49.66%**
Income Benchmark	**0.40%**	**1.29%**	**2.62%**	**5.58%**	**20.15%**	**27.61%**	**40.23%**

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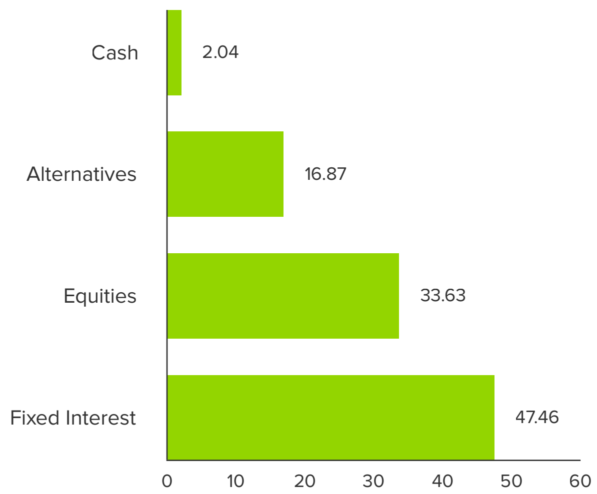
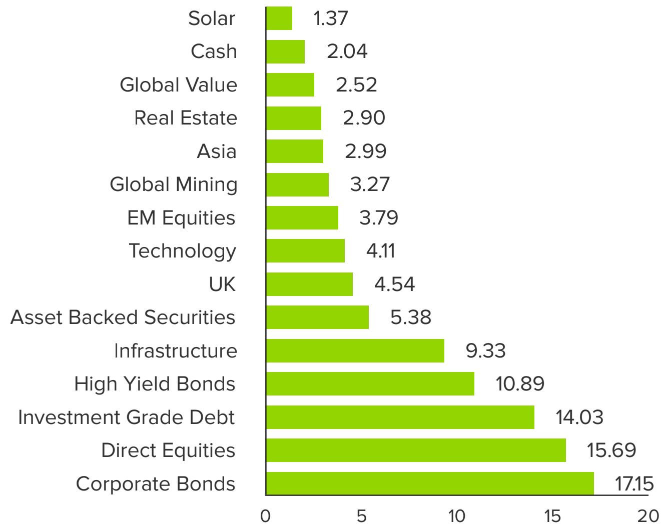
Asset Allocation (% NAV)





Return Contribution (%)

Top 10 Holdings

Titan Hybrid Capital Bond Fund	6.65%
Vontobel -TwentyFour Sustainable Short Term Bond	6.63%
JP Morgan GBP Ultra-Short Income	6.03%
TwentyFour Income Fund Limited	5.38%
Aegon Strategic Global Fund	5.32%
Vontobel - TwentyFour Strategic Income Fund	5.01%
iShares UK Dividend	4.54%
Royal London AM Sterling Extra Yield Bond Fund	4.49%
Jupiter Dynamic Bond Fund	4.24%
Allianz Technology Trust	4.11%

Important

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Market Commentary

May was a positive month for most asset classes as optimism over a truce between the US and Iran increased. The S&P 500 reached new record highs as investors responded to stronger-than-expected corporate earnings and evidence that substantial AI-related capital expenditure is beginning to translate into revenue growth. Semiconductor manufacturers, data centre operators, and AI infrastructure providers outperformed.

UK and European equities generated more modest gains but continued to benefit from improving economic sentiment and relatively attractive valuations. Financials remained supported by healthy profitability, while industrial companies benefited from expectations of increased infrastructure and defence spending.

At one point, long-dated UK Gilt yields soared to their highest level since 1998 as markets repriced the odds that Keir Starmer will be ousted as Prime Minister and leader of the Labour Party. Political infighting and squabbling have superseded responsible government yet again, with investors viewing left-leaning potential replacements (including Andy Burnham, Angela Rayner, and Wes Streeting) as bad news in the context of an already perilous fiscal situation.

The market reaction forced Andy Burnham, the clear frontrunner in the leadership race, to hastily reassure markets that he is committed to Rachel Reeves' fiscal rules and investors have given him the benefit of the doubt with UK government bond markets recovering to record their strongest monthly gains since February.

Gilts were also beneficiaries of the optimism that a truce between the US and Iran is within touching distance. A re-opening of the Strait of Hormuz would reduce the risk of an inflation shock and enable central banks to take a more measured approached to raising interest rates. Money markets have pared back expectations of rate hikes by the Bank of England to two between now and year-end.

The BoE's Monetary Policy Committee faces a genuinely difficult policy dilemma: inflation above target and likely to remain so through most of 2026, set against softening growth, a cooling labour market, and the risk that holding rates too long tips the economy into a more severe slowdown. The dispersion of views within the committee — from one member voting for a hike to several potentially ready to argue for a cut — reflects the genuine uncertainty.

Corporate bond new issuance remained solid in May, with financial sector names — bank senior preferred, covered bonds, and insurance subordinated debt — dominating the sterling primary calendar. UK utilities and infrastructure names were also active issuers, tapping long-dated sterling demand from pension funds and insurers with real liability-matching requirements. Order books on new deals were generally well covered, reflecting the depth and resilience of sterling credit's institutional investor base.

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

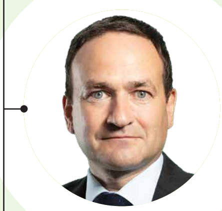
Chief Investment Officer

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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