February 2025

MPS on Platform - Risk Profile 5 Portfolio

Portfolio characteristics

Launched	July 2004
Target return	Inflation +4%
Maximum equity	65%
Estimated yield	2.83%
Recommended investment period	10+ years
ISA eligible	Yes

Costs and charges

Costs and charges may vary depending on the level of replication available on the Platform and terms and conditions will vary from one platform to another. We recommend you consult your Financial Adviser if you require more information.

Annual management charge	0.25%
Ongoing charges figure#	0.30%
Total	0.55%

All performance figures are shown are net of underlying fund charges and the Annual Management Charge 'AMC'. Fees charged by the Platform and any Financial Adviser are not taken into account.

Performance

The performance of the Platform Managed Portfolio Service – 'MPS on Platform' illustrated in this factsheet combines two key periods:

(i) Legacy Track Record – this covers performance from Psigma Investment Management MPS service from inception until 30 June 2022 when it became the CGWM MPS service .

(ii) CGWM MPS Service from 01 July 2022 to 30 June 2024.

From 01 July 2024, the overall performance will reflect both the historic performance of the CGWM MPS service and the new CGWM MPS on Platform service.

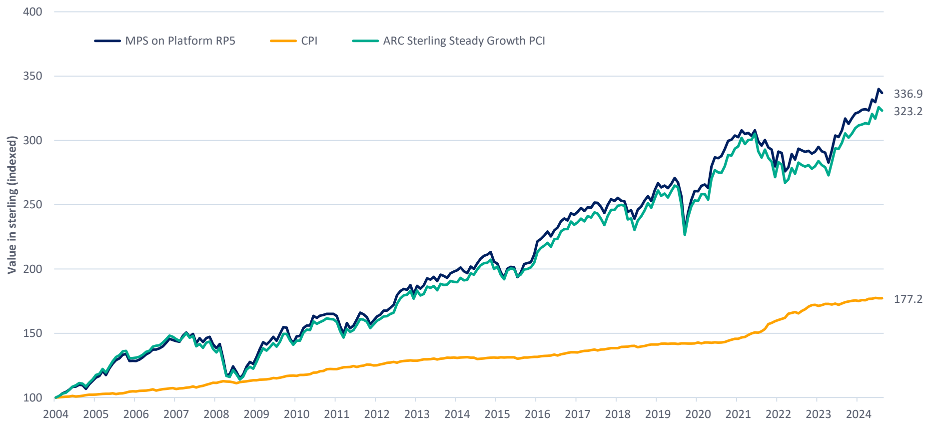
For full details of the terms used see the Glossary on page 2.

This document is intended to aid a wider discussion between clients and their investment and/or financial adviser about this investment portfolio. It is for information purposes only and is not to be construed as a solicitation or an offer to purchase or sell investments, address the financial situations or needs of any specific investor nor is it deemed to be a form of advice to invest in this portfolio. Investors should make their own investment decisions based upon their own financial objectives and financial resources and, if in any doubt, should seek advice from an investment and/or financial adviser.

Investment objective

Our objective for this strategy is to achieve a return of inflation +4% over a minimum rolling period of 10 years. A proportion of the overall return will come from the income generated. The strategy is designed to generate risk adjusted returns over the suggested time horizon. This strategy has a higher weight of equity investments than fixed income assets, as well as using other diversifying financial instruments. To assist in the reduction of volatility and deliver uncorrelated returns during periods of unfavourable market conditions, alternative asset classes such as commodities, currencies, infrastructure and hedge funds may be used. Investors in the Risk Profile 5 strategy are prepared to accept a more material degree of short-term losses in exchange for the possibility of higher total returns.

Performance since inception (31/07/2004)



Past performance is not a guide to future performance.

Discrete performance (%)

Total return as at 28/02/2025

	2025 YTD*	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Model	+2.2	+8.6	+6.6	-7.4	+7.4	+5.9	+13.3	-5.0	+9.4	+14.3	+0.6
CPI	-0.1	+2.6	+3.9	+10.5	+5.4	+0.6	+1.3	+2.1	+2.9	+1.6	+0.2
ARC Sterling Steady Growth PCI	+2.0	+7.9	+7.2	-10.2	+10.2	+4.6	+15.0	-5.6	+9.4	+11.6	+2.3

* 2025 YTD is data for year to date from 01 January 2025 to 28 February 2025

Cumulative performance (%)

Total return from inception to 28/02/2025.

	3 Months	1 Year	3 Years	5 Years	Inception to date*
Model	+1.5	+9.5	+13.8	+31.3	+236.9
CPI	+0.2	+2.3	+16.9	+24.7	+77.2
ARC Sterling Steady Growth PCI	+0.8	+8.4	+12.8	+29.4	+223.2

*Inception to date. Inception is 31/07/2004.

Risk & return since inception (%)

	Model	CPI	ARC Sterling Steady Growth PCI
Annualised volatility	+8.5	+1.4	+8.2
Maximum historic loss	-23.6	-1.4	-24.1
Sharpe ratio	+0.7		+0.7

Source: Canaccord Genuity Wealth Management (CGWM) Interactive Data as at 28/02/2025.
ARC data is confirmed until 31 December 2024. Data for January and February 2025 is based on estimates from ARC and is subject to change.
CPI (Consumer Price Index) from the Office for National Statistics. Crown Copyright material is reproduced with the permission of the Office of Public Sector Information (OPSI). Reproduced under the terms of the Click-Use License.

Risk Profile 5 Portfolio suggested asset allocation (%)

	Model
Fixed Interest	33.0
Emerging Equity	3.5
European Equity	3.1
Asia Equity	1.5
Japan Equity	2.4
North American Equity	19.5
Thematic Equity	3.4
UK Equity	20.1
International Equity	6.0
Alternatives	4.9
Cash	2.6

Top 10 holdings (%)

HSBC American Index Fund	**9.1**
L&G US Index Trust	**8.5**
Fidelity Index UK Fund	**8.3**
L&G UK Index Trust	**7.7**
L&G Sterling Corporate Bond Index Fund	**7.0**
iShares II PLC USD Treasury Bond 7-10Yr	**4.1**
L&G Global Emerging Markets Index Fund	**3.5**
L&G European Index Trust	**3.1**
TwentyFour Core Corporate Bond Fund	**3.1**
Invesco Corporate Bond Fund	**3.0**

Top ten holdings excluding cash

Source: CGWM

Portfolio Manager commentary

Economic data has been noisy in recent years which has made it difficult to decipher. This has led to instances of market mispricing and short-term volatility, particularly in treasuries. In recent weeks data has consistently surprised to the downside in the US, which has led to a rapid decline in bond yields. At the end of February, the US 10-year yield fell to 4.21%, its lowest this year, down from 4.80% in mid-January. It is difficult to judge whether this data is more noise, or the start of a sustained downward trend. Markets will remain sensitive to economic surprises until further evidence is available as well as reacting to the unusually high degree of policy uncertainty coming from the White House.

The US equity market declined 1.6% in February with particular weakness at the top-end of the market (in terms of size and valuation). Technology and technology related stocks underperformed while the broader market performance was more positive, in fact seven of eleven sectors rose over the month. This broadening out of market leadership has been a defining characteristic year-to-date and is supported by easing financial conditions (falling interest rates).

In 1767, Scottish enlightenment thinker Adam Ferguson warned of the dangers of excessive national debt. Historian Niall Ferguson recently repurposed this idea into 'Ferguson's Law,' stating that any great power spending more on debt servicing than defence risks structural decline. This law can be applied throughout history, and last year the US broke Ferguson's law for the first time since 1934. Without a colossal decline in government spending and simultaneous fall in borrowing costs this fiscal predicament will only worsen in years to come.

Trump's approach of wielding economic policy as a strategic tool, referred to as the 'Mar-a-Lago Accord', involves aggressive tariffs. Trump's focus on burden-sharing, linking trade policy with national security, suggests an effort to shift costs onto allies while weakening the US dollar, pursuing a smaller government and ultimately escaping Ferguson's Law - all while maintaining US dominance. For Europe, this means boosting defence spending and navigating trade barriers while managing their own fiscal impasses.

Most European countries are in violation of Ferguson's Law (fiscally prudent Germany is an exception) but with pressure from the US and their potential withdrawal of support for Ukraine the European Union is set to increase defence spending drastically. This includes a close to one trillion Euro fiscal plan from the new German government. Expectations for higher government debt issuance to fund military expansion have put upward pressure on European bond yields and bond vigilantes remain a threat particularly to overburdened states.

Similarly, following Prime Minister Starmer's trip to the White House, the UK announced the largest defence budget increase since the Cold War, although the actual rise from 2.3% to 2.5% of GDP over the next two years remains modest. The UK's constrained fiscal position, combined with sticky inflation and stagnant growth, makes further increases in defence spending unlikely without substantial tax hikes or spending cuts elsewhere.

On rare occasions one can feel the geopolitical landscape shift under your feet - this was certainly the case in February with considerable structural implications for financial markets.

Towards the end of the month, we added some US equities on the back of their relative weakness. This was expressed through a cost-efficient passive fund. We remain positioned for a broadening out of market leadership outside of large cap US and technology related stocks.

Glossary

 # Ongoing charges figure: includes costs levied by third party fund managers for the external collective investment schemes we include in the investment portfolio. This figure includes:- Administration costs such as fund expenses and Synthetic costs which are charges levied by the underlying fund managers such as the managers annual management fees.

Annualised volatility: risk is measured by the variability of performance. The higher the standard deviation, the greater the variability (and therefore the risk) of the Fund or the index.

Maximum historic loss: is the maximum loss from peak to trough in an investment's history. The figures are indicative and will depend on circumstance.

Sharpe ratio: measures the risk/return trade-off. It is the annualised return less the average risk-free rate, divided by the annualised volatility of the model.

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