



Model Portfolio Service

October 2023

Asset allocation



Fixed interest	27%
UK equity	10%
Overseas equity	43%
Absolute return	13%
Infrastructure	0%
Cash	7%

Top 10 holdings

Ruffer Diversified Return	7.1%
Threadneedle UK Equity Income	5.0%
Blackrock ICS Sterling Liquidity	4.7%
Vanguard Global Short Term Bond Index	4.5%
L&G Global Equity Index	4.5%
Fidelity Global Dividend	4.5%
Evenlode Global Income	4.3%
L&G Global Inflation Linked Bond Index	4.1%
Lazard Global Equity Franchise	4.0%
Troy Trojan	3.8%

Portfolio information

Launch date	12 Nov 2009
Min cash holding	2%
Annual management charge	0.15%
OCF	0.51%

There will be an additional 0.25%pa charge (no VAT) if LGT Wealth Management are asked to act as custodian and a third party platform is not used.

Model description

The primary objective of this portfolio is to achieve capital growth in excess of inflation. The portfolio is diversified across a range of asset classes, with a medium allocation to funds investing in equities (expected to be no greater than 75%) and other risk assets. Target Volatility: 5%-9%

MPS market update

The US stock market had its worst month of the year, with a September selloff erasing some of the gains from the prior seven months. Concerns have arisen that the Federal Reserve (Fed) will maintain high interest rates despite some economic weakness. The Fed's policymakers left the benchmark interest rate unchanged in September, signalling a "higher for longer" strategy to combat inflation while the economy remains strong and investors are adjusting to this outlook.

Despite uncertainty, fixed income assets have become more attractive due to rising Treasury yields, potentially luring investors away from stocks. There is also optimism for the market, especially in sectors like communication services, consumer discretionary, technology and industrials – more will be revealed as Q3 earnings begin.

During periods of market decline and prevailing apprehension, it may prove challenging to resist the urge to liquidate investments, hoping to reinvest when market sentiment becomes more favourable – an attempt to 'time the market'. However, this approach comes with the risk of potentially forgoing some of the most prosperous days of market growth, which could significantly undermine long-term investment returns. Maintaining a long-term outlook is imperative during short-term uncertainty.

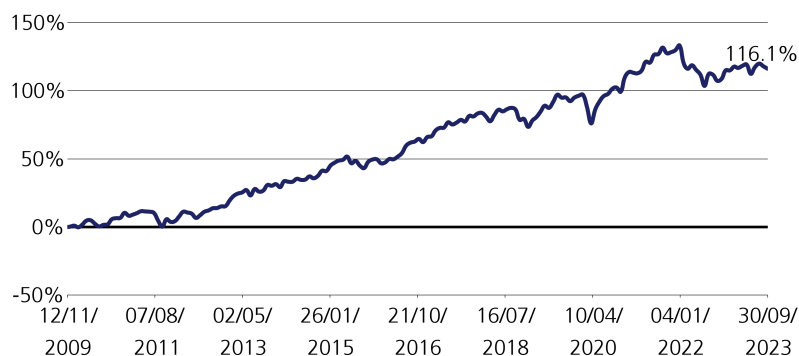
Performance and volatility

12 month rolling performance

30/09/2022 - 30/09/2023	30/09/2021 - 30/09/2022	30/09/2020 - 30/09/2021	30/09/2019 - 30/09/2020	30/09/2018 - 30/09/2019	Cumulative return since inception
4.23%	-10.33%	12.44%	3.77%	4.80%	116.14%

1 month	3 month	6 month	1 year	3 year	5 year
-0.82%	-0.60%	-1.04%	4.23%	5.09%	14.29%

Performance since inception



Source: Morningstar

	Target	Realised (Since Inception)
Volatility	5 to 9%	7.21%
Return	5.2 to 7.5%	5.71%
Potential drawdown	-13.5%	-12.72%

	3 years	5 years
Realised volatility	7.69%	8.44%

Assumed yield	2.40%
Dividend	66%
Savings	34%

Where targets are given, these are for indication purposes only; the actual figures achieved could be more or less than the ranges given. Source: Morningstar. Net of underlying fund costs, gross of all other charges. *Source: Figaro. Fixed income considered saving income, all other asset classes (bar cash) considered dividend income.

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The performance of actual portfolios linked to this Model Portfolio may differ from the performance of the Model Portfolio shown herein due to certain funds contained in the Model Portfolios not being made available for investment into actual portfolios by some investment platforms, the variation in timing of the initial investment or rebalancing differences resulting from minimum transaction size limits on the investment platform.

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