Alpha Beta Balanced Income Portfolio

Data as at 31 May 2024

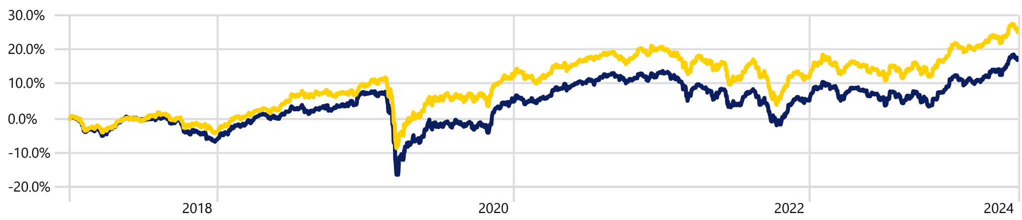
Investment Objectives

The Portfolio's investment objective is to achieve a combination of moderate income yield and capital appreciation by deploying a globally focused multi asset strategy.

The portfolio gains this exposure through collective investment schemes and ETFs where required.

Investment Growth

Time Period: 01/01/2018 to 31/05/2024



Alpha Beta Balanced Income	25.5%
Balanced Income Composite Benchmark	17.5%

Snapshot

Base Currency	Pound Sterling
12 Month Yield	4.55%
Ongoing Charge	0.60%
Management Fee (VAT where applicable)	0.25%
Portfolio Cost	0.85%

Calendar Year Returns

Data Point: Return

	3 Month	6 Month	1 Year	3 Years	5 Years	Since Inception [01-01-2018]
Alpha Beta Balanced Income	3.93	7.27	10.52	8.67	22.44	25.49
Balanced Income Composite Benchmark	5.91	8.72	10.23	7.08	17.35	17.46

The Balanced Income composite benchmark became effective from 1 September 2023. Prior to this date the Bank of England base rate was used as the comparable benchmark.

Benchmark

Benchmark	Balanced Income Composite Benchmark

50% IA Global Corporate Bond and 50% IA UK Equity Income

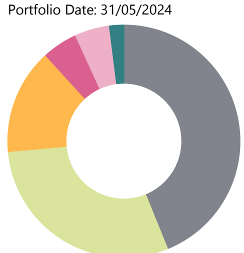
Risk

Time Period: 01/06/2023 to 31/05/2024

	Sharpe Ratio	Std Dev
Alpha Beta Balanced Income	0.62	6.47
Balanced Income Composite Benchmark	0.57	7.32

Asset Allocation

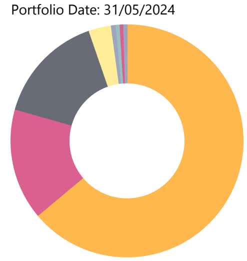
Portfolio Date: 31/05/2024



	%
Sterling Fixed Income	43.87
UK Equity Large Cap	29.70
Global Equity Large Cap	14.67
Infrastructure Sector Equity	4.94
Emerging Markets Fixed Income	4.83
Unclassified	1.99

Equity Regional Exposure

Portfolio Date: 31/05/2024



	%
United Kingdom	63.9
Europe developed	15.5
North America	15.3
Asia developed	3.1
Japan	0.6
Asia emerging	0.6
Australasia	0.5
Other	0.4

Top 10 Holdings

Portfolio Date: 31/05/2024

	Portfolio Weighting %
Fidelity Global Enhanced Income W Inc	7.39%
BNY Mellon Global Income Inst W Inc	7.28%
CT UK Equity Income Z Inc GBP	6.11%
Royal London UK Equity Income M	5.94%
Artemis Income I Inc	5.91%
Vanguard FTSE 100 Idx Unit Tr £ Inc	5.89%
HSBC UK Gilt Index C Inc	5.80%
Invesco High Yield UK Z Inc	4.96%
M&G Global Listed Infras GBP I Acc	4.94%
Schroder High Yield Opportunities Z Inc	4.89%
	59.12%

The aggregate total may not add up to the sum shown due to Morningstar roundings.

Manager's Commentary

May was a more favourable month for risk assets compared to April, with industrial commodities and mainstream equities performing well despite higher valuations and geopolitical concerns.

The U.S. economic backdrop remained robust, with the Federal Reserve holding interest rates steady and Consumer Prices Inflation lower than expected at 3.4%. Treasury yields stayed above 4%, but liquidity improved as the Treasury issued more bills. The Fed's Quantitative Tightening will reduce to $25 billion per month starting from June, supporting liquidity for 2024. Growth-oriented stocks, particularly in technology, performed well, with Nvidia's rapid growth making it larger than the entire German stock market.

While market positivity prevails, risks persist. When debt levels become uncomfortable for markets, government bond yields rise to compensate for higher capital repayment risks, effectively increasing interest rates. This impacts collateral such as real estate and other asset classes used for liability matching, posing challenges for banks, as seen with Silicon Valley Bank last year. The UK experienced similar issues under Mrs. Truss, with volatile Gilt yields until the Bank of England intervened.

Europe's economic activity rebounded, particularly in Germany, with GDP growth and the Eurozone Purchasing Managers Index improving. Despite German inflation rising slightly to 2.4%, as expected ECB President Christine Lagarde announced an interest rate cut in June meeting, before the Federal Reserve. In the UK, equities surged from a low base, while the Bank of England hinted at future rate cuts despite holding steady. UK inflation dipped to 2.3%, lower than the US and Eurozone. Gilt yields rose post the July 4th General Election announcement, anticipating a potential Labour government.

In Japan, economic growth persisted, aided by a weaker Yen and revised Bank of Japan policies, with MOF interventions to stabilize currency. Japanese inflation climbed to 2.6%, accompanied by higher wage settlements. Industrial metals, notably copper and silver, saw robust performance in May, alongside revaluations in gold, lithium, and uranium, amidst global reflation and rising demand.

Geopolitical tensions persisted, with conflicts in Ukraine and Gaza, and escalated military activity between Taiwan and China, influencing market movements as the US election drew closer.

Portfolio changes included profit-taking in Japan and Europe, shorter duration in fixed income, and trimming emerging markets for a focus on US holdings. Overall, we are good shape year-to-date with performance and risk aligned and valuations moving steadily higher in a controlled manner.

Investment Team

Investment Manager	Asim Javed, CFA

Please contact :
Andrew Thompson or Geoff Brooks on 020 8152 5120
Northgate House, Upper Borough Walls, Bath BA11RG