**AB Global Macro Portfolio**

Data as at 31 January 2025

## Investment Objectives

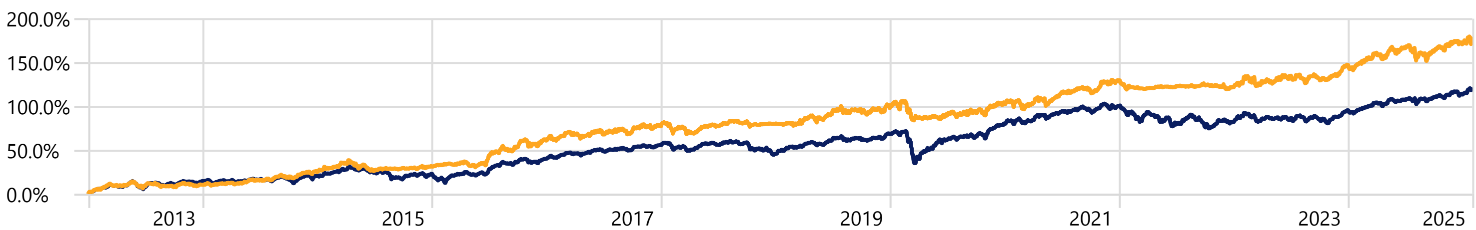
The portfolio aims to deliver medium-to-long-term capital growth from a global multi asset portfolio. The portfolio weightings are unconstrained. Where the market risk is high the portfolio has the ability to shift to cash or short dated fixed income to protect gains from untimely falls. Alternatively, where market risk is low, exposure to certain asset classes can be cut, potentially to zero, to reduce downside risk over time.

## Key Facts

| | |
|---|---|
| Launch Date | 12 January 2024 |
| Base Currency | Pound Sterling |
| Comparator Benchmark | IA Flexible Investment |
| Model Portfolio Service Charge (No VAT Charged) | 0.50% |
| Underlying Fund Costs | 0.24% |
| Total Portfolio Cost | 0.74% |

## Investment Growth

Time Period: 02/01/2013 to 31/01/2025




| | |
|---|---|
| AB Global Macro Portfolio | 177.7% |
| IA Flexible Investment | 121.0% |

### Performance Summary

| As at 31 January 2025 | 3 Month | 6 Month | 1 Year | 3 Year | 5 Year | Since Inception | YTD | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| AB Global Macro Portfolio | 5.08 | 4.11 | 12.26 | 24.35 | 41.33 | 177.71 | 2.32 | 9.73 | 11.50 | -2.85 | 12.81 |
| IA Flexible Investment | 5.15 | 6.00 | 13.02 | 15.73 | 31.92 | 120.97 | 3.52 | 9.16 | 7.31 | -9.13 | 11.38 |

**Performance data should be reviewed alongside the important risk information on page 2.**

The portfolio launched on 12/01/2024. Performance data prior to this date is for illustration purposes only and shows back tested data.

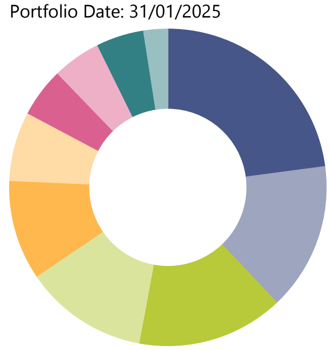
## Top 10 Holdings

Portfolio Date: 31/01/2025

| | Portfolio Weighting % |
|---|---|
| iShares Core S&P 500 ETF USD Acc | 15.06% |
| iShares $ Treasury Bd 1-3yr ETF GBP HAcc | 15.04% |
| SPDR S&P US Technology Select Sect ETF | 14.98% |
| SPDR MSCI Emerging Markets ETF | 12.60% |
| Invesco EQQQ NASDAQ-100 ETF (GBP Hdg) | 10.16% |
| ARK Innovation ETF A USD Acc | 7.84% |
| iShares S&P 500 Energy Sect ETF USD Acc | 7.07% |
| L&G Cash Trust I Acc | 5.01% |
| Invesco Materials S&P US Select Sec ETF | 4.93% |
| iShares S&P 500 Utilts Sect ETF USD Acc | 4.85% |

## Asset Allocation

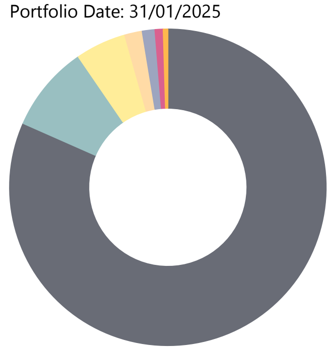
Portfolio Date: 31/01/2025



| | % |
|---|---|
| US Equity Large Cap Blend | 22.91 |
| US Fixed Income | 15.04 |
| Technology Sector Equity | 14.98 |
| Global Emerging Markets Equity | 12.60 |
| US Equity Large Cap Growth | 10.16 |
| Energy Sector Equity | 7.07 |
| Sterling Money Market | 5.01 |
| Industrials Sector Equity | 4.93 |
| Utilities Sector Equity | 4.85 |
| Commodities Specified | 2.45 |

## Equity Regional Exposure

Portfolio Date: 31/01/2025



| | % |
|---|---|
| North America | 81.62 |
| Asia Emerging | 8.81 |
| Asia Developed | 5.18 |
| Africa/Middle East | 1.80 |
| Latin America | 1.30 |
| Europe Developed | 0.83 |
| Europe Emerging | 0.36 |
| United Kingdom | 0.10 |

Source: Morningstar Direct

alpha beta

Data as at 31 January 2025

## Manager Commentary

The year began with heightened equity market volatility, coinciding with Donald Trump's presidency. Despite this, the outlook remains business and market-friendly, with expected fluctuations keeping investors alert. The US economy shows robust health, with real GDP growth at 3.2%, strong jobs data, and a rebound in manufacturing, prompting the Federal Reserve to maintain interest rates.

We expect the Trump 2.0 presidency to be more structured than his unpredictable first term. As Machiavelli noted, it's better for a leader to be feared than loved. Trump's *The Art of the Deal* reflects his enduring approach, with U.S. hegemony likely his top priority. A $500 billion private investment in AI, through Project Stargate, aims to bolster America's technological edge, though China's DeepSeek launch briefly unsettled markets. Tariffs may spur inflation or prevent deflation, with early moves against Canada, Mexico, and China hinting at slower growth and potential inflationary pressures. Core PCE held at 2.8% in December, keeping the Fed on hold. The dollar fluctuated in January but strengthened as tariffs were imposed, with the Dollar Index nearing 110. A weaker dollar could aid global markets, but tariffs currently correlate with dollar strength. Meanwhile, the U.S. faces $10 trillion in debt refinancing by 2025, with Treasury strategies yet to be clarified, impacting bond markets. The 10-year Treasury yield ended January at 4.56%.

In Europe, economic performance remains weak, with Germany and France struggling while Spain leads. A Ukraine settlement could bring a peace dividend, boosting markets. German inflation fell to 2.3%, suggesting overdue rate cuts. While economic growth and stock performance diverge, cautious optimism prevails. The UK's fiscal position remains strained, with December borrowing hitting £17.8 billion — the highest in four years — and the annual deficit reaching £129.9 billion, surpassing OBR forecasts. Chancellor Rachel Reeves defends her tax policies as growth-focused, signalling readiness for new measures if needed. Trade optimism grows as the UK seeks US carve-outs, while fiscal and macroeconomic challenges weigh on equities. Despite strong retailer updates, FTSE 100 earnings growth is projected at 6% for 2025, trailing Europe's 8%. Gilt yields peaked before retreating on softer data.

China grapples with debt, a shrinking population, and export reliance, facing tariff hurdles amid a $2 trillion US surplus. Exports to Asian markets are rising, while equities stagnate, interest rates fall to 3.1%, and the Yuan weakens. China's AI advancements, like DeepSeek, mark its global tech ambitions. Japan's BOJ may cautiously raise rates, balancing inflation control with export challenges amid a 264% debt/GDP ratio. Commodity prices are firm, with gold hitting record highs and copper signalling growth. Oil remains steady despite Trump's "drill baby drill" push, while natural gas demand rises, driven by Asia and tight supply.

We've maintained a modest cash weighting, awaiting clarity on U.S. debt policy. Tariffs may slow growth and drive short-term inflation, but GDP remains strong. With volatility returning, our portfolio performance remains solid and aligned with expectations.

## Platform Availability

Fundment

Quilter

## Important Information



Financial advisers can find further information at www.alphabetapartners.co.uk go to their financial adviser with any queries or information requests. or via telephone at 020 8152 5120. We ask clients to please go to their financial adviser with any queries or information requests

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Source: Morningstar Direct