Alpha Beta PARTNERS

defaqto DFM MPS on Platform 2024 EXPERT RATED

defaqto DFM MPS (Platform) Family 2024 EXPERT RATED

AB Core Plus Balanced Growth

Data as at 31 December 2024

Investment Objectives

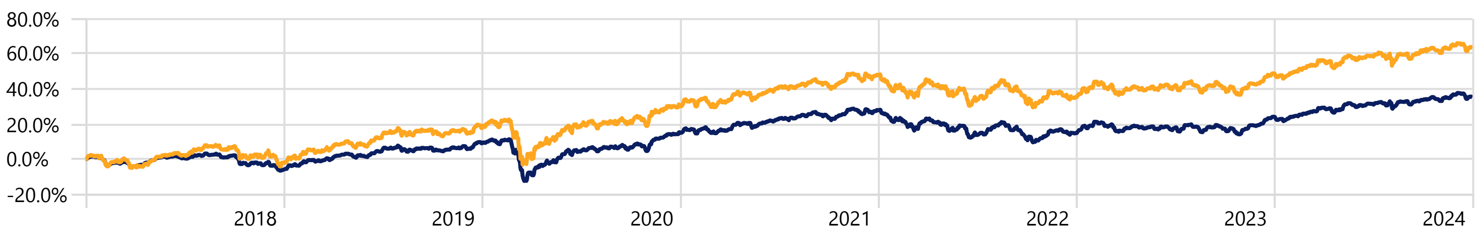
The portfolio aims to provide capital growth over the medium to long term, keeping within the prescribed volatility limits whilst investing in low cost ETFs or Index funds for the core and active funds for the satellite positions.

Key Facts

Launch Date	01 January 2018
Base Currency	Pound Sterling
Comparator Benchmark	IA Mixed Investment 40-85%
Model Portfolio Service Charge (No VAT Charged)	0.25%
Underlying Fund Costs	0.36%
Total Portfolio Cost	0.61%

Investment Growth

Time Period: 01/01/2018 to 31/12/2024



AB Core Plus Balanced Growth	62.9%
IA Mixed Investment 40-85% Shares	35.1%

Performance Summary

As at 31 December 2024	3 Month	6 Month	1 Year	3 Year	5 Year	Since Inception	YTD	2024	2023	2022	2021
AB Core Plus Balanced Growth	1.16	2.59	9.49	10.24	38.57	62.94	9.49	9.49	10.00	-8.47	13.63
IA Mixed Investment 40-85% Shares	1.16	2.80	8.88	5.72	24.05	35.09	8.88	8.88	8.10	-10.18	11.22

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

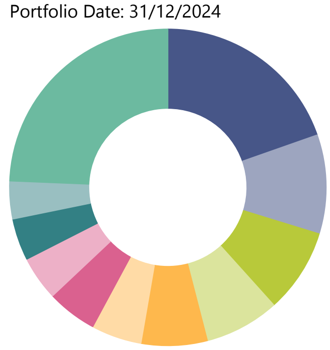
Top 10 Holdings

Portfolio Date: 31/12/2024

	Portfolio Weighting %
iShares North American Eq Idx (UK) D Acc	9.85%
Fidelity Index US P GBP Acc H	9.78%
Vanguard FTSE Dev €pe ex-UK Eq Idx £ Acc	7.60%
Vanguard U.S. Govt Bd Idx £ H Acc	5.11%
Man High Yield Opports Profl Acc C	4.49%
Vanguard Em Mkts Stk Idx £ Acc	4.32%
L&G Cash Trust I Acc	4.28%
Janus Henderson Glb Tech Leaders I Acc	4.11%
Royal London Short Duration Gilts M Inc	4.02%
Vanguard Jpn Stk Idx £ Acc	3.68%

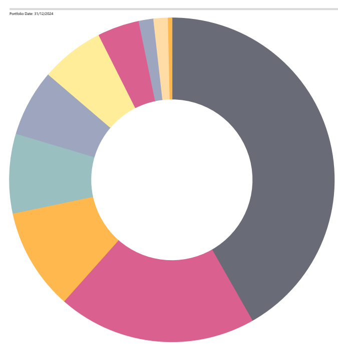
Asset Allocation

Portfolio Date: 31/12/2024



	%
US Equity Large Cap Blend	19.63
Sterling Fixed Income	10.12
Europe Equity Large Cap	8.59
Global Emerging Markets Equity	7.65
Global Fixed Income	6.74
Technology Sector Equity	5.15
US Fixed Income	5.11
UK Equity Large Cap	4.52
Sterling Money Market	4.28
Energy Sector Equity	3.86
Other	24.35

Equity Regional Exposure



	%
North America	41.78
Europe Developed	19.78
United Kingdom	10.14
Asia Emerging	7.93
Japan	6.65
Asia Developed	6.32
Australasia	4.16
Latin America	1.46
Africa/Middle East	1.43
Europe Emerging	0.35

Source: Morningstar Direct

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Data as at 31 December 2024

Manager Commentary

December brought record inflows into US equities, but Treasury yields climbed, and China's economic struggles worsened. Federal Reserve Chairman Jerome Powell's hawkish comments unsettled markets, cutting short the anticipated Santa rally.

While Wall Street leads global equities, China's bond market remains critical due to its manufacturing dominance. Chinese 10-year bond yields fell to 1.78% in 2024, reflecting debt deflation rather than rate-cut expectations. China's colossal debt, deflationary pressures, and aging population exacerbate challenges, compounded by tariffs and a strong US dollar. Further Yuan devaluation, stimulus, and potential US-China negotiations under President-elect Trump are likely.

US equities had a stellar 2024, with indices rising over 20%, though gains were concentrated in fewer companies. Valuations now rely on double-digit earnings growth supported by lower interest rates, tax cuts, and onshoring policies. However, $7 trillion in US debt refinancing in 2025 will require substantial liquidity from banks and the Federal Reserve. Meanwhile, physical and digital gold thrived on currency debasement, though a strong US dollar continues to strain global dollar-denominated debt.

The Fed's December rate cut to 4.25-4.5% was overshadowed by Powell's hawkish tone, dampening the year-end rally. Scott Bessent's appointment as Treasury Secretary may signal a shift toward longer-term funding strategies. The impending US debt ceiling debate adds further uncertainty.

In Europe, recession risks loom as energy costs rise, German manufacturing falters, and Russian gas supplies face disruption. The ECB has cut rates ahead of the Fed to support struggling Eurozone economies, but geopolitical energy concerns persist. Inflation nudged higher due to energy costs, while wages fell. We anticipate QE-like stimulus from the ECB in 2025 to counter these pressures.

In the UK, inflation has prompted the Bank of England to hold rates steady, straining an economy in need of lower borrowing costs. Growth forecasts have been downgraded, and Labour's taxation plans offer little encouragement. Meanwhile, 10-year Gilt yields rose to 4.6%, reflecting debt woes. Despite challenges, UK equities present value opportunities for patient investors, with dividend stocks remaining attractive for income portfolios.

In Japan, the Bank of Japan faces a trilemma: rising imported inflation (USD/JPY at 158), reluctance to raise rates, and a debt/GDP ratio of 264%. Rate hikes could worsen fiscal deficits, while Chinese devaluation may pressure Japanese manufacturers.

The tech sector and emerging markets delivered positive returns for the month, while healthcare, sustainable funds,mid-cap and long-duration bond funds recorded negative performance.

Globally, the US remains robust, while other markets struggle. The strong US dollar hampers global debt and trade, benefiting few. As 2025 unfolds, we recommend balancing optimism with caution. Maintaining exposure while staying vigilant for volatility will be key. As stated before, enjoying the market's gains while staying near the exit will be a prudent strategy in the months ahead.

Platform Availability

abrdn AEGON AJBell AVIVA Fundment FundsNetwork M&G wealth novia global nucleus Parmenion Quilter SCOTTISH WIDOWS transact take control wealthtime

Important Information

Financial advisers can find further information at www.alphabetapartners.co.uk 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