Alpha Beta PARTNERS

AB Global Macro Portfolio

Data as at 31 December 2024

Investment Objectives

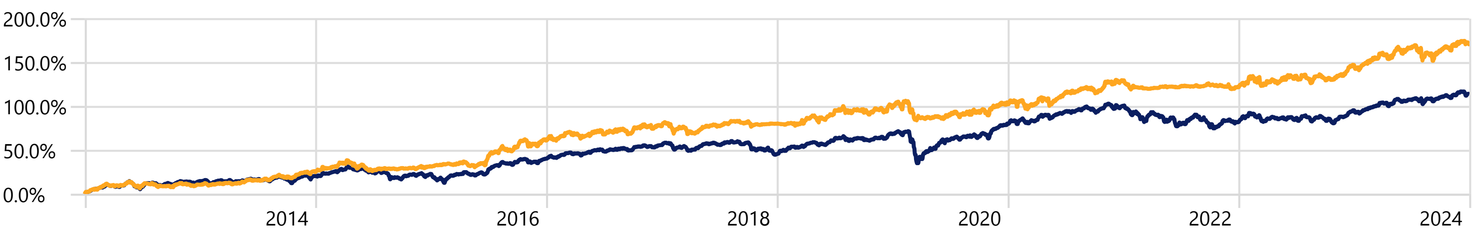
The portfolio aims to deliver medium-to-long-term capital growth from a global multi asset portfolio. The portfolio weightings are unconstrained. Where the market risk is high the portfolio has the ability to shift to cash or short dated fixed income to protect gains from untimely falls. Alternatively, 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	0.18%
Total Portfolio Cost	0.68%

Investment Growth

Time Period: 02/01/2013 to 31/12/2024



AB Global Macro Portfolio 171.4%

IA Flexible Investment 113.4%

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 Global Macro Portfolio	3.45	1.49	9.73	18.86	37.00	171.41	9.73	9.73	11.50	-2.85	12.81
IA Flexible Investment	1.67	2.76	9.16	6.45	26.87	113.45	9.16	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.

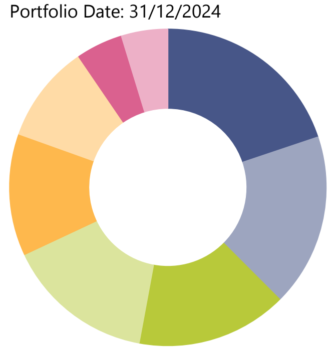
Top 10 Holdings

Portfolio Date: 31/12/2024

	Portfolio Weighting %
L&G Cash Trust I Acc	17.67%
SPDR® S&P US Technology Select Sect ETF	15.40%
iShares $ Treasury Bd 1-3yr ETF GBP HAcc	15.12%
iShares Core S&P 500 ETF USD Acc	15.05%
SPDR® MSCI Emerging Markets ETF	12.44%
Invesco EQQQ NASDAQ-100 ETF (GBP Hdg)	10.01%
ARK Innovation ETF A USD Acc	4.79%
iShares S&P 500 Energy Sect ETF USD Acc	4.79%
Invesco Materials S&P US Select Sec ETF	4.74%
iShares $ Treasury Bd 20+y ETF GBP H Acc	0.00%

Asset Allocation

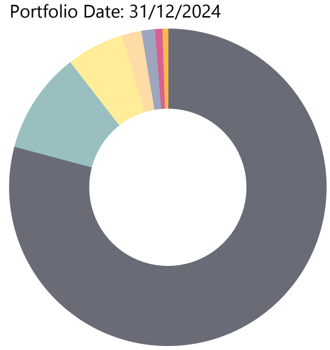
Portfolio Date: 31/12/2024



	%
US Equity Large Cap Blend	19.84
Sterling Money Market	17.67
Technology Sector Equity	15.40
US Fixed Income	15.12
Global Emerging Markets Equity	12.44
US Equity Large Cap Growth	10.01
Energy Sector Equity	4.79
Industrials Sector Equity	4.74
Europe Equity Large Cap	0.00
Commodities Specified	0.00

Equity Regional Exposure

Portfolio Date: 31/12/2024



	%
North America	79.16
Asia Emerging	10.35
Asia Developed	5.85
Africa/Middle East	2.02
Latin America	1.38
Europe Developed	0.74
Europe Emerging	0.39
United Kingdom	0.11

Source: Morningstar Direct

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.

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

Fundment

Important Information

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